

IMPLEMENTING NEW INTERNATIONAL STATISTICAL STANDARDS IN ABS INTERNATIONAL ACCOUNTS STATISTICS

Information Paper

**W. McLennan
Australian Statistician**

ABS Catalogue No. 5364.0

© Commonwealth of Australia 1997

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without the written permission from the Australian Government Publishing Service. Requests or inquiries concerning reproduction should be addressed to the Manager, Commonwealth Information Services, Australian Government Publishing Service, GPO BOX 84, Canberra ACT 2601.

Produced by the Australian Bureau of Statistics

INQUIRIES

- For information about other ABS statistics and services, please refer to the back of this publication.
- For further information about this information paper, contact Bob McColl on Canberra (02) 6252 6688.

CONTENTS

	Page
List of abbreviations	iv
Preface	v
Summary of changes	1
New information introduced under BPM5	1
New presentations of information to be introduced	1
Existing information to be continued but not required under BPM5	2
Existing information not required under BPM5 and to be discontinued	3
Combining BOP and IIP publications	3
Other possible changes	4
Timetable for release of BPM5 statistics	4
Impact of BPM5 on main aggregates	4
Introduction	5
Revised international statistical standards	5
Australia's response to the revised standards	6
Implementation strategy	6
User consultation and servicing	8
BPM5 implementation decisions	9
Impact on the structure and content of the BOP accounts	10
Current account	11
Capital and financial account	19
Impact on the structure and content of the IIP	26
Impacts of changes to major aggregates	28
Contacts for further information	29
Appendixes	
1 Selected Draft 5302.0 Tables — ABS Proposal for BPM5 Implementation	30
2 Selected Draft 5368.0 Tables — ABS Proposal for BPM5 Implementation	59
3 Example of totalling conventions in future BOP and IIP tables	65
4 Reconciliation between BPM5-based Balance of Payments accounts and the overseas transactions account in Australia's national account	66

LIST OF ABBREVIATIONS

ABS	Australian Bureau of Statistics
BOP	Balance of payments
BPM5	Balance of Payments Manual, Fifth Edition, 1993, International Monetary Fund
CBAs	Central Borrowing Authorities of State Government
FISIM	Financial intermediation service indirectly measured
IIP	International investment position
IMF	International Monetary Fund
n.e.c.	not elsewhere classified
n.e.s.	not elsewhere specified
n.i.e.	not included elsewhere
OECD	Organisation for Economic Cooperation and Development
SNA93	System of National Accounts, 1993, Commission of European Communities, International Monetary Fund, Organisation for Economic Cooperation and Development, United Nations, World Bank

PREFACE

This information paper provides a brief description of revisions to international standards for international accounts statistics, and addresses both the reasons for the revisions and the benefits to Australia from adopting them. The Australian Bureau of Statistics (ABS) proposes to implement the standards in ABS international accounts statistics, as fully as can be managed, from September quarter 1997.

In developing the implementation plan for the new standards, the ABS undertook wide user consultation so that the priority needs of most users could be met in the development of a new presentation for Australia's international accounts statistics. The culmination of that consultation process is provided in this paper, with both textual and tabular presentations of the changes required to meet the new standards, a summary of the decisions made regarding implementation, advice on the changing nature and detail of the series to be available in future, and presentations of the way the data will be compiled and published in future.

The paper also notes the steps the ABS will take to keep users informed of the impact of the impending changes to estimation methodologies and data presentations under the new standards. Specifically, another Information Paper will be published in November 1997 which contains data on the basis of the revised international standards. This includes historical data up to June quarter 1997 and September month 1997.

W. McLennan
Australian Statistician

SUMMARY OF CHANGES

Australia's current presentations of balance of payments (BOP) and international investment position (IIP) statistics are mainly tailored to meet domestic user requirements that have evolved over many years. They differ quite significantly from new international standards issued in 1993. Wide ranging changes are therefore required to achieve the initial implementation of the new standards described in this paper. However, some aspects of current presentations are high priorities for users and will be maintained.

The following paragraphs summarise: the new information to be introduced with the ABS implementation, from the September quarter 1997, of the recommendations contained in the Fifth Edition of the International Monetary Fund's *Balance of Payments Manual* (BPM5); new views of the data not required for BPM5 implementation but required for conformity with the implementation, from the September quarter 1998 national accounts of the *System of National Accounts 1993* (SNA93); information that will be maintained to meet high priority user requirements even though not called for in the standards; and data that will be discontinued once BPM5 is implemented.

New information introduced under BPM5

In summary, the new information recommended by the new standards, and to be included in ABS publications or otherwise released, includes:

- a new structure and classification of the accounts, particularly for the capital and financial accounts;
- more detailed financial instrument classifications;
- more detailed sectoring throughout much of the financial account;
- an increased range of international services transactions;
- an increased range of quarterly country data;
- the maturity dissection, based on original contractual maturity, for much of the other investment category in the financial account;
- the introduction of fully gross statements of Australia's foreign financial assets and liabilities, and the presentation of gross components of net investment income earned on direct investment; and
- the inclusion and separate identification of financial derivatives transactions, which is expected to improve the coverage of financial accounts measures.

New presentations of information to be introduced

Tables providing a view, by instrument and by detailed sector and subsector, of international financial transactions and investment positions will not be published in Catalogue no. 5302.0 but will be available on request. This view of the data is not required for BPM5 purposes but will be presented consistently with the view to be shown in the rest-of-the-world tables in *Australian National Accounts: Financial Accounts* (Catalogue no. 5232.0) once SNA93 is implemented. Presenting

the data on a consistent basis in both the national and international accounts will assist users in understanding the linkages in the data sets and applying them to their analyses.

Another change not required for BPM5 purposes, but which is required for SNA93 purposes, is the gross recording of income flows on direct investment income. Currently the income earned by Australian direct investors on their investment in direct investment enterprises abroad is recorded net of any investment income payable to those direct investment enterprises. This net recording is also applied to income payable on direct investment in Australia. With the implementation of BPM5, the ABS will be following the BPM5 recommendation for netting these income flows, but will be adopting a presentation which shows separately the gross income components (see tables 1 and 21 in Appendix 1).

A minor presentation change, not required by BPM5 but which will be implemented concurrently in international accounts statistics publications, involves the presentation of totals and balances against the description line that precedes the detailed information. This presentation allows readers to work down from the broad to the detailed view of the information and is in accord with the presentation of Australia's international accounts data by international agencies. See Appendix 3 for an example of the totalling conventions to be used in future.

Existing information to be continued but not required under BPM5

Information that is not required under BPM5 but that the ABS intends to publish or otherwise release includes:

- a net debt presentation in the IIP statistics. BPM5 recognises only gross debt (which covers all liabilities other than corporate equity and insurance reserves). The ABS presentation of net debt statistics requires the development and maintenance of an Australia-specific concept of debt assets;
- aggregates for the financial transactions, investment positions and income of the public and private sectors;
- financial transactions and investment position statistics compiled by industry;
- gross debt levels (assets and liabilities) with dissections by currency and the residual maturity of the debt contracts;
- the separate identification of the gross debt of the Commonwealth and State levels of government; and
- the identification of the market in which debt is domiciled.

There may be additional information, developed or maintained through the ABS collection and compilation processes, that is not required to be published as BPM5 components but that may be made available in special data services and annual publications.

Existing information not required under BPM5 and to be discontinued

Several of the changed concepts and definitions to be introduced with BPM5 implementation will mean that some data will no longer be available on a basis comparable with existing series. For example, implementing the revised definition of direct investment, or the concept of accrued income, will mean that existing series will cease to be compiled other than for the purposes of short term statistical bridging. However, in most cases the implementation of BPM5 classifications will result in more detailed data collection and compilation that will continue to support existing series either in publications or other ABS data services.

One area where the ABS will reduce the amount of detail collected and compiled is in regard to both the currency and residual maturity classifications. The currency and residual maturity classifications will continue to be collected for the stock of financial assets and liabilities. These data will also be cross-classified for the first time. However, the ABS will not continue to collect these classifications for financial transactions. The contractual maturity structure embodied in a number of BPM5 standard components for the financial account, and the country of domicile for debt liabilities, are expected to service the priority user requirements in this area.

Combining BOP and IIP publications

The ABS will integrate the BOP and IIP statistics in one quarterly issue, reflecting the recent integration of the international standards for these statistics.

The much more detailed financial instrument and sector information to be published for the financial account of the BOP and for the IIP cannot be collected and compiled in time for a combined publication issue. However, summary financial account and IIP information will be published for the current reference quarter, including transactions information for: direct investment in Australia (reinvested earnings and 'other'); direct investment abroad (reinvested earnings and 'other'); portfolio investment (net); other investment (net); and reserve assets (with a 5-way dissection). Financial account transactions will also be shown for net equity and net debt.

Also, for the current reference quarter the reconciliation of opening and closing positions, with transactions and other changes, will be shown for net equity, net debt, net IIP and reserve assets.

The comprehensive financial account and IIP detail will be shown for periods up to and including the previous quarter.

About 3 weeks after the release of the combined BOP/IIP publication, the *Australian National Accounts: Financial Accounts* (Catalogue no. 5232.0) will detail the financial instrument by sector entries for both the stocks and flows of cross-border financial claims for the current quarter consistent with the broader aggregate already published for the BOP.

Other possible changes	The ABS is also reviewing, among others, the detailed commodity classification used to present exports of goods, and the selected countries to be shown in summary presentations of balance of payments and international investment position statistics by country. Any such changes that do not impinge on the implementation of the international standards will be processed in due course. However, significant changes have been held over until after BPM5 implementation.
Timetable for release of BPM5 statistics	<p>Statistics on a BPM5 basis will be published by the ABS from the September quarter 1997 for the BOP and IIP (for release in early December 1997) and from October 1997 for <i>International Trade in Goods and Services, Australia</i> (Catalogue no. 5368.0) (also for release in early December 1997).</p> <p>To assist users in updating their databases and becoming familiar with the new presentations, historical data up to June quarter 1997 and up to September month 1997 will be transformed, where feasible, to a BPM5 basis and released in November 1997</p>
Impact of BPM5 on main aggregates	<p>The introduction of the new standards, including changes to definitions and presentations, is expected to have the following broad impact on the main statistical aggregates as currently published:</p> <ul style="list-style-type: none"> ■ Balance on current account — increase in deficit by approximately \$2 billion; ■ Balance on goods — very minor impact; ■ Balance on services — decrease surplus (or increase deficit) by \$1.3 billion; ■ Net income — decrease in deficit by \$0.4 billion; ■ Gross foreign debt — increase by \$40 billion; and ■ Net foreign debt — increase by \$4 billion.

INTRODUCTION

1 In December 1994 the ABS published the discussion paper *Introduction of Revised International Statistical Standards in ABS Macro-economic Statistics* (Catalogue no. 5245.0), which discussed the *System of National Accounts 1993* (SNA93) and the Fifth Edition of the International Monetary Fund's *Balance of Payments Manual* (BPM5) and the effects that implementing these new international statistical standards would have on Australia's national and international accounts and related statistics. That paper also discussed ABS plans to implement the new standards over the next three to four years and foreshadowed discussions with users to assess implementation priorities and timetables. Since that paper was issued, the ABS has been consulting with users and progressed implementation proposals some way further.

2 Since the release of that discussion paper, SNA93 implementation in ABS statistics has been rescheduled to commence with statistics for the September quarter 1998, a year later than originally envisaged. However, BPM5 implementation in ABS international accounts statistics will proceed to the original schedule, commencing with statistics for the September quarter 1997.

3 This paper details the ABS presentation and technical BPM5 implementation decisions that have been taken following consultations over the past two years with both users and data providers. Where available, an assessment of the impact of the implementation decisions on balance of payments (BOP) and international investment position (IIP) statistics is also provided. Attached are appendixes presenting selected draft BOP and IIP publication tables compiled using the standard structures and classifications that will be implemented.

REVISED INTERNATIONAL STATISTICAL STANDARDS

4 Recent and prospective changes to international standards for the compilation and presentation of macro-economic statistics are resulting in a set of comprehensive, and to a very large extent harmonised, standards for meaningful analysis and international comparison. A process of reviewing the existing international standards commenced in the mid-1980s with a specific objective of increasing, to the maximum extent possible, the harmonisation of statistical concepts, definitions, statistical units, classifications and terminology. Issuing of the revised standards commenced with the release in 1993 of the BPM5 and SNA93. The former document was prepared by the International Monetary Fund (IMF) in close cooperation with national compilers and with the Statistical Office of the European Communities, the Organisation for Economic Cooperation and Development, the United Nations and the World Bank. Those five organisations jointly published the SNA93. The IMF expects to publish a *Manual on Monetary and Financial Statistics* in the next year and has commenced work on redeveloping its *Manual on Government Finance Statistics*. Both of these international standards are expected to be harmonised, to the maximum extent possible, with the SNA93. In addition, common key concepts and definitions embodied in SNA93 align with those used in the International Standard Industrial

Classification and with those used by the International Labour Organisation with respect to population and related measures.

