



30 June 2016

To: All Authorised Deposit-taking Institutions

RESPONSE TO SUBMISSIONS - CONSULTATION ON AUTHORISED DEPOSIT-TAKING INSTITUTIONS' POINTS OF PRESENCE STATISTICS

Background

On 23 September 2015, the Australian Prudential Regulation Authority (APRA) released a discussion paper on proposed changes to its Authorised Deposit-taking Institution (ADI) *Points of Presence* (PoP) statistics and data collection. In the discussion paper, APRA proposed to either streamline or cease the PoP statistics and data collection.

APRA received seven submissions from ADIs and industry associations in response to the proposals outlined in the discussion paper. Of these submissions, three are available on APRA's website at the address below and four submissions were marked as confidential:

<http://www.apra.gov.au/adi/PrudentialFramework/Pages/Points-of-Presence-Consultation-June-2016.aspx>

Publication of PoP statistics

In the discussion paper, APRA sought feedback on the usefulness of the PoP statistics, and the proposed content and format of the streamlined statistics. The submissions indicated support for retaining the PoP statistics, with limited feedback provided in relation to the proposed content and format of the streamlined PoP statistics.

After considering the submissions, APRA concluded that it should continue to collect and publish PoP statistics, but in a modified form. APRA therefore intends to implement the following revisions to the PoP statistics:

- establishing a tighter definition of other face-to-face points of presence, which will result in greater consistency of reporting of these service channels;
- removing the requirement to report non face-to-face points of presence;
- collecting more accurate locational data of the points of presence; and

- capturing additional information about the remoteness of these locations using the Australian Statistical Geography Standard.

PoP data collection

In the discussion paper, APRA proposed to revise the current *Reporting Form ARF 396.0 Points of Presence* (ARF 396.0), which has remained unchanged since 2004, to support the proposed improvements to the PoP statistics and reduce reporting burden on ADIs. APRA sought feedback on the financial impact of the changes proposed under both the streamline and cease options, and any other substantive costs associated with the proposed reforms.

Three submissions commented on the costs of the current PoP data collection, with one of the submissions including detailed costings. Based on these submissions, the transitional and ongoing costs of the PoP data collection appear to be small.

On the basis that most of the submissions supported retaining the statistics, and the relatively small costs of reporting, the benefit of publishing the statistics outweighs the ongoing compliance costs of submitting data on the proposed form.

As a result, APRA will replace *Reporting Standard ARS 396.0 Points of Presence* (ARS 396) with a streamlined *Reporting Standard ARS 796.0 Points of Presence* (ARS 796), and the following reporting forms:

- *Reporting Form ARF 796.1 Points of Presence - Face-to-face service channels* (ARF 796.1);
- *Reporting Form ARF 796.2 Points of Presence - ATMs* (ARF 796.2); and
- *Reporting Form ARF 796.3 Points of Presence - EFTPOS terminals* (ARF 796.3).

In line with previous consultation in relation to reporting deadlines, ADIs must provide the information required under the new reporting standard within 28 calendar days after the reporting period, instead of the 20 business days previously required by ARS 396.0.

APRA has also considered the feedback provided in the submissions relating to providing sufficient notice of any changes to reporting requirements. APRA will therefore defer the implementation of the streamlined PoP reporting standard ARS 796 and reporting forms ARF 796.1, ARF 796.2 and ARF 796.3 until 30 June 2017.

To lessen the burden of reporting on the current PoP reporting form for 2016, APRA is issuing an exemption that will reduce the reporting requirements in relation to the number of service channels. This exemption will allow ADIs to report no more than the four service channel categories that will be included in the revised reporting form ARF 796: branches, other face-to-face points of presence, ATMs, and EFTPOS terminals. ADIs will not be required to provide information on non-face-to-face point of presence, such as unmanned branches, telephone banking, internet banking and call centres.

Next steps

The due date for ARF 396.0 for the 2016 reporting period is 28 July 2016. The formal exemption for the 2016 reporting period is available on APRA's website at the address below:

<http://www.apra.gov.au/adi/PrudentialFramework/Pages/Points-of-Presence-Consultation-June-2016.aspx>

The revised *Reporting Standard ARS 796 Points of Presence* and the associated reporting forms are also available on APRA's website at the above address. ARS 796 will commence for reporting periods ending on or after 30 June 2017.

The first edition of the streamlined PoP statistics for the reporting period ending on 30 June 2017 will be published in late 2017. In the interim, APRA will release the current version of the PoP statistics for the reporting period ending on 30 June 2016, with reduced service channels (as per the exemption), on 24 August 2016.

APRA appreciates the feedback, provided to date, by industry and other stakeholders. We continue to welcome feedback on the PoP statistics and other ADI statistical publications.

Yours sincerely



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