



Financial Sector (Collection of Data) (reporting standard) determination No. 18 of 2017

Reporting Standard ARS 750.0 DAWR Agricultural Lending

Financial Sector (Collection of Data) Act 2001

I, Katrina Ellis, delegate of APRA, under paragraph 13(1)(a) of the *Financial Sector (Collection of Data) Act 2001* (the Act) DETERMINE *Reporting Standard ARS 750.0 DAWR Agricultural Lending*, in the form set out in the Schedule, which applies to the financial sector entities to the extent provided in paragraph 3 of the reporting standard.

Under section 15 of the Act, I DECLARE that the reporting standard shall begin to apply to those financial sector entities upon the date of registration of this instrument on the Federal Register of Legislation.

This instrument commences upon registration on the Federal Register of Legislation.

Dated: 29 September 2017

[Signed]

Katrina Ellis
General Manager
Data Analytics Division

Interpretation

In this Determination:

APRA means the Australian Prudential Regulation Authority.

Federal Register of Legislation means the register established under section 15A of the *Legislation Act 2003*.

financial sector entity has the meaning given in section 5 of the Act.

Schedule

Reporting Standard ARS 750.0 DAWR Agricultural Lending comprises the 14 pages commencing on the following page.



Reporting Standard ARS 750.0

DAWR Agricultural Lending

Objective of this Reporting Standard

This Reporting Standard outlines the requirements for the provision of information to the Australian Prudential Regulation Authority relating to an authorised deposit-taking institution's or registered financial corporation's lending and leasing for agricultural activity, and the extent to which those loans and leases are past due or in distress.

It includes *Reporting Form ARF 750.0 DAWR Agricultural Lending* and the associated specific instructions.

Authority

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

Purpose

2. Information collected on *Reporting Form ARF 750.0 DAWR Agricultural Lending* (ARF 750.0) is used by the Department of Agriculture and Water Resources (DAWR) for policy-making purposes. The information may also be used by the Australian Prudential Regulation Authority (APRA), the Australian Bureau of Statistics or the Reserve Bank of Australia.

Application and commencement

3. This Reporting Standard applies to:
 - all authorised deposit-taking institutions (ADIs) other than purchased payment facility providers (PPF providers); and
 - a registered financial corporation (RFC) that meets the requirements of paragraph 6.
4. This Reporting Standard applies for reporting periods ending on or after 30 June 2017.

Information required

5. An ADI or RFC must provide APRA with the information required by ARF 750.0 on a domestic books basis for each reporting period.
6. Subject to paragraph 7, an RFC must provide APRA with the information required by ARF 750.0 in respect of a reporting period if, at the end of the most recent complete financial year for the RFC, it:
 - (a) had total assets of \$50 million or more;¹ or
 - (b) was one of a number of RFCs that, during the reporting period, were related bodies corporate of each other and had combined total assets of \$50 million or more.
7. However, an RFC is not required to report in respect of a particular reporting period if another RFC has reported under this Reporting Standard in respect of that reporting period, and that other entity is a related body corporate of the first-mentioned RFC.

Method of submission

8. The information required by this Reporting Standard must be given to APRA in electronic form using the 'Direct to APRA' (also known as 'D2A') application or, where 'Direct to APRA' is not available, by a method notified by APRA, in writing, prior to submission.

Note: the 'Direct to APRA' application software may be obtained from APRA.

Reporting periods and due dates

9. The information required by this Reporting Standard must be provided to APRA in respect of each year ending on 30 June.
10. The information required by this Reporting Standard must be provided to APRA:
 - (a) for the reporting period ending on 30 June 2017, by 30 November 2017; and
 - (b) for the reporting periods ending on or after 30 June 2018, within 3 months after the end of the reporting period to which the information relates.²
11. APRA may, by notice in writing, change the reporting periods, or specified reporting periods, for a particular ADI or RFC, to require it to provide the information specified in this Reporting Standard more frequently, or less frequently, having regard to:
 - (a) the particular circumstances of the ADI or RFC; and

¹ For the purposes of this test, assets are to be valued in accordance with their current market value.