5 There is increasing interest in, and capacity to conduct, bilateral exchanges of data with partner countries, data comparisons and internationally coordinated data collections and these initiatives are being encouraged by increasing harmonisation of international standards. It is also likely that as differences in the standards are removed or minimised, there will be an increasing incentive for national statistical compilers to adopt the standards as a comprehensive framework rather than maintain specific, local frameworks that are designed, among other things, to address inconsistencies in the former standards.

AUSTRALIA'S RESPONSE TO THE REVISED STANDARDS

6 The ABS places considerable emphasis on the compilation and presentation of statistics that conform with the prevailing international statistical standards. The adoption of the standards embodied in BPM5 will mean that Australia's reporting obligations to the relevant international agencies will be met; those agencies and other analysts will be able to evaluate Australia's international accounts statistics along with those of other countries within a common conceptual framework; statistics will be able to be more readily exchanged with partner countries to address data-quality issues; and domestic and foreign analysts will be assured that Australia's official BOP and IIP statistics comply with objective, coherent international standards that reflect current, global analytic needs.

7 As a matter of principle, the ABS is committed to implementing in full the revised BPM5 standards. However, cost and feasibility have limited the extent to which this can be achieved with the initial implementation with September quarter 1997 statistics. The remainder of this paper identifies where the standards either will be, or will not be, implemented initially, and the process of consultation that will be used to assist users in understanding the nature and extent of the changes being made to data presentation and compilation.

IMPLEMENTATION STRATEGY

8 The ABS intends to implement as many of the recommendations of BPM5 as is practicable in its initial implementation in:

- the October 1997 issue of the monthly publication *International Trade in Goods and Services, Australia* (Catalogue no. 5368.0), scheduled for release in December 1997;
- the September quarter 1997 issue of the renamed quarterly publication *Balance of Payments and International Investment Position, Australia* (Catalogue no. 5302.0), which is scheduled for release in December 1997. This combined publication incorporates information previously published in *International Investment Position, Australia* (Catalogue no. 5306.0); and

- the 1996–97 issue of the annual publication *Balance of Payments and International Investment Position, Australia* (Catalogue no. 5363.0), which is scheduled for release in April 1998.

9 A delay in implementing SNA93 will mean that, for the reference periods from the September quarter 1997 until the June quarter 1998, the ‘rest-of-the-world account’ in the national accounts will not be compiled on the same basis as the balance of payments accounts. In addition to existing differences in presentation in relation to the treatment of reinvested earnings of direct investment enterprises, the introduction of BPM5 in the balance of payments will introduce some further inconsistencies between the two sets of statistics. A table reconciling the differences between the two sets of statistics will be included in balance of payments publications over the 1997–98 transition year. An indicative format is shown in Appendix 4.

10 Some of the BPM5 changes to be made to the balance of payments will bring them closer to the basis of compilation currently adopted in the rest of the national accounts. For example, the introduction of a new capital account that excludes financial transactions but includes capital transfers and transactions in the ownership of non-financial intangible assets, and the measurement of imputed fees for foreign exchange commission, bring the accounts into closer alignment. Other BPM5 changes will extend the current differences. For example, the reclassification of royalty and copyright payments from income to services will change the contribution to growth from trade in goods and services. The balance of payments quarterly releases for September 1997 through June 1998 will include reconciliation tables between the BPM5 basis of compilation and the current methodology used in compiling the rest-of-the-world account. The reconciliation format is provided in Appendix 4.

11 From the September quarter 1998 reference period the national and international accounts will be fully consistent, for the first time, both between the rest-of-the-world and balance of payments accounts, and between the rest-of-the-world and other national accounts components. Achieving this consistency will involve the inclusion in BOP statistics (from September quarter 1998) of a measure of the indirect provision of financial services of deposit-taking institutions in the acceptance of deposits and the making of loans. This financial intermediation service indirectly measured (FISIM) involves the identification and measurement of a separate service element within the net payments and receipts made on loans and deposits, and is not recommended, on practical grounds, in BPM5. However, it is a recommendation in SNA93 and Australia has developed an internationally-endorsed methodology that will also be implemented in the BOP (see paragraphs 35 to 37 below for details).

12 A further change to the BOP and IIP, to be introduced with the September quarter 1998 implementation of SNA93, will be reclassification of the State Government Central Borrowing Authorities (CBAs) from the general government sector to the financial corporations sector. The

present and revised treatment of CBAs are outlined below in paragraphs 70 to 73.

USER CONSULTATION AND SERVICING

13 The ABS user consultation process leading up to the initial implementation decisions commenced in November 1994 with preliminary discussions with a small number of key users, followed by a special article in the September quarter 1994 BOP and IIP publications and, in early December 1994, the release of the discussion paper (Catalogue no. 5245.0) referred to in paragraph 1. Based on that preliminary consultation, the ABS modified its BPM5 implementation proposal and then, in mid 1995, approached a much wider range of users. In that approach, subscribers were invited to comment on a detailed BPM5 implementation proposal, to provide feedback on the uses made of, and priorities for, BOP and IIP statistics, and to participate in user forums to discuss the ABS proposals and user views.

14 A parallel process of consultation with data providers commenced in early 1995 to determine the feasibility of data collection to support the new standards and to brief providers on the standards and their implications.

15 Parallel running in ABS collections of existing data items and those required for BPM5 implementation was conducted through 1996–97. This will mean that statistics on both bases are being compiled and published for that year. For many of the BPM5 changes, recomputations will be able to be extended back well beyond 1996–97, and in some cases back to the commencement of monthly and quarterly ABS time series for the international accounts (i.e. from July 1971 and September quarter 1959, respectively). Where the extent or nature of change precludes reestimating periods prior to 1996–97, the parallel run will provide for bridging the series.

16 The ABS will publish these recomputations in an Information Paper, in November 1997, to provide analysts with the opportunity to update historical databases and consider the impact of the changed basis of compilation before the first issues of regular ABS international accounts publications appear on the BPM5 basis.

17 The November 1997 Information Paper, to be published several weeks prior to the first issue in December 1997 of regular monthly and quarterly publications based on BPM5, will show the outcome of the parallel running and backcasting/bridging analysis for the international accounts estimates compiled on the new basis for the time series covered by:

- the September month 1997 issue of Catalogue no. 5368.0;
- the June quarter 1997 issues of Catalogue no. 5302.0, and Catalogue no. 5306.0; and
- historical series for main aggregates.

More detailed series for periods prior to those covered by the recompiled September 1997 monthly and June quarter 1997 quarterly issues will be provided in ABS electronic releases and will be available in hard copy on request.

18 While this current paper details the impact of several of the changes to be made with BPM5 implementation, the ABS has included articles in BOP and IIP publications to update users with progress on measuring the impact of other changes as they are determined. However, the measurement of some impacts, which is dependent on the parallel collection/compilation processes to be conducted throughout 1996–97, will not be available until the release of the November 1997 information paper.

BPM5 IMPLEMENTATION DECISIONS

19 The implementation of BPM5 recommendations in BOP and IIP statistics will impact on the publications through:

- the revised structure of the international accounts;
- the revised classifications to be used; and
- the revised concepts and definitions to be employed.

20 The implementation of BPM5 will impact differently on the monthly, quarterly and annual publications. While statistics in all the publications will be impacted similarly in regard to the changes in structure, classification, concepts and definitions, differing degrees of detail will continue to be presented in the publications. In particular, in recognition of the availability, for the first time, of consistent and integrated international standards for the balance of payments and international investment position statistics, the ABS will integrate these data in one quarterly publication, in line with the practices of the IMF.

21 In general, all the BPM5 standard components and as much of the supplementary information as possible will be presented in the quarterly publication Catalogue no. 5302.0. However, the additional detail required to support all standard components of the financial account and the associated IIP statistics cannot be collected and compiled in time for a combined BOP/IIP publication issue. Instead, detailed current and capital account figures and summary financial account and IIP information will be published for the current reference quarter, and the comprehensive financial account and IIP detail will be shown for periods up to and including the previous quarter. *The Australian National Accounts: Financial Accounts* (Catalogue no. 5232.0), which is released about three weeks after the BOP/IIP publication will detail the entries for both the stocks and flows of cross-border financial claims for the current quarter. Data for main BOP aggregates by selected countries will also be available on a quarterly basis. In addition, the publication and/or special data services will provide additional analytic views of the data as well as additional details required to service high priority user requirements. The monthly publication Catalogue no. 5368.0 will provide summary

international trade in goods and services information. Country dissections of the aggregates, standard components and detailed supplementary series will be available quarterly and published annually on both a financial-year basis and a calendar-year basis.

22 Appendixes 1 and 2 provide sample draft tables that demonstrate the introduction of BPM5 structures and classifications in, respectively, the quarterly balance of payments publication and the monthly international trade in goods and services publication. The impact of BPM5 on the content of the publications (including concepts and measurement) is discussed in more detail below.

Impact on the structure and content of the BOP accounts

23 Both the monthly goods and services and the quarterly BOP publications will continue to provide a commodity dissection of general merchandise as well as the additional components of goods identified in BPM5.

24 While some existing services, income, and transfer series will no longer be included in publications under a BPM5 presentation, more detail will be published in many areas of the accounts. BPM5 specifies 60 standard components and supplementary series for services, income and transfers (current and capital), compared with the 37 series for these items currently presented in Catalogue no. 5302.0. Some of the series not required under BPM5 may still be available as special data services for interested users.

25 The broad structure of the BOP accounts under BPM5 is compared with the existing BOP accounts as follows:

1 COMPARISON OF EXISTING AUSTRALIAN BALANCE OF PAYMENTS CLASSIFICATION AND BPM5 CLASSIFICATION

<i>Existing Australian Classification</i>	<i>BPM5 Classification</i>
<i>Current account</i>	<i>Current account</i>
Merchandise	Goods
Services	Services
Income	Income
Unrequited transfers	Current transfers
<i>Capital account</i>	<i>Capital and financial account</i>
Official	
General Government	<i>Capital account</i>
Foreign investment in Australia	Capital transfers
Australian investment abroad	Acquisition/disposal of non-produced, non-financial assets
Reserve Bank of Australia	
Foreign investment in Australia	<i>Financial Account</i>
Australian investment abroad	Direct investment
	Abroad
	In Australia
Non-official	
Foreign investment in Australia	Portfolio investment
Australian investment abroad	Assets
	Liabilities
	Other investment
	Assets
	Liabilities
	Reserve assets

Current account **26** A current account presented under BPM5 will not look greatly different from the presentations currently published, and the ABS intends to adopt in full all the standard BPM5 components and supplementary details. Tables 2–4 below present the existing ABS classifications for the current account alongside the classification structure under BPM5. Table 1 and tables 4–25 in Appendix 1 of this paper show how the new structure for the current account will translate into publication tables in the quarterly BOP publication. However, the need to protect the confidentiality of information relating to individual data providers will mean that, from time to time, some of the detailed series may not be available for publication.

27 The scope of the current account under BPM5 broadly aligns with the presentations currently published by the ABS except for the treatment of capital transfers. Under BPM5 these will be excluded from the current account, and included in the new BPM5 capital account (see paragraph 50).

Goods and services

28 The scope of goods and services under BPM5 is broader than currently used in ABS publications, largely reflecting the reclassification, from income into services, of royalties and licence fees (increasing the deficit — or reducing the surplus — on goods and services by about \$1.4 billion per annum in recent years).

<i>Existing Australian Classification</i>	<i>BPM5 Classification</i>
<i>Merchandise</i> (Exports are shown under two broad headings in 14 commodity categories and imports under three broad headings in 26 commodity categories.)	<i>Goods</i> General merchandise (with commodity detail to be shown) Goods for processing(a) Repairs on goods(a) Goods procured in ports by carriers(a) Non-monetary gold Held as a store of value Other non-monetary gold
<i>Services</i> Shipment/Transportation Freight on merchandise Insurance on merchandise Other transportation Passenger services Port services, etc.	<i>Services</i> Transportation Sea transport Passenger Freight Other Air transport Passenger Freight Other Other transport Passenger Freight Other (‘Passenger’ services exclude cruise fares — now under Travel; ‘Freight’ services exclude insurance on freight — now under Insurance services; and ‘Other’ services exclude goods procured in ports and repairs to transport equipment — now under Goods)
<i>Travel</i> Students’ expenditure Other	<i>Travel</i> Business (includes expenditure out of income earned by travellers) Personal (includes cruise fares) Health-related Education-related Other
<i>Other services</i> Official sector Defence services)split for Financial services)debits Miscellaneous services)only Non-official sector Expenditure of: Foreign/Australian governments Foreign/Australian government employees Other non-resident/resident entity employees Financial services Insurance services n.e.c. Miscellaneous services	<i>Communication services</i> <i>Construction services</i> <i>Insurance services(b)</i> <i>Financial services</i> <i>Computer and information services</i> <i>Royalties and licence fees</i> <i>Other business services</i> Merchanting and other trade related services Operational leasing services Miscellaneous business, professional & technical services Legal, accounting, management consulting and public relations Advertising, market research, and public opinion polling Research and development Architectural, engineering, and other technical services Agricultural, mining, and on-site processing Services between affiliated enterprises n.i.e. Other Personal, cultural, and recreational services Audiovisual and related services Other cultural and recreational services Government services n.i.e.

(a) Items reclassified from services.

(b) Memorandum items specified for gross premiums and gross claims.

