



Reporting Standard ARS 701.0

ABS/RBA Definitions for the EFS Collection

Objective of this Reporting Standard

This Reporting Standard defines key terms referred to in other reporting standards applicable to authorised deposit-taking institutions (ADIs) and registered financial corporations (RFCs), where these reporting standards form part of the Economics and Financial Statistics (EFS) collection. All EFS reporting standards applicable to ADIs and RFCs must be read in conjunction with this Reporting Standard.

Authority

1. This Reporting Standard is made under section 13 of the *Financial Sector (Collection of Data) Act 2001*.

Application and commencement

2. This Reporting Standard applies in relation to the Economics and Financial Statistics (EFS) collection to all entities which submit data to **APRA** under the EFS Reporting Standards.
3. Unless the contrary intention appears, definitions in this Reporting Standard apply to all EFS Reporting Standards.
4. This Reporting Standard applies from the date of commencement of any EFS Reporting Standard.

General

5. Terms defined in this Reporting Standard appear in ***bold italics***.

Interpretation

In this Reporting Standard:

ABS means the Australian Bureau of Statistics established under the *Australian Bureau of Statistics Act 1975*.

APRA means the Australian Prudential Regulation Authority established under the *Australian Prudential Regulation Authority Act 1998*.

Domestic Books

6. The '**domestic books**' consolidation is defined as follows:

Domestic books	<p>For an ADI:</p> <p>Means an unconsolidated report of positions, transactions and other information recorded on the Australian books of the body corporate authorised by APRA to carry on banking business as per the <i>Banking Act 1959</i>. Includes transactions and positions with both residents and non-residents that are recorded on the Australian books of these entities.</p> <p>Do not consolidate positions, transactions and other information recorded on the books of Extended Licensed Entities (ELEs), of any other entity not consolidated at Level 1 (for example, related parties such as subsidiaries, SPVs or parent entities) and of overseas-based entities (e.g. overseas-based branches and offshore banking units (within the meaning of section 128AE of the <i>Income Tax Assessment Act 1936</i>)).</p> <p>For an RFC:</p> <p>Means an unconsolidated report of positions, transactions and other information recorded on the Australian books of the registered entity as per the <i>Financial Sector (Collection of Data) Act 2001</i>. Includes transactions and positions with both residents and non-residents that are recorded on the Australian books of these entities.</p> <p>In general, do not consolidate positions, transactions and other information recorded on the books of related parties (such as subsidiaries, SPVs or parent entities) and of overseas-based entities (e.g. overseas-based branches and offshore banking units (within the meaning of section 128AE of the <i>Income Tax Assessment Act 1936</i>)).</p> <p>However, where an RFC elects to report on behalf of a group of RFCs, these entities are to be consolidated for reporting purposes.</p>
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Residency

7. Key terms in the EFS collection relating to residency are defined as follows:

Institutional unit	<p>Means an economic entity that is capable of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities.</p> <p>There are two main types of institutional units:</p> <ul style="list-style-type: none"> • individuals or groups of individuals that form households; and • legal entities such as businesses, non-profit institutions or
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	government units.
Resident (individual, enterprise or other organisation)	<p>Means any <i>institutional unit</i> whose centre of predominant economic interest (<i>principal place of residence</i> or principal place of production) is within Australia's economic territory.</p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>households</i> whose <i>principal place of residence</i> is in Australia; and • Australian branches and Australian subsidiaries of foreign enterprises. <p>It excludes:</p> <ul style="list-style-type: none"> • foreign branches and foreign subsidiaries of Australian enterprises.
Non-resident (individual, enterprise or other organisation)	<p>Means any <i>institutional unit</i> whose centre of predominant economic interest (<i>principal place of residence</i> or principal place of production) is outside Australia's economic territory.</p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>households</i> whose <i>principal place of residence</i> is overseas; and • foreign branches and foreign subsidiaries of Australian enterprises. <p>It excludes:</p> <ul style="list-style-type: none"> • Australian-based branches and subsidiaries of foreign enterprises.
Resident (financial instrument)	<p>Means financial instruments (debt, equity or hybrids) that are issued by <i>resident institutional units</i>.</p> <p><i>Derivative</i> contracts are considered <i>resident</i> financial instruments if the counterparty is a <i>resident institutional unit</i>.</p>
Non-resident (financial instrument)	<p>Means financial instruments (debt, equity or hybrids) that are issued by <i>non-resident institutional units</i>.</p> <p><i>Derivative</i> contracts are considered <i>non-resident</i> financial instruments if the counterparty is a <i>non-resident institutional unit</i>.</p>

Sectoral classifications of institutional units

8. Key terms in the EFS collection relating to *institutional units* and sectoral classifications are defined as follows:

Authorised deposit-taking institutions (ADIs)	<p>Means an <i>authorised deposit-taking institution</i> within the meaning of the <i>Banking Act 1959</i>.</p> <p>Includes <i>banks</i> and <i>non-bank ADIs</i>.</p>
Banks	<p>Are authorised by <i>APRA</i> to use 'Bank' or 'Banker' in relation to their company name and trading or business name. They are <i>authorised deposit-</i></p>

	<p>taking institutions (ADIs) that are authorised under the <i>Banking Act 1959</i> to take deposits from customers.</p> <p>A list of banks that are residents can be found on the APRA website at http://www.apra.gov.au.</p> <p>It includes:</p> <ul style="list-style-type: none"> branches and subsidiaries of foreign banks authorised to carry on banking business in Australia under the <i>Banking Act 1959</i> . <p>It excludes:</p> <ul style="list-style-type: none"> the RBA, which should be reported under RBA; credit unions and building societies. These should be reported under non-bank ADIs; and money market corporations. These should be reported under registered financial corporations.
Central borrowing authorities	<p>Means entities that primarily provide finance for public corporations and notional institutional units and other units owned or controlled by the government. They arrange the investment of surplus funds.</p> <p>Central borrowing authorities raise funds predominantly by issuing securities. They also engage in other intermediation activity for investment purposes, and may participate in the financial management activities of the parent government.</p> <p>It includes all central borrowing authorities established by state and territory governments.</p>
Central counterparty (CCP)	<p>Means a clearing house that interposes itself between counterparties to contracts traded in one or more financial markets, becoming the buyer to every seller and the seller to every buyer. A CCP becomes counterparty to trades with market participants through novation, an open offer system, or another legally binding arrangement.</p> <p>Central counterparties are a type of financial auxiliary.</p>
Clearing houses	<p>Means all recognised clearing houses, such as the Australian Stock Exchange Clearing House and Sydney Futures Exchange Clearing House.</p> <p>Clearing houses are a type of financial auxiliary.</p>
Commonwealth general government	<p>Means Australian Commonwealth Government departments and agencies whose principal function is to provide non-market goods and services, principally financed by taxes, for free or at a price well below the cost of production. These entities regulate economic activity, maintain law and order and redistribute income and wealth by means of transfers.</p> <p>It includes:</p> <ul style="list-style-type: none"> departments and agencies such as Department of Finance,

	<p>Department of Defence, Australian Broadcasting Corporation, Special Broadcasting Service, Australian Film Commission and CSIRO;</p> <ul style="list-style-type: none"> • Commonwealth Government unincorporated enterprises that provide goods and services to the Australian Commonwealth Government and/or to the public for free or at prices that are not economically significant (e.g. government employee cafeterias, munitions factories); • non-profit institutions (NPIs) controlled and mainly financed (other than by grants) by the Commonwealth Government; • Commonwealth Government quasi-corporations that sell their output, at near <i>market prices</i>, exclusively to other government units (e.g. government printers and defence force housing schemes); and • public universities. <p>It excludes:</p> <ul style="list-style-type: none"> • government trading enterprises such as Australia Post. These should be reported under <i>Commonwealth Government non-financial corporations, state, territory and local government corporations or financial institutions</i> as appropriate; and • departments of the state and territory governments. These should be reported as <i>state, territory and local general government</i>; • the <i>RBA</i> and Commonwealth Government <i>financial institutions</i> such as Australian Industry Development Corporation and Export Finance and Insurance Corporation. These should be reported under <i>financial institutions</i> as appropriate; and • NPIs credited for philanthropic purposes that are financed mainly from donations or government grants. These should be reported under <i>community service organisations</i>.
<i>Commonwealth Government non-financial corporations</i>	<p>Means those businesses that are owned and controlled by the Australian Commonwealth Government and that produce goods or non-financial services for sale at <i>market prices</i>.</p> <p>It includes:</p> <ul style="list-style-type: none"> • all <i>resident</i> trading enterprises owned 50% or more by the Commonwealth Government or controlled by the Commonwealth Government through legislation, decree or regulation (e.g. Australia Post, Australian Government Solicitor, Snowy Hydro Ltd, NBN Co Limited, Air Services Australia). <p>It excludes:</p> <ul style="list-style-type: none"> • government departments. These should be reported as <i>general government</i>; and • government-owned <i>financial institutions</i>. These should be reported under <i>financial institutions</i>.
<i>Community service organisations</i>	<p>Means non-market operators providing goods and services to <i>households</i> for free or at prices that are not economically significant. Included here are not-for-profit institutions (NPIs) that are mainly financed from <i>household</i></p>

	<p>member subscriptions and produce benefits primarily for the household members and NPIs credited for philanthropic purposes that are financed mainly from donations or government grants.</p> <p>It includes:</p> <ul style="list-style-type: none"> • aid agencies, charities, consumers associations, cultural clubs, learned societies, political parties, recreational clubs, relief agencies, religious institutions, social clubs, sports clubs, trade unions; and • NPIs credited for philanthropic purposes that are financed mainly from donations or government grants. <p>It excludes:</p> <ul style="list-style-type: none"> • community service organisations and not-for-profit institutions controlled and mainly financed (other than by grants) by government. These should be reported under general government. • Not-for-profit institutions that are engaged in market production. These should be reported in non-financial businesses or financial institutions as appropriate.
Exchange-traded funds (ETFs)	<p>Means investment vehicles that are listed on a stock exchange and provide investors with the return of some benchmark, such as an equity index.</p> <p>ETFs are a type of non-money-market financial investment fund.</p>
Financial auxiliaries	<p>Means corporations and quasi-corporations engaged primarily in activities closely related to financial intermediation, but which do not themselves perform an intermediation role.</p> <p>It includes:</p> <ul style="list-style-type: none"> • fund managers as principal, stockbrokers, insurance brokers, investment advisors and corporations providing infrastructure for financial markets.
Financial institutions	<p>Means all corporations and notional institutional units mainly engaged in financial intermediation and the provision of auxiliary financial services. Holding companies with mainly financial corporations as their subsidiaries are also included, as are market not-for-profit institutions (NPIs) that mainly engage in financial intermediation or the production of auxiliary financial services.</p> <p>Financial institutions include (but are not limited to): the RBA, banks, non-bank ADIs, registered financial corporations, central borrowing authorities, life insurance corporations, other insurance corporations, self-managed superannuation funds, other superannuation funds, financial auxiliaries, securitisers, money-market investment funds and non-money-market financial investment funds.</p>
Financial institutions n.e.c.	<p>Means any financial institutions other than the RBA, banks, non-bank ADIs, registered financial corporations, central borrowing authorities, life insurance corporations, other insurance corporations, self-managed</p>

