

INSTITUTE OF ACTUARIES OF AUSTRALIA

Annual 2000 Report



Institute of Actuaries of Australia

IAAust

VISION STATEMENT

To position the profession so that wherever there is uncertainty of future financial outcomes, actuaries are sought after for their valued advice and authoritative comment.

MISSION STATEMENT

The Institute of Actuaries of Australia (IAAust) represents the actuarial profession, by creating, expanding and maintaining an environment where the skills of actuaries are widely used and valued.

The IAAust:

- establishes and maintains professional standards for the protection of the public
- provides pre-qualification and continuing professional education
- creates forums for discussion about contemporary and relevant issues
- promotes research and the development of actuarial science, and
- contributes to and informs the debate on public policy.

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President's Report

During 2000 the Institute of Actuaries of Australia has taken many important steps forward in its ongoing evolution into a respected, developing and contributing profession within both Australia and the international actuarial community. This report summaries some of these achievements and looks forward to the growing role of actuaries within the twenty first century.

However, before proceeding, I must sincerely thank all the members of the Institute who have contributed to the profession during the last year. We have an exceptionally high level of member participation ranging from education and professional seminars through to preparing public submissions and publications, and a range of other professional activities. Without your ongoing involvement and contribution, our strength would be considerably reduced.

INTERNATIONAL AFFAIRS

Mutual Recognition Agreements

During the year the Institute of Actuaries of Australia signed mutual recognition agreements with the Institute of Actuaries, the Faculty of Actuaries, the Society of Actuaries, the Canadian Institute of Actuaries and the Society of Actuaries in Ireland. These agreements mean that Fellows of our Institute can become Fellows of these bodies after relevant local experience. It also means that Fellows of these bodies can become Fellows of our Institute after six months as an Accredited Member.

These agreements represent a very significant advance in the mobility of Australian actuaries within our increasingly global world and in the international recognition of our Fellowship.

Education Reviews

Both the Society of Actuaries and the UK Institute/Faculty are undergoing major reviews of their education system. They are considering a range of issues including structure, content, and the educational process. We are participating in these reviews as well as conducting a review of Parts II and III of our educational program. All these reviews are also cognizant of the fact that the International Actuarial Association has developed its own core syllabus, which all member organizations must accept by 2005. The internationalization of actuarial education is continuing and we are well placed to continue to play a leading role in these developments. Indeed the new Faculty President has noted in his recent Presidential Address that 'the general thrust of the education strategy seems likely to be in the Australian direction' involving 'the Actuarial Control Cycle and a choice between a number of specialist subjects.'

We must continue to improve all aspects of our actuarial education and professional development. However, let us also remember that our overall structure and use of universities is admired by many other actuarial bodies.

The Wider Fields

A strong theme emerging from recent meetings of Presidents and other actuarial leaders around the world is the need to diversify the role of the profession and to highlight the broader capability of actuaries. An international conference with this theme is planned for April 2001 in Portugal.

Our Australian actuarial profession is well advanced in this direction when compared to other national actuarial bodies. We have many members operating outside the so-called traditional fields of insurance and superannuation and have recently set up a Greenhouse Gases and Energy Markets Practice Committee. Such a development is indicative of the broadening scope of our professional practices. We should continue to broaden our horizons but also recognise the significant progress that we have made during the last five years.

INVOLVEMENT IN PUBLIC AFFAIRS

The involvement of the Institute in public affairs, including the development of a range of public policies, represents an essential part of our profession's activities. These activities represent our public responsibility as a profession as well as providing an excellent opportunity to increase the awareness of the broadening involvement of actuaries within a range of industries. During the year, we have made a large number of submissions to a range of inquiries and public sector bodies; held many high level discussions with politicians, public servants and industry bodies;

and were actively involved in leading the development of a set of principles for Australia's retirement income system, which was subsequently endorsed by fifteen organizations or professions.

EVENTS

The Institute held several high profile events during the year which attracted considerable interest from both members and non-members. In many cases, favourable press coverage followed. The events included:

- A luncheon address by the Federal Treasurer, the Hon Peter Costello, on 'The Ethical Framework of Business'
- A Funds Management Forum, entitled Fastforward 2010, which looked at the pressures and trends influencing the ever-growing funds management industry during the next decade;
- The second Melville lecture, given by the Australian of the Year Sir Gustav Nossal, where he addressed the issue of 'Science and Industry in the 21st Century'
- The Actuary of the Year function, where Meredith Brooks received this award for 2000, as part of a funds management lunchtime briefing.

These public events represent an important part of our ongoing strategy of both raising our profile and contributing to the debate on important public issues.

COMMITTEE STRUCTURE

At the beginning of 2000, the Institute's committee structure was significantly revised with the establishment of six Council Committees. These were Education, Finance and Administration, International, Professional Affairs, Public Awareness and Public Policy. These new Council Committees highlight the major functions of our profession. However, it was also recognised that it is essential that each of the Practice Committees should have a direct link to Council. Hence, whilst many of their activities would operate through the relevant Council Committees, each Practice Committee also includes a Council member to encourage better communication.

TASK FORCES

During the year, several Task Forces were established or finalized their report. The major results included:

- A review of our CPD Professional Standard (PS 500) with the recommendations discussed at the October sessional meetings
- A report from the Disciplinary Review Task Force, recommending a number of important changes to our disciplinary process
- The establishment of a Genetics Task Force, which is preparing important papers for our 2001 Convention
- The Discount Rate Task Force which is considering some of the most fundamental assumptions used by actuaries
- The Code of Conduct Task Force was established to review the Code with particular reference to the introduction of compulsory professional indemnity insurance and changes in forms of remuneration

STRATEGIC PLAN

At its October meeting Council adopted a Strategic Plan for 2001 and beyond. Full details of the plan are available on the Institute's website. This strategic plan is a dynamic document and it is therefore expected that revisions will follow as it is reviewed and updated on a regular basis. However, it does provide a clear direction and priorities for the years ahead.

CONGRATULATIONS

The profession was thrilled that three of our members received national recognition as part of the Queen's Birthday Honours List. Congratulations to Dr Greg Taylor for his AO, Mr Bob Glading for his AM and Mr Peter Vinson for his OAM. Each of these members has served the profession in an outstanding manner and thoroughly deserve their national recognition.

THANKS

Finally, on behalf of Council and all our members, I wish to express my sincere thanks to all the Institute staff who have provided great support for all our activities. Without their continued willingness to work with and for our members, we would achieve very little. In particular, thank you to Catherine Beall and Jane Ferguson, who have given excellent support to the Presidential trio and Council throughout the year.

David Knox

Chief Operating Officer's Report

Communication emerged as the main theme for the past year's activities and I am delighted to report that the processes we introduced have resulted in stronger lines of communication between the Institute and our members.

In seeking a more streamlined process for exchange of information to and from Council, a new organisational structure for Council and committees was introduced towards the end of last year promoting and bringing greater clarity to the roles of the six Council Committees and the seven Practice Committees. A diagram of the 2000 structure appears on page 8 and the annual report provides a record of the achievements of each of the major committees and their sub-committees.

One of the most important marketing strategies for the IAAust was to raise awareness of the profession amongst the business community. A number of new high profile activities such as the Fastforward 2010: The Future of Funds Management Forum in March and the follow up special briefing on funds management in conjunction with the Actuary of the Year Award enabled the financial services industry to see first hand the role of the actuary and to debate and discuss the issues that will impact on this industry in the future.

The presentations by the Federal Treasurer, Peter Costello MP, and Sir Gustav Nossal, Australian of the year, as well as the regular industry seminars and discussion meetings delivered a substantial programme of activities for the year. Sessional meetings were re-located in Sydney to the Menzies Hotel, and whether or not it was the new venue or interest in the topics being covered, the result was a doubling in attendances. The Melbourne sessional meetings were also well attended and made even more enjoyable by the convivial gathering over dinner after each session.

A new corporate brochure for the IAAust was launched mid-year designed specifically to demonstrate the breadth and extent of actuarial work across a range of practice areas and interests. All IAAust promotional materials and publications have been redesigned to reflect a more outward looking, future oriented, technologically astute and dynamic profession. This includes the construction of a new IAAust web site that will improve access to information, publications and forums created specifically to enhance networking and discussion amongst members.

A new Editor emerged for the bi-monthly magazine Actuary Australia to build on the wonderful job done by Jennifer Lang over the past few years. Susan Antcliff has taken up the reigns with enthusiasm and flair, creating for members, and the wider financial services industry, a very readable and informative publication. We hope to continue to up-grade the design of the magazine over the next twelve months and we encourage members to become active in the process by contributing to Actuary Australia.

From an operational viewpoint the IAAust now has a stable and effective administrative team of thirteen staff who handle all aspects of the IAAust's endeavours – education, CPD, public policy, media, publications, memberships, corporate governance, international liaison, finance and administration. The staff enjoy their interaction with members and are regularly challenged to meet members' needs for information, student and committee support, networking, professional development and co-ordination of activities.

Two new positions were created during 2000: Jane Ferguson was appointed Director, Public Affairs in response to Council's priority to develop its involvement in public policy; and Chris Hundleby was appointed Events Co-ordinator to support an enhanced program of CPD activities and to enable the in-house management of the Biennial Convention.

