

APRA and ASIC host Superannuation CEO Roundtables – November and December 2024

APRA and ASIC recently hosted two joint Superannuation CEO Roundtables on 25 November 2024 and 5 December 2024, which were attended by 14 superannuation Chief Executive Officers and other executives (CEOs) representing a broad cross-section of the industry (see Appendix I for the attendees). The theme of these roundtables were key issues related to climate and nature risk.

Climate Risk

Climate risk is a key focus for APRA and ASIC, given the potential impact on financial stability and the sustainability of superannuation funds. The recent legislation mandating climate-related financial disclosures, and the introduction of the Australian Sustainability Reporting Standards (ASRS), underscores the importance of transparent and consistent reporting. APRA's Prudential Practice Guide CPG 229 Climate Change Financial Risks (CPG 229), together with ASIC's draft Regulatory Guide on sustainability reporting, aim to support the industry in managing climate risks effectively and ensuring high-quality disclosures that inform investment decisions.

The CEOs collectively emphasised the importance of consistent climate risk disclosure and reporting, highlighting the need for standardised metrics, methods and scenarios to ensure comparability across the industry. They expressed concerns about the complexity and cost of mandatory reporting, while also recognising the benefits of voluntary disclosure. The CEOs stressed the importance of clear and practical guidance from regulators and the role of industry bodies in supporting trustees. They also discussed the challenges of integrating nature risk with climate risk and the need for reliable data and consistent metrics, and the impact of climate risk on their investment strategies and the selection of investment managers and custodians.

APRA, ASIC, and the CEOs in attendance all recognised the value of aligning with global standards and international coordination in climate risk reporting. The CEOs discussed the challenges of different reporting standards across jurisdictions and the benefits of a consistent approach to support comparability and informed decision-making. APRA and ASIC acknowledged these challenges and agreed on the importance of seeking opportunities for alignment with global standards and where appropriate, across industries. They flagged the need for a coordinated approach to avoid duplication of efforts and ensure that Australian superannuation funds are aligned with global best practices. ASIC highlighted its current consultation on guidance for climate related sustainability reporting, and recognised that there will be a period of transition whilst entities build their capacity and capability, as reflected in the phasing in of requirements and modified liability approach, and the pragmatic and proportionate approach to supervision and enforcement during this transition period.

The CEOs agreed on the importance of clear and effective communication with members regarding climate and nature risks. They discussed the challenges of making technical information accessible and meaningful to members, emphasising the need for user-friendly guidance, standardised metrics, and concise, consistent communication across different member publications. The CEOs also acknowledged their reliance on third-party providers of climate data, noting that without consistency in reporting standards and data, providing reliable information for effective member communication is challenging.

The CEOs acknowledged that nature risk is a topic of growing importance, though it is not yet a primary focus. They noted that nature risk is intertwined with climate risk, and presents both financial risks and opportunities. APRA agreed on its emerging significance, expressed interest in understanding how trustees are addressing nature risk, and encouraged continued dialogue on the topic.

APRA, ASIC, and the CEOs in attendance all agreed on the crucial role that industry bodies play in supporting trustees and ensuring consistent and effective climate risk disclosure and reporting. The CEOs noted that industry bodies have a role to play in providing clear guidance and standardised metrics to help trustees navigate the complexities of the data. APRA echoed this sentiment, suggesting that industry bodies could develop a code to facilitate collaboration. Similarly, ASIC underscored the importance of industry bodies in aiding compliance and providing practical, user-friendly guidance to ensure reporting is useful for decision making.

APRA and ASIC are committed to supporting the superannuation industry in managing climate and nature risks through clear guidance, practical support, and collaboration with industry bodies. They emphasise the importance of consistent and accurate disclosures, effective communication with members, and alignment with global standards to ensure the long-term sustainability of member investments.

Appendix I – Attendees 25 November 2024

CEOs

Superannuation executives	
David Woodall	Chief Executive Officer, Superannuation, I. O. O. F. Investment Management Limited (Insignia Financial)
Peter Chun	Chief Executive Officer, UniSuper Limited
Paul Schroder	Chief Executive Officer, AustralianSuper Pty Ltd
David Anderson	Chief Executive Officer, Australian Retirement Trust Pty Ltd
Debby Blakey	Chief Executive Officer, H.E.S.T. Australia Ltd

APRA attendees

Name	Role
Margaret Cole	Deputy Chair
Carmen Beverley-Smith	Executive Director, Superannuation
Adrian Rees	General Manager, Superannuation
Graham Sinden	Head of Climate Risk

ASIC attendees

Name	Role
Pippa Lane	Acting Senior Executive Leader, Superannuation and Life Insurance
Jaramie Nejal	Senior Manager, Superannuation and Life Insurance
Ben Phillips	Senior Specialist, Sustainable Finance, Companies and Small Business

Attendees 5 December 2024

CEOs

Name	RSE licensee
Justin Hoare	Head of Superannuation and Funds, Bendigo Superannuation Pty Ltd
Paul Rosam	Chief Executive Officer, ANZ Staff Superannuation (Australia) Pty. Limited
Tim Furlan	Managing Director, Australia & New Zealand, Russell Investments
Stephen Rowe	Chief Executive Officer, Vision Super Pty Ltd
Raelene Seales	Chief Executive Officer, Prime Super Pty Ltd
Luke Symons	Chief Executive Officer, Legal Super Pty Ltd
Melinda Howes	Group Executive, Superannuation & Investment, N.M. Superannuation Proprietary Limited (AMP)
Ross Piper	Chief Executive Officer of Superannuation, Australian Ethical Superannuation Pty Ltd
Andrew Peterson	Chief Executive Officer, Diversa Trustees Limited

APRA attendees

Name	Role
Carmen Beverley-Smith	Executive Director, Superannuation
Adrian Rees	General Manager, Superannuation
Graham Sinden	Head of Climate Risk

ASIC attendees

Name	Role
Simone Constant	Commissioner
Pippa Lane	Acting Senior Executive Leader, Superannuation and Life Insurance
Jaramie Nejal	Senior Manager, Superannuation and Life Insurance
Jessica Spence	Senior Specialist, Superannuation
Ben Phillips	Senior Specialist, Sustainable Finance, Companies and Small Business

Signed

Carmen Beverley-Smith
Executive Director
Superannuation Australian
Prudential Regulation Authority

www.apra.gov.au

Pippa Lane
Acting Senior Executive Leader
Superannuation and Life Insurance

Australian Securities
and Investments Commission

www.asic.gov.au