	<p><i>superannuation funds, other superannuation funds, financial auxiliaries, securitisers, money-market investment funds and non-money-market financial investment funds.</i></p> <p>It includes:</p> <ul style="list-style-type: none"> • conduits; • warehouses; • SIVs; and • non-traditional lenders.
General government	Means <i>Commonwealth general government and state, territory and local general government.</i>
Households	<p>Means persons whose dealings with other sectors are for <i>personal</i> or <i>housing</i> purposes.</p> <p>It includes:</p> <ul style="list-style-type: none"> • family trusts that do not have a controlling ownership in one or more businesses. <p>It excludes:</p> <ul style="list-style-type: none"> • persons whose dealings with other sectors are for <i>business</i> purposes. These should be reported under <i>non-financial businesses</i> or <i>financial institutions</i>; • sole proprietors, partnerships, and any other unincorporated enterprises owned by <i>households</i>. These should be reported under <i>private unincorporated businesses</i> or the relevant sector in <i>financial institutions</i>; • family trusts that have a controlling ownership in one or more businesses. These should be reported under <i>private unincorporated businesses</i>; • <i>self-managed superannuation funds</i>. These should be reported as <i>self-managed superannuation funds</i>; and • incorporated businesses. These should be reported under <i>non-financial businesses</i> (other than <i>unincorporated businesses</i>) or <i>financial institutions</i>.
Insurance corporations	Means <i>life insurance corporations</i> and <i>other insurance corporations</i> .
Life insurance corporations	<p>Means life insurance companies and friendly societies that are registered under the <i>Life Insurance Act 1995</i> and are regulated by <i>APRA</i>. They offer insurance for death or disability and also offer investment and superannuation products.</p> <p>A list of <i>life insurance corporations</i> (both life insurance companies and friendly societies) can be found on the <i>APRA</i> website at http://www.apra.gov.au.</p> <p>It includes:</p> <ul style="list-style-type: none"> • life insurance companies, life reinsurance companies and friendly

	<p>societies.</p> <p>It excludes:</p> <ul style="list-style-type: none"> insurance companies offering house, car and marine insurance. These should be reported under <i>other insurance corporations</i>; and health benefit funds that are regulated under the <i>Private Health Insurance (Prudential Supervision) Act 2015</i>. These should be reported under <i>other insurance corporations</i>.
Money-market investment funds	<p>Means collective investment schemes, such as cash management trusts and cash common funds, that are constituted as legal entities. They raise funds by issuing shares or units to the public, either via a prospectus or a distribution channel such as a platform.</p> <p>The proceeds are invested primarily in money-market instruments, money-market shares/units, and transferable debt instruments with a <i>residual maturity</i> of less than or equal to 12 months, <i>deposits</i> at <i>banks</i>, and instruments that pursue a rate of return that approaches the interest rates of money-market instruments.</p> <p>It includes:</p> <ul style="list-style-type: none"> cash common funds; money-market funds; and cash management trusts.
Non-bank ADIs	<p>Means a body corporate authorised under subsection 9(3) of the <i>Banking Act 1959</i> to carry on banking business in Australia, but which does not hold a consent under section 66 of the <i>Banking Act 1959</i> to use the word ‘bank’.</p> <p>A list of <i>ADIs</i> (including both <i>banks</i> and <i>non-bank ADIs</i>) that are <i>residents</i> can be found on the <i>APRA</i> website at http://www.apra.gov.au.</p> <p>It includes:</p> <ul style="list-style-type: none"> building societies, credit unions, other <i>ADIs</i> (including providers of purchased payment facilities) and authorised non-operating holding companies. <p>It excludes:</p> <ul style="list-style-type: none"> <i>banks</i>. These should be reported under <i>banks</i>; and the <i>RBA</i>. This should be reported under <i>RBA</i>.
Non-financial businesses	<p>Means <i>private non-financial investment funds, other private non-financial corporations, private unincorporated businesses, Commonwealth Government non-financial corporations</i> and <i>state, territory and local government non-financial corporations</i>.</p>
Non-money-market financial investment	<p>Means collective investment schemes, such as trusts or corporations, that are constituted as legal entities. They raise funds by issuing shares or units to the public, either via a prospectus or a distribution channel such as a platform.</p>

<i>funds</i>	<p>The proceeds are used to purchase financial assets. The assets are owned by the investment fund and usually managed by licensed fund managers external to the fund. Investors are able to dispose of their units/shares on a well-developed secondary market such as a stock exchange or through readily accessible redemption facilities.</p> <p>It includes:</p> <ul style="list-style-type: none"> • funds with predominantly overseas property or infrastructure holdings; • listed and unlisted equity trusts (domestic and international); • listed and unlisted mortgage trusts; • listed investment companies; and • non-cash common funds. <p>It excludes:</p> <ul style="list-style-type: none"> • investment funds that predominately invest in non-financial assets. These should be reported in <i>private non-financial investment funds</i>.
<i>Non-resident banks</i>	<p>Means any <i>non-resident financial institution</i> whose business is to receive <i>deposits</i> (or close substitutes for <i>deposits</i>) and to extend credit or invest in securities on their own account.</p> <p>It excludes:</p> <ul style="list-style-type: none"> • <i>resident banks</i>.
<i>Non-resident superannuation funds</i>	<p>Means any <i>non-resident</i> funds designed specifically for the purpose of providing a pension or other income stream on retirement.</p> <p>It excludes:</p> <ul style="list-style-type: none"> • <i>other superannuation funds</i> that are <i>residents</i>; and • <i>self-managed superannuation funds</i> that are <i>residents</i>.
<i>Other insurance corporations</i>	<p>Means all insurance corporations registered as a general insurance company or private health insurance company with <i>APRA</i> under <i>the Insurance Act 1973</i> (or by virtue of determinations made by <i>APRA</i> under the <i>General Insurance Reform Act 2001</i>) or the <i>Private Health Insurance (Prudential Supervision) ACT 2015</i>, respectively. This includes general, fire, accident, employer liability, household and consumer credit insurers and health insurance funds. They mainly offer house, car and marine insurance.</p> <p>It includes the following even though these are not registered with <i>APRA</i>:</p> <ul style="list-style-type: none"> • Export Finance Insurance Corporation; and • private sector and government-owned general and health insurance enterprises, both proprietary and mutual. <p>It excludes:</p> <ul style="list-style-type: none"> • life insurance companies, life reinsurance companies and friendly societies. These should be reported under <i>life insurance companies</i>; and

	<ul style="list-style-type: none"> insurance brokers. These should be reported under <i>financial auxiliaries</i>.
Other private non-financial corporations	<p>Means corporations that are owned and controlled by the private (non-government) sector, whose main activity is producing goods or non-financial services for sale at market prices. They may be listed on stock exchanges or unlisted.</p> <p>It includes:</p> <ul style="list-style-type: none"> all private corporate non-financial enterprises, and non-profit institutions that are market producers of goods or non-financial services, other than <i>private non-financial investment funds</i>; intra-group financiers (<i>Financial Sector (Collection of Data) Act 2001</i> Category I) and parent companies with significant holdings of shares in private trading companies; privately owned schools and hospitals; any <i>private unincorporated business</i> that is a branch in Australia of a <i>non-resident</i> company and which is not a <i>financial institution</i>; any <i>private unincorporated business</i> owned and operated by trading corporations (e.g. <i>joint ventures</i>); holding companies with mainly non-financial corporations as subsidiaries; and non-financial investment syndicates that are not open to public subscription. <p>It excludes:</p> <ul style="list-style-type: none"> publicly listed property trusts. These should be reported under <i>private non-financial investment funds</i>; and unincorporated businesses that are <u>not</u> branches of <i>non-resident</i> companies or joint ventures, or partnerships owned by corporations. Unincorporated businesses other than those listed above should be reported under <i>private unincorporated businesses</i>.
Other superannuation funds	<p>Means funds established to provide benefits for their members on retirement, resignation, death or disablement that are regulated by <i>APRA</i>. A superannuation fund usually takes the legal form of a trust fund.</p> <p>This includes all superannuation funds that are regarded as complying funds for the purposes of the <i>Superannuation Industry (Supervision) (SIS) Act 1993</i> and other autonomous funds established for the benefit of public sector employees.</p> <p><i>Superannuation funds</i> with all of their assets invested with insurance offices are included.</p> <p>It includes:</p> <ul style="list-style-type: none"> pooled superannuation trusts; public sector superannuation funds (including SIS-exempt funds); private sector superannuation funds; approved deposit funds; and

	<ul style="list-style-type: none"> • superannuation funds established by <i>life insurance corporations</i>. <p>It excludes:</p> <ul style="list-style-type: none"> • <i>self-managed superannuation funds</i>. These should be reported under <i>self-managed superannuation funds</i>. • <i>retirement savings accounts</i>. These should be reported under <i>households</i>; and • the Future Fund. This should be reported under <i>Commonwealth general government</i>.
<i>Private and public sector businesses</i>	<p>Means <i>community service organisations, non-financial businesses</i> and <i>financial institutions</i>.</p> <p>It excludes:</p> <ul style="list-style-type: none"> • <i>households</i>; and • <i>general government</i>.
<i>Private non-financial businesses</i>	Means <i>private non-financial investment funds, other private non-financial corporations</i> and <i>private unincorporated businesses</i> .
<i>Private non-financial corporations</i>	Means <i>private non-financial investment funds</i> and <i>other private non-financial corporations</i> .
<i>Private non-financial investment funds</i>	<p>Means collective investment schemes, such as trusts or corporations, in which investment funds are pooled and invested in predominantly long-term non-financial assets such as <i>property</i> or infrastructure. They raise funds by issuing shares or units to the public, either via a prospectus or a distribution channel such as a platform. Investors are able to dispose of their holdings through well-developed secondary markets such as a stock exchange or through readily accessible redemption facilities. Usually the management of funds is undertaken by a licensed fund manager external to the fund.</p> <p>It includes:</p> <ul style="list-style-type: none"> • infrastructure funds (e.g. airports, pipelines); • listed and unlisted property trusts (where the funds are predominantly invested in Australian property); and • property common funds. <p>It excludes:</p> <ul style="list-style-type: none"> • film funds. These should be reported in <i>other private non-financial corporations</i>; • non-financial investment syndicates that are not open to public subscriptions. These should be reported under <i>other private non-financial corporations</i>; • agricultural investment funds. These should be reported under <i>other private non-financial corporations</i>; • funds predominantly investing in financial assets. These should be reported under <i>financial institutions</i>; and • funds with overseas <i>property</i> investments. These should be reported

	under <i>non-money-market financial investment funds</i> .
Private unincorporated businesses	<p>Means persons acting as sole proprietors or in partnerships for <i>business</i> purposes. The major businesses to be included in this sub-sector are unincorporated farms, unincorporated retailers, unincorporated professional practices (medical, legal, dental, accounting, etc.), unincorporated businesses of tradespeople such as plumbers, electricians, carpenters, etc.</p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>households</i> whose dealings with other sectors are for <i>business</i> purposes; and • family trusts that have a controlling ownership in one or more businesses. <p>It excludes:</p> <ul style="list-style-type: none"> • unincorporated businesses offering financial services. These should be reported under <i>financial institutions</i>; • any unincorporated business that is a branch of a <i>non-resident</i> company. These should be reported under <i>other private non-financial corporations</i> or <i>financial institutions</i> as appropriate; • unincorporated businesses that are owned by private trading corporations (e.g. <i>joint ventures</i>). These should be reported under <i>other private non-financial corporations</i> or <i>financial institutions</i> as appropriate; and • government unincorporated enterprises that provide goods and services to the Australian Commonwealth, state or local government and/or to the public for free or at prices that are not economically significant (e.g. government employee cafeterias, munitions factories). These should be reported under <i>general government</i>.
Public non-financial businesses	Means <i>Commonwealth Government non-financial corporations</i> and <i>state, territory and local government non-financial corporations</i> .
Real estate investment trusts (REITs)	<p>Means investment vehicles with funds invested in a variety of <i>property</i> assets.</p> <p><i>REITs</i> are a type of <i>private non-financial investment fund</i>.</p>
Registered financial corporations (RFCs)	<p>Means corporations that are registered entities under the <i>Financial Sector (Collection of Data) Act 2001</i> that are classified as Category ‘D’ or ‘Other’ by <i>APRA</i>.</p> <p>A list of <i>RFCs</i> and their <i>APRA</i>-determined categories can be found on the <i>APRA</i> website at http://www.apra.gov.au.</p> <p>It includes:</p> <ul style="list-style-type: none"> • money market corporations (category ‘D’); and • pastoral finance companies, finance companies and general financiers (category ‘Other’ (formerly categories ‘E’, ‘F’ and ‘G’)).