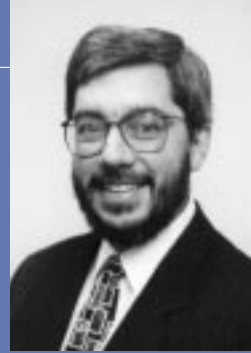
Activities designed to bring actuaries together, and provide forums for discussion with industry colleagues have highlighted the IAAust's role in contributing to the development of public policy and the development of professional practice.

Our focus over the next twelve months will be to improve and extend services to members, review and develop our education program, and increase our representations to government and in relevant industry sectors. The forthcoming Biennial Convention in May 2001 provides an excellent opportunity for exchange and debate on critical issues affecting the actuarial profession.

I look forward to seeing you there!

Catherine Beall

David Knox, President



Tony Coleman, Snr. Vice President



Helen Martin, Vice President



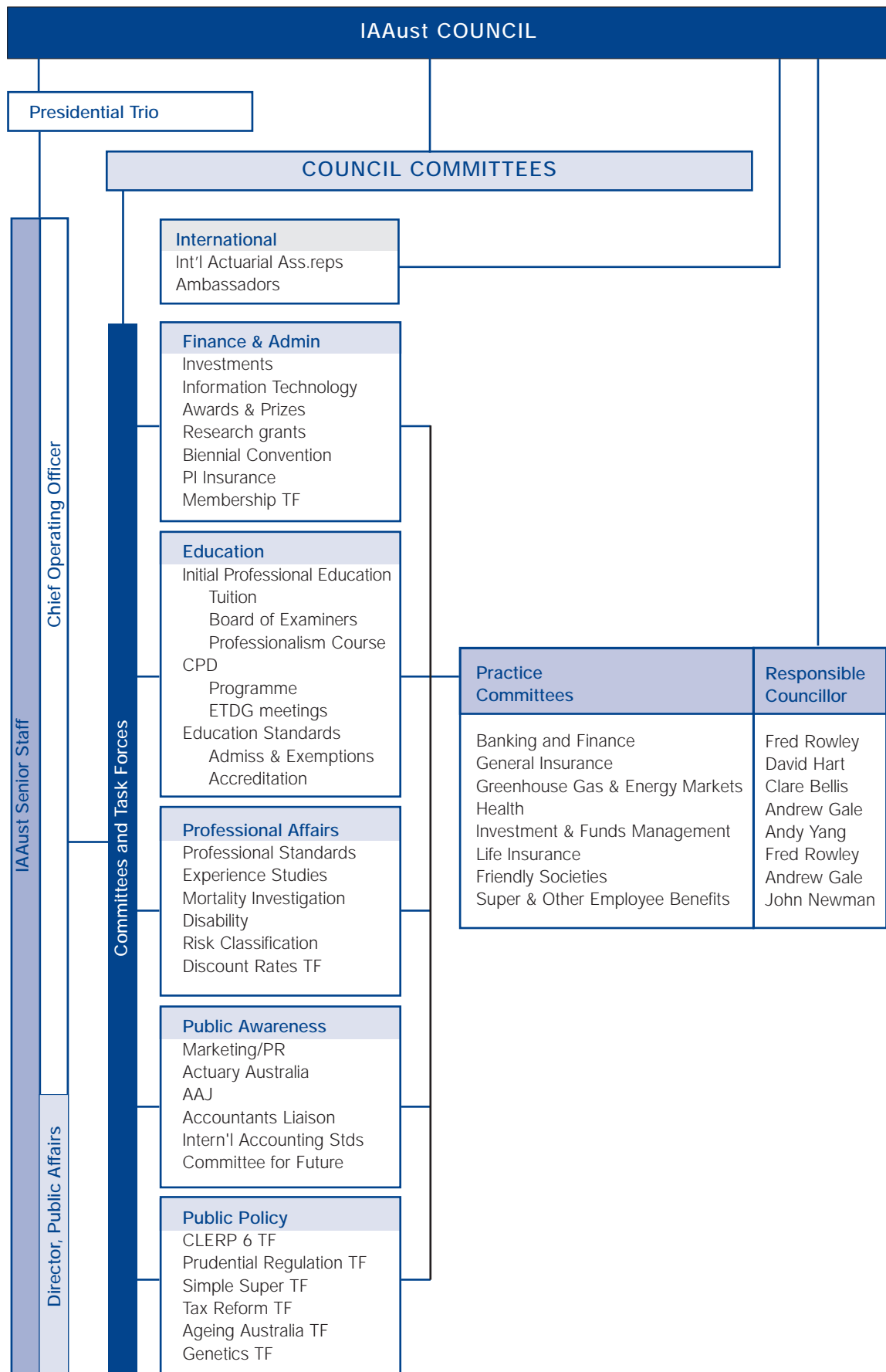
Catherine Beall, Chief Operating Officer



Jane Ferguson, Director: Public Affairs



IAAust Structure



Members of Council

The members of Council in office at the date of this report are as follows:

Clare Bellis BA, MA, FIA, FIAA

Cherry Brennan BA, BSc, AIA, FIAA

Anthony Coleman BA, MBA, FIA, FIAA

John De Ravin BSc, BEc, MBA, FIA, FNZSA, CPA, FIAA

Andrew P Gale BSc, ASIA, ASA, FIAA

David Hart BSc, FIA, FIAA

Melinda Howes BEc, FIAA

David Knox BA, PhD, FIA, FIAA

Christopher Lewis BSc (Hons), FIA, FIAA

Helen Martin BA, FIAA

John Newman BBusSc (Hons), AIA, FIAA

Michael Rice ASA, FIAA

Fred Rowley MA, FIA, FIAA

Craig Thorburn BEc, ASA, FIAA

Donna Walker BEc (Hons), SIA (AFF), FIAA

C W (Andy) Yang BEc (Hons), SIA (AFF), FIAA

(Left to right) Back Row: Donna Walker, Richard Mitchell (Immediate Past President), Cherry Brennan, John Newman, Andy Yang, Melinda Howes, Andrew Gale **Front Row:** Craig Thorburn, Clare Bellis, David Hart, Michael Rice, Tony Coleman (Senior Vice President), David Knox (President), Helen Martin (Vice President), John De Ravin, Chris Lewis **Absent:** Fred Rowley



Activities

Sessional Meetings

Date	Topic	Authors/Presenters
06/12/99 (Melb) 13/12/99 (Syd)	Presidential Address 2000 Integrity, Innovation and Integration	David M Knox
13/03/00 (Syd) 20/03/00 (Melb)	Professions in Society	Clare S Bellis
08/05/00 (Syd) 16/05/00 (Melb)	What is the Fair Value of General Insurance Liabilities, in Particular, the Value of Risk?	General Insurance Practice Committee
19/06/00 (Syd) 26/06/00 (Melb)	Insurance: Online or On the Line?	Jules D Gribble Sean McGing
14/08/00 (Syd) 21/08/00 (Melb)	Operational Risk and Control	Tim C Jenkins

Educational Topical Discussion Group Meetings

Date	Topic	Speaker
27/10/99 (Syd) 21/10/99 (Melb)	Contemporary Issues and Future Challenges in Health Insurance	Andrew P. Gale David B Watson
24/05/00 (Syd) 31/05/00 (Melb)	What will Developments in Genetics Technology mean for Actuaries?	Alan W Doble

Forums

12th General Insurance Seminar

7–10 November 1999
Hyatt Regency, Queensland

Actuarial Development in China

Mathematical Modelling in Health Insurance
17 November 1999
State Library, Sydney

Actuarial Practice in Health Insurance Course

24–26 March 2000
Hyatt Hotel, Canberra

Fastforward 2010: the Future of Funds Management Forum

29 March 2000
The Ritz Carlton, Sydney

Corporate Lunch with The Hon. Peter Costello, MP Treasurer: 'The Ethical Framework of Business'

30 March 2000
Hotel Sofitel, Melbourne

Superannuation Forum : 'Employees - Meeting Their Needs in the 21st Century'

26–27 May 2000
Novotel, Brighton-Le-Sands, Sydney

Actuary of the Year Award and Fastforward 2010: the Future of Funds Management Special Briefing

4 July 2000
Customs House, Circular Quay, Sydney

Melville Lecture by Sir Gustav Nossal 'Science and Industry in the 21st Century: Fundamental, Financial and Commercial Implications for Australia'

25 July 2000
The Regent, Sydney (Live) & Crown Towers, Melbourne (via Satellite)

Special Meeting - Developments in China

28 August 2000
By: Professor Xie Zhigang, Professor Wang Xiaojun, Professor Zhuo Zhi, Professor John Pollard (Chairman)
CEDA Office, Sydney

2000 Melville Lecture

On 19th October 1998, the Melville Lecture was presented by Sir Gustav Nossal, Australian of the Year in 2000 and a pre-eminent scientist who is internationally recognised for his achievements in immunology and public health. The topic of his speech was 'Science and Industry in the 21st Century - Fundamental, Financial and Commercial Implications for Australia'. The Melville Lecture was attended by around 300 members and their guests with a video broadcast of the proceedings from Sydney transmitted to the venue in Melbourne.



Sir Gustav Nossal

Prizes

A M PARKER PRIZE

The A M Parker Fund was established in 1963 with a donation from Mr A M Parker, FIA, FSS.

The Council of the Institute may allocate moneys from the income of the Fund:

- (a) to providing a prize for the author or authors of a paper presented to the Institute, or
- (b) to paying a sum towards the expenses incurred by a member or members in undertaking original research of an actuarial nature.