² To avoid doubt, if the due date for a particular reporting period falls on a day other than a usual business day, an ADI or RFC is nonetheless required to submit the information required no later than the due date.

- (b) the extent to which the information is necessary for the purposes of the DAWR.
12. APRA may grant an ADI or RFC an extension of a due date, in writing, in which case the new due date for the provision of the information will be the date on the notice of extension.

Quality control and assurance

13. The information provided by an ADI or RFC under this Reporting Standard may be completed on a best endeavours basis for the reporting period ending on 30 June 2017.

Note: for the avoidance of doubt, paragraph 13 of this Reporting Standard does not limit APRA from, under section 17 of the *Financial Sector (Collection of Data) Act 2001*, directing an ADI or RFC to give APRA explanation of, or variation to, information provided by an ADI or RFC under this Reporting Standard.

14. For reporting periods ending after 30 June 2017, all information provided by an ADI under this Reporting Standard must be the product of systems, processes and controls that have been reviewed and tested by the external auditor of the ADI as set out in *Prudential Standard APS 310 Audit and Related Matters*. Relevant standards and guidance statements issued by the Auditing and Assurance Standards Board provide information on the scope and nature of the review and testing required from external auditors. This review and testing must be done on an annual basis or more frequently if required by the external auditor to enable the external auditor to form an opinion on the accuracy and reliability of the information provided by an ADI under this Reporting Standard.
15. All information provided by an ADI or RFC under this Reporting Standard must be subject to systems, processes and controls developed by the ADI or RFC for the internal review and authorisation of that information. These systems, processes and controls developed by the ADI or RFC are to ensure the completeness and reliability of the information provided.

Note: for the avoidance of doubt, paragraph 13 of this Reporting Standard does not limit the requirements of paragraph 15 of this Reporting Standard.

Authorisation

16. When an officer or agent of an ADI or RFC provides the information required by this Reporting Standard using the 'Direct to APRA' software, it will be necessary for the officer or agent to digitally sign the relevant information using a digital certificate acceptable to APRA.

Minor alterations to forms and instructions

17. APRA may make minor variations to:
- (a) a form that is part of this Reporting Standard, and the instructions to such a form, to correct technical, programming or logical errors, inconsistencies or anomalies; or
 - (b) the instructions to a form, to clarify their application to the form

without changing any substantive requirement in the form or instructions.

18. If APRA makes such a variation it must notify in writing each ADI or RFC that is required to report under this Reporting Standard.

Interpretation

19. In this Reporting Standard:

AASB has the meaning in section 9 of the *Corporations Act 2001*.

agricultural activity means economic activity in one of the industry classifications listed on ARF 750.0.

authorised deposit-taking institution (ADI) means an authorised deposit-taking institution within the meaning of the *Banking Act 1959*.

bank means a locally incorporated ADI that assumes or uses the word ‘bank’ in relation to its banking business or a ‘foreign ADI’ as defined in section 5 of the *Banking Act 1959*.

DAWR means the Department of Agriculture and Water Resources (including the Australian Bureau of Agricultural and Resource Economics and Sciences) or any Commonwealth government department that assumes, or succeeds to, its functions.

domestic books

For an ADI:

Means an unconsolidated report of positions, transactions and other information recorded on the ADI’s Australian books, including transactions and positions with both residents and non-residents.

For an RFC:

Means an unconsolidated report of positions, transactions and other information recorded on the Australian books of the registered entity. Includes transactions and positions with both residents and non-residents that are recorded on the Australian books of these entities.