	<p>It excludes:</p> <ul style="list-style-type: none"> • intra-group financiers registered under the <i>Financial Sector (Collection of Data) Act 2001</i> category ‘I’. These should be reported under <i>other private non-financial corporations</i>; and • cash management trusts. These should be reported under <i>money-market investment funds</i>.
<i>Reserve Bank of Australia (RBA)</i>	<p>Means Australia’s central bank. Its main responsibilities include the conduct of monetary policy and maintaining the stability of the financial system.</p> <p>The <i>RBA</i> is an active participant in financial markets, manages Australia’s foreign reserves, issues Australian currency notes and serves as the banker to the Australian Government and the banking system.</p>
<i>Securitisers</i>	<p>Means issuers of <i>asset-backed securities</i> created through the process of <i>securitisation</i>.</p> <p>It excludes:</p> <ul style="list-style-type: none"> • issuers of <i>covered bonds</i>. These should be reported as <i>ADIs</i>.
<i>Self-managed superannuation funds (SMSFs)</i>	<p>Means a fund that meets the conditions in sections 17A and 17B of the <i>Superannuation Industry (Supervision) Act 1993</i>.</p> <p><i>SMSFs</i> are established to provide benefits for its members on retirement, resignation, death or disablement, with the superannuation fund usually taking the legal form of a trust fund.</p> <p>It includes:</p> <ul style="list-style-type: none"> • superannuation funds with 1-4 members that are regulated by the Australian Taxation Office. <p>It excludes:</p> <ul style="list-style-type: none"> • superannuation funds with 5 or more members. These should be reported under <i>other superannuation funds</i>.
<i>Special purpose vehicle (SPV)</i>	<p>Means a legal entity created at the direction of a sponsor.</p> <p>The <i>SPV</i> can take the form of a corporation, trust, partnership or a limited liability company. <i>SPVs</i> are generally structured to be bankruptcy remote from the sponsor, so that if the sponsor enters bankruptcy proceedings, the sponsor’s creditors cannot seize the assets of the <i>SPV</i>.</p> <p><i>SPVs</i> are often used during the <i>securitisation</i> process, where the cash flow-producing assets backing the security are often sold to an <i>SPV</i>.</p> <p><i>SPVs</i> do not fit within a single sub-sector, and may be reported under <i>non-financial businesses</i> or <i>financial institutions</i> as appropriate.</p>
<i>State, territory and local</i>	<p>Means entities that provide non-market goods and services, principally financed by taxes, for free or at a price well below the cost of production.</p>

<i>general government</i>	<p>These entities regulate economic activity, maintain law and order and redistribute income and wealth by means of transfers.</p> <p>It includes:</p> <ul style="list-style-type: none"> • state and local government unincorporated enterprises that provide goods and services to their government and/or to the public for free or at prices that are not economically significant (e.g. government employee cafeterias, municipal swimming pools); • non-profit institutions (NPIs) controlled and mainly financed by State and local government; • state government quasi-corporations which sell their output, at near <i>market prices</i>, exclusively to other government units (e.g. government printers); • state and territory government departments and agencies; and • public (state) schools, technical and further education colleges and state-owned hospitals. <p>It excludes:</p> <ul style="list-style-type: none"> • all state and local government trading enterprises and financial enterprises (e.g. rail, and municipal water authorities). These should be reported under <i>state, territory and local government non-financial businesses</i> or <i>financial institutions</i> as appropriate; • state and territory <i>central borrowing authorities</i> or treasury corporations. These should be reported under <i>central borrowing authorities</i>; and • NPIs credited for philanthropic purposes that are financed mainly from donations or government grants. These should be reported under <i>community service organisations</i>.
<i>State, territory and local government non-financial corporations</i>	<p>Means businesses that are owned and controlled by state, territory or local governments and that produce goods or non-financial services for sale at <i>market prices</i>.</p> <p>It includes:</p> <ul style="list-style-type: none"> • all <i>resident</i> trading enterprises of which 50% or more is owned by state, territory or local government or controlled by state, territory or local government through legislation, decree or regulation (e.g. state rail and water authorities, gas and fuel authorities, housing commissions, port authorities, non-privatised power authorities). <p>It excludes:</p> <ul style="list-style-type: none"> • state, territory or local government-owned <i>financial institutions</i>. These should be reported under <i>financial institutions</i>; • entities in the general government and government departments. These should be reported under <i>general government</i>; and • state and territory <i>central borrowing authorities</i> or treasury corporations. These should be reported under <i>central borrowing authorities</i>.
<i>Superannuation</i>	Means <i>self-managed superannuation funds</i> and <i>other superannuation</i>

<i>n funds</i>	<i>funds.</i>
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Related Parties

9. Key terms in the EFS collection relating to *related parties* are defined as follows:

<i>Associated entities</i>	Has the meaning as in <i>AASB 127 Separate Financial Statements</i> (AASB 127), <i>AASB 3 Business Combinations</i> (AASB 3) and <i>AASB 128 Investments in Associates and Joint Ventures</i> (AASB 128).
<i>Controlled entities</i>	Has the meaning as in AASB 127, AASB 3 and AASB 128.
<i>Intra-group</i>	<i>Intra-group</i> transactions or positions are those undertaken with <i>related parties</i> of the <i>ADI</i> or <i>RFC</i> that are not consolidated at the <i>domestic books</i> level. <i>Related parties</i> of the <i>ADI</i> or <i>RFC</i> include the <i>parent entity</i> , <i>controlled entities</i> , <i>associated entities</i> , <i>joint venture entities</i> and other branches under the same <i>parent entity</i> .
<i>Joint venture entities</i>	Has the meaning as in <i>AASB 11 Joint Arrangements</i> (AASB 11), AASB 127 and AASB 128.
<i>Non-related parties</i>	Any party that is not a <i>related party</i> .
<i>Parent entity</i>	Has the meaning as in AASB 127, AASB 3 and AASB 128.
<i>Overseas operations</i>	For an Australian-owned <i>ADI</i> or <i>RFC</i> , <i>overseas operations</i> refer to overseas branches and/or overseas-based banking operations. ‘Australian-owned <i>ADI</i> ’ refers to an <i>ADI</i> that is not a foreign-owned <i>ADI</i> or <i>RFC</i> . For a foreign-owned <i>ADI</i> or <i>RFC</i> , <i>overseas operations</i> refer to the overseas <i>parent entity</i> . ‘Foreign-owned <i>ADI</i> ’ means an <i>ADI</i> in relation to which an approval has been given, under section 14 of the <i>Financial Sector (Shareholdings) Act 1998</i> , for a <i>bank</i> that is not locally incorporated to hold a stake of more than 15 per cent in the <i>ADI</i> .
<i>Related party</i>	Means a <i>parent entity</i> , <i>controlled entity</i> , <i>associated entity</i> , <i>joint venture entity</i> and any other entity under the same <i>parent entity</i> .

Industry definitions

10. Key terms in the EFS collection relating to industry classifications are defined as follows:

<i>Accommodation</i>	Means businesses mainly engaged in providing short-term accommodation for
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<i>and food services</i>	visitors. Also included are businesses mainly engaged in providing food and beverage services, such as the preparation and serving of meals and the serving of alcoholic beverages for consumption by customers, both on- and off-site
<i>Administrative and support services</i>	<p>Means businesses engaged in performing routine support activities for the day-to-day operations of other businesses or organisations.</p> <p>Businesses providing administrative support services are mainly engaged in activities such as office administration; hiring and placing personnel for others; preparing documents; taking orders for clients by telephone; providing credit reporting or collecting services; and arranging travel and travel tours.</p> <p>Businesses providing other types of support services are mainly engaged in activities such as buildings and other cleaning services; pest control services; gardening services; and packaging products for others.</p> <p>The activities undertaken by businesses in this industry are often integral parts of the activities of businesses found in all sectors of the economy. Recent trends have moved more towards the outsourcing of such non-core activities. The businesses classified in this industry specialise in one or more of these activities and can, therefore, provide services to a variety of clients.</p>
<i>Agriculture, forestry and fishing</i>	Means businesses mainly engaged in growing crops, raising animals, growing and harvesting timber, and harvesting fish and other animals from farms or their natural habitats.
<i>Arts and recreation services</i>	Means businesses mainly engaged in the preservation and exhibition of objects and sites of historical, cultural or educational interest; the production of original artistic works and/or participation in live performances, events, or exhibits intended for public viewing; and the operation of facilities or the provision of services that enable patrons to participate in sporting or recreational activities, or to pursue amusement interests.
<i>Construction (industry)</i>	<p>Means businesses mainly engaged in construction, additions, alterations, reconstruction, installation, and maintenance and repairs of buildings and other structures. Businesses engaged in demolition or wrecking of buildings and other structures, and clearing of building sites are included. It also includes businesses engaged in blasting, test drilling, landfilling, levelling, earthmoving, excavation, land drainage and other land preparation.</p> <p><i>Construction</i> includes:</p> <ul style="list-style-type: none"> • <i>residential building construction</i>; • <i>non-residential building construction</i>; and • <i>other building construction</i>.
<i>Education and training</i>	<p>Means businesses mainly engaged in the provision and support of education and training, except those engaged in the training of animals e.g. dog obedience training, horse training (these should be reported in <i>other services</i>).</p> <p>Education may be provided in a range of settings, such as educational</p>

	institutions, the workplace, or the home. Generally, instruction is delivered through face-to-face interaction between teachers/instructors and students, although other means and mediums of delivery, such as by correspondence, radio, television or the internet, may be used.
<i>Electricity, gas, water and waste services</i>	Means businesses engaged in the production of electricity; gas through mains systems; water; drainage; and sewage services. The industry also includes businesses mainly engaged in the collection, treatment and disposal of water materials; remediation of contaminated materials (including land); and materials recovery activities.
<i>Financial and insurance services</i>	Means businesses mainly engaged in financial transactions involving the creation, liquidation or change in ownership of assets, and/or in facilitating financial transactions. The range of activities includes raising funds by taking <i>deposits</i> and/or issuing securities and, in the process, incurring liabilities; businesses investing their own funds in a range of financial assets; pooling risk by underwriting insurance and annuities; separately constituted funds engaged in the provision of retirement incomes and specialised services facilitating or supporting financial intermediation, insurance and employee benefit programs. Also included are central banking, monetary control and the regulation of financial activities.
<i>Health care and social assistance</i>	Means businesses mainly engaged in providing human health care and social assistance. Businesses engaged in providing these services apply common processes, where the labour inputs of practitioners with the requisite expertise and qualifications are integral to production or service delivery.
<i>Information media and telecommunications</i>	Means businesses mainly engaged in: <ul style="list-style-type: none"> • creating, enhancing and storing information products in media that allows for their dissemination; • transmitting information products using analogue and digital services (via electronic, wireless, optical or other means); and • providing transmission services and/or operating the infrastructure to enable transmission and storage of information and information products.
<i>Manufacturing</i>	Means businesses mainly engaged in the physical or chemical transformation of materials, substances or components into new products (except agriculture and <i>construction</i>). The materials, substances or components transformed by businesses in this industry are raw materials that are products of <i>agriculture, forestry and fishing, mining</i> or products of other <i>manufacturing</i> businesses. Activities undertaken by businesses incidental to their <i>manufacturing</i> activity, such as selling directly to the consumer products manufactured on the same premises from which they are sold, such as bakeries and custom tailors, are also included in this industry. If, in addition to self-produced products, other products that are not manufactured by the same business are also sold, the rules for the treatment of mixed activities have to be applied and