The A M Parker Prize for 2000 was awarded to **J W De Ravin** the AM Parker Prize for his paper titled 'The Management of Disability Income Claims'.

H M JACKSON MEMORIAL PRIZE

This Fund was established in 1968 with a donation from Mrs C E Jackson in memory of her late husband, H M Jackson, FIA.

Prizes may be awarded from the income of the Fund to members of the Institute for any published articles other than papers eligible for an award from the A M Parker Fund.

No award was made during this period.

ANDREW PRESCOTT MEMORIAL PRIZE

Friends of the late Andrew W Prescott, BA, FIA established this Fund in 1980 as a memorial to him. Prizes may be awarded from the income of the Fund to members of the Institute for outstanding performance in the Institute examinations.

Subject prizes may be awarded to the person obtaining the highest marks for a subject. A merit prize may be awarded to a person completing the examinations with outstanding overall results.

Prescott Prize winners for October 1999 examinations were:

Subject 1	Investment Management	M A Blayney
Subject 2	Life Insurance	B Cummings
Subject 3	General Insurance	T W Mills
Subject 4	Superannuation & Other Employee Benefits	<i>No prize awarded</i>
Subject 5	Finance	J Scaramuzza
Merit Prize		C J Watson

MELVILLE PRIZE FUND

The Melville Prize Fund was established in 1994 by Tig Melville in appreciation for the benefits he has received from the profession and as a tribute to his father. Amounts available have been used to support the Melville Practitioners Award, awarded biennially, and to supplement the existing Prizes awarded by the Institute. A portion of the amount is made available every second year to support a Special Biennial Lecture.

2000 Actuary of the Year

This award is for a meritorious and original contribution to the profession or to business, government or the community which brought identifiable credit to the profession. The 2000 Actuary of the Year Award was given to Meredith Brooks BA, FIAA who is the Managing Director, Institutional Investment Services, Frank Russell Company, US. Meredith graduated from Macquarie University in 1981, spent two years at AMP and then moved to BT in 1984 to work in leveraged leasing and tax effective financing in the Structured Finance Dept. In 1988 she joined Towers Perrin, in Sydney as an Asset Consultant and then in London managing pension fund projects in the UK and Holland.

Meredith joined Frank Russell in London in 1991 as a Senior Asset Consultant before returning to Australia in 1996 to assume the role of Managing Director of Frank Russell Australian Business. In this position she has been responsible for a number of major innovations which have fundamentally changed the nature of institutional investment services, including the launch of retail multi-manager fund programs with ANZ Bank and Singapore's DSD Bank. Her subsequent appointment as global head of Institutional Investment Services recognised her exceptional capacity to develop responsive solutions for clients in a competitive and changing market place.

In honouring Meredith with this Award, President David Knox said 'The award is in recognition of Meredith's status as one of the most prominent women in the funds management industry in Australia and one of a tiny elite who can potentially influence the directions and agenda for the global industry.

'Meredith represents one of the new breed of actuaries who are able to build on the technical skills provided by their actuarial training to achieve excellence in non-actuarial positions. As such, she provides a role model for all of us not to be bound by our qualification but to see it as just one of the skills we need to develop our careers in order to be truly professional.'

Meredith Brooks and David Knox



Submissions to Government

Between 1 Oct 1999 – 30 Sept 2000:

30 November 99

Submission to the Australian Greenhouse Office on Discussion Paper 3.
Committee for the Future

17 December 99

Submission to PHIAC on Solvency and Capital Adequacy Standards for the Private Health Insurance Industry.
Health Practice Committee

17 December 99

Submission to APRA on General Insurance Discussion Papers.
General Insurance Practice Committee

21 March 00

Submission to the Minister for Aged Care on National Strategy for an Ageing Australia.
Ageing Australia Taskforce

23 March 00

Second Submission to PHIAC on Draft Solvency and Capital Adequacy Standards for Private Health Insurance Industry.
Health Practice Committee

31 March 00

Submission to the Basel Committee on Banking Supervision: A Capital Adequacy Framework.
Prudential Regulation Taskforce

14 April 00

Submission to Treasury on the Draft Financial Services Reform Bill
CLERP 6 Taskforce

12 May 00

Submission to the House of Representatives Standing Committee on Legal and Constitutional Affairs on the Privacy Amendment (Private Sector) Bill 2000
Health Practice Committee

31 May 00

Response to the IASC on the Issues Paper on Insurance
International Accounting Standards Taskforce

15 June 00

Submission to PHIAC on the Solvency and Capital Adequacy Standards Exposure Draft for the Private Health Insurance
Health Practice Committee

16 June 00

Submission to the Treasurer on the New Business System (Miscellaneous) Bill (No.2) 2000.

Tax Taskforce

23 June 00

Submission to the Senate Select Committee on Superannuation and Financial Services on the New Business Tax System (Miscellaneous) Bill (No.2)

Tax Taskforce

6 July 00

Submission to the Senate Select Committee on Superannuation and Financial Services on the Financial Sector Legislation Amendment Bill (No.1) 2000

Superannuation and Employee Benefits Practice Committee

20 July 00

Response to the Senate Select Committee on Superannuation and Financial Services on the Financial Sector Legislation Amendment Bill (No.1) 2000

Superannuation and Employee Benefits Practice Committee

20 July 00

Response to APRA on the Proposed Reforms to the Prudential Supervision of General Insurance Companies in Australia and the Draft Guidelines on Authorisation of Insurers.

General Insurance Practice Committee

28 July 00

Response to the ATO on the Pension Exemption Provisions originally contained in the New Business Tax System (Miscellaneous) Bill (No. 2) 2000

Tax Taskforce

3 August 00

Choice of Superannuation Fund Policy Statement

Superannuation and Employee Benefits Practice Committee

16 August 00

Response to the Department of Family and Community Services on the Social Security Treatment of Non-Performing SMSFs

Superannuation and Employee Benefits Practice Committee

4 September 00

Submission to Senate Legal and Constitutional Legislation Committee on the Privacy Amendment (Private Sector) Bill 2000

Health Practice Committee

Categories of Members

1. Fellows

The requirements for admission as a Fellow of the Institute of Actuaries of Australia (IAAust) are:

- (i) Exemption from Part I subjects;
- (ii) Exemption from Part II subject (Actuarial Control Cycle);
- (iii) Completion of the examinations at Specialist Level in two (2) Part III subjects.

As a transitional arrangement, passes in Fellowship examinations before 1990 are allowed as exemptions from the examination in the subject at the Specialist level.

It is also necessary for Australian residents to attend the IAAust's Professionalism Course and for overseas residents to attend a similar approved course.

2. Accredited Members

Fellows of the Institute of Actuaries, London (IoA), the Faculty of Actuaries, Edinburgh (FoA), Society of Actuaries, US (SoA) and the Casualty Actuarial Society, US (CAS) may be accepted as Accredited members of the IAAust if they satisfy the following conditions:

- (i) They must be a current financial Fellow of one of the above mentioned bodies.
- (ii) The applicant is required to have been resident of Australia for at least six months and to have gained suitable experience in local actuarial practice.
- (iii) The applicant is required to have passed a recognised Professionalism Course within the previous 5 years or earlier at the discretion of the Council.
- (iv) One of their nominating Fellows must be satisfied that they understand the IAAust's Code of Conduct.

In addition, Fellows of the Canadian Institute of Actuaries (CIA), New Zealand Society of Actuaries (NZSA) and the Actuarial Society of South Africa (ASSA) may also be admitted as Accredited Members if they satisfy the conditions (i-iv) above and qualified as a Fellow through examination from either IoA, FoA, SOA or CAS.

In response to the signing of mutual recognition agreements, the IAAust will accept the transfer of an Accredited member of IAAust who is currently an FIA, FFA, FSA, FCIA to a Fellow of the IAAust (FIAA) after a waiting period of six months during which time they must work and reside in Australia.

Until such time as there are mutual recognition agreements with other bodies the normal waiting period for an Accredited member prior to becoming an FIAA is three years, during which time they must reside and work in Australia and maintain current financial membership as a Fellow of their overseas body.

3. Associates

Student members who have been exempted from all Part I and Part II subjects are eligible to become Associates (AIAA).

4. Students

Student members must satisfy the entry standards laid down by Council and be enrolled in an undergraduate university actuarial degree or have completed a maths based degree.

5. Lay Members

The Actuarial Society of Australasia admitted as Lay Members persons who were interested in actuarial discussions but no new Lay Members have been admitted since 1963.

6. Voting Members

Only Fellows of the Institute are eligible to be voting Members subject to six months residence in Australia or New Zealand.

7. Correspondent

Only for overseas residents who are either a member of another actuarial institute, faculty or organisation which has concluded a Mutual Recognition Agreement with the IAAust or who are members of an organisation that is a member of the International Actuarial Association.

Fees and Subscriptions

Annual subscriptions for 1999/2000 were:

	Resident in Australia (excluding GST)	Resident outside Australia
Fellow & Accredited Members	\$780.00	\$520.00
Associates & Advanced Students	\$495.00	\$340.00
Students & Lay	\$270.00	
Full Time University Students	\$ 80.00	

The entrance fee for all categories of membership was \$200.00, except for full time students which was \$55.00.

Members who have largely ceased gainful employment and are no longer practising professionally and members who, for a minimum period of four months, have been on unpaid parental leave or unemployed and are actively seeking work may pay a reduced annual subscription on application. Life Members and Retired Members over age 70 pay no subscription. Subscriptions, which are payable in advance, fall due on 31 January in each year.

