

2 March 2020

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Dear Ms Bliss

### **Confidentiality of data used in ADI quarterly publications and additional historical data**

The Customer Owned Banking Association (COBA) appreciates the opportunity to provide a submission to APRA on its consultation on proposed changes to the confidentiality of its data sources used in ADI quarterly publications and additional historical data.

COBA is the industry body for the customer owned banking sector. Our sector comprises three-quarters of domestic ADIs and has \$128 billion in assets.

We note that APRA is proposing to substantially increase the volume and breadth of data it makes available on ADIs. We support the objectives APRA has outlined for this proposal, i.e. increasing accountability, supporting competition and lifting overall industry standards.

Based on member feedback provided to COBA, we have identified the following practical issues with APRA's proposal:

- timeframe to respond to requests for ADI commentary
- release of data subject to other reporting obligations
- whether some metrics should be disclosed annually rather than more frequently on a year-to-date basis, and
- alignment of reporting obligations for credit unions and building societies.

With respect to the intention to publish ADI commentary, the current timeframe to reply to requests for commentary is within approximately 2-3 business days. This timeframe would need to be extended to ensure that all commentary being supplied for publication has been approved by the accountable ADI executive.

In addition, in consideration of the corporate governance process involved in the publication of financial reporting through to Board Audit Committee and the external auditor, similar corporate governance would need to be applied on a monthly and quarterly basis to the publication of commentary. This will place increased demand on the resources of regulatory reporting teams and boards. This creates an additional burden on unlisted ADIs, e.g. preparation of commentary and reputation risk management. An appropriate compromise would be to disclose certain metrics on an annual rather than a quarterly basis.

In addition, the timeframe of the data query process conducted by APRA needs to be clearly communicated in advance to allow for planning of activities and resources.

Materiality needs to be clearly defined. For example, RPG 702.0 ABS/RBA Data Quality for the EFS Collection sets out clearly the materiality for the EFS returns. Will this guidance be applied to all returns?

With respect to release of information prior to end of financial year, the proposed data items include statement of financial performance and position data which would be released to the market prior to end of financial year periods. This information would normally be subject to the corporate governance process through to Board Audit Committee and external auditor prior to release for financial reporting.

This implies that the capacity of regulatory reporting teams and other capacities across entities need to be upscaled to ensure the corporate governance process is embedded as per financial reporting.

Implementation of these changes should be aligned with the proposed changes to due dates of quarterly reporting by credit unions and building societies. The current timeframe of 15 business days is extremely tight.

In addition to addressing the above concerns in its response to submissions, COBA also requests APRA to provide a template of what the final release of the data will look like. This will provide ADIs a more comprehensive understanding of the potential impacts of the disclosure of the newly publicly-available data.

COBA welcomes the opportunity for further industry engagement with APRA given the significant change in data disclosure from these proposals.

If you have any questions or comments in relation to any aspect of our submission, please contact

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Yours sincerely,

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**MICHAEL LAWRENCE**  
Chief Executive Officer