



Fund Executives Association Ltd (FEAL) Discussion Forum 2018

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Prudential policy changes – from compliance to member outcomes



- **Member outcomes proposals**

Prudential framework changes focused on embedding emphasis on member outcomes

- **Comprehensive consultation process**

Industry support for intent of the package but APRA should seek principles-based requirements rather than prescription

Aiming for final package in September with commencement in July 2019

- **Industry already making progress**

Trustees already working on how to define and measure member outcomes and reflect in business practices

Post-implementation review



- **Consultation covering six topic areas**

Governance; Risk management; Financial requirements, operational risk and outsourcing; Investments; Insurance; Member flows and products

- **Preliminary feedback**

Recognition that the standards have lifted super industry risk management, governance and operational practices

Need for reporting framework improvements and efficiencies

- **Findings released early 2019**

Submissions due 26 September 2018

- **Room for improvement**

Collection introduced in 2013 - now there is an opportunity to address the quality and range of data collected

- **APRA working with individual trustees**

Focus on improving data quality but will not address all deficiencies in reporting collection – also need to enhance reporting guidance and broaden scope of data collected

- **Assessing program of work**

Project Athena is current significant focus. APRA also undertaking further scoping to build on the data proposals in December member outcomes package in light of PC draft recommendations and findings, Budget proposals, and potential RC focus

Where to next?



- **Continuing focus on industry performance and practices**

Introduction of member outcomes prudential changes and continuing supervisory focus

- **Implications of Budget changes**

APRA has publicly noted the implementation challenges with the Budget proposals and this should be a key focus for all trustees

- **PC & RC outcomes**

Potential for seismic changes to the industry