INTERNATIONAL ACTUARIAL ASSOCIATION (IAA)

Voting members of the IAA are now national actuarial associations. The Institute of Actuaries of Australia is a member. By virtue of this membership, all Fellows and Accredited members of the Institute of Actuaries of Australia are members of the IAA.

Arrangements are in hand for the 27th Congress of Actuaries to be held in Cancun Mexico in 2002.

ASTIN – The first such section of the IAA, known as ASTIN (Actuarial Studies in Non-Life Insurance), was inaugurated at New York in October 1957 for the promotion of mathematical research in non-life insurance.

The XXXIInd International ASTIN Colloquium will be held on July 8-11, 2001 in conjunction with the CAS seminar on Reinsurance on July 11 & 12, 2001 in Washington DC, USA.

AFIR – A second special section of the IAA, named AFIR (Actuarial Approach to Financial Risks), was established at the time of the Helsinki Congress in 1988. This finance section brings together actuaries concerned with the application of scientific methods to the evaluation and management of financial risks, and aims to promote actuarial research in financial risks and problems.

The 11th Annual International AFIR Colloquium will take place from September 6-7, 2001 in Toronto, Canada

IACA – At the Eighteenth ICA Congress in Munich in 1968 the International Association of Consulting Actuaries (IACA) was established for the purpose of facilitating the exchange of views and information on an international basis between members on matters affecting their professional responsibilities as consulting actuaries.

IACA held its biennial conference at Hershey (Pennsylvania) in early June 2000. IAAust member, Brent Walker was awarded joint first prize for his paper titled '21st Century Health Challenges for Australia', was appointed Vice President and becomes President in 2002.

Membership 2000

The increase in membership during this year was as follows:

Class	Number at 30.9.98	Number at 30.9.99	Number at 30.9.00
Fellow	1048	1093	1158
Accredited	34	29	19
Associate	412	482	517
Student	545	629	657
Lay	6	6	5
Total	2045	2239	2356

Qualifying as Fellow

The following 54 members have passed or been exempted from Parts I, II & III of the IAAust examinations. Following satisfactory completion of the Professionalism Course, and payment of Part II (Actuarial Control Cycle) exemption fees, where appropriate, they will become Fellows of the IAAust and will be entitled to use the designation Fellow of the Institute of Actuaries of Australia (FIAA).

Susan Rebecca Antcliff
 Gregory John Baker
 Michael Anthony Blayney
 Fred Pak Kin Chan
 Briallen Cummings
 Christopher Paul Daniel
 Moira Anne De Villiers
 Deborah Ann Driussi
 Graham Paul Ellis
 John Adrian Ferraro
 Kevin Nicholas Francis,
 Laurel Doreen Franettovich
 William Ronald Gardner
 Andrew Peter Gill
 Darren Christopher Godfrey
 Stuart David Graham
 John Michael Hancock
 Susan Anne Howes
 Russell William Humphrey
 Andrew Charles Kay
 Anthony Arthur Kench
 Jason Benjamin Kim
 Yuri Kulikov
 Martin Thanh Lam
 Timothy Roy Lane
 Eddie Pak-Siu Leung
 Rockson Lok-Shuen Leung

Ignazio Gaetano Lo Castro
 Corinna Lueg
 Rashmi Mathur
 Travis Wayne Mills
 William Edward Milner
 Trent Adam Neagle
 Sim Kheng Ng
 Paul Desmond O'Halloran
 Emily Wong Kam Man Papworth
 David Gordon William Pitt
 Tracy Anne Polldore
 Darren James Robinson
 Alexander Rybak
 John Scaramuzza
 Andrew James Smith
 Gregory Charles Smith
 Diane Elizabeth Somerville
 Torquil Stafford Todd
 David Patrick Toohey
 Stuart Gordon Turner
 Rodney Venn
 Cohen John Watson
 Ian Lok Wei Wong
 Stephen Michael Woods
 Keith Roy Woolnough
 Clara Yan
 Rayman Yiu On Yan

Council reports with regret the death of Fellows: Andrew Richard Thompson, John Anthony Broderick, John Cotter Gray, George Robinson Kendit.

Membership Figures for the Last 10 Years

	Fellows	Accredited	Associates	Students	Lay	Total
1991	647	40	340	332	10	1369
1992	693	35	333	400	9	1470
1993	759	30	331	436	9	1565
1994	810	38	345	433	8	1634
1995	865	40	363	422	7	1697
1996	921	37	362	423	7	1750
1997	991	34	370	426	7	1828
1998	1048	34	412	545	6	2045
1999	1093	29	482	629	6	2239
2000	1158	19	517	657	5	2356

Overseas IAAust Members by Country

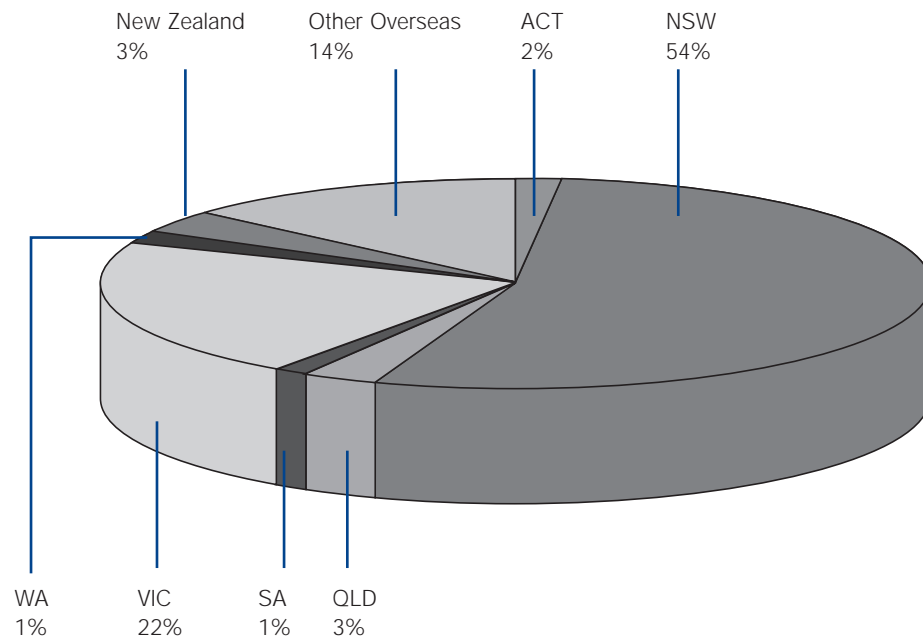
% of Total Overseas Membership

24.2%	UK	2.2%	South Africa	0.5%	Korea	0.2%	Fiji
19.6%	New Zealand	1.7%	Switzerland	0.5%	Pakistan	0.2%	Ireland
17.4%	Hong Kong	1.2%	France	0.5%	Phillippines	0.2%	Israel
7.6%	USA	0.7%	Taiwan	0.5%	Poland	0.2%	Italy
7.3%	Singapore	0.7%	Thailand	0.2%	Belgium	0.2%	Mexico
4.6%	Malaysia	0.5%	Germany	0.2%	Bermuda	0.2%	Norway
3.2%	Canada	0.5%	India	0.2%	Brazil	0.2%	South Korea
2.4%	Japan	0.5%	Indonesia	0.2%	China	0.1%	Netherlands

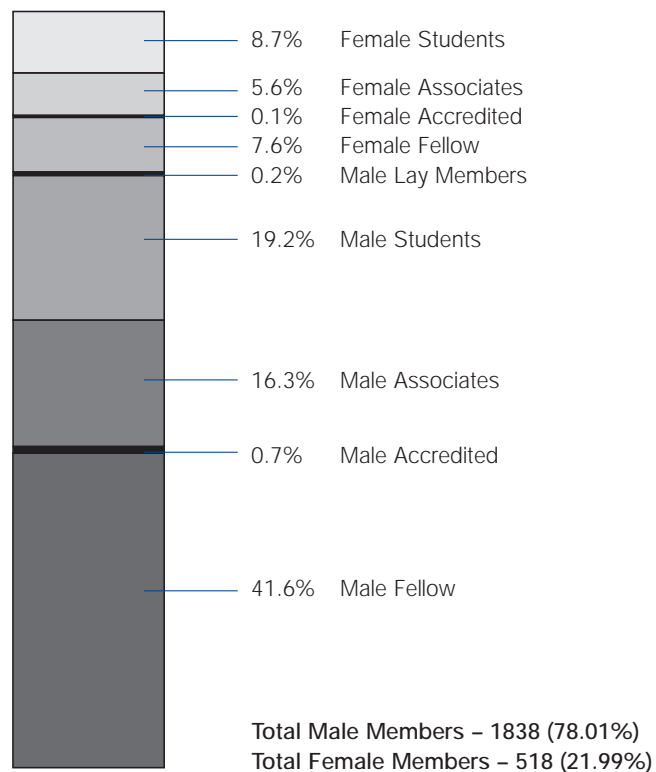
Classification by Residence

	FELLOW		ACCR		ASSOC		STU		LAY		TOTAL	
	2000	99	2000	99	2000	99	2000	99	2000	99	2000	99
ACT	12	11	0	0	3	4	26	26	0	0	41	41
NSW	624	592	10	14	254	241	377	373	5	6	1269	1226
QLD	25	24	0	0	18	18	20	20	0	0	63	62
SA	18	16	0	0	2	3	7	3	0	0	27	22
TAS	2	2	0	0	1	1	1	2	0	0	4	5
VIC	240	242	1	6	118	114	156	148	0	0	514	510
WA	12	13	2	0	4	5	8	8	0	0	26	26
NT	0	0	0	0	1	1	0	0	0	0	1	1
New Zealand	38	39	0	0	36	35	6	5	0	0	80	79
Other O'seas	187	154	6	9	80	60	56	44	0	0	330	267
TOTAL	1158	1093	19	29	517	479	657	629	5	6	2356	2239