	<p>businesses classified according to their predominant activity.</p> <p>Assembly of the component parts of manufactured products, either self-produced or purchased from other businesses, is considered manufacturing. For example, assembly of self-manufactured prefabricated components at a construction site is considered manufacturing, as the assembly is incidental to the manufacturing activity. Conversely, when undertaken as a primary activity, the on-site assembly of components manufactured by others is considered to be construction.</p>
Mining	Means businesses that mainly extract naturally occurring mineral solids, such as coal and ores; liquid minerals, such as crude petroleum; and gases, such as natural gas. The term mining is used in the broad sense to include underground or open cut mining; dredging; quarrying; well operations or evaporation pans; recovery from ore dumps or tailings as well as beneficiation activities (i.e. preparing, including crushing, screening, washing and flotation) and other preparation work customarily performed at the mine site or as part of the mining activity.
Non-residential building construction	This class consists of units mainly engaged in the construction of non-residential buildings such as hotels, motels, hostels, hospitals, prisons or other buildings, in carrying out alterations, additions or renovation to such buildings, or in organising or managing these activities.
Other building construction	This class consists of units mainly involved in heavy and civil engineering construction, or other construction services including: land development and site preparation; building structure services; building installation services; building completion services; and other construction services (such as landscaping or the hire of construction machinery).
Other services	<p>Means businesses involved in a broad range of personal services; religious, civic, professional and other interest group services; selected repair and maintenance activities; and private households employing staff.</p> <p>Businesses in this division are mainly engaged in providing a range of personal care services, such as hair, beauty and diet and weight management services; providing death care services; promoting or administering religious events or activities; or promoting and defending the interests of their members.</p> <p>Also included are businesses mainly engaged in repairing and/or maintaining plant and equipment (except ships, boats, aircraft, or railway rolling stock) or other items (except buildings); as well as businesses of households that engage in employing workers on or about the premises in activities primarily concerned with the operation of households.</p>
Professional, scientific and technical services	Means businesses engaged in providing these services apply common processes where labour inputs are integral to production or service delivery. The activities undertaken generally require a high level of expertise and training and formal (usually tertiary level) qualifications. Businesses in this

	<p>industry specialise and sell this expertise and, in most cases, equipment and materials are not major inputs.</p> <p>Professional, scientific and technical services include scientific research, architecture, engineering, computer systems design, law, accountancy, advertising, market research, management and other consultancy, veterinary science and professional photography.</p>
Public administration and safety	<p>Means businesses mainly engaged in central, state or local government legislative, executive and judicial activities; in providing physical, social, economic and general public safety and security services; and in enforcing regulations. Also included are businesses of military defence, government representation and international government organisations.</p>
Rental, hiring and real estate services	<p>Means businesses mainly engaged in renting, hiring or otherwise allowing the use of assets (except copyrights), and businesses providing related services. The assets may be tangible, as in the case of real estate and equipment, or intangible, as in the case with patents and trademarks.</p> <p>The industry also includes businesses engaged in providing real estate services such as selling, renting and/or buying real estate for others, managing real estate for others and appraising real estate.</p>
Residential building construction	<p>This class consists of units mainly engaged in the construction of dwellings (both freestanding houses and residential buildings (e.g. semi-detached houses, duplex houses, apartments, or flats)) or in carrying out alterations, additions or renovations to such buildings, or in organising or managing these activities.</p>
Retail trade	<p>Means businesses mainly engaged in the purchase and on-selling, the commission-based buying, and the commission-based selling of goods, without significant transformation, to the general public (households).</p> <p>The retail trade industry also includes businesses that purchase and on-sell goods to the general public using non-traditional means, including the internet. Businesses are classified to the retail trade industry in the first instance if they buy goods and then on-sell them (including on a commission basis) to the general public.</p> <p>Retail businesses generally operate from premises located and designed to attract a high volume of walk-in customers, have an extensive display of goods, and/or use mass media advertising designed to attract customers. The display and advertising of goods may be physical or electronic. Also include businesses that sell to both businesses and the general public that have these characteristics.</p> <p>Physical display and advertising includes shops, printed catalogues, billboards and print advertisements. Electronic display and advertising includes catalogues, internet websites, television and radio advertisements and infomercials. While non-store retailers, by definition, do not possess the</p>

	physical characteristics of traditional retail businesses with a physical shop-front location, these businesses share the requisite function of the purchasing and on selling of goods to the general public, and are therefore included in this industry.
<i>Transport, postal and warehousing</i>	Means businesses mainly engaged in providing transportation of passengers and freight by road, rail, water or air. Include other transportation activities such as postal services, pipeline transport and scenic and sightseeing transport. Businesses mainly engaged in providing foods warehousing and storage activities are included. The industry also included businesses mainly engaged in providing support services for the transportation of passengers and freight. These activities include stevedoring services, harbor services, navigation services, airport operations and customs agency services.
<i>Wholesale trade</i>	<p>Means businesses mainly engaged in the purchase and on-selling, the commission-based buying, and the commission-based selling of goods, without significant transformation, to businesses.</p> <p>Businesses are classified to the <i>wholesale trade</i> industry in the first instance if they buy goods and then on-sell them (including on a commission basis) to businesses.</p> <p>Wholesalers' premises are usually a warehouse or office with little or no display of their goods, large storage facilities, and are not generally located or designed to attract a high proportion of walk-in customers. Wholesaling is often characterised by high value and/or bulk volume transactions, and customers are generally reached through trade-specific contracts. Also include businesses that sell to both other businesses and the general public (<i>households</i>) that also have these characteristics.</p>

Finance purpose class

11. Key terms in the EFS collection relating to finance ***purpose class*** are defined as follows:

<i>Business purposes</i>	<p>Means transactions by persons, legal entities or other organisations related to their activities in the production and sale of goods and services for profit.</p> <p>Also includes the transactions of not-for-profit organisations such as <i>community service organisations</i>.</p> <p>It includes:</p> <ul style="list-style-type: none"> • transactions by <i>private and public sector businesses</i>.
<i>Housing (purpose)</i>	<p>Means transactions by <i>households</i> related to the provision of <i>residential property</i> for use by the <i>household</i> sector.</p> <p><i>Housing</i> includes transactions to finance or refinance the <i>construction</i> or purchase of <i>newly erected dwellings</i> or <i>existing dwellings, alterations,</i></p>

	<p><i>additions and repairs</i> or to purchase <i>residential land</i>.</p> <p>It includes:</p> <ul style="list-style-type: none"> • finance to the <i>household</i> sector. <p>It excludes:</p> <ul style="list-style-type: none"> • finance to businesses that develop or purchase <i>residential property</i>. These transactions should be recorded as <i>business</i> purposes; and • finance that is <i>secured</i> against a <i>residential property</i>, but where the funds are used for a purpose other than <i>housing</i>. These transactions should be recorded as <i>business</i> or <i>personal</i> purposes.
<i>Personal (purpose)</i>	Means transactions by persons within the <i>household</i> sector whose dealings with other sectors are for purposes other than <i>business</i> purposes or <i>housing</i> purposes.
<i>Purpose class</i>	Means the initial classification of finance into <i>housing, personal</i> or <i>business</i> in accordance with the ‘predominant purpose’ principle.

Finance purpose sub-class

12. Key terms in the EFS collection relating to finance ***purpose sub-class*** are defined as follows:

<i>Alterations, additions and repairs</i>	<p>Means any structural or non-structural change to existing <i>residential property, non-residential buildings</i> or <i>non-building structures</i>.</p> <p>It includes:</p> <ul style="list-style-type: none"> • repairs and maintenance; • structural and non-structural changes to <i>dwellings</i> (e.g. garages, carports, pergolas, re-roofing, re-cladding etc.); • structural and non-structural changes to <i>non-residential buildings</i> (e.g. renovations and refits); and • non-building work that improves the value of properties with attached <i>dwellings</i> or <i>non-residential buildings</i> (e.g. pools or landscaping). <p>It excludes:</p> <ul style="list-style-type: none"> • <i>dwelling</i> or <i>non-residential building</i> furnishings not attached to the <i>property</i>. These should be reported under the appropriate <i>personal</i> or <i>business purpose sub-class</i>. • changes to <i>dwellings</i> that result in the creation of new <i>dwelling</i> (e.g. an attached granny-flat). These should be reported as <i>construction</i>; and • conversions from <i>non-residential buildings</i> to <i>dwellings</i> (and vice versa). These should be reported as <i>construction</i>.
<i>Construction (purpose)</i>	Means the creation of <u>new</u> <i>dwellings, non-residential buildings</i> or <i>non-building structures</i> .

	<p>For <i> dwellings</i>, include:</p> <ul style="list-style-type: none"> • <i> newly erected dwellings</i>; • changes to <i> existing dwellings</i> that result in the creation of a new <i> dwelling</i> (e.g. a granny-flat); and • conversions from <i> non-residential buildings</i> to <i> dwellings</i> (e.g. a warehouse converted to apartments). <p>For <i> non-residential building</i>, include:</p> <ul style="list-style-type: none"> • conversions from <i> dwellings</i> to <i> non-residential buildings</i>.
Existing dwelling	Means a <i> dwelling</i> that has been previously occupied.
External refinancing	<p>Occurs where a new <i> loan</i> is obtained to replace an existing <i> loan</i> that was provided by a different lender. The funds from the new <i> loan</i> should be used for substantially the same purpose as the existing <i> loan</i> contract that it is to replace.</p> <p>For <i> housing</i>, it should refinance an existing <i> loan</i> for the purchase or <i> construction</i> of, or any other <i> alterations, additions and repairs</i> or other improvements to the <u>same</u> <i> residential property</i>.</p> <p>It excludes:</p> <ul style="list-style-type: none"> • refinanced <i> housing loans</i> for a <u>different</u> <i> residential property</i>. These should be reported as new <i> applications / borrower-accepted commitments</i> according to the specific purpose for which the funds will be used (e.g. purchase or <i> construction</i>).
Internal refinancing	<p>Occurs where a new <i> loan</i> is obtained to replace an existing <i> loan</i> that was provided by the <i> ADI</i> or <i> RFC</i>, the borrower has signed a new contract, and the <i> credit limit</i> has increased from that which was available prior to refinancing. The funds from the new <i> loan</i> should be used for substantially the same purpose as the existing <i> loan</i> contract that it is to replace.</p> <p>For <i> housing</i>, an <i> internal refinance</i> should refinance an existing <i> loan</i> for the purchase, <i> construction</i> or any other <i> alterations, additions and repairs</i> or other improvements to the <u>same</u> <i> residential property</i>.</p> <p>It excludes:</p> <ul style="list-style-type: none"> • <i> loan</i> variations such as switches between <i> variable interest rates</i> and <i> fixed interest rates, interest only</i> or <i> amortising loans</i> and <i> owner occupied</i> or <i> investment</i> where these do not result in an increase in the <i> credit limit</i>; and • <i> loans</i> where the <i> residential property</i> for which the <i> loan</i> is used changes. These should be reported as new <i> applications / borrower-accepted commitments</i>. <p>For <i> housing</i> purposes, report only the amount by which the <i> credit limit</i> has been increased (i.e. the new <i> credit limit</i> less the previous <i> credit limit</i>).</p>

	For <i>business</i> and <i>personal</i> purposes, report the amount of the new <i>credit limit</i> (i.e. do not subtract the previous <i>credit limit</i> from the new <i>credit limit</i>).
<i>Newly erected dwelling</i>	Refers to a <i>dwelling</i> that has not previously been occupied by a <i>household</i> . It includes: <ul style="list-style-type: none"> • off-the-plan purchases; and • <i>dwellings</i> resulting from the conversion of <i>non-residential buildings</i> to <i>dwellings</i>. It excludes: <ul style="list-style-type: none"> • <i>existing dwellings</i> that have been refurbished or renovated.
<i>Purpose sub-class</i>	Refers to the secondary classification of finance by intended use in accordance with the predominant purpose principle.