In the case of a foreign-based RFC (an RFC that does not have a physical presence in Australia), ‘domestic books’ refers to the books of that RFC which record the positions, transactions and other information relating to that entity’s business and assets located in Australia

In general, do not consolidate positions, transactions and other information recorded on the books of **related bodies corporate** (such as subsidiaries, special purpose vehicles 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 *Income Tax Assessment Act 1936*).

However, where an RFC elects to report on behalf of a group of RFCs, these entities are to be consolidated for reporting purposes.

due date means the last day of the 3-month period provided for in paragraph 10.

other ADI means an ADI that is not an Australian-owned bank or a foreign ADI.

registered financial corporation (RFC) means a corporation that is a ‘registered entity’ under the *Financial Sector (Collection of Data) Act 2001*.

related body corporate has the meaning given in section 50 of the *Corporations Act 2001*.

reporting period means a period mentioned in paragraph 9 or, if applicable, paragraph 11.

20. Unless the contrary intention appears, any reference to an Act, Prudential Standard, Reporting Standard, Australian Accounting or Auditing Standard (including related guidance) is a reference to the instrument as in force or existing from time to time.

ARF_750_0: DAWR Agricultural Lending

Australian Business Number

Institution Name

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Reporting Period

Scale Factor

Annual	Banks - millions of dollars to 3 decimal places Other ADIs and RFCs - thousands of dollars
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Reporting Consolidation

Domestic books

1. Agricultural activity by state and territory

State/territory (1)	Industry classification (2)	Total credit outstanding (3)	Total credit limits (4)	Total value of loans > 90 days past due (5)	Total number of borrowers (6)	Total number of borrowers > 90 days past due (7)
NSW	Beef cattle					
VIC	Sheep and sheep- beef					
QLD	Pigs					
SA	Dairy					
WA	Poultry (meat and eggs)					
TAS	Other livestock (horses, deer,					

	beekeeping, other livestock)
ACT	Grain growing and mixed grains-livestock
NT	Cotton
	Sugar cane
	Vegetables (incl. mushrooms)
	Grape growing
	Fruit and nuts
	Nursery and floriculture
	Other crop growing

- 1.1. Total NSW
- 1.2. Total VIC
- 1.3. Total QLD
- 1.4. Total SA
- 1.5. Total WA
- 1.6. Total TAS
- 1.7. Total ACT
- 1.8. Total NT

2. Distress by state and territory

State/territory (1)	Number of new instances of farm debt mediation (2)	Total credit outstanding of new foreclosures (3)	Number of new foreclosures (4)

NSW	
VIC	
QLD	
SA	
WA	
TAS	
ACT	
NT	

2.1. Total

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Reporting Form ARF 750.0

DAWR Agricultural Lending

Instructions

These instructions assist completion of *Reporting Form ARF 750.0 DAWR Agricultural Lending* (ARF 750.0). This form collects information relating to the lending activities of *ADIs* and particular *RFCs* to agricultural *business entities* on a *domestic books* basis.

Reporting entity

An ADI or RFC to which this Reporting Standard applies must complete ARF 750.0 on a *domestic books* basis.

Reporting basis and unit of measurement

These instructions specify the reporting basis and unit of measurement that applies to each item.

For reporting purposes, unless specified otherwise, data are to be entered as a positive number.

Values

Unless otherwise specifically stated, information reported on this form must comply with Australian Accounting Standards.

Report monetary amounts on ARF 750.0 in Australian dollars or the Australian dollar equivalent of the foreign currency amount. Amounts denominated in foreign currency are to be converted to AUD in accordance with *AASB 121 The Effects of Changes in Foreign Exchange Rates*.

Values on ARF 750.0 are to be reported as millions of dollars to three decimal places for *banks* and thousands of dollars for *other ADIs* and RFCs.

Standard Business Reporting (SBR)

The accounting type (i.e. credit or debit) is stated for all monetary items and represents the natural accounting type of the item collected.

Specific instructions – ARF 750.0

Terms highlighted in *bold italics* indicate that the definition is provided in this Reporting Standard.