Percentage Classification by Residence



Gender and Type of IAAust Members



Education Program

The IAAust has a continuing commitment to quality in its tuition and examination, and is indebted to the members listed below who have contributed their time and energy, on a voluntary basis, to ensuring the success of the IAAust education program

Chief Examiners, Assistant Examiners, Markers, Scrutineers for 1999 Exams

Clive Amery
Marcus Arena
George Attard
Rob Baillie
Mark Barda
Andrew Barker
Peter Barnes
Robyn Bateup
Andrew Bendall
Caroline Bennet
Ashutosh Bhalerao
Tony Bofinger
Andrew Boldeman
Wayne Brazel
Andrew Brown
John Bulman
Jason Bunn
Michael Burt
Nick Callil
Fred Chan
Peter Chun,
Sue Clarke,
Scott Collings,
Sheila Colls,
Alan Creighton
Andrew Croft,
Michael Crouch
Kevin Deeves
Julie Demark
Michael Dermody
Indam Devadason
Paul Do
Jason Doughty
Adam Driussi
Julie Evans
Peter Fallows
Shauna Ferris
Martin Fry
Sally Galbraith

Kevin Gomes
Denis Gorey
Alan Greenfield
Jules Gribble
Andrew Harrex
Glen Harris
David Heath
Lawrence Heyman
Martin Hickling
Rodney Roskinson
Andrew Houltram
Vincent Hua
Jonathan Hughes
Cynthia Hui
Graeme Humphrys
Steven Huppert
Andrew Huszczo
Andrew Jackson
Henry Josling
Tim Kyng
Craig Lamb
Andrew Leong
Adrian Lim
Ken Liow
Andrian Liu
Ray Loudon
Michael Lubke
Christa Marjoribanks
Andrew Martin
Angie Matrippolito
Shane Mather
Peter May
Richard Mayo
Andrea McDonnell
Trevor McMahon
David McNeil
Stephen Milburn-Pyle
Chris Murphy
Melissa Napier

Mark Nathan
Terry Nelson
Mark Nelson
Dai-Tranh Nguyen
Blair Nicholls
Paul Pesavento
Grant Peters
Ian Petersen
Michael Price
Sachi Purcal
Ken Ragell
Eric Ranson
Gae Robinson
Gavin Rogers
Catherine Rush
Hugh Sarjeant
Andrew Scott
David Shade
Lisa Simpson
Daniel Smith
Mark Stewart
Dean Stewart
Edward Swayne
Mark Thompson
Bruce Thomson
David Ticehurst
Geoff Trahair
David Underwood
Peter Vere
David Whittle
Darren Wickham
Stephen Wilson
Mark Wong
Noeline Woof
Andy Yang
Richard Yee
Jaron Yuen,

Tutors 2000 Melbourne

James Atkinson
Wayne Adams
Peter Barnes
Jason Bunn
Alan Brown
Robert Cameron
Richard Gary
Paul Cassidy

Tim Habel
Esther Conway
Henry Josling
Natalie Eckersall
Paul Pesavento
Julie Evans
Richard Land
Martin Fry

Natalie Eckersall
Kevin Gomes
Kate Marten
Gillian Harrex
Gavin Rogers
David Heath
Stephen Milburn-Pyle
Andrew Matthews

Tutors 2000 Melbourne (cont'd)

Peter Eben	Daniel Smith	Michelle finlay
Andrew McNamara	Mark Thompson	Caroline Bennett
William Cone	Donna Walker	Stephen Huppert
Graeme Miller	Ken Liow	Nick Callil
Darren Godfrey	Lynda Young	Hugh Sarjeant
Mark Nelson	Trent Neagle	George Nassios
Julie Osborn	Mark Griffiths	

Chief Tutors, Assignment Markers, Tutorial Leaders 2000 Sydney

Marcus Arena	John Ferraro	Brad Milson
George Attard	Dave Finnis	Helen Molloy
Greg Baker	Laurel Franettovich	Shams Munir
Mike Barker	Timothy Furlan	Christopher Murphy
Charles Beynon	Andrew Geue	Gary Musgrave
Ashutosh Bhalerao	David Gifford	Steven Nagle
Stuart Bingham	Andrew Gill	Mark Nathan
Tony Bofinger	Ian Hagtharp	Chris O'Hehir
Christine Brownfield	Peter Hardy	Grant Peters
Hoa Bui	Nelson Henwood	Ian Petersen
Peta Carey	Guy Horton	Nicole Raffin
Alex Chang	Andrew Houltram	Brett Riley
Philip Chappell	Melinda Howes	Luis Sarmiento
Peter Chun	Johnathan Hughes	David Shade
Tim Clark	Martin Lam	Lisa Simpson
Andrew Cohen	Craig Lamb	Andrew Smith
Joshua Corrigan	Jennifer Lang	Diane Somerville
Chris Daniel	David Lau	Dean Stewart
Jason Davis	Steve Lim	Mark Stewart
John De Ravin	Janet Linklater	Saffron Sweeney
Julie Demark	Michael Lubke	David Ticehurst
Michael Dermody	Corinna Lueg	David Underwood
Paul Driessen	Greg Martin	Stephen Wilson
Deborah Driussi	Peter Martin	Kelic Wong
Simon Eagleton	Angie Mastripolito	Ian Wong
Greg Einfeld	Trevor McMahon	Stephen Woods
Peter Fallows	William Wilner	

The examinations of the Institute were conducted in October 1999 with the following results (*1998 results are shown for comparison*):

Subject	Sat '99	Pass '99	%	Sat '98	Pass '98	%
Investment Management	109	51	47	99	39	39
Life Insurance	71	29	41	66	23	35
General Insurance	43	17	50	54	13	24
Superannuation	21	12	57	21	10	48
Finance	42	16	38	34	15	44
TOTAL	286	125	44	274	100	36

Council Committees

EDUCATION

Purpose: Overseeing the development and delivery of actuarial education and continuing professional development, including international links and recognition.

Members: C W Thorburn (Chairman to 7/09/00), D G Hart (Chairman from 7/09/00), M J Aa, R G Glading, J A Lyon, R H S Lyon, D J Walker, S J Wood, C A Beall, J W Smit

The year 2000 has been a very active year for the education committees. As foreshadowed in the 1999 Annual report, the structure of the education committees changed during 2000.

The **Council Education Committee** has the following reporting committees:

- **Education Standards** - responsible for the IAAust accreditation and exemption processes
- **Initial Professional Education** - responsible for Part II and III syllabus course provision and examination
- **CPD** - responsible for supporting the implementation of PS 500 with appropriate CPD programs

During the year the committees, assisted by IAAust staff, achieved the following outcomes:

Education Standards Committee: undertook a preliminary assessment of the ANU actuarial program and recommended provisional accreditation to the ANU actuarial program. The Committee consolidated the IAAust accreditation policy and developed reporting standards to support the policy. It also established a visiting panel for ANU and reconstituted another panel for UNSW to consider Part II accreditation.

Initial Professional Education Committee: established review teams to support the review of Part II and Part III. Part II review team under the chairmanship of Jules Gribble seeks to:

- Review the policy and procedure for accreditation of Part II with particular reference to involvement by teaching staff who are qualified actuaries.
- After being conducted for four years, the need to review the syllabus of the Actuarial Control Cycle.

Part III review team under the chairmanship of Graham Slater seeks to review the objectives, purpose, structure and content of Part III, its links with CPD programs, the Actuarial Control Cycle and reflecting developments that are occurring internationally with actuarial education. Both review teams will be presenting their findings at the IAAust 2001 Convention.

The new syllabus for Part III subject 1 Investment Management was implemented in 2000. Through the efforts of a significant team of member volunteers organised by Jac Smit, Education Co-ordinator, and working within a very tight time frame, new tuition material consisting of subject and unit guides plus four assignments were released to students in two instalments. The first instalment was released in February 2000 consisting of units 1 to 4 plus three assignments. The second batch of learning material was released in May 2000 consisting of units 5 to 9 with one assignment and one revision assignment. The Investment Management tuition material set a new standard in providing support and guidance to Part III students in their learning.

The Board of Examiners developed a new publication to support examiners in their task of assessing Part III students against the relevant syllabuses. It also conducted a successful workshop in February 2000 for Chief Examiners to assist them to develop their exam papers for the October 2000 examinations. In response to the pressures of the Sydney Olympics, the October 2000 examinations were delayed by one week and commenced on 10 October 2000.

The Professionalism Course was successfully conducted in February 2000 for new Fellows. The course was revised to incorporate a professional facilitator and components on Presentation Techniques and CPD requirements. The program was compared to other professionalism courses conducted in the US, UK and South Africa.

