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Chief Data Officer
Technology and Data Division
Australian Prudential Regulation Authority
Via email: DataConsultations@apra.gov.au

6 November 2023

Dear Sir/Madam,

Sub: Comments on the proposals for minor amendments to EFS reporting standards and guidance

RegCentric thanks APRA for the opportunity to provide feedback on the proposed changes to the modernised Economic and Financial Statistical reporting standards and guidance.

RegCentric specialises in transformation in Regulatory Reporting, Finance and Risk in the Australian financial services industry. RegCentric supports Australian financial services organisations meet their regulatory reporting obligations whilst driving strategic transformation. We help them leverage technology and data management best practices to drive operational efficiencies across Risk, Finance and Compliance departments. We differentiate ourselves by combining deep domain expertise in APRA regulation with technical know-how and a hands-on approach.

RegCentric welcomes APRA's initiative to align the business size definitions between data collections; which currently requires industry to maintain dual reporting logic. The proposed timeline for this change is feasible, on the expectation that APRA will release final standards and guidance in earnest after concluding this consultation.

Generally, we believe that the consistency of definitions should be driven through the application of a standardised taxonomy. In our view, the divergence of definitions between EFS and the capital and credit risk reforms are a symptom of an underlying cause: by introducing a new taxonomy for APRA Connect collections, and no longer following the Standard Business Reporting (SBR) initiative, APRA maintains two different sets of taxonomy. We strongly encourage APRA to revisit its taxonomy approach. The APRA Connect taxonomy does not follow international standards or common industry practices. The importance of having one common taxonomy across all data collections with consistent definitions is critically important – both for the regulator and industry – especially in light of the strategic data roadmap. We would welcome the opportunity to discuss how APRA can align its taxonomy strategy to international data standards.

APRA, along with other agency partners, have revised priority listings for Data items for the first time since the implementation of the collection in 2019. In our experience, industry welcomes the guidance provided under RPG 702 as it provides clarity on priority. RegCentric has summarised the proposed changes to the priority listings as follows:

Change in priority	Increase / reduction in priority	No of Attribute codes impacted
High to very high	Increase	31
Standard to very high	Increase	9
Standard to high	Increase	63
High to standard	Reduction	87

As listed by APRA, these changes affect data items on 22 of the 30 EFS forms. APRA has termed these changes as 'minor' because there is a small net increase of 16 items in the number of high and very high priority items. As per APRA's communication, the agencies have considered industry burden and they have tried to balance proposed increases in priority with decreases elsewhere. These proposed changes aim to maintain high levels of data quality for these critical data items.

RegCentric believes that the changes proposed will increase the industry burden and industry will be challenged by the proposed timeline. Whilst there is a small net increase, the efforts required to uplift the systems and procedures for 103 revisions for increased priority will challenge many institutions. Industry may require additional time to implement the data quality management controls to meet the agencies' data quality expectations. Also, external audit opinions under APS 310 take into consideration RPG 702; and auditors consider entities' controls on Critical Data Elements (CDE's) throughout the audited year. Therefore, it is suggested that APRA reconsider the intended effective date for the reporting period ending 30th June 2024 for the proposed priority update changes. Has APRA considered aligning the proposed data priority changes to APRA's timeline of comprehensive data collections? Considering the announced transition to APRA Connect for all data collections, any updates to EFS collections would best align to the strategic data roadmap.

RegCentric has also observed that some of the reference links in Reporting Practice Guide RPG 701.0 ABS/RBA Reporting Concepts for the EFS Collection - for example links on page 19, 20, 22 and 25 - have gone stale or are not working.

We thank APRA for the opportunity to lodge this submission and would welcome further discussion on our feedback. Please don't hesitate to contact [REDACTED] via email at [REDACTED]

Yours Faithfully

[REDACTED]

Founder | Principal Consultant

[REDACTED]

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