Steps in the extension of finance

13. Key terms in the EFS collection relating to steps in the extension of finance are defined as follows, given in the approximate sequence in which the steps occur:

<i>Application</i>	A genuine <i>application</i> for finance made by a potential borrower. It includes: <ul style="list-style-type: none"> • <i>internal refinances</i>. For <i>housing</i>, report only the amount by which the <i>credit limit</i> is proposed to be/has been increased. It excludes: <ul style="list-style-type: none"> • <i>applications</i> for pre-approval of finance.
<i>Received (application)</i>	An <i>application</i> for finance is <i>received</i> by the <i>ADI</i> or <i>RFC</i> when sufficient information and/or relevant documentation has been submitted to allow for the <i>application</i> to be assessed.
<i>Approved (application)</i>	An <i>application</i> is <i>approved</i> if a firm offer of finance is made (whether the size and terms of the <i>loan</i> are the same as requested in the <i>application</i> or different).
<i>Declined (application)</i>	An <i>application</i> is <i>declined</i> if a decision is made by the <i>ADI</i> or <i>RFC</i> to not offer any finance. Include <i>applications</i> where a decision was made not to provide finance because insufficient information was provided by the potential borrower or the <i>application</i> is judged to have lapsed.
<i>Borrower-accepted commitment (commitment)</i>	Means a firm offer to provide finance that has been accepted by the borrower. A <i>borrower-accepted commitment</i> exists for a <i>loan</i> or <i>finance lease</i> once an <i>application</i> has been <i>approved</i> , a <i>loan/finance lease</i> contract or letter of

	<p>offer has been issued to the borrower, and the borrower has accepted the offer.</p> <p>For <i>housing</i>, a <i>borrower-accepted commitment</i> to lend occurs only after the <i>residential property</i> has been found and valued, mortgage insurance arranged (where relevant) and the borrower has accepted the offer.</p> <p>For <i>bills</i>, a <i>borrower-accepted commitment</i> occurs when the <i>bill</i> is <i>accepted</i>.</p> <p>For <i>commercial paper</i>, a <i>borrower-accepted commitment</i> occurs when the <i>commercial paper</i> is purchased directly from the issuer. Exclude purchases of <i>commercial paper</i> on the secondary market.</p>
Funded	<p>A <i>loan</i> or <i>finance lease</i> is considered <i>funded</i> once any portion of the funds is made available for the borrower to <i>draw down</i> according to the terms of the contract. This will occur after there is a <i>borrower-accepted commitment</i> to provide finance.</p> <p>For <i>fixed-term loans</i> and <i>finance leases</i>, the entire value of the <i>loan</i> or <i>finance lease</i> is to be reported as <i>funded</i> in the period in which the credit is first made available to the borrower (whether or not it is <i>drawn down</i> within that period). If the <i>loan</i> is disbursed over a period of time (multiple <i>drawdowns</i>) then report only the portion made available to the borrower for the first time that period (whether or not it is <i>drawn down</i> within that period).</p> <p>For <i>revolving credit</i> facilities, the entire value of the <i>credit limit</i> is reported as <i>funded</i> in the period in which the credit is first made available to the borrower (whether or not it is <i>drawn down</i> within that period).</p> <p>For <i>internal refinances</i>, report the total value refinanced, not just the increase in the <i>credit limit</i>.</p> <p>Values should be reported gross of <i>offset account</i> balances and <i>of redraw facilities</i>.</p>
Drawdown / drawn down	<p>Once a <i>borrower-accepted commitment</i> to provide finance has been <i>funded</i>, the <i>approved</i> amount of finance may be drawn and used by the borrower according to the terms of the contract.</p> <p>Any amounts <i>drawn down</i> by the borrower are included in <i>credit outstanding</i> from the period in which they are drawn (and not the period in which they were committed).</p>
Credit outstanding	<p>Once a <i>borrower-accepted commitment</i> has been <i>drawn down</i>, the remaining value that the borrower must repay – the current <i>loan</i> or <i>finance lease</i> balance outstanding – is the amount of <i>credit outstanding</i>. The balance should be reported gross of <i>collective provisions</i> and <i>individual</i></p>

	<p>provisions. Exclude finance that has been written off.</p> <p>For fixed-term loans and finance leases, report the amount owed by the borrower(s) at the end of the reporting period. The balance outstanding is the original commitment less amortisation and other repayments, including any redraw facility balances (i.e. subtract amounts available in redraw facilities from the value of credit outstanding) but excluding any deposit balances in offset accounts (i.e. report gross of offset account balances).</p> <p>For revolving credit facilities, report the drawn amount.</p> <p>For bills, report the amount repayable by the borrower.</p> <p>For commercial paper, report amounts repayable by the borrower for all such securities held, whether or not they were purchased directly from the issuer or in the secondary market.</p>
<p>Credit outstanding, net of offset account balances</p>	<p>Credit outstanding net of offset account balances is the value of credit outstanding for finance net of any linked offset account balances.</p> <p>For fixed-term loans and finance leases, report the amount owed by the borrower(s) at the end of the reporting period. The balance outstanding is the original commitment less amortisation and other repayments, including any redraw facility balances (i.e. subtract amounts available in redraw facilities from the value of credit outstanding) and any deposit balances in offset accounts (i.e. report net of offset account balances). If the value in the offset account exceeds the value of the loan, then treat credit outstanding as zero for that loan.</p> <p>For revolving credit facilities, report the drawn amount.</p>
<p>Credit limit</p>	<p>Means the maximum amount of funds available to the borrower as at the period end date without additional authorisation or approval. This amount should include outstanding balances (including capitalised interest or fees) and any other funds that can be drawn without additional approval by the lender.</p> <p>For fixed-term loans, report the value of credit outstanding gross of balances in redraw facilities and offset accounts (i.e. redraw facilities and offset account balances should not be subtracted from the loan balance) unless otherwise directed.</p> <p>For revolving credit, any amounts in a net-deposit position should not add to the credit limit.</p> <p>For margin lending, the credit limit should reflect the maximum that the borrower can draw down based on the loan conditions (such as the notional credit limit and the maximum allowable loan-to-valuation ratio) and the value of the security underlying the loan.</p>

Other definitions

14. Key terms in the EFS collection relating to general concepts are defined as follows:

A

Acceptances	See accepted bills of exchange .
Accepted (bills of exchange)	Means bills of exchange that have been signed by the drawee, which 'accepts' liability to pay out the funds on the due date. The drawer incurs a corresponding liability towards the drawee.
Additional Tier 1 capital instruments	Means instruments that are compliant with the definition in <i>Prudential Standard APS 111 Capital Adequacy: Measurement of Capital</i> (APS 111) (including Attachments E, F and J). Excludes instruments that do not fully meet the criteria in Attachment E (whether or not these are eligible for transitional treatment under Attachment L of APS 111).
Amortising	Refers to loans on which interest is paid and principal is automatically amortised. Also known as principal and interest (P&I).
Asset-backed securities	Means debt securities that are backed by cash flows from assets such as loans . <i>Asset-backed securities</i> are similar to covered bonds , but in the event of bankruptcy, the investor has recourse only to the collateral and not the originator or servicer of the loans or finance leases .
Australian Government Securities	Means all securities issued by the Australian Government at tenders conducted by the AOFM. It includes: <ul style="list-style-type: none"> • Treasury bonds, Treasury notes, Treasury indexed bonds and, previously, Treasury adjustable rate bonds issued by the Australian Government at tenders or through syndication by the AOFM.

B

Banking book	Means positions in financial instruments that do not constitute part of the trading book .
Bills of exchange (bills)	Bills of exchange are defined in the <i>Bills of Exchange Act 1909</i> . Generally speaking, a bill of exchange is an unconditional order in writing, addressed by one person to another, signed by the person giving it (the drawer), requiring the person to whom it is addressed (the drawee or acceptor) to pay on demand, or at a fixed or determinable future time, a sum of money to, or to the order of, a specified party, or to bearer. It is typically a negotiable instrument with an original maturity of 180 days or less.

C

<i>Certificates of deposit</i>	<p>Means a category of <i>debt securities</i> that are issued at a discount to face value.</p> <p>Includes <i>negotiable certificates of deposit</i> and <i>non-negotiable certificates of deposit</i>.</p>
<i>Commercial paper</i>	<p>Means a written promise to pay a specified sum of money to the bearer at an agreed date. It is usually issued for terms ranging from 30 to 180 days and is sold to an investor at a discount to the face value.</p> <p><i>Commercial paper</i> is also referred to as promissory notes or one name paper, and is a type of <i>short-term debt security</i>.</p> <p>It includes:</p> <ul style="list-style-type: none"> • promissory notes, one name paper, and asset-backed <i>commercial paper</i>. <p>It excludes:</p> <ul style="list-style-type: none"> • floating-rate notes and similar <i>long-term debt securities</i> with a <i>short-term interest rate</i>.
<i>Convertible note</i>	<p>Means a type of <i>hybrid security treated as liabilities</i> under accounting standards. It is an instrument that contains a provision under which it may be converted from debt to equity under specific circumstances.</p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>Additional Tier 1 capital instruments</i>; and • <i>Tier 2 capital instruments</i>.
<i>Cost of funds</i>	<p>Means the institution's internal funds transfer pricing rate for an asset. The price is established by the institution's treasury area and 'charged' to the relevant business area.</p> <p>Where there are multiple <i>costs of funds</i> within a line item, the value reported should represent the weighted average of these amounts.</p>
<i>Collective provision</i>	<p>Means all provisions for impairment assessed by an <i>ADI</i> or <i>RFC</i> on a collective basis as defined by the Australian Accounting Standards.</p>
<i>Covered bonds</i>	<p>Means <i>debt securities</i> issued by an <i>ADI</i> as defined by the <i>Banking Act 1959</i>. They are backed by a ring-fenced pool of assets, such as <i>housing loans</i>.</p> <p><i>Covered bonds</i> are similar to <i>asset-backed securities</i>, but in the event of bankruptcy, the investor has recourse to both the collateral and the originator or servicer of the <i>loans</i> or <i>finance leases</i>.</p>
<i>Credit cards</i>	<p>Means a card whose holder has been granted a <i>revolving credit</i> line. The card enables the holder to make purchases and/or cash advances up to a pre-</p>

	<p>arranged limit. The credit granted can be settled in full by the end of a specified period or in part, with the balance taken as extended credit. Interest may be charged on the transaction amounts from the date of each transaction or only on the extended credit where the credit granted has not been settled in full.</p> <p>It includes:</p> <ul style="list-style-type: none"> • charge cards. Charge cards are <i>credit cards</i> that must be paid in full at the end of each statement period. <p>It excludes:</p> <ul style="list-style-type: none"> • debit cards, including those linked to accounts with overdraft facilities.
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D