All derived fields in the form are shaded in grey and are explained in words as a mathematical expression in these instructions.

Examples included under ‘Include’ and ‘Exclude’ are indicative only and must not be taken as an exhaustive list of items to be included or excluded.

1. Agricultural activity by state and territory

Item 1 collects information on the *credit outstanding* and total *credit limits* for *loans and leases* to business entities and business entities more than *90 days past due* in the context of agricultural activity, divided by *state/territory*.

Where only a portion of the loan or lease is for the purpose of agricultural activity, only report the loan or lease when a majority, whether or not drawn down, is for agricultural purposes.

Reporting basis: report item 1 as at the end of the *reporting period*.

SBR: submit data in columns 3, 4 and 5 with accounting type of debit (assets).

Column 1	The state/territory in which the business entity’s agricultural activity for which the <i>loan or lease</i> provided is undertaken. Where a loan or lease is directed to agricultural activity across multiple states and territories, attribute the loan to the state/territory in which a majority of the activity is undertaken, based on the revenue ultimately derived from the agricultural activity.
Column 2	The <i>industry classification</i> of the business entity’s agricultural activity for which the loan or lease provided is undertaken. Where a loan or lease is directed to agricultural activity across multiple industry classifications, attribute the loan to the industry classification in which a majority of the activity is undertaken.
Column 3	The total credit outstanding of loans and leases to business entities within the state/territory and industry classification selected.
Column 4	The total credit limits of loans and leases to business entities within the state/territory and industry classification selected.
Column 5	The total credit outstanding of loans and leases to business entities within the state/territory and industry classification selected for which the loan or lease is more than 90 days past due.
Column 6	The total number of business entities with a credit outstanding for loans and leases within the state/territory and industry classification selected.

Column 7	The total number of business entities with a credit outstanding for loans and leases within the state/territory and industry classification selected for which the loan or lease is more than 90 days past due.
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Item 1	Complete the columns for each state/territory and industry classification as specified above.
Item 1.1	Derived total for NSW across all industry classifications.
Item 1.2	Derived total for VIC across all industry classifications.
Item 1.3	Derived total for QLD across all industry classifications.
Item 1.4	Derived total for SA across all industry classifications.
Item 1.5	Derived total for WA across all industry classifications.
Item 1.6	Derived total for TAS across all industry classifications.
Item 1.7	Derived total for ACT across all industry classifications.
Item 1.8	Derived total for NT across all industry classifications.

2. Distress by state and territory

Item 2 collects information on number of new *farm debt mediations* and number of new *foreclosures* undertaken on loans and leases in relation to agricultural activity by state/territory.

Reporting basis: report item 2 during the *reporting period*.

SBR: submit data in column 3 with accounting type of debit (assets).

Column 1	The state/territory in which the business entity's agricultural activity for which the loan or lease provided is undertaken. Where a loan or lease is directed to agricultural activity across multiple states and territories, attribute the loan or lease to the state/territory in which a majority of the activity is undertaken, based on the revenue ultimately derived from the agricultural activity.
Column 2	The total number of business entities for which a new instance of farm debt mediation has been initiated by the reporting entity on loans or leases for agricultural activity during the reporting period by state/territory. A new instance of farm debt mediation refers to the first mediation meeting between the reporting entity and business entity.
Column 3	The total credit outstanding of loans and leases to business entities for which a new foreclosure process has been initiated on loans or leases for agricultural activity during the reporting period by state/territory.
Column 4	The total number of business entities for which a new foreclosure process has been initiated on loans or leases for agricultural activity during the reporting period by state/territory.

Item 2	Complete the columns for each state/territory as specified above.
Item 2.1	Derived total for all states/territories.

