

# Explanatory notes

## Introduction

While not part of its function to provide prudential regulation, APRA was asked to develop the *Points of Presence* data collection as part of the Federal Government's response to the report *Regional banking services: Money too far away* prepared by the House Standing Committee on Economics, Finance and Public Administration. The data collection answered calls from the community and Federal and State governments for better information about access to banking services, particularly in regional and rural areas. The first release of the annual *Points of Presence* statistics occurred in June 2001.

APRA subsequently consulted on the ongoing usefulness of the *Points of Presence* statistics in 2015, with the Government, in line with its deregulation agenda, being supportive of APRA's proposal to conduct a public consultation. After consideration of the submissions, APRA concluded that it should continue to collect and publish *ADIs' Points of Presence* statistics, but in a modified form. The first release of the revised annual *ADIs' Points of Presence* statistics occurred for the June 2017 reporting period.

The *ADIs' Points of Presence* statistics are a detailed annual listing of the banking services provided to Australians by authorised deposit-taking institutions (ADIs). The statistics cover four types of service channels: face-to-face points of presence offering a branch level of service, other face-to-face points of presence, automatic teller machines (ATMs), and EFTPOS machines. The individual points of banking presence are categorised using the Australian Statistical Geography Standard (ASGS), which classifies the locations according to remoteness.

## Australian Statistical Geography Standard

The Australian Statistical Geography Standard (ASGS) is the Australian Bureau of Statistics' (ABS) geographical framework, replacing the Australian Standard Geographical Classification from July 2011. It is a hierarchical classification system of geographical regions and consists of a number of interrelated structures. The ASGS brings all the regions for which the ABS publishes statistics within the one framework, facilitating a streamlined understanding and interpretation of the statistics in a geographical context.

The statistical geography employed in the ASGS provides a range of statistical areas to suit different statistics and accommodates the provision of a range of statistics on a common statistical area. The ASGS achieves this by employing a building block geographical unit called a Mesh Block. A Mesh Block covers only a very small geographic area and contains on average around 30 dwellings. As Mesh Blocks are such small statistical areas, they can be combined together to accurately approximate a large range of other statistical areas.

Statistical Areas Level 1 (SA1s) are built from whole Mesh Blocks and are designed by the ABS as the smallest unit for the release of census data. There are approximately 55,000 SA1s which, in aggregate, cover the whole of geographical Australia without gaps or overlaps. The ABS applies the Remoteness Structure by categorising each SA1 into the various Remoteness Area (RA) categories.

The RAs divide Australia into broad geographic regions that share common characteristics of

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remoteness for statistical purposes. The Remoteness Structure divides each state and territory into several regions on the basis of their relative access to services. There are six classes of RA in the Remoteness Structure: Major Cities of Australia, Inner Regional Australia, Outer Regional Australia, Remote Australia, Very Remote Australia and Other, where the Other class captures special purpose SA1s including: Migratory, Offshore, Shipping and No usual address. RAs are based on an extended version of the Accessibility and Remoteness Index of Australia (ARIA+).

More information on the ABS Statistical Geography Standard can be found by visiting the ABS website: <http://www.abs.gov.au/geography>.

## **Basis of preparation**

This publication is currently available in three versions:

- an Adobe PDF version for printing, containing key statistics from June 2017;
- a Microsoft Excel version, containing a complete time series of the key statistics from June 2017; and
- a database version for more detailed analysis.

The statistics in the June 2018 edition of the *ADI Points of Presence* publication is produced based on the 2016 edition of the ASGS ABS structures. Census data from 2016 was used to derive the usual resident population to maintain consistency across the publication.

This publication includes points of presence located within geographical Australia as defined under the 2016 edition of the ASGS ABS structures. Under this definition, geographic Australia includes:

- New South Wales;
- Victoria;
- Queensland;
- South Australia;
- Western Australia;
- Tasmania;
- Northern Territory;
- Australia Capital Territory;
- Jervis Bay Territory; and
- The external territories of Christmas Island, Cocos (Keeling) Islands and Norfolk Island.

Aside from EFTPOS terminals, all other points of presence located outside of geographical Australia (not contained within the ASGS structures) cannot be presented consistently across the publication and have been excluded from this publication.

More information on the 2016 edition of the ASGS ABS structures are available at the following ABS webpage:

<http://www.abs.gov.au/websitedbs/censushome.nsf/home/factsheetsas?opendocument&navpos=450>.

## **Reporting framework**

This publication is based on the new APRA Reporting Standard *ARS 796.0 Points of Presence*, while previous editions of the *ADI Points of Presence* publication were based on

the superseded APRA Reporting Standard *ARS 396.0 Points of Presence*. Revisions to both the format of the publication and the underlying data collected mean the historical and new statistics are not directly comparable.

The revision to the reporting standard was the result of the consultation conducted on the *ADIs' Points of Presence statistics* in 2015.

The June 2016 edition of the publication - the last one based on the superseded reporting standard and methodology - will remain available on APRA's website for this publication.

## **Source of statistics**

From June 2017 onwards, the data in this publication are sourced from the following returns submitted to APRA under the Financial Sector (Collection of Data) Act 2001 by ADIs.

- *ARF 796.1 Points of Presence - Face-to-Face Service Channels;*
- *ARF 796.2 Points of Presence - ATMs; and*
- *ARF 796.3 Points of Presence - EFTPOS Terminals.*

Blank copies of returns and associated instructions are available on APRA's website.

Points of presence from Australia Post (Bank@Post locations) are obtained directly from Australia Post.

## **Precision of data**

The precision of the latitude and longitude coordinates in this publication is dependent on the data submitted. Under *ARS 796.0 Points of Presence*, coordinates are reported to at least four decimal places.

While a substantive level of checks is performed on the data, the precision involved in geocoding the geographic coordinates (latitude and longitude) of points of presence varies across institutions. The data collected for this publication is intended to be used to indicate access to and geographical concentrations of the various types of points of presence provided by ADIs over time. Care should be taken in using the published coordinates to locate individual points of presence or to reverse geocode these coordinates to a street address.

Information to assist with locating current points of presence provided by an ADI, including street addresses, should be sourced directly from the ADI (e.g. from the ADI's website).

## **ADI industry segments**

To assist users in analysing the ADI industry, ADIs are categorised into seven industry segments: major banks, other domestic banks, foreign subsidiary banks, branches of foreign banks, building societies, credit unions, and other ADIs.

The definition of each industry segment can be found in the glossary for this publication, and a list of all ADIs is provided on APRA's website:

<https://www.apra.gov.au/register-authorized-deposit-taking-institutions>.