<i>Debt securities</i>	<p>Means transferable instruments evidencing a relationship of indebtedness. They are characterised by having a definable return that is not based on the economic performance of the issuing entity.</p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>negotiable certificates of deposit</i>; • <i>bills of exchange</i>; and • <i>hybrid securities treated as liabilities</i> under accounting standards.
<i>Debt securities excluding hybrids</i>	Means all <i>debt securities</i> other than <i>hybrid securities treated as liabilities</i> .
<i>Deposits</i>	<p>Means non-negotiable contracts that represent the placement of funds available for later withdrawal.</p> <p>It includes:</p> <ul style="list-style-type: none"> • account balances with <i>banks</i>, <i>non-bank ADIs</i> and <i>registered financial corporations</i> (including <i>transaction deposits</i>, <i>fixed-term deposits</i> and <i>other non-transaction deposits</i>); • purchased payment facilities such as smart cards and electronic cash; and • <i>non-negotiable certificates of deposit</i>. <p>It excludes:</p> <ul style="list-style-type: none"> • holdings of physical currency (holdings of <i>notes and coins</i>); and • <i>negotiable certificates of deposit</i> (a type of <i>debt security</i>); • payables due to counterparties arising from the first leg of a <i>repurchase agreement</i>; • treasury-related short-term borrowings from other <i>banks</i>; • <i>commercial paper</i>; • arranged overdrafts. These are generally an agreed arrangement between a lender and a borrower to extend credit when the balance in

	<p>an attached transaction account falls below zero; and</p> <ul style="list-style-type: none"> • unarranged overdrafts. These refer to the situation when a transaction account holder withdraws an amount greater than the balance of the account leaving a negative balance. The lender usually charges an overdrawn account fee as well as interest on the negative balance, and usually requires the account holder to restore the account's positive balance.
<i>Deposits at call</i>	Means <i>deposits</i> that are redeemable or withdrawable on demand.
<i>Deposits not at call</i>	Means any <i>deposits</i> that are not <i>deposits at call</i> .
<i>Derivatives</i>	<p>Means a financial instrument that is a contract between two or more parties where the price is dependent on or derived from one or more underlying assets. The contract may not involve any exchange of principal.</p> <p>It includes:</p> <ul style="list-style-type: none"> • all exchange traded and over-the-counter call and put options; • interest rate, bullion, commodity and equity options; • warrants and swap options, interest-rate swaps, cross currency interest rate swaps and currency swaps; • futures (e.g. bank bill, bond), forward rate agreements and forward foreign-exchange contracts; and • employee stock options.
<i>Dwelling</i>	<p>Means a self-contained room or suite of rooms, including cooking and bathing facilities, intended for long-term residential use. A <i>dwelling</i> is private (not generally accessible by the public) and is contained within a building that is an immobile structure. A <i>dwelling</i> may comprise part of a building or the whole of a building.</p> <p>Regardless of whether they are self-contained or not, rooms within buildings offering institutional care (e.g. hospitals) or where the primary purpose is to provide temporary accommodation (e.g. hotels, motels and hostels) are not defined as <i>dwelling</i>s.</p>

E

<i>Endorsed (bills of exchange)</i>	Means <i>bills of exchange</i> that create a contingent liability for the endorser to pay out the funds conditional on the bearer/holder demanding payment.
<i>Equity securities</i>	<p>Means securities, as defined by the Australian Accounting Standards, that evidence a residual interest in the assets of an entity after deducting all its liabilities.</p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>preference shares</i>; and • <i>hybrid securities treated as equity</i>.

<i>Excess repayments</i>	Means any repayment amount by which actual repayments exceed <i>scheduled repayments</i> during a specified period.
<i>Exposure Size</i>	Means the value of all liabilities that a borrower has owing to the <i>ADI</i> or <i>RFC</i> .

F

<i>(Lending) Facility</i>	<p>Refers to one or more accounts/lending agreements that:</p> <ul style="list-style-type: none"> • are for the same borrower(s); and • are approved at the same point in time and/or as part of the same application; • are for the same purpose; and • differ only by characteristics relating to <i>interest rate</i> type (<i>fixed interest rate</i> or <i>variable interest rate</i>) and/or repayment type (<i>interest only</i> or <i>amortising</i>). <p>The accounts comprising a <i>lending facility</i> may or may not be linked.</p> <p>If one of the accounts/lending agreements that forms part of a <i>lending facility</i> is refinanced, then that newly refinanced account/lending agreement remains part of the <i>lending facility</i>.</p>
<i>Finance lease</i>	Refers to the leasing or hiring of tangible assets under an agreement (other than a hire purchase agreement) that transfers from the lessor to the lessee substantially all the risks and benefits incident to ownership of the assets, without transferring the legal ownership.
<i>Fixed assets</i>	<p>Means assets that are used repeatedly, or continuously, in production processes for more than 12 months.</p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>property, plant and equipment</i>; and • <i>information technology equipment</i>.
<i>Fixed interest rate</i>	<p>Means <i>interest rates</i> that do not fluctuate over the term, or life, of the agreement.</p> <p>It includes:</p> <ul style="list-style-type: none"> • finance whose rate of interest is fixed at the start of the <i>loan</i> or <i>finance lease</i> and will remain fixed for at least the first 12 months.
<i>Fixed-term (loan)</i>	<p>Means <i>loans</i> extended for a fixed period, with a maturity date by which the <i>loan</i> must be repaid. Repayments over the fixed period reduce the <i>loan</i> balance and do not make further finance available.</p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>redraw facilities</i> attached to <i>fixed-term loans</i>.

	<p>It excludes:</p> <ul style="list-style-type: none"> • <i>revolving credit</i> facilities.
Fixed-term deposits	<p>Means an account in which money has been placed for a fixed period for a stated <i>interest rate</i>.</p> <p>It includes:</p> <ul style="list-style-type: none"> • term deposits; • <i>fixed-term deposits</i> with a notice of withdrawal requirement; and • <i>non-negotiable certificate of deposits</i>. <p>It excludes:</p> <ul style="list-style-type: none"> • <i>non-transaction deposits</i> that do not have a fixed term.
Fully secured	Means finance with a <i>loan-to-valuation ratio</i> of less than or equal to 100 per cent.

H

Home equity loan	Means a <i>secured revolving credit</i> facility that is <i>secured</i> by the borrower's equity in <i>residential property</i> .
Hybrid securities	<p>Means securities that combine elements of <i>debt securities</i> and <i>equity securities</i>.</p> <p>Regulatory capital instruments such as <i>Additional Tier 1</i> and <i>Tier 2 capital instruments</i> are types of <i>hybrid securities</i>.</p> <p>A distinction is made in reporting between <i>hybrid securities treated as liabilities</i> and <i>hybrid securities treated as equity</i> under accounting standards.</p>
Hybrid securities treated as liabilities	Means <i>hybrid securities</i> that are treated as liabilities under accounting standards. These should be reported as <i>debt securities</i> and separately identified as directed.
Hybrid securities treated as equity	Means <i>hybrid securities</i> that are treated as equity under accounting standards. These should be reported as <i>equity securities</i> .

I

Impaired	Means facilities that are impaired as defined in <i>Prudential Standard APS 220 Credit Quality</i> (APS 220).
Individual provision	Means all provisions for impairment assessed by an <i>ADI</i> or <i>RFC</i> on an individual basis as defined by the Australian Accounting Standards.

<i>Industrial buildings</i>	<p>Means any <i>non-residential buildings</i> (or parts of such buildings) where the primary purpose is for manual labour or storage.</p> <p>It includes:</p> <ul style="list-style-type: none"> • warehouses; and • factories.
<i>Information technology equipment</i>	<p>Refers to devices that have a primary function related to the collection, transfer, storage, or processing of data.</p> <p>Examples include, computers, monitors, keyboards, drives and servers.</p>
<i>Intangible assets</i>	<p>Has the meaning as in <i>AASB 139 Intangible Assets</i> (AASB 139).</p>
<i>Interest-bearing</i>	<p>Means liabilities that have a contractual <i>interest rate</i> greater than zero.</p> <p>If an account has more than one contractual <i>interest rate</i>, report as <i>interest-bearing</i> if at least one of the contractual <i>interest rates</i> is greater than zero.</p>
<i>Interest expense incurred</i>	<p>Payments of interest incurred during the period that are due to customers and holders of <i>debt securities</i> during the period, including coupon payments.</p> <p><i>Interest expense incurred</i> should be reported in accordance with Australian Accounting Standards.</p> <p>It includes:</p> <ul style="list-style-type: none"> • payments of scheduled interest distributions made during the period; • the interest component of zero coupon security repayments, borrowing under <i>repurchase agreements</i> and <i>securities borrowing</i> activity; and • scheduled interest payments that were not made during the period (including scheduled distributions on hybrid instruments). <p>It excludes:</p> <ul style="list-style-type: none"> • non-interest payments made to customers or holders of <i>debt securities</i> (such as principal payments or fees).
<i>Interest income earned</i>	<p>Interest earned from customers and issuers of securities during the period, including coupon payments.</p> <p><i>Interest income earned</i> should be reported in accordance with Australian Accounting Standards.</p> <p>It includes:</p> <ul style="list-style-type: none"> • payments of scheduled interest distributions received during the period; • the interest component of funds received from zero coupon security

	<p>repayments, <i>repurchase agreements</i> and <i>securities lending</i> activity; and</p> <ul style="list-style-type: none"> • scheduled interest payments that were not received during the period (including scheduled distributions on <i>hybrid securities</i>). <p>It excludes:</p> <ul style="list-style-type: none"> • non-interest payments received from customers or issuers of <i>debt securities</i> (such as principal payments or fees).
<i>Interest-only</i>	<p>Refers to <i>loans</i> on which only interest is paid during a set period and no principal is automatically amortised.</p> <p>The <i>loans</i> will typically revert to principal-and-interest repayments at the end of the <i>interest-only</i> period.</p> <p>Only report <i>loans</i> as <i>interest-only loans</i> during their <i>interest-only</i> period. Once the <i>loan</i> has reverted to principal-and-interest repayments, the <i>loan</i> should then be classified as <i>amortising</i> in <i>credit outstanding</i> from that period.</p>
<i>Interest rate</i>	<p>Means the contractual rate to be paid to or received by the customer/counterparty/debtholder.</p> <p>Where there is more than one contractual rate, and the rate paid by the customer depends on their behaviour in that period, report the contractual rate that applied given their behaviour.</p> <p>For example, for any <i>deposit</i> account where the contractual <i>interest rate</i> varies according to the behaviour of the customer (e.g. savings accounts that pays a higher rate of interest if fewer than a certain number of withdrawals are made per month or if the value of funds in the account increases over the month) – then the contractual <i>interest rate</i> reflecting the customer’s behaviour should be reported. That is, the <i>interest rate</i> reported should reflect the actual interest accrued over the month by all customers.</p> <p>Some products have specific treatments for reporting of <i>interest rates</i>:</p> <p>For <i>credit cards</i>, the <i>interest rate</i> to be reported should be calculated as interest charged on <i>credit cards</i> during the month divided by the relevant balance × 100%.</p> <p>For <i>offset accounts</i>, the <i>interest rate</i> should be reported as the contractual rate payable on the linked <i>loan</i> account, divided by the proportion of the <i>offset account</i> balance that is offset against the <i>loan</i> balance. For instance, if the balance in the <i>offset account</i> is fully offset against the <i>loan</i> balance, then the contractual rate on the <i>loan</i> account would be the <i>interest rate</i> reported on the <i>offset account</i>. However, if only half of the balance in the <i>offset account</i> is offset against the relevant <i>loan</i> balance, then report the <i>interest rate</i> on the <i>offset account</i> as half of the contractual <i>interest rate</i> on the <i>loan</i> account.</p>