Goods

29 BPM5 classifies goods into five main components: general merchandise (derived from the existing merchandise series, excluding non-monetary gold and certain goods for processing); goods for processing which covers goods that leave an economy for processing abroad and return (currently the value of any identified processing is included under services); goods procured in ports by carriers (currently part of other transportation); repairs on goods, (currently classified under miscellaneous services); and non-monetary gold, broken down into gold held as a store of value and other gold. The ABS intends to maintain a detailed commodity dissection of merchandise trade (excluding gold) within the new general merchandise component under BPM5. See Appendix 1, table 8 for an example of how the ABS expects to apply the new standards, although the commodity dissections to be used are still under review.

30 Compared with the current measures of the balance on merchandise trade, the goods balance under BPM5 will be impacted to a minor extent, perhaps by about \$0.1 billion per annum over each of the past five years. Most of this change results from the reclassification of components from the services balance. However, a small component relates to the BPM5 recommendation to gross up processing trade flows even where no change of ownership of the goods occurs, with offsetting trade credit transactions imputed in the financial account.

Services

31 As can be seen in table 2 above, the structure and classification of the services components under BPM5 is significantly different from that currently published by the ABS. There are 11 primary components under the BPM5 services heading, and a more detailed breakdown is shown for selected components. Some of the new BPM5 components are currently included indistinguishably under 'miscellaneous' services in Australia's monthly and quarterly publications, but are separately available in the annual ABS publication, *Balance of Payments and International Investment Position, Australia* (Catalogue no. 5363.0).

32 Services are currently published in Australia's balance of payments under the headings of Shipment, Other Transportation, Travel and Other Services. Under BPM5, Shipment and Other Transportation will be combined and classified to the BPM5 component Transportation, with breakdowns by type of transportation (i.e. sea transport, air transport, and other transport) and by type of service (i.e. passenger, freight and other). Some items currently included in Shipment and Other Transportation will be reclassified elsewhere. These items are:

- insurance on freight, which will be reclassified from Shipment to the BPM5 component, Insurance Services;

- goods procured in ports, which will be re-classified from Other Transportation to the BPM5 Goods component and then shown as a separate item in its own right; and
- passenger fares paid for cruises, which will be reclassified from Other Transportation to the BPM5 component, Travel.

33 BPM5 recommends that travel be classified by purpose: business travel and personal travel, with personal travel further classified by health-related travel, education-related travel and other travel. The ABS statistics currently provide information on only two purposes — students' expenditure and other. It is not expected that data sources can be developed, in the immediate future, to support separate measures of health-related travel services. The amounts involved are not considered to be significant.

34 Another change to the current account will be the inclusion, for the first time, of estimates of the implicit net fees earned by resident financial intermediaries on foreign exchange trading with non-residents. While an estimation methodology has not yet been finalised, the change is expected to be minor (less than \$0.1 billion per annum).

35 As noted in paragraph 11, the introduction of SNA93 in ABS macro-economic statistics from the September quarter 1998 reference period will require incorporation in Australia's balance of payments statistics of estimates of the FISIM that are imputed to flow between Australia and the rest of the world. The broad concept is that whenever financial intermediaries take deposits or make loans, a service is being provided, and interest rates on deposits and loans include an implicit service element. Therefore the interest rates paid by institutions on deposits are less than a notional pure rate of interest because the institutions first deduct the service fee required to cover the deposit security, branch networks and participation in payments mechanisms. Similarly, the interest rate charged by institutions on loans includes not only the notional pure interest rate but a surcharge for the services embodied in making and administering the loans.

36 Once FISIM has been measured, the amount levied on deposits must be included as a service fee earned by the institution taking the deposit, and an equivalent and offsetting amount included as interest paid by the institution to the depositor. While both services and income flows are affected, the net effect on the current account is zero. Similarly on loans, the interest rate levied on the borrower must be decomposed into the pure interest component and the imputed service charge.

37 However, there are practical difficulties in measuring FISIM. The notional pure rates of interest are not observable and must be approximated. FISIM will be calculated using a 'reference-rate approach' to disaggregate the interest flows into a service element and a 'pure' interest element. The margins between the reference-rates and deposit and loan rates will be applied to the effective rates observed being paid on cross-border deposits and loans. Data on cross-border counterparties

by financial intermediary/other sectors for the loans and deposits instruments, collected from the September quarter 1996, will facilitate the development of the FISIM estimation methodology and estimates for past periods will be available well before implementation of this measure from the September quarter 1998. From analyses undertaken so far, it is estimated that Australia's cross-border FISIM flows are very small, with much of Australia's cross-border investment being made in securities (on which no FISIM is applicable) or through direct investment (again with no FISIM applicable).

38 Overall, BPM5 implementation will involve the following main changes to Australia's balance of payments Services classification:

- an expanded breakdown of types of services;
- a changed scope of Insurance services;
- the inclusion of implicit service fees on foreign exchange trading; and
- the reclassification of royalties and licence fees from Income to Services.

Income

39 Income is currently presented in Australia's balance of payments under two main headings: Property income (dividends, reinvested earnings, interest, other earnings/payments, royalties and other fees for use of intellectual property); and Labour and other income (including extraordinary insurance claims arising from natural disasters and the like). Within property income, a distinction is made between investment income and other property income, with the former further disaggregated by sector (official and non-official). Within non-official sector investment income, disaggregations by type of investment (direct investment, and 'portfolio and other' investment) and type of income (reinvested earnings, remitted profits, dividends and interest) are shown. Other property income is broken down into cinema and television film royalties, and other property income.

40 The BPM5 income classification comprises two main headings: Investment income and Compensation of employees. Within Investment income, there are seven components, broadly classified consistent with the structure in the new financial account and dissected by type of investment, followed by a split between income from equity and income from debt, with some instrument detail also provided. Compensation of employees is not further split.

41 Table 3 below compares the items in the income classification currently used in Australia's balance of payments statistics with the income classification in BPM5.

3

COMPARISON OF EXISTING AUSTRALIAN CLASSIFICATION OF INCOME AND BPM5 CLASSIFICATION

<i>Existing Australian Classification</i>	<i>BPM5 Classification</i>
Labour and other income	Compensation of employees
Official sector	
Non-official sector	Investment income
Labour income	Direct investment income
Insurance income	Income on equity
	Dividends and distributed branch profits
	Reinvested earnings and undistributed branch profits
Property Income	Income on debt (interest)
Investment income	Portfolio investment income(a)
Official	Income on equity (dividends)
General government	Income on debt (interest)
(Interest debits split by domiciled in Australia and domiciled abroad)	Bonds and notes
Reserve Bank of Australia	Money market instruments and financial derivatives
Non-official sector	Other investment income(a)
Direct investment income	
Reinvested earnings	
Distributed earnings	
Remitted profits	
Dividends	
Interest	
Portfolio & other investment income	
Dividends	
Interest (split by public and private)	
Other property income	
Cinema and television royalties	
Other	

(a) The following supplementary sector information is sought under BPM5: monetary authorities; general government; banks; other sectors.

42 Full implementation of BPM5 would introduce the following main changes:

- removal of the official/non-official sector split;
- separate identification of 'portfolio' investment earnings from 'other' types of investment earnings;
- a distinction between debt interest on bonds and notes and debt interest on money market instruments and financial derivatives;
- the recording of all interest payable or receivable on an accruals basis, rather than a due for payment basis;
- the recording of direct investment income on the basis of the new definition of direct investment;
- the calculation of reinvested earnings using current replacement cost estimates of depreciation and excluding holding gains and losses from valuation changes;
- the reclassification of royalties and licence fees etc. to the BPM5 Services component;
- the reclassification of extraordinary insurance claims to the BPM5 Current Transfers component;
- the inclusion of net interest flows associated with certain financial derivatives;

- the recording of direct investment income flows on a gross basis; and
- the imputation of income to households arising from their net equity in life insurance reserves and pension funds.

43 The primacy of an official/non-official sector dichotomy, as presently provided in Australia's income statistics, is not part of the BPM5 presentation. It is not proposed to maintain this view of income in Australia's BOP publications. However, a detailed presentation of public and private sector debt transactions will be included in the quarterly BOP/IIP publication (see draft table 35 in Appendix 1) and the associated interest income will be shown in draft table 37 in Appendix 1.

44 A change which will be significant but which has not yet been fully quantified, is the recording of investment income on debt instruments on a full-accrual basis. For non-traded instruments, such as loans and deposits, the accrual is over time, smoothing periodic payments over the time that capital is provided. Under the current 'due-for-payment' basis the income is recorded when contractually due to be paid.

45 For traded securities, full accrual under BPM5 will mean applying current period market interest rates in the derivation of income flows. The current due-for-payment basis involves recording income flows to the holders of instruments when the income is payable. For example, if a non-resident purchases Australian government securities, holds the security for five months and then trades it back into the market a month before a coupon payment is due to be made, i.e. before it goes ex-coupon, then, under the due-for-payment basis of income recognition, no income is recorded as being payable to the non-resident. With annual turnover in general government securities being very high (many times the size of the total outstanding portfolio) there is ample scope for coupon payments to be collected out of proportion to average holdings, and for the resultant income statistics to bear little relationship to the provision of the capital.

46 It is expected that full accrual, using prevailing market interest rates, will significantly reduce anomalies and asymmetries in Australia's macro-economic statistics and lead to substantial revision to BOP income estimates. Generally within Australia's macro-economic accounts, income reported as payable, on the due-for-payment basis, by the general government sector exceeds income reported as receivable on these instruments by about \$4 billion to \$5 billion per annum. Observation of the very high turnover in general government securities, together with anecdotal evidence over the years from data providers has confirmed the incidence of the anomalous measures of income under the due-for-payment basis. In the BOP, income reported as receivable by non-residents on their investment in general government securities (over 90% of the total investment by non-residents in long-term debt securities issued in Australia in recent years) is estimated to have been about \$1.7 billion less in 1994-95 than might have been expected if the average level of coupon payment generally applicable to that level of

investment had been collected. These coupon streams have been 'capitalized' by being sold back into the market and are measured, in BOP statistics, as a financial flow. Over the past five years, such a difference is estimated at a little over \$4 billion. Replacing average coupon payments with current interest rates under the full-accrual approach reduces the difference (and implied revision) to about \$1.5 billion over the last five years.

47 Estimating full-accrual income measures for Australia's cross-border trading in other securities has not yet been finalised. However, the impact is expected to be very much smaller than observed with trading in general government securities. It is therefore expected that the net revision to the balance on current account arising from this change in methodology will be to increase the deficit by about \$1.5 billion over five years, with the largest increase being about \$1 billion in 1994–95.

48 A change that is embodied in BPM5, but which is expected to be altered by the international statistical community, is the inclusion in the current account of the net streams of settlement payments of the interest rate risk component associated with swaps and forward rate agreements. When the new international standards were drafted, net settlements under these instruments were seen as marginal adjustments to the cost of funds and it was therefore recommended that the settlements be included, net for each contract but gross across contracts, in income flows. The recommendation is not regarded as satisfactory by many compilers around the world, including the ABS. Significant trading in these instruments; the significant number of contracts that might be needed to establish a transactor's desired interest rate risk profile, with consequent grossing up of 'interest' receivable and payable components across contracts; the anomalous results that are observed by generating income flows between sectors where there is no credit provision; and the inconsistency in treatment between these and other hedging arrangements for interest rate (and other) risk, have all led to the international statistical community reconsidering this recommendation. A recent decision of an IMF expert meeting is to change the BPM5/SNA93 recommendation. While changing the standards will take time, the IMF has encouraged compilers to assume the change in both survey and output design.

49 Australia will be assuming the change to the new standard with regard to interest rate related derivatives, even if the standard remains unchanged by the time that BPM5/SNA93 is implemented by the ABS.

Current transfers

50 In Australia's currently published balance of payments statistics, unrequited transfers cover all transfers, regardless of their nature or purpose. A disaggregation into official and non-official transfers is shown, plus a further dissection by type of transfer (e.g. migrants transfers, foreign aid, etc.). In contrast, the term 'unrequited' has been dropped in BPM5 and transfers are split into Current and Capital transfers. In

addition, while current transfers are included in the Current Account, capital transfers are part of the new Capital Account. This change removes a longstanding difference in the treatment of capital transfers between the IMF's BPM and the SNA. Current transfers in BPM5 are split into General government transfers and Other sectors' transfers, with the latter item further split into workers' remittances and other transfers.

51 Table 4 below compares the classification of transfers presently used in Australia's balance of payments statistics with the classification of transfers in BPM5.

4 COMPARISON OF EXISTING AUSTRALIAN CLASSIFICATION OF TRANSFERS AND BPM5 CLASSIFICATION

<i>Existing Australian Classification</i>	<i>BPM5 Classification</i>
Unrequited transfers	<i>Current Account</i>
Official sector	
Foreign aid	Current Transfers
Pensions	General government(a)
Miscellaneous	Other sectors
Non-official sector	Workers' remittances
Migrants' transfers	Other current transfers
Pensions	
Withholding taxes	<i>Capital Account</i>
Miscellaneous	
	Capital Transfers
	General government
	Debt forgiveness(a)
	Other
	Other sectors
	Migrants' transfers
	Debt forgiveness(a)
	Other
	Acquisition less disposals of non-produced, non-financial assets

(a) Various supplementary components are specified for exceptional financing transactions.