Continuing Professional Development Committee

The CPD Committee has been actively involved in the following projects:

- Practical Experience requirement - drafting guidelines
- Planning for the 2001 convention and sessional meetings via the Programme Committee, which has recently become part of the CPD committee.

- EDPS500 - the committee is responsible for implementing the recommendations of the Taskforce.
- Developing a marketing/communication strategy for CPD
- Planning CPD guidance for members.

The committee is busy with developing a strategy for the IAAust to ensure that support is available for IAAust members with their CPD learning needs.

Sub Committees

Initial Profession Education: S J Wood (Convenor), J D Gribble, S P Miles, J W Smit

Board of Examiners: S P Miles (Chairman), M J Playford (Assistant to Chair), R Baillie, AJ Bendall, A R Croft, C Ginnane, R A Hitchens, G J Humphry, J W Smit

Professionalism Course: I Birmingham (Convenor)

Education Standards: M J Aa (Convenor), J W Smit

Admissions and Exemptions: A S Geue, D A Westcott

Accreditation Panels

UNSW: D C Dickson, D G Hart, R W Krajewski, D M Torrance, G V Trahair, J W Smit

ANU: M J Aa, R W Krawjewski, P C Martin, D Walker, J W Smit

Continuing Professional Development: J A Lyon (Chairman), R H S Lyon, S Marsh, C A Beall, C P Hundleby, J W Smit

Programme: D A Whittle (Convenor), S D Ferris, E L Ranson, A G Scott, D S-Y Tsui, C W Yang, C A Beall, J W Smit

FINANCE & ADMINISTRATION

Purpose: Overseeing the management, financial reporting and investment needs of the IAAust.

Members: A M Coleman(Chairman), M D Barker, D G Hart, M-L Hill, C G Lewis, H R Martin, C A Beall

Professional Indemnity Insurance

A major initiative this year has been the establishment of the Professional Indemnity Insurance (PII) Scheme. This project began with a research study that showed the degree to which actuaries were either not insured or under-insured for their professional conduct. In an increasingly litigious society and with the pressure on professions to meet the highest standards of risk management, it will be compulsory from 2002 for members to have PI Insurance. Two features of the IAAust's voluntary PII scheme are the broad definition of actuarial work which covers actuaries under most professional circumstances and the blanket covered purchased by the IAAust, subject to certain conditions, for members working part-time.

Membership Taskforce

Towards the end of the year a Membership Taskforce was established to consider a range of issues many of which are outlined in the strategic plan. A key tenet of the strategic plan is a commitment to improving the scope and quality of member services. The infrastructure to meet these needs has now been developed. Co-operation from members with the return of their data surveys together with the commitment of Samantha Bonthorne, Membership Co-ordinator and Jan Heath, Education Officer has meant the IAAust database is now up-to-date. The database is our primary tool for communication with members and its accuracy is increasingly important as we move towards linking the database with the website.

University Foundations

The outcomes of the University Financing Taskforce which reported in 1999 on a new scheme for providing financial support for university actuarial departments was the introduction in 2000 of general grants based on

each university's ability to meet the criteria for Centres of Excellence. A new foundation, the University of NSW Actuarial Foundation was instituted for the support of the new actuarial course at the University and the AUAF was re-oriented to become the University of Melbourne Actuarial Foundation. The relationship between the foundations, the IAAust and the university actuarial departments is mutually beneficial and it is gratifying to see the emphasis being placed on actuarial research as an important outcome of this process.

Finance

During this year there are a couple of acronyms that featured prominently – Y2K and GST, and we are pleased to report we have coped with both, thanks largely to the diligence of Finance Officer, Marianne Bryant. Financial controls within the IAAust have been tightened, and committees organising events are now subject to improved reporting procedures and the requirement to budget for a minimum surplus of 10%. Costs of printing have been significantly reduced and within this period we managed to finance renovation work on the IAAust offices and the development costs of a new web site.

Prizes & Awards

The Prizes and Awards Committee has developed into two separate entities with the Prizes committee concentrating on research papers. Details of prize and award recipients can be found on page 12. Unfortunately there was insufficient research being undertaken to draw on the allocation put aside to support this activity. As we enter 2001 there is a renewed campaign to emphasise the importance of and support research in actuarial science from both the academic and professional practice perspective throughout the IAAust.

Technology

Our thanks are also due to the members of the Technology Committee who trained the IAAust staff to take over the maintenance and management of the web site. They ensured a suitable developer for a new web site was in place and promptly disbanded as a committee. Their work over the past few years in producing the existing web site and providing advice on the new site has been invaluable and much appreciated. The new IAAust web site includes: a members' only section that will host the members directory; complete downloadable versions of all IAAust publications including the journal, magazine, research papers and the proceedings of forums and conventions; facilities to hold on-line discussion groups; and a search engine for all or part of the site.

Investment

A newly formed Investment sub-committee convened by Michael Barker has been instrumental in consolidating the IAAust's considerable assets and positioning these to achieve significantly improved returns.

Melbourne Office

The operations of the Melbourne Office were restructured during the year and after five years as a staff member and some twenty years of service to the actuarial profession, Helen Taylor was thanked by 150 members at a farewell function in July. Coming into the new part-time position, we welcomed Kathy Cornish who has had a close association with students and members of the profession through her many years at the University of Melbourne's Centre for Actuarial Studies.

Hong Kong Actuaries Office

Support for the Hong Kong Actuaries Office continued through this year, and we will be looking at developing a closer involvement between the IAAust and this valuable Asian based resource in future years.

Biennial Convention

Planning is in full swing for the 2001 Biennial Convention at Sanctuary Cove, Gold Coast Queensland from May 13th to 16th. Titled 'Beyond Uncertainty : managing the future better' a strong field of international and Australian speakers is lined up for plenary sessions and members are actively developing papers and presentations for a wide range of concurrent sessions. Mid-year in anticipation of the appointment of an Events Co-ordinator the Committee decided to bring the management of the convention in-house. This has given us control over the planning, budgeting and programming of this major event in addition to providing significant cost savings.

IAAust Seminars

The committee instituted a policy on financial reporting for forums and seminars that requires organising committees to gain prior approval on budgets for their activities and make regular reports. Overall, the seminar and forums programme for 2000 has resulted in a surplus to the IAAust as a contribution towards administrative overheads.

Sub-Committees:

Biennial Convention : A E Merten (Convenor), A M Coleman, J A Lyon, C J Marjoribanks, D Lane, C A Beall, C P Hundleby

Investment: M D Barker (Convenor), V Hua, C W Yang, C A Beall

Professional Indemnity Insurance Taskforce: D G Hart (Convenor), L F Earl, C A Beall

Research & Prizes: J W De Ravin (Convenor), G R Harris, D I Kerr, D G Pitt, S M Szoldra

Special Awards: J W De Ravin (Convenor), G I Burgess, R G Glading, W K Roberts

Technology: M D Schneider (Convenor), M N Batliwalla, F P Chan, J A Farmer, K B Griffin, M-L Hill, A C Lui, M A Robinson, S G Turner, C A Beall

INTERNATIONAL

Purpose: Providing the link with the International Actuarial Association and responsibility for communications between the IAAust and its overseas ambassadors and representative.

Members: M J Gallagher(Chairman to 7/9/00), C W Thorburn (Chairman from 7/09/00), K E Bacon, J D Gribble, B Hinton, M A Hilder, D M Knox, H R Martin, C M Prime, K Roberts, B R Vincent, C A Beall

During 2000 the Committee agreed to:

- Continue to develop the network of Ambassadors and Representatives so that relations with other actuarial bodies are actively maintained
- Pursue recognition of the Australian professional qualification with bodies and in countries deemed advantageous
- Support Catherine Prime in her year as President of the IAA
- Keep Council informed of the progress made in various IAA committees via a formalised reporting structure

Ambassadors/Representatives Appointed During 2000

Kirsten Armstrong	Representative to Russia
Zbigniew Andrzejewski	Ambassador to Poland
Jim Thompson	Ambassador to South Africa (following the return of Julie Evans to Australia)
Ken Wong	Ambassador to Hong Kong (following the return of Rachel Eagleton to Australia)
David Waples	Contact for Taiwan
Lyndon McMullen	Ambassador to Korea

IAAust. Representatives on IAA Committees

Accreditation	David Knox
Advice and Assistance	Kerry Roberts
Education	Claire Bellis
Public Statements	Rod Atfield
IASC Insurance Standards	Clive Aaron
Insurance Regulation	Tom Karp
Social Security	Craig Thorburn
Supranational Organisations	Mark Gallagher
China sub-committee	Catherine Prime

Mutual FIAA Recognition

The IAA Australia is seeking mutual recognition with the professional bodies in the following countries:

India	Interested in adopting accredited member approach:
New Zealand	Interested in entering into an agreement
Taiwan	Formal confirmation currently being obtained
Poland	bigniew Andrzejewski currently investigating

Mutual recognition has already been agreed with the following organisations during 2000:

Institute of Actuaries, London	Society of Actuaries, US
Faculty of Actuaries, Edinburgh	Society of Actuaries in Ireland
Canadian Institute of Actuaries	

Approval from Council was given to sign an agreement with Japan so that their members can become IAAust Correspondent members and IAAust members can become Correspondent members of the Japanese Society.

PROFESSIONAL AFFAIRS

Purpose: Facilitating the development of professional standards and other services for actuaries, and undertaking research for relevant industries.