	For <i>set-off accounts</i> , the <i>interest rate</i> to be reported on any linked <i>loan</i> and <i>deposit</i> accounts is the contractual <i>interest rate</i> applying to the net balance of these accounts.
Investment investor (housing loan)	<p>Means a <i>loan</i> to a <i>household</i> for the purpose of <i>housing</i>, where the funds are used for a <i>residential property</i> that is that is not for <i>owner-occupation</i>.</p> <p>Where the <i>loan</i> is for a <i>residential property</i> that is different to the <i>residential property</i> against which the <i>loan</i> is <i>secured</i>, this definition refers to the occupation status of the <i>residential property</i> for which the <i>loan</i> has been obtained (not the occupation status of the property used as security).</p> <p>It includes:</p> <ul style="list-style-type: none"> • holiday/vacation homes and part-time residences that are <u>not</u> the borrower's or borrowers' <i>principal place of residence</i>. <p>It excludes:</p> <ul style="list-style-type: none"> • part-time residences that are the borrower's or borrowers' <i>principal place of residence</i>. These should be reported under <i>owner-occupied housing</i>; and • <i>loans</i> where the borrower is not a <i>household</i>. These should be reported under the appropriate business category.
Investment securities	<p>Means securities that are not <i>trading securities</i> (as defined in AASB 7).</p> <p>These are generally securities purchased with the intent that they be held to maturity or held for a period of time though not necessarily to maturity (i.e. <i>equity securities</i> where it is not technically possible to hold to maturity).</p>

L

Land	<p>Means the following categories:</p> <ul style="list-style-type: none"> • <i>non-residential land</i>; • <i>residential land</i>; and • <i>rural property</i>.
Large (business size)	<p>A business is classified as <i>large</i> if they have <i>turnover</i> greater than or equal to \$50 million.</p> <p>Exposures classified as 'Corporate' should be included in this category.</p>
Leasing	Means both <i>finance leases</i> and <i>operating leases</i> .
Loan-to-valuation ratio (LVR)	Defined in Attachment D of <i>Prudential Standard APS 112 Capital Adequacy</i> .
Loans	Means a financial asset that is (1) created when a creditor lends funds directly to a debtor and (2) is evidenced by non-negotiable documents.

	<p>It includes:</p> <ul style="list-style-type: none"> • advances; • <i>secured</i> and <i>unsecured loans</i>; • mortgages; • commercial <i>loans</i>; and • redeemable preference share finance not evidenced by a security. <p>It excludes:</p> <ul style="list-style-type: none"> • treasury-related short-term borrowings from other <i>banks</i>; • lease arrangements (report as <i>leasing</i>); and • equity participation in leveraged leases (report as <i>leasing</i>).
Long-term	Original contractual term to maturity greater than 12 months.

M

Margin	<p>Means the <i>weighted average</i> internal margin on that product (the amount added to the <i>cost of funds</i> or subtracted from the <i>value of funds</i> to determine the <i>interest rate</i>).</p> <p>For assets, the <i>margin</i> is equal to the <i>weighted average interest rate</i> charged to the borrower less the <i>cost of funds</i>.</p> <p>For liabilities, the <i>margin</i> is equal to the weighted average <i>interest rate</i> paid to the depositor or holder less the <i>value of funds</i>.</p>
Margin lending/loans	<p>Margin lending facilities are defined in Section 761EA of the <i>Corporations Act 2001</i>.</p> <p>Margin lending is the provision of <i>secured loans</i> to investors for the purpose of purchasing financial assets. The purchased assets are generally used as <i>security</i> for the <i>margin loan</i>. The financial assets purchased are usually equities or units in managed funds.</p>
Market prices	Means the value at which non-financial and financial assets are exchanged or else could be exchanged for cash (currency or <i>transaction deposits</i>). They are the amounts of money that willing buyers pay to acquire something from willing sellers; the exchanges are made between independent parties and on the basis of commercial consideration only (i.e. at ‘arm’s length’).
Market value	Means the value as determined by <i>market prices</i> .
Medium (business size)	<p>A business is classified as <i>medium</i> if the <i>ADI</i> or <i>RFC</i> has a total exposure to the business that is greater than or equal to \$1 million and the business has <i>turnover</i> of less than \$50 million.</p> <p>Exposures classified as ‘SME Corporate’ should be included in this category.</p>

Motor cars	<p>It includes:</p> <ul style="list-style-type: none"> • cars, station wagons, 4WD and forward control passenger vehicles. <p>It excludes:</p> <ul style="list-style-type: none"> • trucks, buses, special vehicles, utilities, panel vans, motorcycles, scooters. These should be reported under <i>other transportation vehicles</i>.
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N

Negotiable certificate of deposit	Means negotiable bearer <i>debt securities</i> . They are issued at a discount to the face value, can be traded in the secondary market and do not require endorsement when sold. Include transferable <i>certificates of deposit</i> .
Non-building structures	<p>Means any structures that are not buildings.</p> <p>It includes:</p> <ul style="list-style-type: none"> • roads, bridges, railways, harbours, mines, telecommunication towers, dams, powerlines, pipelines and sewers.
Non-interest-bearing	<p>Means <i>deposits</i> that have a contractual <i>interest rate</i> equal to zero.</p> <p>If an account has more than one contractual <i>interest rate</i>, report as <i>non-interest-bearing</i> if none of the contractual <i>interest rates</i> are greater than zero.</p>
Non-negotiable certificates of deposit	Means <i>certificates of deposit</i> that must be held by the depositor until maturity unless a penalty is paid for early withdrawal of the <i>deposit</i> . They are to be classified as a <i>fixed-term deposit</i> .
Non-residential buildings	<p>Means any buildings (or part of buildings) that are not <i>dwellings</i>.</p> <p>Generally include:</p> <ul style="list-style-type: none"> • <i>shops</i>; • <i>offices</i>; • <i>industrial buildings</i>; and • any other buildings that are not <i>dwellings</i>.
Non-residential land	Means any vacant land that does not have a building attached and that is not <i>residential land</i> or <i>rural property</i> .
Non-residential property	<p>Means any <i>land</i> or buildings that are not included in <i>residential property</i>.</p> <p>Generally include:</p> <ul style="list-style-type: none"> • <i>non-residential buildings</i>; • <i>non-residential land</i>; • <i>rural property</i>; and • <i>non-building structures</i>.

Non-transaction deposits	<p>Means all customers' <i>deposits</i>, other than <i>transaction deposits</i>.</p> <p><i>Non-transaction deposits</i> have limited access (e.g. only a limited number or value of withdrawals may be made from the account in a given period), incur penalties or fees (e.g. the loss of bonus interest, withdrawal fees), or have other restrictions on use of funds for payment or withdrawal.</p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>fixed-term deposits</i>; • notice of withdrawal accounts, for which there is no fixed term but for which written notice is required at least the day before funds can be withdrawn or transferred out of the account; • savings <i>deposits</i> with restrictions or limitations on payments or withdrawals; and • money-market <i>deposit</i> accounts. <p>It excludes:</p> <ul style="list-style-type: none"> • savings <i>deposits</i> linked to an account from which payments may be made to third parties (e.g. Automated Teller Machines, debit card or another electronic device) where funds may be transferred to the linked account almost instantaneously and subsequently withdrawn or transferred to a third party on demand.
Notes and coins	<p>Means holdings of physical currency.</p> <p>It includes:</p> <ul style="list-style-type: none"> • foreign currencies and Australian notes and coins.

O

Off-balance sheet securitised (assets)	<p>Means assets that have been removed from the institution's balance sheet because they were moved to an <i>SPV</i> for the purposes of a <i>securitisation</i>, and have been derecognised from the <i>domestic books</i> balance sheet under Australian Accounting Standards.</p>
Offices	<p>Means any <i>non-residential buildings</i> (or parts of such buildings) where the primary purpose is for clerical or professional duties.</p>
Offset accounts	<p>Means where a borrower has a <i>deposit</i> account and a <i>loan</i> (usually a <i>housing loan</i>) with the same institution. Instead of receiving interest on the <i>deposit</i> account, the interest payment due on the <i>loan</i> is calculated on the net balance of the <i>loan</i> (<i>credit outstanding</i> on the <i>loan</i> less any amount in the <i>deposit</i> account).</p> <p><i>Offset accounts</i> typically refers to the value in the <i>deposit</i> account.</p> <p>For <i>offset accounts</i>, the <i>interest rate</i> should be reported as the contractual rate payable on the linked <i>loan</i> account, divided by the proportion of the <i>offset account</i> balance that is offset against the <i>loan</i> balance. For instance, if</p>

	<p>the balance in the <i>offset account</i> is fully offset against the <i>loan</i> balance, then the <i>interest rate</i> on the <i>offset account</i> would be the <i>interest rate</i> reported on the <i>loan</i> account. However, if only half of the balance in the <i>offset account</i> is offset against the relevant <i>loan</i> balance, then report the <i>interest rate</i> on the <i>offset account</i> as half of the <i>interest rate</i> on the <i>loan</i> account.</p>
On-balance sheet securitised (assets)	<p>Means assets that have been transferred to an <i>SPV</i> for the purposes of <i>securitisation</i>, but which have not been derecognised from the <i>domestic books</i> balance sheet under Australian Accounting Standards.</p>
Operating leases	<p>Means a <i>lease</i> under which the lessor effectively retains substantially all the risks and benefits incident to ownership of the leased asset.</p>
Original (maturity/term)	<p>Means the contractual <i>term</i> to maturity at issuance.</p>
Other non-transaction deposits	<p>Means all customers' <i>non-transaction deposits</i> that are not <i>fixed-term deposits</i>.</p>
Other transportation vehicles	<p>Means any other motorised transportation vehicles that are not <i>motor cars</i>.</p> <p>It includes:</p> <ul style="list-style-type: none"> • trucks, buses, special vehicles, utilities and panel vans; • motor cycles/scooters; • trailers and caravans; and • trains, boats and planes. <p>It excludes:</p> <ul style="list-style-type: none"> • cars, station wagons, 4WD and forward control passenger vehicles. These should be reported under <i>motor cars</i>.
Owner-occupied (housing loan)	<p>Means a <i>loan</i> to a <i>household</i> for the purpose of <i>housing</i>, where the funds are used for a <i>residential property</i> that is occupied or to be occupied by the borrower(s) as their <i>principal place of residence</i>.</p> <p>Where the <i>loan</i> is for a <i>residential property</i> that is different to the <i>residential property</i> against which the <i>loan</i> is <i>secured</i>, this definition refers to the occupation status of the <i>residential property</i> for which the <i>loan</i> has been obtained (not the occupation status of the <i>residential property</i> used as security).</p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>dwellings</i> and <i>residential land</i> that are vacant while under <i>construction</i>, but that the borrower intends to occupy as a <i>principal place of residence</i>; • part-time residences that are the borrower's or borrowers' <i>principal place of residence</i>.