52 A change which will affect the balance on current account (and Australia's net international investment position) is the reclassification of Australia's contributions to international development financing institutions to the current transfers debits component and removal from measures of Australian investment abroad. The cumulation of these contributions as financial flows has resulted in an imputed claim on these organisations which is currently in excess of \$2 billion. Australia holds no such claim, and the BPM5 recommendation is that such annual contributions to these organisations be classified as current transfers.

Capital and financial account **53** The new financial account, which is analogous to the capital account in present ABS publications, shows transactions in foreign financial assets and liabilities. The new capital account under BPM5 is not the same as the presently published capital account but is a new concept introduced in BPM5 which enables the BOP to be better reconciled with the headings adopted under the SNA93 classification system. It covers capital transfers (reclassified from the existing current account) and the acquisition/disposal of non-produced, non-financial assets.

Capital account

54 The capital transfers component of this account is further disaggregated by sector. Within the sectors, debt forgiveness, migrants' transfers and other capital transfers are identified separately. Capital transfers will include all migrant transfers (a net credit of \$1.6 billion in 1995–96, and averaging \$1.6 billion over the last five years) and certain other transfers of the official sector (a debit estimate of \$0.4 billion in 1995–96, and averaging \$0.3 billion over the last five years) that are at present included in the transfers item within the current account. The net impact of creating the new capital account and removing these entries from the current account will therefore be to increase the current account deficit by about \$1.0 billion in 1995–96, and on average by \$1.3 billion over the past five years.

55 The component, acquisition/disposal of non-produced, non-financial assets (e.g. sales of embassy land or copyrights), is not disaggregated. Data collected in the ABS Survey of International Trade in Services suggests that, apart from occasional transactions in embassy land, this series is very small (less than \$0.1 billion per annum). See table 26 in Appendix 1 for the detailed ABS presentation.

Financial account

56 Significant changes will be presented in the financial transactions account under BPM5. The 50 basic items shown presently in the ABS capital account will be replaced by the 96 standard financial account components provided for in BPM5, together with 12 supplementary series on drawings and repayments of certain long-term liabilities. In all, 108 BPM5 financial account series will be published quarterly. The availability of additional BPM5 detail, on exceptional financing, is yet to be resolved.

57 The BPM5 financial account, which shows transactions in foreign financial assets and liabilities, is analogous to the capital account in current ABS publications, but the structure and detail are significantly different between the two accounts. Table 5 below provides a comparison of the two classification structures and items.

5

COMPARISON OF EXISTING AUSTRALIAN CAPITAL ACCOUNT AND BPM5 FINANCIAL ACCOUNT

<i>Existing Australian Classification</i>	<i>BPM5 Classification</i>
<i>Capital Account</i>	<i>Financial Account</i>
Official sector	Direct Investment
General government	Abroad
Foreign investment in Australia	Equity capital
Borrowing	Claims on affiliated enterprises
Domiciled abroad	Liabilities to affiliated enterprises
Domiciled in Australia	Reinvested earnings
Other	Other capital
Australian investment abroad	Claims on affiliated enterprises
Lending	Liabilities to affiliated enterprises
Accounts receivable/prepayments made	In Australia
Other	Equity capital
Reserve Bank of Australia	Claims on direct investors
Foreign investment in Australia	Liabilities to direct investors
Use of IMF credit	Reinvested earnings
Other	Other capital
Australian investment abroad	Claims on direct investors
Reserve assets	Liabilities to direct investors
Official reserve assets	Portfolio Investment
Monetary gold	Assets
Special drawing rights	Equity securities(a)
Reserve position in IMF	Debt securities
Foreign exchange	Bonds and notes(a)
Allocation/cancellation of SDRs	Money market instruments(a)
Monetisation/demonetisation of gold	Financial derivatives(a)
Other	Liabilities(b)
Non-official sector	Equity securities(a)
Foreign investment in Australia	Debt securities
Direct investment	Bonds and notes(a)
Reinvestment of earnings	Money market instruments(a)
Corporate equities	Financial derivatives(a)
Net equity in branches	Other Investment
Borrowing	Assets
Other	Trade credits(c)
Portfolio and other investment	Loans(c)
Corporate and other equities	Currency and deposits(a)
Borrowing	Other assets(c)
Public sector	Liabilities
Private sector	Trade credits(c)(d)
Accounts payable/prepayments received	Loans(c)(d)
Public sector	Currency and deposits(a)
Private sector	Other liabilities(c)
Australian investment abroad	Reserve Assets
Direct investment	Monetary gold
Reinvestment of earnings	Special drawing rights
Corporate equities	Reserve position in the IMF
Net equity in branches	Foreign exchange
Lending	Currency and deposits
Other	With monetary authorities
Portfolio and other investment	With banks
Corporate equities	Securities
Lending	Equities
Public sector	Bonds and notes
Private sector	Money market instruments and financial derivatives
Accounts receivable/prepayments made	Other claims
Public sector	
Private sector	

(a) These items are cross classified by relevant sectors incl: monetary authorities; general government; depository corporations; other.

(b) Supplementary components are specified for Liabilities constituting foreign authorities reserves.

(c) These items are cross classified by relevant sector and whether the instrument is long-term or short-term.

(d) Other long term investment liabilities for trade credit and loans are cross-classified by drawings and repayments.

58 The hierarchical order in the present capital account is as follows:

- sectoral distinction;
- direction of investment (foreign investment in Australia and Australian investment abroad);
- type of investment (direct investment, portfolio and other investment, reserve assets); and
- instrument of investment.

However, the BPM5 hierarchical order for the financial account is:

- type of investment;
- direction of investment;
- asset or liability;
- instrument of investment (for direct investment, this classification takes precedence over the asset/liability dichotomy);
- sector; and
- long-term/short-term maturity.

59 Full implementation of the BPM5 standard components for the financial account will generally provide at least as much detail as at present by type of investment and instrument of investment. Tables 27 and 28 in Appendix 1 will be presented in the quarterly BOP/IIP publication.

60 The emphasis in existing BOP publications on both aggregation and netting within sector and then direction of investment (i.e. foreign investment in Australia and Australian investment abroad) will not be continued in the BPM5-based quarterly BOP/IIP publication. In accordance with BPM5, the emphasis will be on aggregation and netting within type of investment, with separate asset/liability totals for each type of investment (see table 1 in Appendix 1).

61 In addition to the BPM5-based tables covering the financial account, the BPM5-based publication will include a table, such as table 35 in Appendix 1, which would replace the existing presentation of debt transactions for the official and non-official sectors. This table 35 would present debt transactions split by public and private sectors, with additional subsector information also shown. This change moves the debt statistics onto a standard ABS sector classification which will improve comparability with other ABS statistics. The aggregates formerly provided for the official sector could still be generated from the published components for users who still require that view of the data.

62 The currently published dissection of certain official and non-official sector debt transactions into drawings and repayments or purchases and sales, will not be included in the public/private sector tables in the BOP/IIP publication. While this detail may be available as part of ABS

special data services, the only information to be published quarterly are the BPM5 supplementary series on drawings and repayments of the long-term loans and long-term trade credit components of other investment.

63 Few changes to be introduced under BPM5 will result in significant change to the balance on the new financial (formerly capital) account. A change, as yet unquantified, will result from the incorporation of transactions in financial derivatives. However, while these instruments are expected to raise the levels of both assets and liabilities, net transactions in past periods do not appear to be large.

Direct investment

64 Under both BPM5 and existing Australian practice, a direct investment relationship is established when there is a 10% or more equity holding in an enterprise (a direct investment enterprise) by a foreign investor (a direct investor). Under BPM5 the direct investment relationship extends to the direct investment enterprise's branches, subsidiaries, sub-subsidiaries and associates (but not associates of associates) either directly or indirectly owned by the direct investor. This is different from Australia's current practice of using chains of ownership with links between the direct investment enterprise and other enterprises involving a 25% or more equity holding where there is no larger shareholder. The impact of this change is not expected to result in substantial differences in the current direct investment series.

65 Of likely significance in the Australian context is the BPM5 recommendation that financial transactions and financial claims between affiliated financial intermediaries, other than equity and permanent debt, be regarded as normal financial intermediation and excluded from direct investment. Currently all financial transactions and financial claims between affiliated enterprises in a direct investment relationship are classified as direct investment.

Portfolio and other investment

66 In current ABS presentations, portfolio and other investment is shown as one category. Under BPM5, portfolio investment is identified separately from other investment. The main changes to be made in ABS publications to align with BPM5 are to:

- show portfolio investment and other investment separately;
- show debt securities separately, split into bonds and notes, money market instruments and financial derivatives; and
- disaggregate all the instrument components into four sectors (Reserve Bank, general government, depository corporations, and other).

67 BPM5 refers to depository corporations other than the Reserve Bank as 'banks'. This sector is broader than that currently described as banks in ABS statistics and encompasses various depository institutions defined

in Australia under the Financial Corporations Act that are not banks as defined in the Banking Act. The ABS will adopt a sector classification which identifies 'depository corporations' (other than the Reserve Bank) which will include two subsectors: banks (Banking Act units); and other depository corporations. In published international accounts statistics the broader 'depository corporations' subsector will be used to align with the BPM5 'banks' standard for presenting data for this sector. In addition, the financial transactions and stocks statistics for the more detailed subsectors for banks and other depository corporations will be available on request.

68 The BPM5 sectoring does not provide for the separate identification of the Reserve Bank but instead provides for a separate sector for 'monetary authorities'. The concept of monetary authorities is not recognised in the SNA93 sectoring nor is it currently used in ABS statistics, although it is approximated by the Reserve Bank sector in Australia's international accounts. Currently, those international transactions of the Australian monetary authorities that are not undertaken by the Reserve Bank of Australia (e.g. certain transactions with the IMF) are in any case shown as Reserve Bank transactions. For consistency with SNA93 and to enable the BPM5 monetary authorities aggregate to be readily derived, monetary authorities transactions that are not undertaken by the Reserve Bank will be reclassified to the appropriate sector but separately identified within that sector. In practice this will involve the transfer from the Reserve Bank sector and attribution to the general government sector of:

- the use of IMF credit (for which entries were last recorded in 1983); and
- where necessary in certain data presentations, Australia's Reserve Position in the IMF.

69 For both portfolio and other investment liabilities, BPM5 also recommends that the four-way sector of the foreign counterparty to the transactions be identified. While investigations are proceeding into the feasibility of implementing this requirement in the longer term, it cannot be adopted in full in the initial implementation. A limited initial implementation will be adopted, for loans and deposits only, and with non-resident counterparties sectored only into depository corporations and other non-residents. Another and related supplementary classification recommended in BPM5 is for the identification of portfolio and other investment liabilities that constitute foreign authorities reserve assets. Adoption of this recommendation in the initial implementation is not possible and the issues for data providers and the ABS are under investigation.

70 As noted in paragraph 12 above, the sector classification of Central Borrowing Authorities (CBAs) is to change with the implementation of SNA93. Compared with the previous international standards, SNA93 provides more precise guidelines for the allocation of institutional units

to sectors. In light of the revised standards, and in consultation with users, the ABS has revised its treatment of CBAs. The present and the revised treatment of CBAs are outlined below, including the reasons for the change.

71 CBAs have been set up by State and Territory governments to centralise the borrowing (and to a lesser extent the financial asset management) of both the general government and public trading corporations within the state or territory. Presently, CBAs are allocated to the general government sector on the basis that, although their activity resembles financial intermediation, their activity is carried out on behalf of government and they are in effect agents for government.

72 In the light of SNA93 recommendations, in June 1995 the ABS circulated the exposure draft, *Institutional Sector Classifications of Central Borrowing Authorities*, to major users of government finance and national accounts statistics. This exposure draft reviewed the issues involved in applying the revised sector classification to CBAs, examined developments in the method of operation of CBAs in recent years, and invited comments from users.

73 Based on the review of issues in the exposure draft and the consultation that followed its release, a decision has been taken to reclassify CBAs from the general government sector to the financial corporations sector. In summary this decision is based on the determination that CBAs are institutional units; that on balance their activities accord more with that of financial corporations than of general government; and that although they are closely identified with their owning governments, this is not sufficient justification either for classifying them as ancillary corporations or treating them as agents of government. This change will be implemented in BOP and IIP statistics from the September quarter 1998.

Reserve assets

74 Entries currently made (although rarely) for the monetisation or demonetisation of gold and the allocation/cancellation of SDRs (none of which is a transaction), and their corresponding counterpart entries, will be excluded from the BOP accounts. Under BPM5 these non-transaction changes in the stock of reserve assets will be included as other changes to levels shown in the IIP.

75 BPM5 shows more detail than currently presented for the component foreign exchange, where currency and deposits are separated from securities. Currency and deposits are disaggregated into those held with foreign monetary authorities and with foreign banks, and securities are broken down into equities, bonds and notes, and money-market instruments and financial derivatives. The extent to which the extra detail can be compiled and released is yet to be determined.

Impact on the structure
and content of the IIP

76 BPM5 is the first edition of the IMF's Balance of Payments Manual to include standards for the structure and compilation of the IIP. The structure of the IIP is split into Assets and Liabilities, within which the components are ordered similarly to those in the financial account. The detailed components are listed in table 6 below and compared with the existing ABS structure.

