

30th June 2023

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To whom it may concern

APRA ADI Points of Presence Discussion Paper

We write to you as an interested party in relation to the APRA Points of Presence publication.

We have provided comments to the various discussion questions in the table below. However we would like to discuss in more detail a number of items that we believe are of particular importance:

- The points of presence publication is released once a year, giving a snapshot of points of presence at June of that year. The report is released some four to five months later. Therefore, the data is infrequent and is not timely. We would advocate for a quarterly reporting cycle, with results released no more than two months after the reporting date
- While we are sure that banks seek to ensure year-to-year consistency in their data, we find that our analysis to perform a genuine “year-on-year” location-level review – for example, to understand the specific locations that have opened, closed and moved – we must perform protracted data parsing and synthesising. This is because definitions change and geocoordinates change (even when the location has not changed). This is further seen when comparing branch and ATM locations, where branch-based ATMs have different coordinates to the branch in which they are located. We understand that the maintenance of these data records can be challenging, and methodologies change from year to year. However we believe this could be easily solved by including the bank’s internal unique identifier for each point of presence, and this would add significant value to the utility of this data
- The frequency and timeliness of reporting makes the utility of data much lower than it could be. Such data is generally available from easy-to-access and regularly used databases, and so should be able to be released on a quarterly or even monthly basis. Further, we do not believe that the time from reporting to release needs such a delay. We believe reporting within 4-6 weeks of the reporting date would be more than adequate
- Beyond the existing reporting as discussed above, we are conscious of changes in the banking landscape that mean these data are less and less representative of the availability of services. For example, the APRA points of presence data for ATMs suggests that there has been a decline of nearly 7,500 ATMs between 2017 and 2022. However this clouds the real story. Precinct and another new industry participant, ATMx, have both acquired material ATM estates from ADIs over this period, accounting for nearly half of these total



closures. Further, a number of independent ATM deployers have been very active in bidding for and winning ATM locations from banks and others, resulting in a reduction of bank-owned ATM locations, but due to competitive market forces rather than closures by banks. We believe that public reporting by all ATM deployers in Australia, on a similar cycle to bank points of presence data, would allow much better insight into the availability of banking services in regional and remote communities. At a minimum, all ATM deployers with at least 500 active ATMs would allow the majority of bank-like points of presence to be understood and therefore to inform public policy and industry response.

Our responses to the discussion questions are as follows:

Section	Discussion Question	Response
3.2.1	1. What do you consider to be the primary purpose of the Points of Presence publication? For what purpose(s) do you use the publication?	At an overarching level, the PoP publication provides critical and unique insight into the community-level coverage of banking and financial services to local communities. We use the PoP data to map the presence and availability of services, to aid our network planning around network gaps
	2. What information do you need from the publication, and how does this compare to the information received? How does your location (e.g. living in a regional or remote area) affect what you need from the publication?	We use PoP data at a national level, and have interest in understanding presence and the trend of presence at a local community level. Additionally, we use the data with a match against BOS population data and other economic and geographic data to understand gaps in coverage - for example, the PoP data in itself does not indicate gaps if there are no services in a location
	3. Does the current publication sufficiently capture indicators of how banking services are accessed, and identify appropriate substitutes to bank branch services? Why/why not?	No. Third party networks (ATM networks, eftpos networks that support cash-out, etc) are not included. Over the past 4-5 years there has been a significant shift in the ownership of bank ATMs, and this is not reflected at all in the data except as a drop in ATM networks
	4. What information currently included in the publication is important to retain?	All current information is useful and should continue to be retained
	5. What additional information would be useful to include in the publication? Would this information need to be collected from ADIs or from other sources?	Additional information that would be useful includes types of services provided at a location, presence of other non-ATM cash devices, and network information of non-bank operators
	6. Does the format of the publication (including the layout of the Excel spreadsheets) meet user needs? Why/why not? How could the design of the publication be improved?	Excel format is the most useful. We do not have need for other data formats

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3.2.2	7. What categories of banking services are important to identify?	Any services delivered physically are important to identify (eg. Those involving cash and cheque, those involving a teller, those involving a banker in a face-to-face setting)
	8. Do the definitions and categories used to distinguish points of presence (branches, other face-to-face including Bank@Post, ATMs, EFTPOS machines) meet user needs? What improvements could be made?	No, these definitions do not have sufficient granularity. At any given branch there may be teller services, dispense ATMs, smart ATMs, coin deposit devices, commercial bag deposit devices, change devices, etc. All of these have implications for what services the community has access to
	9. Does location identification (e.g. latitude and longitude, statistical area, suburb or town, remoteness area) meet user needs? What improvements could be made?	Latitude/longitude is the most important information. We have various data tools that we use to classify locations and match to BOS areas etc. One significant challenge is that points of presence seem to have changes in their location data, even when the point has not physically moved. Currently we undertake significant data cleansing and matching exercises to achieve some level of matching. We understand that different measures are sometimes used, but having a way to track locations year-on-year would be very helpful. This might include an identifier for each point of presence to aid the year-on-year match
	10. If you are a provider of information (an ADI), would it be feasible for you to provide more detailed information to APRA on individual points of presence (for example, more specific descriptions of banking services)? What are the costs to your business of reporting more detailed information to APRA?	N/A
	11. Should the Points of Presence publication capture trends and innovations in the delivery of banking services (such as deposit-taking ATMs, Business Centres, mobile bankers)?	Yes, this information would significantly improve understanding in the availability and delivery of banking and financial services, and therefore allow much better planning

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3.2.3	12. What services, if any, would you consider to be appropriate substitutes for branch-level services?	Multi and shared banking services are an increasing trend. Further, we see a growing number of banks who undertake a full service outsource to third party providers of services at the branch (eg. The ATM fleet is owned and operated by a 3PP). Ensuring that there is consistency of the way these points are reported is important
	13. What banking services are currently included in the Points of Presence publication that should be retained?	All information currently included should be retained
	14. What banking services are not included in the publication that should be added?	Third party services (eg. ATM services, multi or shared banking services) should be included. We understand some banks are moving branches to "cashless" or to removing over-the-counter transactional services from the branch. Having granularity of different types of branch would be helpful to understand the nature of services available to communities
	15. How could the publication identify services with no fixed location? What information would be important to identify?	Typically mobile solutions will have a 'base' location which would be the logical baseline data point. Ideally information would be captured on the geography that is covered, though we are conscious that this would be highly variable (eg. Disaster recovery mobile units vs mobile bankers)
3.2.4	16. Do you consider services by non-ADI providers to be substitutes for branch-level banking services?	Yes, absolutely. These are critical in understanding the delivery of banking services
	17. Does a publication that covers banking services only provided by ADIs and Bank@Post providers meet user needs?	No, it does not. Bank@Post is only one non-bank channel. Other non-ADI providers should also be captured
3.2.5	18. Are there any issues in relation to access to and/or accessibility of ADI points of presence you wish to raise?	No



Section	Discussion Question	Response
	19. Are there any other issues with, or improvements to, the publication you wish to raise?	The frequency and speed of release is a significant challenge. Publishing data only once a year, and releasing the data some 5 months after the reporting date, means that the relevance of the information for planning and decision making is challenging. As a case in point, if we are planning services for a local area in September 2023, the most recently available data is from June 2022. In this time, there have been dozens if not hundreds of changes to bank networks which should be taken into account, but can't be

We would welcome the opportunity to discuss these matters and any other aspect of your review in greater detail.

Kind regards,