Members: C M Brennan (Chairman), J W De Ravin, A G Haintz, P R Muir, K S Pike, B P Smith

Matters of interest occurring in the various Committees, that report through this Council Committee, have been:

Professional Standards

Reconsideration of the role of the Senior Actuary.

Mortality

Production of the Mortality Investigation IAAust 95-97 M&F Graduated Mortality Tables intended for release after discussion at the Life Insurance Forum, November 2000

Production of the Report on Industry Funds Investigation 1994 - 95, which reported on the mortality experience of industry superannuation funds over that period differentiated into blue and white collar funds.

For IFSA, an investigation of Australian AIDS claims of IFSA member companies to 31 December 1998

Disability

Data collection and analysis for the 2000 Report of the Disability Committee, covering years 1995 – 1998 inclusive. The intention is to have the report for discussion at the Life Insurance Forum, November 2000.

Best Estimates Taskforce

Circulation of proposed criteria for use in the calculation of best estimates for a range of parameters, highlighting different approaches taken by actuaries in different practice areas.

Sub Committees

Professional Standards: A G Haintz, M M Thompson

Experienced Studies: K S Pike (Convenor), C M Brennan, E Fabrisio, P R Muir, J H Pollard, B P Smith

Mortality Investigation: P R Muir (Convenor), A C T-W Mak, P Chan, A P Gale, C D Murphy, S O'Carra, L G Tickle, G Whittaker, J Wildgoose

Disability: W L Young (Convenor), D R Stevens, R M Dayly, B P Smith, H T T Bui, J G Hocking, K R Hopper

Discount Rates Taskforce: I A Pollard (Convenor), M C Burgess, R M Daly, C J Marjoribanks, G C Martin, B J Palte

PUBLIC AWARENESS

Purpose: Marketing and promotion of the IAAust, its activities and the achievements of actuaries, and overseeing IAAust publications.

Members: M S Howes(Convenor), S R Antcliff, C S Bellis, A J G Brown, P A Carrett, G C Martin, P J Stott, D E Wilkinson, D Lane, C A Beall, J C Ferguson.

The Public Awareness committee was established in February 2000 with the main aim of raising public awareness of the profession.

Key initiatives during the year have been:

- Updating and implementing the IAAust's Marketing Plan
- Developing the new IAAust website with greatly enhanced features and services for members and other users
- Developing a new IAAust brochure to market the actuarial profession
- Reviewing the role and content of Actuary Australia. Re-vamping its content and overseeing its publication. The 'look' of the publication is next on the agenda
- Reviewing the role and content of the Australian Actuarial Journal and overseeing its publication
- Progressing the planning of CEO round table luncheons
- Developing a media training program for key IAAust spokespeople
- Organising media coverage for the Actuary of the Year function
- Overseeing liaison with the accounting profession (from August 2000 the Accountants Liaison and International Accounting Standards Committees will report through the Public Policy Council Committee).

From August 2000 the Committee for the Future has split into two groups. The first group is a new Practice Committee on Greenhouse Gas & Energy Markets, which will report through the Public Policy Council Committee.

The second group is the newly formed Futurism Committee, which will work on specific projects and will continue to report to the Public Awareness Council Committee. Two of the current projects of the Futurism Committee are:

- valuation of natural resources; and
- sustainable investments.

Sub Committees

AAJ Editorial: C S Bellis (Editor), M E Beer, J P Hickey, R W Krajewski, I N Robinson, S A Sweeney, L G Tickle, D A Zaman

Actuary Australia : S R Antcliff (Editor), P J Stott (Co-Editor), M J Dwyer, C C Ringstad, B G Thomson, C A Beall

Futurism: A J G Brown (Convenor), A R Barker, C S Bellis, G Choudary (Macquarie University), M W E Cone, W H Dowsley, J P Green, K Johnson, A P Leung, L O'Neill (Melb. University), A G Scott, J Watt

PUBLIC POLICY

Purpose: Co-ordinating and initiating the IAAust response to a wide range of public policy, legislation reforms and industry regulation issues.

Members: H R Martin(Chairman),P A Carrett, P M Carroll, J M Newman, M J Rice, F Rowley, G B K Trahair, D E Wilkinson, J C Ferguson

The Public Policy Council Committee (PPCC) includes representatives of all Practice Committees and relevant taskforces. The PPCC's terms of reference include policy development, internal liaison and communication, and external liaison.

Policy

Policy issues are discussed to guide the work of the Practice Committees and taskforces and enable a good flow of information across all practice areas, for example an issue currently under discussion is the IAAust's policy position on legislated roles for actuaries.

Submissions and issuing policy statements

Throughout the year, the Committee has overseen and/or contributed to the drafting of a large number of submissions by the Practice Committees and taskforces on behalf of the IAAust.

They include submissions concerning:

- the National Strategy for an Ageing Australia Discussion Papers;
- PHIAC's proposed capital adequacy/solvency standards for health insurers/funds;
- the Privacy Amendment (Private Sector) Bill 2000;
- CLERP 6 / Draft Financial Services Reform Bill;
- segregated pension assets/ the government's proposed changes to the tax exemption of investment income related to pension liabilities;
- the proposed international accounting standard for insurance;
- APRA's proposed Prudential Standard on liability valuations for general insurers;
- the Financial Sector Legislation Amendment Bill (No.1) 2000, which is intended to strengthen the enforcement and penalty provisions of the Superannuation Industry (Supervision) Act 1993;
- a proposed Bill to require quarterly (rather than annual) Superannuation Guarantee payments;
- amendments to the SIS Regulations to restrict the ability of certain superannuation funds to self-insure;
- the social security treatment of non-performing superannuation funds;
- the superannuation surcharge; and
- the Family Law Legislation Amendment (Superannuation) Bill 2000.

A policy statement on Choice of Funds Disclosure was also issued.

Appearing at hearings and before inquiries

The IAAust was invited to give evidence before a number of inquiries. For example, we appeared before the Senate Select Committee on Superannuation and Financial Services regarding prudential supervision and consumer protection for superannuation, banking and financial services and also regarding the Financial Sector Legislation Amendment Bill (No.1) 2000.

Initiating discussions and meetings

The IAAust has initiated a number of meetings to discuss policy and technical issues. These meetings help to build relationships, raise our profile and increase our influence, and in 2000 have included:

- The Australian Taxation Office and Treasury to discuss issues related to the Ralph reforms and with the ATO in relation to the superannuation surcharge.
- The Attorney General's Department and Treasury in relation to the draft legislation dealing with superannuation and family law.
- Discussion on reform of superannuation took place with Peter Crone from the Prime Minister's Office, Simon Crean MP (Shadow Treasurer) and Kelvin Thomson MP (Shadow Assistant Treasurer), and further meetings are scheduled to take place with Peter Costello MP (Treasurer) and Senator Rod Kemp (Assistant Treasurer).
- Meetings with Brian Gray and others from APRA to discuss the general insurance standards that APRA is developing.
- Representation to government, the Opposition and Democrats to discuss genetics and insurance have helped to raise awareness of our interest and knowledge in this area.

Press releases

All IAAust submissions are published on our website. The PPCC also oversees the issue of press releases in relation to policy issues such as the press releases issued to announce the IAAust's views in relation to genetics and insurance, and to announce the release of our Choice of Fund Disclosure Policy.

Liasing with other industry and professional groups

The PPCC has overseen the IAAust's liaison with other bodies in relation to a number of ad hoc policy issues. Together with the Simple Super taskforce we have been involved in a series of meetings regarding the reform and simplification of superannuation with ASFA, IFSA, ICAA and others.

The IAAust has become a founding member of the Australian Financial Services Training Alliance (AFSTA) established by AXISS, the Australian Centre for Global Finance. AFSTA is an educational alliance providing

a central source of information on training providers in the financial services sector and is primarily being marketed towards the Asia /Pacific region.

Submissions database

The PPCC initiated the creation of a database of IAAust submissions dating from 5 March 1999. This database enables the IAAust to keep track of its submissions, their progress and impact upon outcomes. The database is currently being reviewed by the various committees and taskforces and will be included on the IAAust web-site.

Sub Committees

Ageing Australia Task Force: M J Rice (Convenor), G S Langton, R C Madden, R J Stevens, B W Walker

CLERP 6 Task Force: G W Walker (Convenor), , P Chun, A W Doble, G S Langton, J W S Pascoe, M J Rice, R A Rowlinson

Prudential Regulation Task Force: K B Griffin, F Rowley

In April, the Taskforce drafted the IAAust submission to the Basel Committee on Banking Supervision, in relation to the Committee's proposals for a new capital adequacy framework to replace the previous 1988 Accord. Since then, the taskforce has been inactive, but expects in the near future to make submissions to the International Association of Insurance Supervisors as that organisation pushes forward the development of international solvency standards for insurers.