77 Table 2 in the BPM5 based quarterly BOP/IIP publication (see table 2 in Appendix 1) introduces a full asset/liability dissection as the primary view of IIP statistics. A secondary view is also provided by net foreign equity and net foreign debt, which reflects the existing emphasis (see table 3 in Appendix 1). In addition, a further view is presented: by direction and type of investment (tables 29–34 in Appendix 1).

78 The BPM5 presentation of the IIP involves some netting of assets and liabilities in regard to direct investment, both abroad and in Australia: claims by direct investment enterprises on their direct investors are separately identified but netted off against liabilities to direct investors within the asset and liability presentations. The alternative view to be provided by direction and type of investment reflects the BPM5 presentation. However, the primary view by asset and liability and the alternative view by type of instrument and sector, present asset and liability data on a gross basis, without netting, as recommended in SNA93 and required for national accounts presentations. Gross presentations of assets and liabilities will also be used in the various debt tables.

79 BPM5 shows the components of the IIP in a reconciliation table format, which reconciles the levels of investment at the beginning and end of a reference period with the changes that have occurred during the period. BPM5 dissects these changes into those due to transactions, price changes, exchange-rate changes and other adjustments. This reconciliation format will be used for the summary time series tables (tables 2–3 in Appendix 1) as well as for the detailed tables for the reference period (tables 29–32 in Appendix 1).

80 The new IIP tables on foreign debt (tables 35–37 in Appendix 1) complement the details (for the public/private sectors and level of government) shown in the BOP financial account. Tables 36–37 provide both stocks and income data comparable to the financial transactions data in table 35.

6

COMPARISON OF EXISTING AUSTRALIAN CLASSIFICATION IN IIP STATISTICS AND BPM5 CLASSIFICATION

<i>Existing Australian Classification</i>	<i>BPM5 Classification</i>
<i>Foreign Investment in Australia</i>	<i>Liabilities</i>
Official sector	Direct investment
General government	Equity capital and reinvested earnings
Borrowing	Claims on direct investors
Domiciled abroad	Liabilities to direct investors
Domiciled in Australia	Other capital
Reserve Bank of Australia	Claims on direct investors
Non-official sector	Liabilities to direct investors
Direct investment	Portfolio investment
Corporate equities	Equity securities(a)
Net equity in branches	Debt securities
Borrowing	Bonds and notes(a)
Other	Money market instruments(a)
Portfolio and other investment	Financial derivatives(a)
Corporate equities	Other investment
Borrowing	Trade credits(b)
Public sector	Loans(b)
Private sector	Currency and deposits(a)
Accounts payable/prepayments received	Other liabilities(b)
<i>Australian Investment Abroad</i>	<i>Assets</i>
Official sector	Direct investment abroad
Reserve assets	Equity capital and reinvested earnings
Lending	Claims on affiliated enterprises
Accounts receivable/prepayments made	Liabilities to affiliated enterprises
Non-official sector	Other capital
Direct investment	Claims on affiliated enterprises
Corporate equities	Liabilities to affiliated enterprises
Net equity in branches	Portfolio investment
Lending	Equity securities(a)
Other	Debt securities
Portfolio and other investment	Bonds and notes(a)
Corporate equities	Money market instruments(a)
Lending	Financial derivatives(a)
Accounts receivable/prepayments made	Other investment
	Trade credits(b)
	Loans(b)
	Currency and deposits(a)
	Other assets(b)
	Reserve Assets
	Monetary gold
	Special drawing rights
	Reserve position in the IMF
	Foreign exchange
	Currency and deposits
	With monetary authorities
	With banks
	Securities
	Equities
	Bonds and notes
	Money market instruments and financial derivatives
	Other claims
<i>Change in Position</i>	<i>Change in Position</i>
Level at beginning of period	Position at beginning of period
Reinvestment of earnings	Transactions
Other transactions	Price changes
Exchange rate variations	Exchange rate changes
Other changes	Other adjustments
Level at end of period	Position at end of period

(a) These items are cross classified by relevant sectors, incl: monetary authorities; general government; depository corporations; other sectors.

(b) These items are cross classified by relevant sectors and whether the instrument is long-term or short-term.

81 Apart from the changes affecting net measures within the BPM5 financial account, the main change affecting aggregate measures within the IIP and BOP statements will result from the revised definition of (gross) debt to be adopted under BPM5 which will include all financial liabilities other than both equity investments and households' equity in insurance reserves and pension funds. Currently Australia's gross foreign debt statistics exclude accounts payable and pre-payments received and certain non-equity direct investment liabilities to affiliated enterprises abroad, whereas they include certain non-equity direct investment claims on foreign direct investors. The change to BPM5 (and to adoption of the core definition of gross external debt agreed by the IMF, Bank for International Settlements, OECD and World Bank) would raise Australia's gross foreign debt at 30 June 1996 by about \$40 billion.

82 As BPM5 does not recognise the concept of 'net foreign debt', the current ABS practice of identifying this aggregate cannot be based on international standards for compiling IIP statistics. However, for purposes of symmetry with the BPM5 concept of gross external debt, the ABS definition of net foreign debt will be widened to include all non-equity assets and non-equity liabilities. The net effect of the change will raise Australia's net foreign debt at 30 June 1996 by about \$4 billion.

IMPACTS OF CHANGES TO THE MAJOR AGGREGATES

83 Australia is already supplying preliminary BOP data to the IMF under the structure and classifications of BPM5 to the extent that this has already been possible. The extent of major changes to existing net series embodied in those data, and of further likely changes, are summarised below for 1995-96, together with relevant paragraph references to the discussion of the changes above. Revisions to gross aggregates will be larger, and the changes that have a zero net effect (such as FISIM) are not shown.

7.0

IMPACTS OF CHANGES TO THE MAJOR AGGREGATES, 1995-96 (\$ BILLION)

	<i>As published by ABS</i>	<i>As published by IMF</i>	<i>Difference</i>	<i>Further likely change</i>
BALANCE OF PAYMENTS				
Balance on current account	-20.1	-21.1	-1.0	-1.0
Goods and services	-0.6	-1.9	-1.3	0.1
Goods	-1.8	-1.7	(p.30)0.1	(p.30)nil
Services	1.2	-0.2	-1.4	0.1
Reclassification of royalties	nil	-1.4	(p.28)-1.4	nil
Imputed forex services	nil	nil	nil	(p.34)0.1
Income	-20.6	-19.2	1.4	-1.0
Reclassification of royalties	—	1.4	(p.28)1.4	nil
Accrual of income	nil	nil	nil	(p.47)-1.0
Current transfers	1.0	nil	(p.54)-1.0	—
Capital and financial account	22.5	23.5	1.0	1.1
Capital account	n.a.	1.1	(p.54)1.1	0.1
Financial account	22.5	22.4	-0.1	1.0
Trade credit imputed on processing trade	nil	-0.1	-0.1	—
Accrual of income	nil	nil	nil	(p.47)1.0
INTERNATIONAL INVESTMENT POSITION				
Gross debt	236	276	40	—
Net debt	188	192	4	—

CONTACTS FOR FURTHER
INFORMATION

84 For further information relating to the implementation of BPM5,
please contact:

Director, Balance of Payments
Australian Bureau of Statistics
PO Box 10
BELCONNEN ACT 2616
Facsimile no. (02) 6252 7219
Contact: Bob McColl
Phone no. (02) 6252 6688

For more information on implementation of SNA93, please contact:

Director, National Accounts Research
Australian Bureau of Statistics
PO Box 10
BELCONNEN ACT 2616
Facsimile no. (02) 6251 6009
Contact: John Joice
Phone no. (02) 6252 6170

APPENDIX 1

SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION Balance of Payments and International Investment Position, Australia (5302.0)

CONTENTS

Table		Page
	Summary	
1	Australia's balance of payments — summary	32
2	Australia's international investment position — summary by foreign assets and foreign liabilities	33
3	Australia's international investment position — summary by net foreign equity and net foreign debt	34
	Current account transactions	
4	Current account transactions — seasonally adjusted and trend estimates (\$ million and percentage change)	35
5	Goods and services — at average 1989–90 prices, original and seasonally adjusted, and terms of trade — (\$ million and percentage changes)	36
6	Goods and services — implicit price deflators and fixed weighted indexes — indexes and percentage changes	not shown
7	Goods credits	not shown
8	Goods debits	37
9	Goods credits — at average 1989–90 prices	not shown
10	Goods debits — at average 1989–90 prices	not shown
11	Goods credits — seasonally adjusted	not shown
12	Goods debits — seasonally adjusted	not shown
13	Goods credits — at average 1989–90 prices — seasonally adjusted	not shown
14	Goods debits — at average 1989–90 prices — seasonally adjusted	not shown
15	Goods credits — implicit price deflators	not shown
16	Goods debits — implicit price deflators	not shown
17	Services credits	38
18	Services debits	not shown
19	Services credits — at current and average 1989–90 prices, original and seasonally adjusted, and implicit price deflators	not shown
20	Services debits — at current and average 1989–90 prices, original and seasonally adjusted, and implicit price deflators	not shown
21	Income credits	39
22	Income debits	not shown
23	Income credits — seasonally adjusted	not shown
24	Income debits — seasonally adjusted	not shown
25	Current transfers	40
	Capital account transactions	
26	Capital account transactions	40
	Financial account transactions	
27	Direct investment and portfolio investment transactions	41
28	Other investment and reserve asset transactions	42

APPENDIX 1 continued

SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
Balance of Payments and International Investment Position, Australia (5302.0)

CONTENTS — continued

Table		Page
	International investment position	
29	International investment position — foreign assets by direction and type of investment	44
30	International investment position — foreign liabilities by direction and type of investment	46
31	Australian investment abroad — positions and changes in position, March quarter 1997	48
32	Foreign investment in Australia — positions and changes in position, March quarter 1997	50
33	Levels of Australian investment abroad	52
34	Levels of foreign investment in Australia	54
	Foreign debt	
35	Foreign debt transactions	56
36	Foreign debt levels	57
37	Interest income on foreign debt	58
	Supplementary information	
38	Exchange rates	not shown
39	Foreign liabilities by industry	not shown
40	Selected current account and foreign liability ratios	not shown
41	Australia's balance of payments — summary of revisions	not shown
42	Australia's international investment position — summary of revisions	not shown
	Historical series	
43	Australia's balance of payments — historical summary — original	not shown
45	Australia's balance of payments — historical summary — seasonally adjusted	not shown
45	Australia's international investment position — historical summary	not shown

APPENDIX 1 continued

SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 1. AUSTRALIA'S BALANCE OF PAYMENTS — SUMMARY
(\$ million)

	Quarters ended										
	Year			Y2				Y3			
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Current account											
<i>Goods and services</i>											
<i>Goods</i>											
Credits											
Debits											
<i>Services</i>											
Credits											
Debits											
<i>Income</i>											
Credits											
Debits											
<i>Current transfers</i>											
Credits											
Debits											
Capital and financial account											
Capital account											
Capital transfers											
Credits											
Debits											
<i>Net acquisition/disposal of non-produced, nonfinancial assets</i>											
Financial account											
<i>Direct investment</i>											
<i>Abroad</i>											
<i>In Australia</i>											
<i>Portfolio investment</i>											
<i>Other investment</i>											
<i>Reserve assets</i>											
Net errors and omissions											
Memorandum items:											
Income											
<i>Of which:</i>											
Gross credits											
Gross debits											
Financial account											
<i>Of which:</i>											
Net foreign equity transactions											
Net foreign debt transactions											

APPENDIX 1 continued

**SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 2. AUSTRALIA'S INTERNATIONAL INVESTMENT POSITION — SUMMARY BY FOREIGN ASSETS
AND FOREIGN LIABILITIES**

	<i>Changes in position reflecting</i>					<i>Position at end of period</i>
	<i>Position at beginning of period</i>	<i>Trans-actions</i>	<i>Price changes</i>	<i>Exchange rate changes</i>	<i>Other adjust-ments</i>	
FOREIGN ASSETS(a)						
<i>Year</i>						
1994-95						
1995-96						
1996-97						
<i>Quarter ended</i>						
<i>1995-96</i>						
March						
June						
<i>1996-97</i>						
September						
December						
March						
June						
FOREIGN LIABILITIES(b)						
<i>Year</i>						
1994-95						
1995-96						
1996-97						
<i>Quarter ended</i>						
<i>1995-96</i>						
March						
June						
<i>1996-97</i>						
September						
December						
March						
June						
NET INTERNATIONAL INVESTMENT POSITION						
<i>Year</i>						
1994-95						
1995-96						
1996-97						
<i>Quarter ended</i>						
<i>1995-96</i>						
March						
June						
<i>1996-97</i>						
September						
December						
March						
June						

(a) Assets include claims of Australian direct investment enterprises on direct investors which are classified as part of direct investment in Australia.

(b) Liabilities include liabilities of Australian direct investors to direct investment enterprises abroad, which are classified as part of direct investment abroad.

