



31 January 2020

TO: ALL AUTHORISED DEPOSIT-TAKING INSTITUTIONS

RESPONSE TO SUBMISSIONS – CHANGES TO QUARTERLY AUTHORISED DEPOSIT-TAKING INSTITUTION PROPERTY EXPOSURES (QPEX)

APRA recently consulted on changes to its Quarterly Authorised Deposit-taking Institution Property Exposures (QPEX) statistical publication.

The existing QPEX provides aggregate data for bank, credit union and building society commercial property exposures, residential property exposures and new residential loan approvals.

APRA's proposal was subject to a six week public consultation to 1 November 2019. Following consultation, APRA has committed to publishing the first updated publication in March 2020. The publication will incorporate more detailed aggregated data on residential mortgage lending than in previous publications. APRA will now source residential mortgage lending data from *Australian Reporting Form ARF 223.0 Residential Mortgage Lending* (ARF 223.0).

Feedback from respondents

APRA has taken into consideration the response from the industry and this letter provides APRA's response to the comments from respondent entities that took part in the consultation process.

APRA received four submissions in response to its consultation — non-confidential submissions have been published on APRA's website. This letter sets out APRA's response to the following issues raised in these submissions:

- additional sector-level reporting for 'Mutual authorised deposit-taking institutions (ADI)' category;
- clarity of the definition of the proposed 'Missing LVR' category; and
- confidentiality of information to be published in the new publication.

Respondent feedback has been collated and summarised and APRA's response detailed below.

1. Additional sector-level reporting for 'Mutual ADI' category

Currently QPEX provides residential and commercial property exposure information by the following sector groupings: all ADIs; banks; credit unions and building societies; major banks and other domestic banks.

Comments received

One submission advocated for the inclusion of a 'Mutual ADI' sector classification in the updated publication. The addition of this group allows for deeper understanding and analysis of ADIs with member ownership.

APRA's response

APRA is supportive of providing statistics on the 'Mutual ADI' sector classification, in line with treatment in the *Quarterly Authorised Deposit-taking Institution Performance* (QADIP) statistical publication. APRA will include an additional set of tables on commercial property exposures and residential mortgage lending for the 'Mutual ADI' sector.

2. Clarity of the definition of the proposed 'Missing LVR' category

ARF 223.0 was introduced in March 2018, with accompanying *Australian Reporting Standard ARS 223.0 Residential Mortgage Lending*. The reporting standard provides further detail for entities on the definitions of individual attributes reported on ARF 223.0.

Comments received

Two submissions requested greater clarity on the definition of the proposed 'Missing LVR' category and expressed concern that the proposed characterisation of this category could mislead users of the updated publication.

APRA's response

APRA clarifies that the 'Missing LVR' category will be renamed to 'LVR not reported' for the purposes of the updated publication. This change more clearly aligns the label with the reporting under this category. The 'LVR not reported' category reflects loans where an accurate LVR is unable to be reported to APRA by an ADI, rather than where an ADI has not considered a borrower's LVR as part of a serviceability assessment.

3. Confidentiality of information to be published in the new publication

Data collected by APRA under a reporting standard is protected information under section 56 of the Privacy Act 1988. APRA currently masks information in its QPEX publication where entity-level confidential information could be revealed.

Comments received

One submission expressed concern that the updated publication could potentially reveal confidential entity-level information where an entity makes up a significant proportion of a sector grouping.

APRA's response

APRA will continue to mask data where an entity's confidential information could be revealed. Separately, APRA is currently consulting on

whether the updated publication would include data reported in APRA's QPEX publication. Where information provided to APRA is determined non-confidential, it may be disclosed to the public, however the first release of the updated publication will only include aggregate statistics.

Next steps

Overall the consultation submissions supported the improvements to the QPEX publication.

The updated publication will be first published on 10 March 2020 for the December 2019 reference period. The historical time series for the residential mortgage lending tables will extend back to the March 2019 reference period.

The historical time series that was sourced from ARF 320.8 to the September 2019 reference period in the existing QPEX publication, namely those tables on residential property exposures and new housing loan approvals, will remain available on the website.

Yours sincerely,

Alison Bliss
General Manager
Data Analytics & Insights