



APRA and ASIC host inaugural Superannuation CEO Roundtable

29 June 2021

On Friday 30 April 2021, APRA and ASIC held the inaugural Superannuation CEO Roundtable. The focus for the Roundtable was implementation of SPS 515 *Strategic Planning and Member Outcomes* (SPS 515) and Product Design and Distribution Obligations (DDOs).

Hosted by Helen Rowell, Deputy Chair, APRA and Danielle Press, Commissioner, ASIC, the roundtable was attended by eleven superannuation trustee CEOs, representing all sectors of the industry (see Appendix I for the full list of attendees). Other attendees from APRA and ASIC are also listed in the Appendix.

SPS 515 and DDO

Opening remarks from APRA and ASIC focused on how the requirements in SPS515 and the DDOs are complementary and together challenge trustees to have a continuous improvement mindset:

- APRA will be sharing its findings on SPS515 in the coming months but noted that issues with the implementation observed so far include a lack of specificity, justification and rigour in methodologies, strategic projections and objectives.
- ASIC has been engaging with industry, primarily through industry associations, and has observed a wide variation in DDO readiness. Better practices include focusing beyond target market determinations to overall product governance.
- There will be an evolution in sophistication of approach over time in both regimes.

CEOs noted that the work undertaken to meet SPS 515 has added value to their strategic planning process and encouraged new ways of thinking at the senior executive and board level about metrics and strategic outcomes.

Data and data governance was a common thread throughout the discussion, with CEOs noting an increased maturity in how they used and managed data. However, they also expressed a desire for consistent and richer data to be provided more frequently by APRA. Measuring member outcomes was raised and whether there is a future for the use of risk adjusted returns to account for different investment strategies.

The CEOs noted that work is currently underway on implementing DDO requirements within their funds. Many CEOs observed that the DDOs had prompted them to consider more deeply how to better match product design and member needs. However, there are challenges in applying the legislation; for example there was ongoing discussion in the industry about what defines a product versus an investment option, how the MySuper exemption applies in practice and whether clearing houses were captured or exempt under DDO. CEOs requested further clarity and guidance on these matters.

In response to the issues raised, APRA and ASIC noted that there are opportunities to work with the industry on data governance and management. APRA is currently transforming its data collection and working closely with ASIC and the industry on this project. It was noted that measurement of member outcomes is an area of ongoing development and APRA and ASIC are keen to work with the industry to refine measures over time.



ASIC encouraged trustees to take a holistic approach to the DDOs, noting that there can be benefits in applying this thinking across all their products. This is particularly the case where products share key features such as insurance. ASIC confirmed that clearing houses are caught by the DDOs, but welcomed views from the industry on this. ASIC will continue to communicate with industry on the various issues raised by the implementation of the DDO requirements.

Open Forum

The main discussion was followed by an open forum where matters such as the Financial Accountability Regime and the upcoming trustee indemnity changes were raised and considered by attendees. APRA noted that a discussion paper focussing on trustee reserving and resilience, which would touch on the trustee indemnity changes, would be released mid-2021.

Future roundtables

There was consensus among the attendees that the Roundtable format was a valuable arena for CEOs representing different types of superannuation funds to meet and discuss common topics and issues. On the basis of this success, APRA and ASIC will host another Roundtable in the second half of 2021 with a different theme and mix of attendees.

Appendix I – CEO Roundtable attendees

Superannuation CEOs	
Michael Clancy	CEO, QANTAS Super
Chris Davies	CEO, TelstraSuper
Scott Cameron	CEO, Togethr
David Elia	CEO, Hostplus
Vicki Doyle	CEO, Rest
Bernard Reilly	CEO, Sunsuper
Damian Hill	CEO, Commonwealth Superannuation Corporation
Deanne Stewart	CEO, Aware Super
David Bryant	President, Pacific Region & CEO, Mercer
Renato Mota	CEO, IOOF
Melinda Howes	Executive Director, Superannuation Boards & Managing Director, Superannuation - BT Financial Group

APRA attendees	
Helen Rowell	Deputy Chair
Suzanne Smith	Executive Director, Superannuation
Adrian Rees	General Manager, Superannuation
Katrina Ellis	General Manager, Superannuation

ASIC attendees	
Danielle Press	Commissioner
Jane Eccleston	Senior Executive Leader, Superannuation
Jessica Spence	Senior Manager, Superannuation



 **APRA**



ASIC

Signed

Helen Rowell

Deputy Chair

Australian Prudential Regulation
Authority

www.apra.gov.au

Danielle Press

Commissioner

Australian Securities
and Investments Commission

www.asic.gov.au