APPENDIX 1 continued

**SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 3. AUSTRALIA'S INTERNATIONAL INVESTMENT POSITION — SUMMARY BY NET FOREIGN
EQUITY AND NET FOREIGN DEBT**

	<i>Changes in position reflecting</i>				<i>Position at end of Period</i>
	<i>Position at beginning of period</i>	<i>Trans-actions</i>	<i>Price changes</i>	<i>Exchange rate changes</i>	
NET FOREIGN EQUITY					
<i>Year</i>					
1994-95					
1995-96					
1996-97					
<i>Quarter ended</i>					
1995-96					
March					
June					
1996-97					
September					
December					
March					
June					
NET FOREIGN DEBT					
<i>Year</i>					
1994-95					
1995-96					
1996-97					
<i>Quarter ended</i>					
1995-96					
March					
June					
1996-97					
September					
December					
March					
June					
NET INTERNATIONAL INVESTMENT POSITION					
<i>Year</i>					
1994-95					
1995-96					
1996-97					
<i>Quarter ended</i>					
1995-96					
March					
June					
1996-97					
September					
December					
March					
June					

APPENDIX 1 continued

**SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 4. CURRENT ACCOUNT TRANSACTIONS — SEASONALLY ADJUSTED AND TREND ESTIMATES**

	Quarters ended										
	Year			Y2				Y3			
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SEASONALLY ADJUSTED (\$ million)											
Current account											
<i>Goods and services</i>											
<i>Goods</i>											
Credits											
Debits											
<i>Services</i>											
Credits											
Debits											
<i>Income</i>											
Credits											
Debits											
<i>Current transfers</i>											
Credits											
Debits											
SEASONALLY ADJUSTED (per cent)											
Current account											
<i>Goods and services</i>											
<i>Goods</i>											
Credits											
Debits											
<i>Services</i>											
Credits											
Debits											
<i>Income</i>											
Credits											
Debits											
<i>Current transfers</i>											
Credits											
Debits											
TREND ESTIMATES (\$ million)											
Current account											
<i>Goods and services</i>											
<i>Goods</i>											
Credits											
Debits											
<i>Services</i>											
Credits											
Debits											
<i>Income</i>											
Credits											
Debits											
<i>Current transfers</i>											
Credits											
Debits											
TREND ESTIMATES (per cent)											
Current account											
<i>Goods and services</i>											
<i>Goods</i>											
Credits											
Debits											
<i>Services</i>											
Credits											
Debits											
<i>Income</i>											
Credits											
Debits											
<i>Current transfers</i>											
Credits											
Debits											

APPENDIX 1 continued

**SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 5. GOODS AND SERVICES, AT AVERAGE 1989–90 PRICES, ORIGINAL AND SEASONALLY
ADJUSTED, AND TERMS OF TRADE (\$ MILLION AND PERCENTAGE CHANGE)**

	Quarters ended										
	Year			Y2				Y3			
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
AT AVERAGE 1989–90 PRICES — ORIGINAL (\$ million)											
Goods and services											
Credits											
Goods											
Services											
Debits											
Goods											
Services											
AT AVERAGE 1989–90 PRICES — ORIGINAL (per cent)											
Goods and services											
Credits											
Goods											
Services											
Debits											
Goods											
Services											
AT AVERAGE 1989–90 PRICES — SEASONALLY ADJUSTED (\$ million)											
Goods and services											
Credits											
Goods											
Services											
Debits											
Goods											
Services											
AT AVERAGE 1989–90 PRICES — SEASONALLY ADJUSTED (per cent)											
Goods and services											
Credits											
Goods											
Services											
Debits											
Goods											
Services											
TERMS OF TRADE — SEASONALLY ADJUSTED											
Goods and services											
Goods											
Services											
TERMS OF TRADE — SEASONALLY ADJUSTED (per cent)											
Goods and services											
Goods											
Services											
TERMS OF TRADE — TREND ESTIMATES											
Goods and services											
Goods											
Services											
TERMS OF TRADE — TREND ESTIMATES (per cent)											
Goods and services											
Goods											
Services											

APPENDIX 1 continued

**SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 8. GOODS DEBITS
(\$ million)**

	Quarters ended											
	Year			Y2				Y3				
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Goods debits												
General merchandise												
<i>Consumption goods</i>												
Food and beverages, mainly for consumption												
Household electrical items												
Non-industrial transport equipment												
Textiles, clothing and footwear												
Toys, books and leisure goods												
Consumption goods, n.e.s.												
<i>Capital goods</i>												
Machinery and industrial equipment												
ADP equipment												
Telecommunications equipment												
Civil aircraft												
Industrial transport equipment n.e.s.												
Capital goods n.e.s.												
<i>Intermediate and other goods</i>												
Food and beverages, mainly for industry												
Primary industrial supplies n.e.s.												
Fuels and lubricants												
Parts for transport equipment												
Parts for ADP equipment												
Other parts for capital goods												
Organic and inorganic chemicals												
Paper and paperboard												
Textile yarn and fabrics												
Iron and steel												
Plastics												
Processed industrial supplies n.e.s.												
Other goods												
Goods for processing												
Repairs on goods												
Goods procured in ports												
Non-monetary gold												
Held as a store of value												
Other												

APPENDIX 1 continued

**SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 17. SERVICES CREDITS
(\$ million)**

	Quarters ended										
	Year			Y2				Y3			
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Services credits											
Transportation services											
<i>Sea transport</i>											
Passenger											
Freight											
Other											
<i>Air transport</i>											
Passenger											
Freight											
Other											
<i>Other transport</i>											
Passenger											
Freight											
Other											
Travel services											
Business											
Personal											
Health-related											
Education-related											
Other											
Communications services											
Construction services											
Insurance services											
Financial services											
Computer and information services											
Royalties and licence fees											
Other business services											
Merchanting & other trade-related											
Operational leasing											
Miscellaneous business, professional & technical											
Legal, accounting, management consulting & public relations											
Advertising, market research, & public opinion polling											
Research and development											
Architectural, engineering, & other technical services											
Agricultural, mining, and on-site processing											
Services between affiliated enterprises n.i.e.											
Other											
Personal, cultural, and recreational services											
Audiovisual and related services											
Other personal, cultural & recreational services											
Government services, n.i.e.											
Memorandum items:											
<i>Gross inward insurance premiums receivable</i>											
<i>Gross inward insurance claims payable</i>											

APPENDIX 1 continued

SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 21. INCOME CREDITS
(\$ million)

	Quarters ended											
	Year			Y2				Y3				
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Income credits												
Compensation of employees												
Investment income												
<i>Direct investment abroad</i>												
Income on equity												
Dividends & distributed branch profits												
Reinvested earnings & undistributed branch profits												
Income on debt												
Receivable on claims on affiliated enterprises												
Payable on liabilities to affiliated enterprises												
<i>Portfolio investment assets</i>												
Income on equity												
Reserve Bank												
General government												
Depository corporations												
Other sectors												
Income on debt												
Bonds and notes												
Reserve Bank												
General government												
Depository corporations												
Other sectors												
Money market instruments												
Reserve Bank												
General government												
Depository corporations												
Other sectors												
<i>Other investment assets</i>												
Reserve Bank												
General government												
Depository corporations												
Other sectors												

APPENDIX 1 continued

SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION

TABLE 25. CURRENT TRANSFERS

(\$ million)

	Quarters ended											
	Year			Y2				Y3				
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Current transfers												
<i>Credits</i>												
General government												
Other sectors												
Workers' remittances												
Other transfers												
Non-life insurance transfers												
Inward insurance net premiums(a)												
Outward insurance claims												
Other												
<i>Debits</i>												
General government												
Other sectors												
Workers' remittances												
Other transfers												
Non-life insurance transfers												
Outward insurance net premiums (a)												
Inward insurance claims												
Other												

(a) Insurance premiums net of the estimated service charge. The latter is included as a part of insurance services in tables 17 and 18).

TABLE 26. CAPITAL ACCOUNT TRANSACTIONS

(\$ million)

	Quarters ended											
	Year			Y2				Y3				
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Capital account												
Capital transfers												
<i>Credits</i>												
General government												
Debt forgiveness												
Other												
Other sectors												
Migrants' transfers												
Debt forgiveness												
Other												
<i>Debits</i>												
General government												
Debt forgiveness												
Other												
Other sectors												
Migrants' transfers												
Debt forgiveness												
Other												
Acquisition/disposal of non-produced, non-financial assets												
<i>Credits</i>												
<i>Debits</i>												

APPENDIX 1 continued
SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 27. DIRECT INVESTMENT AND PORTFOLIO INVESTMENT TRANSACTIONS
(\$ million)

	Quarters ended											
	Year			Y2				Y3				
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Direct investment												
Abroad												
Equity capital												
Reinvested earnings												
Other capital												
Claims on affiliated enterprises												
Liabilities to affiliated enterprises												
In Australia												
Equity capital												
Reinvested earnings												
Other capital												
Claims on direct investors												
Liabilities to direct investors												
Portfolio investment												
Assets												
Equity securities												
Reserve Bank												
General government												
Depository corporations												
Other sectors												
Debt securities												
Bonds and notes												
Reserve Bank												
General government												
Depository corporations												
Other sectors												
Money market instruments												
Reserve Bank												
General government												
Depository corporations												
Other sectors												
Financial derivatives												
Reserve Bank												
General government												
Depository corporations												
Other sectors												
Liabilities												
Equity securities												
Depository corporations												
Other sectors												
Debt securities												
Bonds and notes												
Reserve Bank												
General government												
Depository corporations												
Other sectors												
Money market instruments												
Reserve Bank												
General government												
Depository corporations												
Other sectors												
Financial derivatives												
Reserve Bank												
General government												
Depository corporations												
Other sectors												

APPENDIX 1 continued

SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 28. OTHER INVESTMENT AND RESERVE ASSET TRANSACTIONS
(\$ million)

	Quarters ended											
	Year			Y2				Y3				
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Other investment												
Assets												
<i>Trade credits</i>												
General government												
Long-term												
Short-term												
Other sectors												
Long-term												
Short-term												
<i>Loans</i>												
Reserve Bank												
Long-term												
Short-term												
General government												
Long-term												
Short-term												
Depository corporations												
Long-term												
Short-term												
Other sectors												
Long-term												
Short-term												
<i>Currency and deposits</i>												
Reserve Bank												
General government												
Depository corporations												
Other sectors												
<i>Other assets</i>												
Reserve Bank												
Long-term												
Short-term												
General government												
Long-term												
Short-term												
Depository corporations												
Long-term												
Short-term												
Other sectors												
Long-term												
Short-term												
Liabilities												
<i>Trade credits</i>												
General government												
Long-term												
Drawings												
Repayments												
Short-term												
Other sectors												
Long-term												
Drawings												
Repayments												
Short-term												

APPENDIX 1 continued

SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 28. OTHER INVESTMENT AND RESERVE ASSET TRANSACTIONS — *continued*
(\$ million)

	Quarters ended										
	Year			Y2				Y3			
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Liabilities — <i>continued</i>											
<i>Loans</i>											
Reserve Bank											
Long-term											
Drawings											
Repayments											
Short-term											
General government											
Use of Fund credit and loans from the IMF											
Other long-term											
Drawings											
Repayments											
Short-term											
Depository corporations											
Long-term											
Drawings											
Repayments											
Short-term											
Other sectors											
Long-term											
Drawings											
Repayments											
Short-term											
<i>Currency and deposits</i>											
Reserve Bank											
Depository corporations											
<i>Other liabilities</i>											
Reserve Bank											
Long-term											
Short-term											
General government											
Long-term											
Short-term											
Depository corporations											
Long-term											
Short-term											
Other sectors											
Long-term											
Short-term											
Reserve assets											
<i>Monetary gold</i>											
<i>Special drawing rights</i>											
<i>Reserve position in the IMF</i>											
<i>Foreign exchange</i>											
Currency and deposits											
Securities											
<i>Other claims</i>											

APPENDIX 1 continued

SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 29. INTERNATIONAL INVESTMENT POSITION — FOREIGN ASSETS BY DIRECTION AND TYPE OF INVESTMENT
(\$ million)

	<i>Changes in position reflecting</i>				<i>Position at end of period</i>
	<i>Position at beginning of period</i>	<i>Transactions</i>	<i>Price changes</i>	<i>Exchange rate changes</i>	
DIRECT INVESTMENT ABROAD — NET ASSETS(a)					
<i>Year</i>					
1994-95					
1995-96					
1996-97					
<i>Quarter ended</i>					
<i>1995-96</i>					
March					
June					
<i>1996-97</i>					
September					
December					
March					
June					
PORTFOLIO INVESTMENT ASSETS					
<i>Year</i>					
1994-95					
1995-96					
1996-97					
<i>Quarter ended</i>					
<i>1995-96</i>					
March					
June					
<i>1996-97</i>					
September					
December					
March					
June					
OTHER INVESTMENT ASSETS					
<i>Year</i>					
1994-95					
1995-96					
1996-97					
<i>Quarter ended</i>					
<i>1995-96</i>					
March					
June					
<i>1996-97</i>					
September					
December					
March					
June					
RESERVE ASSETS					
<i>Year</i>					
1994-95					
1995-96					
1996-97					
<i>Quarter ended</i>					
<i>1995-96</i>					
March					
June					
<i>1996-97</i>					
September					
December					
March					
June					

For footnotes see end of table.