	<p>It excludes:</p> <ul style="list-style-type: none"> • part-time residences that are not the borrower's or borrowers' <i>principal place of residence</i>. These should be reported under <i>investment housing loans</i>; and • <i>housing loans</i> where the borrower is not a <i>household</i>. These should be reported under the appropriate business category. <p>Where there is doubt or ambiguity over whether a <i>loan</i> is for an <i>owner-occupied</i> or <i>investment property</i>, report the <i>loan</i> as for <i>investment</i>.</p>
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P

<i>Partially secured</i>	Means finance that is <i>secured</i> and has an <i>LVR</i> of greater than 100%.
<i>Past due</i>	<p>A facility subject to a regular repayment schedule is regarded as X days <i>past due</i> when:</p> <ul style="list-style-type: none"> (a) at least X calendar days have elapsed since the due date of a contractual payment that has not been met in full; and (b) the total amount outside contractual arrangements is equivalent to at least X days' worth of contractual payments. <p>An item ceases to be classified as <i>past due</i> when arrears have been reduced so that the exposure is no longer X days <i>past due</i>.</p> <p>In the case of facilities that do not have a pre-set repayment schedule, <i>past due</i> refers to the period where facilities have remained continuously outside approved arrangements but are well <i>secured</i>.</p>
<i>Plant and equipment</i>	<p>Means any <i>property, plant and equipment</i> asset that is not <i>property</i>.</p> <p>Such assets are typically vital to business operations but cannot be easily liquidated.</p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>motor cars</i>; • <i>other transportation vehicles</i>; • construction and earthmoving equipment; • agriculture machinery; and • electronic data processing and office equipment.
<i>Preference shares</i>	Means a type of <i>equity security</i> that has a priority over dividend payments and to the assets of the company.
<i>Principal place of residence</i>	Means the <i>residential property</i> at which an individual spends the largest number of nights per year.
<i>Property</i>	Means <i>land</i> , a building – or part thereof – or both. A building can take the

	form of a <i>dwelling</i> (or a group of <i>dwellings</i>) or a <i>non-residential building</i> .
<i>Property, plant and equipment</i>	Has the meaning as in <i>AASB 116 Property, Plant and Equipment</i> (AASB 116).

R

<i>Redraw facility</i>	<p>Means a facility that enables a borrower to access (subject to conditions) the accumulated <i>excess repayments</i> they have made towards their <i>loan</i>.</p> <p>The balance of funds in a <i>redraw facility</i> is typically offset against the balance of the <i>loan</i> amount when calculating interest payable.</p> <p>While <i>redraw facilities</i> are a type of <i>revolving credit</i> facility, where they are attached to a <i>fixed-term loan</i> they should be reported as <i>fixed-term loans</i> as there is typically not a separate contract.</p>
<i>Repurchase agreement (repo)</i>	Means a contractual arrangement involving the provision of securities or other financial assets (collateral) in exchange for cash with a commitment to repurchase the same or similar collateral at a fixed price either on a specified future date or on demand.
<i>Residential land</i>	<p>Means any vacant <i>land</i> that does not have a <i>dwelling</i> attached but where the <i>construction</i> of a <i>dwelling</i> is allowed under zoning regulations.</p> <p>It excludes:</p> <ul style="list-style-type: none"> land where the primary purpose of the land will be for <i>business</i> purposes. This should be reported under the appropriate business category.
<i>Residential property</i>	Means <i>residential land</i> and buildings – or parts thereof – that take the form of <i>dwellings</i> or a group of <i>dwellings</i> .
<i>Residual maturity/term</i>	Means the remaining <i>term</i> to contractual maturity.
<i>Retirement savings accounts (RSAs)</i>	Means low risk/low return capital guaranteed products that are subject to the same restrictions as other superannuation products. Only an <i>ADI</i> , <i>life insurance corporation</i> or a prescribed <i>financial institution</i> can be approved as an RSA. RSAs are specifically approved non-trustee institutions.
<i>Reverse mortgage</i>	<p>Means a <i>loan secured</i> by <i>residential property</i> in which repayments are generally deferred and capitalised, with full repayment due when the borrower is deceased, sells the property or moves out of the property. Generally, the <i>loan</i> can be taken as a lump sum, a regular income stream, a line of credit or a combination of these options.</p> <p>For reporting purposes, these <i>loans</i> should be treated like a <i>revolving credit</i> facility. Any accrued interest should be included in the <i>credit limit</i> and the</p>

	<i>credit outstanding</i> .
<i>Revolving credit</i>	<p>Means lending facilities that the borrower may repeatedly <i>draw down</i> in part or in full up to an authorised <i>credit limit</i> and repay, any credit drawn, in part or in full, on multiple occasions without the facility being cancelled. Repayments (other than of charges and interest) reduce the borrowings, thereby increasing the amount of unused credit available. Include facilities with a fixed term that meet the above criteria.</p> <p>It includes:</p> <ul style="list-style-type: none"> • arranged overdrafts. These are generally an agreed arrangement between a lender and a borrower to extend credit when the balance in an attached transaction account falls below zero; • unarranged overdrafts. These refer to the situation when a transaction account holder withdraws an amount greater than the balance of the account leaving a negative balance. The lender usually charges an overdrawn account fee as well as interest on the negative balance, and usually requires the account holder to restore the account's positive balance; • <i>secured</i> and <i>unsecured revolving credit</i> facilities; and • <i>reverse mortgages</i>. <p>It excludes:</p> <ul style="list-style-type: none"> • <i>redraw facilities</i> attached to <i>fixed-term loans</i>; and • <i>bill</i> facilities.
<i>Rural property</i>	Means any <i>land</i> where the primary purpose is for agricultural or pastoral use.

S

<i>Scheduled repayments</i>	<p>Means the contracted, agreed or minimum repayment amount. It is the total (interest and any other fees or charges plus principal as appropriate) value of payments due during the relevant period, in accordance with the <i>loan</i> conditions.</p> <p><i>Scheduled repayments</i> may exceed the minimum required repayment possible under the <i>loan</i> conditions.</p>
<i>Secured (finance)</i>	Means finance for which the lender has recourse to an asset pledged by the borrower or a third party (the collateral) in the event of default by the borrower.
<i>Securities borrowing</i>	The borrower of the security in a <i>securities lending</i> agreement can be said to be undertaking <i>securities borrowing</i> activity.
<i>Securities lending</i>	Means a lending arrangement under which a holder of a security agrees to provide the security to a borrower for a specified period of time. <i>Loans</i> are typically executed under standardised agreements, which give the borrower full title for the term of the <i>loan</i> . The lender typically charges a fee for the <i>loan</i> and requires the borrower to post collateral.

Securitisation	<p>Involves the creation of a financing structure where the cash flow from a pool is used to make payments on obligations to at least two tranches or classes of creditors (typically holders of debt securities), with each tranche or class entitled to receive payments from the pool before or after another class of creditors, thereby reflecting different levels of credit risk. Payments to the investors depend upon the performance of the underlying exposures, as opposed to being derived from an obligation of the entity originating those exposures.</p> <p>The tranching structures that characterise securitisation differ from ordinary senior/subordinated debt in that junior securitisation tranches can absorb losses without interrupting contractual payments to more senior tranches, whereas subordination in a senior/subordinated debt structure is a matter of priority of rights to the proceeds of liquidation.</p> <p>The securities are backed by a pool of specific assets, often housing loans, and the securities can be short-term or long-term.</p> <p>Securitisation exposures have the meaning as in <i>Prudential Standard APS 120 Securitisation</i> (APS 120).</p>
Self-securitised	<p>Relates to a securitisation that is solely for the purpose of using the securities created as collateral in order to obtain funding via a repurchase agreement with the RBA.</p> <p>Self-securitisation is also known as an internal securitisation.</p>
Semi-government securities	<p>Means the debt obligations of a central borrowing authority of a state or territory of the Commonwealth of Australia.</p> <p>It includes:</p> <ul style="list-style-type: none"> • fixed-interest rate bonds, linked bonds and Treasury notes issued by a state or territory of the Commonwealth of Australia.
Shops	<p>Means any non-residential buildings (or parts of such buildings) where the primary purpose is to sell goods or services.</p>
Short-term	<p>Means an original maturity of less than or equal to 12 months.</p>
Small (business size)	<p>A business is classified as small if the ADI or RFC has an exposure to the business that is less than \$1 million and the business has turnover of less than \$50 million.</p> <p>Exposures classified as ‘SME Retail’ should be included in this category.</p>

T

Term	Means length of time until maturity.
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	<p>For original maturity, this refers to the length of time from origination until maturity.</p> <p>For residual maturity, this refers to the length of time from the reporting period until maturity.</p>
Tier 2 capital instruments	Refers to instruments that are compliant with the definition in APS 111 (including Attachments H and J). Excludes instruments that do not fully meet the criteria in Attachment H (whether or not these are eligible for transitional treatment under Attachment L of APS 111).
Trading book	<p>Means positions in financial instruments that are held either with trading intent or to hedge other elements of the trading book. Positions held with trading intent are those which:</p> <ul style="list-style-type: none"> (a) are held for short-term resale; or (b) are taken on with the intention of benefiting in the short-term from actual and/or expected differences between their buying and selling prices, or from other price or interest rate variations; or (c) arise from broking and market-making. <p>For an ADI this will include positions in financial instruments that meet the requirements of <i>Prudential Standard APS 116 Capital Adequacy: Market Risk</i> (APS 116).</p>
Trading securities	These assets must be acquired for principally for the purpose of short-term profit-taking. Trading securities are defined in accordance with AASB 139.
Transaction deposits	<p>Means all deposits that are directly accessible and exchangeable for notes and coins on demand at par and without penalty or restriction.</p> <p>The funds are directly accessible if they can be withdrawn or used to make payments to a third party by draft, giro order, direct debit/credit, cheque or another direct payment facility on demand.</p> <p>Examples of penalties or restrictions include limits on the value or volume of withdrawals in a given period and penalty fees or loss of bonus interest for withdrawals or other access to make payments.</p> <p>It includes:</p> <ul style="list-style-type: none"> • accounts from which payments may be made to third parties (e.g. Automated Teller Machines, cheque, debit card or another electronic device); and • savings deposits linked to an account from which payments may be made to third parties (e.g. Automated Teller Machines, debit card or another electronic device) where funds may be transferred to the linked account almost instantaneously and subsequently withdrawn or transferred to a third party on demand.
Turnover	Means the value of total sales made by a business during the most recent year. This should be based on the values that the borrower reports to the

	ATO through Business Activity Statements (BASs).
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U

<i>Unsecured (finance)</i>	Means finance that is not <i>secured</i> .
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V

<i>Value of funds</i>	<p>Means the institution's internal funds transfer pricing rate for a liability. The price is established by the institution's treasury area and 'credited' to the relevant business area.</p> <p>This should include:</p> <ul style="list-style-type: none"> • liquidity, term, cash, interest rate, prepayment, optionality, and basis risks; and • strategic pricing, regulatory cost (excluding capital costs), cross-subsidisation and liquidity mismatch. <p>Where there are multiple <i>values of funds</i> within a line item, the value reported should represent the weighted average of these amounts.</p>
<i>Variable interest rate</i>	<p>Means <i>interest rates</i> that fluctuate over the <i>term</i>, or life, of the agreement, causing changes in either the payments or length of the agreement.</p> <p>It includes:</p> <ul style="list-style-type: none"> • finance whose rate of interest is fixed at the start of the agreement and will remain fixed for less than the first 12 months.

W

<i>Weighted average</i>	<p>Means the weighted sum of individual items, where the weights used are the corresponding balances expressed as a share of the total balance.</p> <p>For a <i>weighted average interest rate</i>, the items summed are the <i>interest rates</i>.</p> <p>For a <i>weighted average term</i>, the items summed are the <i>original</i> or <i>residual terms</i>, as directed.</p>
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