Glossary of terms

<i>Business entities</i>	<p>An entity that undertakes productive activities where these activities constitute the entity's primary source of income.</p> <p>Includes:</p> <ul style="list-style-type: none"> • companies; • trusts; • partnerships; • incorporated entities; • sole traders; and • joint ventures. <p>A group of related parties must be considered a single business entity for the purposes of this reporting standard.</p> <p>Related parties include the parent entity, controlled entities, associated entities, joint venture entities and any other entity under the same parent entity.</p>
<i>Credit limit</i>	Means the maximum amount of funds available to the borrower without additional authorisation or approval. This amount includes outstanding balances (including capitalised interest or fees) and any other funds that can be drawn without additional approval by the reporting entity, as at the end of the reporting period.
<i>Credit outstanding</i>	The amount owed by borrowers at the end of the reporting period. Credit outstanding is the original loan or lease amount less any repayments, including any redraw facilities drawn. Report the balance gross of provisions. Do not net any deposit balances in offset accounts against the outstanding loan amount. Exclude finance that has been written off.
<i>Farm debt mediation</i>	<p>A structured negotiation process where a neutral and independent mediator assists the business entity and the reporting entity to try to reach agreement about current and future debt arrangements.</p> <p>In some states/territories, farm debt mediation is a legislative requirement ahead of a reporting entity wishing to undertake any foreclosure action.</p>
<i>Foreclosure</i>	<p>Proceeding in which a reporting institution may take possession of a property used to secure a loan or lease.</p> <p>Where a reporting institution appoints an administrator or receiver, consider this as an instance of a foreclosure for the purposes of this Reporting Standard.</p>

<i>Industry classification</i>	An individual business entity is assigned to an industry classification based on its predominant activity. The kinds of industry classifications collected in the ARF 750.0 are listed at the end of these instructions, under the heading 'Industry classification' with respect to Australian and New Zealand Standard Industrial Classification (ANZSIC) 1993 and 2006 classes.
<i>Loans and leases</i>	Amount owing to the reporting entity by a business entity evidenced by non-negotiable documents. It includes: <ul style="list-style-type: none"> • advances; • secured and unsecured loans; • mortgages; • commercial loans; • redeemable preference share finance not evidenced by a security; • lease arrangements; and • equity participation in leveraged leases.
<i>90 days past due</i>	The data reported relates to credit exposures where the following criteria are met: <p>(a) the facility is not subject to a regular repayment schedule and has remained continuously outside contractual or approved arrangements for a period of 90 days; or</p> <p>(b) the facility is subject to a regular repayment schedule and: <ul style="list-style-type: none"> (i) at least 90 calendar days have elapsed since the due date of a contractual payment that has not been met in full; and (ii) the total amount outside contractual arrangements is equivalent to at least 90 days' worth of contractual payments. </p>
<i>State/territory</i>	Refers to a state or territory of Australia.

Industry classification

Industry classification	ANZSIC 1993 class or classes	ANZSIC 2006 class or classes
Livestock industries		
<i>Beef cattle</i>	0125	0142, 0143
<i>Sheep and sheep-beef</i>	0123, 0124	0141, 0144
<i>Pigs</i>	0151	0192
<i>Dairy</i>	0130	0160
<i>Poultry (meat and eggs)</i>	0141, 0142	0171, 0172
<i>Other livestock (horses, deer, beekeeping, other livestock)</i>	0152, 0153, 0159	0180, 0191, 0193, 0199
Cropping industries		
<i>Grain growing and mixed grains-livestock</i>	0121, 0122	0146, 0149, 0145
<i>Cotton</i>	0162	0152
<i>Sugar cane</i>	0161	0151
<i>Vegetables (incl. mushrooms)</i>	0113	0122, 0123, 0121
<i>Grape growing</i>	0114	0131
<i>Fruit and nuts</i>	0115, 0116, 0117, 0119	0132, 0133, 0134, 0135, 0136, 0137, 0139
<i>Nursery and floriculture</i>	0111, 0112	0111, 0112, 0113, 0114, 0115
<i>Other crop growing</i>	0169	0159