APPENDIX 1 continued

SELECTED DRAFT 5306.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 29. INTERNATIONAL INVESTMENT POSITION — FOREIGN ASSETS BY DIRECTION AND
TYPE OF INVESTMENT — *continued*
(\$ million)

	<i>Changes in position reflecting</i>					<i>Position at end of period</i>
	<i>Position at beginning of period</i>	<i>Trans-actions</i>	<i>Price changes</i>	<i>Exchange rate changes</i>	<i>Other adjust-ments</i>	
TOTAL AUSTRALIAN INVESTMENT ABROAD						
Year						
1994-95						
1995-96						
1996-97						
Quarter ended						
1995-96						
March						
June						
1996-97						
September						
December						
March						
June						
DIRECT INVESTMENT ADJUSTMENT(b)						
Year						
1994-95						
1995-96						
1996-97						
Quarter ended						
1995-96						
March						
June						
1996-97						
September						
December						
March						
June						
TOTAL FOREIGN ASSETS						
Year						
1994-95						
1995-96						
1996-97						
Quarter ended						
1995-96						
March						
June						
1996-97						
September						
December						
March						
June						

(a) Net direct investment abroad, after deduction of liabilities to direct investment enterprises abroad.
(b) Required to adjust Australian investment abroad onto a gross assets basis. Includes claims of Australian direct investment enterprises on direct investors abroad (see table 32) plus liabilities of Australian direct investors to direct investment enterprises abroad (see table 31, 'Liabilities to affiliated enterprises').

APPENDIX 1 continued

SELECTED DRAFT 5306.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 30. INTERNATIONAL INVESTMENT POSITION — FOREIGN LIABILITIES BY DIRECTION OF
INVESTMENT AND TYPE OF INVESTMENT
(\$ million)

	<i>Changes in position reflecting</i>					<i>Position at end of period</i>
	<i>Position at beginning of period</i>	<i>Trans-actions</i>	<i>Price changes</i>	<i>Exchange rate changes</i>	<i>Other adjust-ments</i>	
DIRECT INVESTMENT IN AUSTRALIA — NET LIABILITIES(a)						
<i>Year</i>						
1994-95						
1995-96						
1996-97						
<i>Quarter ended</i>						
1995-96						
March						
June						
1996-97						
September						
December						
March						
June						
PORTFOLIO INVESTMENT LIABILITIES						
<i>Year</i>						
1994-95						
1995-96						
1996-97						
<i>Quarter ended</i>						
1995-96						
March						
June						
1996-97						
September						
December						
March						
June						
OTHER INVESTMENT LIABILITIES						
<i>Year</i>						
1994-95						
1995-96						
1996-97						
<i>Quarter ended</i>						
1995-96						
March						
June						
1996-97						
September						
December						
March						
June						
For footnotes see end of table.						

APPENDIX 1 continued

SELECTED DRAFT 5306.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 30. INTERNATIONAL INVESTMENT POSITION — FOREIGN LIABILITIES BY DIRECTION OF
INVESTMENT AND TYPE OF INVESTMENT — *continued*
(\$ million)

	<i>Changes in position reflecting</i>					<i>Position at end of period</i>
	<i>Position at beginning of period</i>	<i>Trans-actions</i>	<i>Price changes</i>	<i>Exchange rate changes</i>	<i>Other adjust-ments</i>	
TOTAL FOREIGN INVESTMENT IN AUSTRALIA						
<i>Year</i>						
1994-95						
1995-96						
1996-97						
<i>Quarter ended</i>						
<i>1995-96</i>						
March						
June						
<i>1996-97</i>						
September						
December						
March						
June						
DIRECT INVESTMENT ADJUSTMENT (b)						
<i>Year</i>						
1994-95						
1995-96						
1996-97						
<i>Quarter ended</i>						
<i>1995-96</i>						
March						
June						
<i>1996-97</i>						
September						
December						
March						
June						
TOTAL FOREIGN LIABILITIES						
<i>Year</i>						
1994-95						
1995-96						
1996-97						
<i>Quarter ended</i>						
<i>1995-96</i>						
March						
June						
<i>1996-97</i>						
September						
December						
March						
June						
(a) Net direct investment in Australia, after deduction of claims on direct investors abroad. (b) Required to adjust foreign investment in Australia onto a gross liabilities basis. Includes liabilities of Australian direct investors to direct investment enterprises abroad (see table 31, 'Liabilities to affiliated enterprises') plus claims of Australian direct investment enterprises on direct investors abroad (see table 32).						

APPENDIX 1 continued

SELECTED DRAFT 5306.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 31. AUSTRALIAN INVESTMENT ABROAD — POSITIONS AND CHANGES IN POSITION
MARCH QUARTER 1997
(\$ million)

	<i>Position at beginning of period</i>	<i>Changes in position reflecting</i>			<i>Position at end of period</i>
		<i>Trans- actions</i>	<i>Price changes</i>	<i>Exchange rate changes</i>	
Australian investment abroad					
Direct investment abroad					
<i>Equity capital and reinvested earnings</i>					
<i>Other capital</i>					
Claims on affiliated enterprises					
Liabilities to affiliated enterprises					
Portfolio investment assets					
<i>Equity securities</i>					
Reserve Bank					
General government					
Depository corporations					
Other sectors					
<i>Debt securities</i>					
Bonds and notes					
Reserve Bank					
General government					
Depository corporations					
Other sectors					
Money market instruments					
Reserve Bank					
General government					
Depository corporations					
Other sectors					
Financial derivatives					
Reserve Bank					
General government					
Depository corporations					
Other sectors					

APPENDIX 1 continued

SELECTED DRAFT 5306.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 31. AUSTRALIAN INVESTMENT ABROAD — POSITIONS AND CHANGES IN POSITION
MARCH QUARTER 1997 — continued
(\$ million)

	<i>Position at beginning of period</i>	<i>Changes in position reflecting</i>			<i>Position at end of period</i>
		<i>Trans- actions</i>	<i>Price changes</i>	<i>Exchange rate changes</i>	
Other investment assets					
<i>Trade credits</i>					
General government					
Long-term					
Short-term					
Other sectors					
Long-term					
Short-term					
<i>Loans</i>					
Reserve Bank					
Long-term					
Short-term					
General government					
Long-term					
Short-term					
Depository corporations					
Long-term					
Short-term					
Other sectors					
Long-term					
Short-term					
<i>Currency and deposits</i>					
Reserve Bank					
General government					
Depository corporations					
Other sectors					
<i>Other assets</i>					
Reserve Bank					
Long-term					
Short-term					
General government					
Long-term					
Short-term					
Depository corporations					
Long-term					
Short-term					
Other sectors					
Long-term					
Short-term					
Reserve assets					
<i>Monetary gold</i>					
<i>Special drawing rights</i>					
<i>Reserve position in IMF</i>					
<i>Foreign exchange</i>					
Currency and deposits					
Securities					
<i>Other claims</i>					

APPENDIX 1 continued

SELECTED DRAFT 5306.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 32. FOREIGN INVESTMENT IN AUSTRALIA — POSITIONS AND CHANGES IN POSITION
MARCH QUARTER 1997
(\$ million)

	<i>Position at beginning of period</i>	<i>Changes in position reflecting</i>			<i>Position at end of period</i>
		<i>Trans- actions</i>	<i>Price changes</i>	<i>Exchange rate changes</i>	
Foreign investment in Australia					
Direct investment in Australia					
<i>Equity capital and reinvested earnings</i>					
<i>Other capital</i>					
Claims on direct investors					
Liabilities to direct investors					
Portfolio investment liabilities					
<i>Equity securities</i>					
Depository corporations					
Other sectors					
<i>Debt securities</i>					
Bonds and notes					
Reserve Bank					
General government					
Depository corporations					
Other sectors					
Money market instruments					
Reserve Bank					
General government					
Depository corporations					
Other sectors					
Financial derivatives					
Reserve Bank					
General government					
Depository corporations					
Other sectors					

APPENDIX 1 continued

SELECTED DRAFT 5306.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 32. FOREIGN INVESTMENT IN AUSTRALIA — POSITIONS AND CHANGES IN POSITION
MARCH QUARTER 1997 — *continued*
(\$ million)

	<i>Position at beginning of period</i>	<i>Changes in position reflecting</i>			<i>Position at end of period</i>
		<i>Trans- actions</i>	<i>Price changes</i>	<i>Exchange rate changes</i>	
Other investment liabilities					
<i>Trade credits</i>					
General government					
Long-term					
Short-term					
Other sectors					
Long-term					
Short-term					
<i>Loans</i>					
Reserve Bank					
Long-term					
Short-term					
General government					
Use of Fund credit and loans from the IMF					
Other long-term					
Short-term					
Depository corporations					
Long-term					
Short-term					
Other sectors					
Long-term					
Short-term					
<i>Currency and deposits</i>					
Reserve Bank					
Depository corporations					
<i>Other liabilities</i>					
Reserve Bank					
Long-term					
Short-term					
General government					
Long-term					
Short-term					
Depository corporations					
Long-term					
Short-term					
Other sectors					
Long-term					
Short-term					

APPENDIX 1 continued

SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 33. LEVELS OF AUSTRALIAN INVESTMENT ABROAD
(\$ million)

	Quarters ended										
	Year			Y2				Y3			
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Levels of Australian investment abroad											
Direct investment abroad											
<i>Equity capital and reinvested earnings</i>											
<i>Other capital</i>											
Claims on affiliated enterprises											
Liabilities to affiliated enterprises											
Portfolio investment assets											
<i>Equity securities</i>											
Reserve Bank											
General government											
Depository corporations											
Other sectors											
<i>Debt securities</i>											
Bonds and notes											
Reserve Bank											
General government											
Depository corporations											
Other sectors											
Money market instruments											
Reserve Bank											
General government											
Depository corporations											
Other sectors											
Financial derivatives											
Reserve Bank											
General government											
Depository corporations											
Other sectors											

APPENDIX 1 continued

SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION

TABLE 33. LEVELS OF AUSTRALIAN INVESTMENT ABROAD — *continued*

(\$ million)

	Quarters ended											
	Year			Y2				Y3				
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Other investment assets												
<i>Trade credits</i>												
General government												
Long-term												
Short-term												
Other sectors												
Long-term												
Short-term												
<i>Loans</i>												
Reserve Bank												
Long-term												
Short-term												
General government												
Long-term												
Short-term												
Depository corporations												
Long-term												
Short-term												
Other sectors												
Long-term												
Short-term												
<i>Currency and deposits</i>												
Reserve Bank												
General government												
Depository corporations												
Other sectors												
<i>Other assets</i>												
Reserve Bank												
Long-term												
Short-term												
General government												
Long-term												
Short-term												
Depository corporations												
Long-term												
Short-term												
Other sectors												
Long-term												
Short-term												
Reserve Assets												
<i>Monetary gold</i>												
<i>Special drawing rights</i>												
<i>Reserve position in the IMF</i>												
<i>Foreign exchange</i>												
Currency and deposits												
Securities												
<i>Other claims</i>												

APPENDIX 1 continued

SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 34. LEVELS OF FOREIGN INVESTMENT IN AUSTRALIA
 (\$ million)

	Quarters ended										
	Year			Y2				Y3			
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Level of foreign investment in Australia											
Direct investment in reporting economy											
<i>Equity capital and reinvested earnings</i>											
<i>Other capital</i>											
Claims on direct investors											
Liabilities to direct investors											
Portfolio investment liabilities											
<i>Equity securities</i>											
Depository corporations											
Other sectors											
<i>Debt securities</i>											
Bonds and notes											
Reserve Bank											
General government											
Depository corporations											
Other sectors											
Money market instruments											
Reserve Bank											
General government											
Depository corporations											
Other sectors											
Financial derivatives											
Reserve Bank											
General government											
Depository corporations											
Other sectors											

APPENDIX 1 continued

SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION

TABLE 34. LEVELS OF FOREIGN INVESTMENT IN AUSTRALIA — *continued*

(\$ million)

	Quarters ended											
	Year			Y2				Y3				
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Other investment liabilities												
<i>Trade credits</i>												
General government												
Long-term												
Short-term												
Other sectors												
Long-term												
Short-term												
<i>Loans</i>												
Reserve Bank												
Long-term												
Short-term												
General government												
Use of Fund credit and loans from the IMF												
Other long-term												
Short-term												
Depository corporations												
Long-term												
Short-term												
Other sectors												
Long-term												
Short-term												
<i>Currency and deposits</i>												
Reserve Bank												
Depository corporations												
<i>Other liabilities</i>												
Reserve Bank												
Long-term												
Short-term												
General government												
Long-term												
Short-term												
Depository corporations												
Long-term												
Short-term												
Other sectors												
Long-term												
Short-term												

APPENDIX 1 continued

SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 35. FOREIGN DEBT TRANSACTIONS
(\$ million)

	Quarters ended											
	Year			Y2				Y3				
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Assets(a)												
Public sector												
<i>General government</i>												
Commonwealth												
State												
<i>Financial corporations</i>												
Reserve Bank												
Depository corporations												
Other financial corporations												
<i>Non-financial corporations</i>												
Private sector												
<i>Financial corporations</i>												
<i>Non-financial corporations</i>												
Liabilities(a)												
Public sector												
<i>General government</i>												
Commonwealth												
Debt domiciled abroad												
Debt domiciled in Australia												
State												
Debt domiciled abroad												
Debt domiciled in Australia												
<i>Financial corporations</i>												
Reserve Bank												
Debt domiciled abroad												
Debt domiciled in Australia												
<i>Depository corporations</i>												
Debt domiciled abroad												
Debt domiciled in Australia												
<i>Other financial corporations</i>												
Debt domiciled abroad												
Debt domiciled in Australia												
<i>Non-financial corporations</i>												
Debt domiciled abroad												
Debt domiciled in Australia												
Private sector												
<i>Financial corporations</i>												
<i>Non-financial corporations</i>												
Net foreign debt												
Public sector												
<i>General government</i>												
Commonwealth												
State												
<i>Financial corporations</i>												
Reserve Bank												
Depository corporations												
Other financial corporations												
<i>Non-financial corporations</i>												
Private sector												
<i>Financial corporations</i>												
<i>Non-financial corporations</i>												

(a) In this table, debt transactions of direct investors with direct investment enterprises are recorded separately for transactions in assets and in liabilities. Netting transactions within the direction of direct investment, as shown in tables 31 and 32, is not applied.

APPENDIX 1 continued

SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION

TABLE 36. FOREIGN DEBT LEVELS

(\$ million)

	Quarters ended											
	Year			Y2				Y3				
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Assets(a)												
Public sector												
General government												
Commonwealth												
State												
Financial corporations												
Reserve Bank												
Depository corporations												
Other financial corporations												
Non-financial corporations												
Private sector												
Financial corporations												
Non-financial corporations												
Liabilities(a)												
Public sector												
General government												
Commonwealth												
Debt domiciled abroad												
Debt domiciled in Australia												
State												
Debt domiciled abroad												
Debt domiciled in Australia												
Financial corporations												
Reserve Bank												
Debt domiciled abroad												
Debt domiciled in Australia												
Depository corporations												
Debt domiciled abroad												
Debt domiciled in Australia												
Other financial corporations												
Debt domiciled abroad												
Debt domiciled in Australia												
Non-financial corporations												
Debt domiciled abroad												
Debt domiciled in Australia												
Private sector												
Financial corporations												
Non-financial corporations												
Net foreign debt												
Public sector												
General government												
Commonwealth												
State												
Financial corporations												
Reserve Bank												
Depository corporations												
Other financial corporations												
Non-financial corporations												
Private sector												
Financial corporations												
Non-financial corporations												

(a) In this table, debt transactions of direct investors with direct investment enterprises are recorded on a gross basis for assets and liabilities. Netting assets and liabilities within the direction of direct investment, as shown in tables 31 and 32, is not applied.

APPENDIX 1 continued

SELECTED DRAFT 5302.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 37. INTEREST INCOME ON FOREIGN DEBT
(\$ million)

	Quarters ended											
	Year			Y2				Y3				
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Interest receivable(a)												
Public sector												
<i>General government</i>												
Commonwealth												
State												
<i>Financial corporations</i>												
Reserve Bank												
Depository corporations												
Other financial corporations												
<i>Non-financial corporations</i>												
Private sector												
<i>Financial corporations</i>												
<i>Non-financial corporations</i>												
Interest payable(a)												
Public sector												
<i>General government</i>												
Commonwealth												
Debt domiciled abroad												
Debt domiciled in Australia												
State												
Debt domiciled abroad												
Debt domiciled in Australia												
<i>Financial corporations</i>												
Reserve Bank												
Debt domiciled abroad												
Debt domiciled in Australia												
<i>Depository corporations</i>												
Debt domiciled abroad												
Debt domiciled in Australia												
<i>Other financial corporations</i>												
Debt domiciled abroad												
Debt domiciled in Australia												
<i>Non-financial corporations</i>												
Debt domiciled abroad												
Debt domiciled in Australia												
Private sector												
<i>Financial corporations</i>												
<i>Non-financial corporations</i>												
Net interest income												
Public sector												
<i>General government</i>												
Commonwealth												
State												
<i>Financial corporations</i>												
Reserve Bank												
Depository corporations												
Other financial corporations												
<i>Non-financial corporations</i>												
Private sector												
<i>Financial corporations</i>												
<i>Non-financial corporations</i>												

(a) In this table, interest on debt between direct investors and direct investment enterprises is recorded on a gross basis for assets and liabilities. Netting income flows within the direction of direct investment, as shown in table 21, is not applied.

APPENDIX 2

SELECTED DRAFT 5368.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION International Trade in Goods and Services, Australia (5368.0)

CONTENTS

Table		Page
	Summary table	
1	Goods and services, Summary: Seasonally Adjusted and Trend	not shown
2	Goods and services, Summary: Original	not shown
3	Goods credits: Original	not shown
4	Goods debits: Original	60
5	Services: Original	64
6	Period average exchange rates	not shown

APPENDIX 2 continued

SELECTED DRAFT 5368.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION
TABLE 4. GOODS DEBITS: Original
(\$ million)

<i>Period</i>	<i>General merchandise</i>							
	<i>Consumption goods</i>							
	<i>Total imports of goods</i>	<i>Total consumption goods</i>	<i>Food and beverages, mainly for consumption</i>	<i>Household electrical items</i>	<i>Non-industrial transport equipment</i>	<i>Textiles, clothing and footwear</i>	<i>Toys, books and leisure goods</i>	<i>Consumption goods n.e.s.</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1994-95								
1995-96								
1996-97								
1996								
July								
August								
September								
October								
November								
December								
1997								
January								
February								
March								
April								
May								
June								
July								
August								
September								
FINANCIAL YEAR TO DATE								
3 months to Sep 96								
3 months to Sep 97								

APPENDIX 2 continued

SELECTED DRAFT 5368.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION

TABLE 4. GOODS DEBITS: Original — continued

(\$ million)

<i>General merchandise — continued</i>							
<i>Capital goods</i>							
<i>Period</i>	<i>Total capital goods</i>	<i>Machinery and industrial equipment</i>	<i>ADP equipment</i>	<i>Telecommunications equipment</i>	<i>Civil aircraft</i>	<i>Industrial transport equipment n.e.s.</i>	<i>Capital goods n.e.s.</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1994-95							
1995-96							
1996-97							
1996							
July							
August							
September							
October							
November							
December							
1997							
January							
February							
March							
April							
May							
June							
July							
August							
September							
FINANCIAL YEAR TO DATE							
	3 months to Sep 96						
	3 months to Sep 97						

APPENDIX 2 continued

SELECTED DRAFT 5368.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION

TABLE 4. GOODS DEBITS: Original — continued
 (\$ million)

<i>General merchandise — continued</i>								
<i>Immediate and other goods</i>								
<i>Period</i>	<i>Total intermediate and other goods</i>	<i>Food and beverages mainly for industry</i>	<i>Primary industrial supplies n.e.s.</i>	<i>Fuels and lubricants</i>	<i>Parts for transport equipment</i>	<i>Parts for ADP equipment</i>	<i>Other parts for capital goods</i>	<i>Organic and inorganic chemicals</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1994-95								
1995-96								
1996-97								
1996								
July								
August								
September								
October								
November								
December								
1997								
January								
February								
March								
April								
May								
June								
July								
August								
September								
FINANCIAL YEAR TO DATE								
3 months to Sep 96								
3 months to Sep 97								

APPENDIX 2 continued

SELECTED DRAFT 5368.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION

TABLE 4. GOODS DEBITS: Original — continued

(\$ million)

Period	<i>General merchandise — continued</i>						<i>Other goods</i>
	<i>Intermediate and other merchandise goods — continued</i>						
	<i>Paper and paperboard</i>	<i>Textile yarn and fabric</i>	<i>Iron and steel</i>	<i>Plastics</i>	<i>Processed industrial supplies n.e.s.</i>	<i>Other merchandise goods</i>	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1994-95							
1995-96							
1996-97							
1996							
July							
August							
September							
October							
November							
December							
1997							
January							
February							
March							
April							
May							
June							
July							
August							
September							
FINANCIAL YEAR TO DATE							
3 months to Sep 96							
3 months to Sep 97							

APPENDIX 2 continued

SELECTED DRAFT 5368.0 TABLES — ABS PROPOSAL FOR BPM5 IMPLEMENTATION

TABLE 5. SERVICES: Original
(\$ million)

Period	Exports					Imports				
	Transportation					Transportation				
	Total services \$m	Freight \$m	Other transport- ation \$m	Travel \$m	Other services \$m	Total services \$m	Freight \$m	Other transport- ation \$m	Travel \$m	Other services \$m
1994-95										
1995-96										
1996-97										
1996										
July										
August										
September										
October										
November										
December										
1997										
January										
February										
March										
April										
May										
June										
July										
August										
September										
FINANCIAL YEAR TO DATE										
3 months to Sep 96										
3 months to Sep 97										

APPENDIX 3

EXAMPLE OF TOTALLING CONVENTIONS IN FUTURE BOP AND IIP TABLES

The following table illustrates the way in which totals and balances will be presented in tables in future BOP publications. All totals and balances will generally be presented against the description line that precedes the detailed information.

	Quarters ended									
	Year		Y2				Y3			
	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Current account	-18 400	-18 400	-4 650	-4 575	-4 450	-4 725	-4 975	-4 500	-4 575	-4 350
<i>Goods and services</i>	-1 000	100	-350	-250	-150	-250	-500	100	100	400
<i>Goods</i>	-1 250	-250	-250	-250	-250	-500	-500	0	0	250
Credits	70 250	74 000	17 000	17 750	18 000	17 500	17 750	18 500	18 750	19 000
Debits	-71 500	-74 250	-17 250	-18 000	-18 250	-18 000	-18 250	-18 500	-18 750	-18 750
<i>Services</i>	250	350	-100	0	100	250	0	100	100	150
Credits	20 500	23 100	4 750	5 000	5 250	5 500	5 500	5 750	5 850	6 000
Debits	-20 250	-22 750	-4 850	-5 000	-5 150	-5 250	-5 500	-5 650	-5 750	-5 850
<i>Income</i>	-18 150	-19 400	-4 450	-4 500	-4 500	-4 700	-4 675	-4 825	-4 900	-5 000
Credits	7 000	7 350	1 600	1 750	1 850	1 800	1 825	1 825	1 850	1 850
Debits	-25 150	-26 750	-6 050	-6 250	-6 350	-6 500	-6 500	-6 650	-6 750	-6 850
<i>Current transfers</i>	750	900	150	175	200	225	200	225	225	250
Credits	3 275	3 650	750	800	850	875	875	900	925	950
Debits	-2 525	-2 750	-600	-625	-650	-650	-675	-675	-700	-700

APPENDIX 4

RECONCILIATION BETWEEN BPM5-BASED BALANCE OF PAYMENTS ACCOUNTS AND THE OVERSEAS TRANSACTIONS ACCOUNT IN AUSTRALIA'S NATIONAL ACCOUNTS (\$ million)

	Quarters ended											
	Year			Y2				Y3				
	Y1	Y2	Y3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
OVERSEAS TRANSACTIONS ACCOUNT												
Goods and services debits (BoP)												
Less: Reclassification of royalties and copyrights to income												
Changed measure of insurance services												
Equals: <i>Imports of goods and services (National Accounts)</i>												
Investment income debits (BoP)												
Plus: Reclassification of royalties and copyrights from services												
Accrual adjustment												
Direct investment income netting adjustment												
Equals: <i>Property income to overseas (National Accounts)</i>												
Compensation of employees debits (BoP)												
Equals: <i>Labour income to overseas (National Accounts)</i>												
Current transfers — other sectors debits (BoP)												
Plus: Migrants' transfers debits												
Changed measure of insurance transfers												
Equals: <i>Unrequited personal transfers to overseas (National Accounts)</i>												
Current transfers — general government debits (BoP)												
Plus: Capital transfers — general government debits												
Equals: <i>Unrequited general government transfers to overseas (National Accounts)</i>												
Current receipts from overseas (National Accounts — derived below)												
Less: 'Other' uses of current receipts (directly identified above)												
Equals: <i>Net lending to overseas (National Accounts)</i>												
Use of current receipts from overseas (National Accounts) (sum of above 6 National Accounts items)												
Goods and services credits (BoP)												
Less: Reclassification of royalties and copyrights to income												
Changed measure of insurance services												
Imputed FOREX services												
Equals: <i>Exports of goods and services (National Accounts)</i>												
Investment income credits (BoP)												
Plus: Reclassification of royalties and copyrights from services												
Accrual adjustment												
Direct investment income netting adjustment												
Equals: <i>Property income from overseas (National Accounts)</i>												
Compensation of employees credits (BoP)												
Equals: <i>Labour income from overseas (National Accounts)</i>												
Net insurance services adjustments and insurance transfers adjustments												
Equals: <i>Extraordinary insurance claims (National Accounts)</i>												
Current transfers — other sectors credits (BoP)												
Plus: Migrants' transfers credits												
Changed measure of insurance transfers												
Equals: <i>Unrequited personal transfers from overseas (National Accounts)</i>												
Current transfers — general government credits (BoP)												
Equals: <i>Unrequited transfers from overseas — income taxes (National Accounts)</i>												
Current receipts from overseas (National Accounts) (sum of above 6 national Accounts items)												