Accountants Liaison: C G Aaron (Convenor), G M Atkins, K E Doran, G S Langton, R P Mangano, G C Martin, P C Martin, D Rippon,

International Accounting Standards: G M Atkins, D M Goodsall, C A Jared, G S Langton, G C Martin

Genetics Taskforce: A W Doble (Convenor), K Barlow-Stewart, S D Ferris, S Khor, P Stapleton, C W Thorburn, G Whittaker, J C Ferguson

Tax Reform Taskforce: J L Maroney (Convenor), F Rowley

Simple Super Taskforce: C A Nance (Convenor), H R Martin, T W Williams, J L Maroney, D M Knox, J C Ferguson

DIRECT REPORTING TO COUNCIL

Professional Guidance Committee: J R Trowbridge (Convenor), A M Coleman, D M Knox, R S Mitchell

Disciplinary Procedures Task Force: J Graham (Convenor), D I C Kerr, I N Robinson

Professional Standard Committee: A G Haintz, M M Thompson

PS500 Task Force: R H Lyon, J W Smit

Professional Conduct Committee: W H Carter (Convenor), G F Burgess, T C Jenkins, K W McLeod, W K Roberts, F M Ross, G C Taylor, G B K Trahair

Practice Committees

BANKING & FINANCE

Members: D E Wilkinson (Convenor), P A Carrett, T J Kyng, K A Martland, E L Ranson, F Rowley, R I Thomson

The major areas of activity during 2000 were:

- The presentation of an IAAust seminar on funds management attended by a number of senior executives of the funds management industry. The aim of the seminar, run jointly with the Investment Practice Committee, was to increase the awareness of the actuarial profession in the funds management industry.
- Compilation of a database of IAAust members working in banking and finance areas, and the development of a forum to discuss issues of relevance in the areas. Discussions have commenced with other relevant specialist bodies in banking to provide joint activity.
- Presentation of material at banking and finance industry meeting (e.g. AIBF) and providing an opportunity for banking and finance specialists to hear actuarial speakers. Encouragement of the presentation of papers on banking and finance to IAAust members (e.g. 2001 Actuarial Convention).
- Management control of the IAAust finance examination. The content and delivery of the finance paper is under review. A course specifically on banking for IAAust members is currently being planned at CPD level.

GENERAL INSURANCE

Members: B A Watson (Convenor), C Glasby, D G Hart, R D Hoskinson, A J Huszczo, C J Marjoribanks, T J Pratt, G B K Trahair, B H Ward, S J Wilson

One of the major issues affecting the general insurance industry this year has been APRA's program for reforming prudential supervision of the industry. A key aspect of these reforms is new liability valuation and capital adequacy standards which build on work done by earlier IAAust working groups. APRA has also proposed for the first time a statutory role for actuaries advising general insurance companies on outstanding claims and unexpired risk provisions.

The IAAust has continued to play a central role in the reform process and has submitted detailed responses to a number of discussion papers and draft standards issued by APRA throughout the year. This work has demanded a heavy commitment of voluntary time by a number of members, in particular the Financial Reporting Sub-Committee headed by Christa Marjoribanks. APRA's reform program will continue to occupy the Committee's time and attention during 2000/01.

Other important activities of the Practice Committee during the year include:

- Preparation of sections of the IAAust's response to the International Accounting Standards Committee's discussion paper on accounting for insurance liabilities
- Active involvement in aspects of GST implementation for the insurance industry
- Organisation of another successful General Insurance Seminar in December 1999 and preparation for the 2000 Accident Compensation Seminar
- Review of Guidance Note 351 on premium rate filings for the NSW Motor Accidents Compensation scheme
- Delivery of the general insurance course material, tuition and exam.

Sub Committees

Accident Compensation: R A Buchanan, P J C Chappell, P A Driessen (from July), C Glasby (to June), M J Playford, A D Smee, B H Ward, K A Whittred

Financial Reporting: V S Baker, C J Marjoribanks, C O'Dowd, H G Onions, I J Petersen

Education: A J Bendall, D G Gifford, G C R Harrex, G V Trahair, S J Wilson

Examiners: A J Bendall, A J Driussi, A J Greenfield

Accident Compensation Seminar: R D Hoskinson, L N Simpson, S J Wilson

GREENHOUSE GAS & ENERGY MARKETS

Members: C S Bellis (Convenor), G Choudhary, W H Dowsley, J P Green, B Hinton, T J Kyng, S D McCarthy, R Yeow, J C Ferguson

This committee was formed at the end of the year with the following aims:

- Raise the profile of actuaries working in this field
- Promote research on relevant topics of national interest
- Educate actuaries not working in this field
- Promote community interest in this field
- Facilitate better investment decision making for projects impacted by greenhouse issues

HEALTH

Members: D M Torrance (Convenor), M H Baxter, C M Brennan, P M Carroll, J W De Ravin, A P Gale, T Gervasi, R C Madden, R J Paton, B W Walker, D B Watson

The Health Practice Committee has been focussing its efforts on developing the skills of, and opportunities for, actuaries in the health arena. The committee has been active over a wide field with a great deal of its work being conducted through sub-committees.

The Education Subcommittee held its second CPD course 'Actuarial Practice in Health Insurance' during the year. The course attracted actuaries from both Australia and overseas. A feature of the course was the involvement of the regulator, the Department of Health and Aged Care and other industry stakeholders. The committee continues to move forward in respect of education in wider Health Financing with a successful workshop being held in September to canvass the views and enlist the support of a number of stakeholders in the health sector.

The Professional Standards and Legislation Subcommittee has produced a number of submissions to government and PHIAC following consultation with the Committee and the Presidential trio. The major submissions have been in respect of the Solvency and Capital Adequacy Standards for health insurers, and the Privacy Amendment (private Sector) Bill. The subcommittee is in the process of developing a guidance note following the finalisation of the Solvency and Capital Adequacy Standards by PHIAC.

The Experience Studies subcommittee has proposed to PHIAC improvements to private health insurance industry data collection and is continuing discussions with PHIAC on the proposal.

The Wider Fields Subcommittee is continuing to pursue opportunities outside the pure health insurance sector. The subcommittee is working with the Australian Private Hospitals Association in relation to the measurement of risk and profitability.

The Long Term Care Subcommittee and the Health Financing Subcommittee are working to develop proposals for Council following on from the issues raised by the Financing the Ageing Committee.

The Health Practice Committee will continue to address issues where we believe we can add value and raise the profile of actuaries in the health industry. We will also continue to work to increase knowledge of health financing issues within the profession.

INVESTMENT & FUNDS MANAGEMENT

Members: P A Carrett (Convenor), P Chun, M J Hickling, S E Holstein, M J Monaghan, Y K Y Ooi, J W Pascoe, P F Scully, C W Yang

The newly formed Investment and Funds Management Practice Committee represents a merger of the Funds Management and the Investment Practice Committees. The aim of this merger is a more efficient use of the Institute's resources in these related fields of endeavour.

The interests of the merged committee is an amalgam of its predecessors', namely:

- The business of funds management; and
- The science/art of investment management.

Within these areas of endeavour, the objectives of the committee are fourfold:

- The development of the profession's intellectual capital;
- Showcasing this intellectual capital via seminars for both the profession and the industry;
- Maintaining a strong Investment Management course for the Part III examinations; and
- Facilitating the contribution of the profession to industry issues.

The Committee achieved two major milestones over the course of the past year:

- The Fastforward 2010 funds management forum for senior decision-makers in the funds management industry was held. This forum was successful in bringing together a significant number of the industry's senior executives to discuss long term issues impacting funds management. It is hoped that this will become an annual event.
- A considerable and successful effort was made to update the Part III Investment Management course. Our thanks go to the dedicated team responsible to this effort, in particular Robin Lipman and Michael Barker.

LIFE INSURANCE

Members: F Rowley, (Convenor), C G Aaron, G R Einfeld, C Hett, D G Hotchkies, R H S Lyon, P R Mangaro, G C Martin, R I Thomson

Early in the year, the Committee issued Discussion Notes on the implementation of AASB 1038. These notes achieved the objective of stimulating debate on a range of practice issues, and facilitated the development of a body of practice in that area.

Some investigative work has been carried out by the resilience working party, to review the research results underlying AS2.02 and 3.02. A report has yet to be finalised.

International Accounting Standards

In the first half of the year, members of the subcommittee assisted the IAS Taskforce in developing a detailed submission to the IASC on behalf of IAAust, discussing its proposals for 'fair value' reporting. Comments were also made in International Actuarial Association (IAA) discussions. The submission argued for a greater freedom on choice of methodology for fair value of liabilities than was originally envisaged by some IAA committee members.

Tax and Legislation

Members of the Tax & Legislation subcommittee were heavily involved throughout the year in various stages of the Ralph Review. Some members were also involved in consultations with the ATO and Treasury on detailed issues of implementation, and reviewed draft legislation, and ATO guidance papers. Some IAAust ideas on methodology were reflected in the legislation, which also included roles for 'eligible actuaries' in the tax calculation.

The LIPC also reviewed the impact of the new legislation on LIASB standards and other guidance. Four discussion papers have been issued, and a further two are in preparation. These papers are intended to clarify the impact of changes in the context of current guidance. To date, no changes to professional guidance have proved necessary, although an issue has been raised with AS4.01.

SUPERANNUATION & OTHER EMPLOYEE BENEFITS

Members: G S Langton (Convenor), N C Callil, J Humphreys, J M Newman, S M Partridge, P A Shallue, J Walton

During this year the Committee's major activities related to:

- Improving the profile of the superannuation actuary amongst University students.
- Providing commentary to the Government on a range of legislation changes which impacted on superannuation funds.
- Preparing a Policy Statement on Disclosure when Choice of Fund is introduced.

The Committee has three sub-committees and the work undertaken by these sub-committees during the year is outlined in the reports that follow.

Special Projects: N Callil (Convenor), C R Grenfell, G Langton, S Partridge

During the year, a task force finalised the Institute's Policy Statement on Choice of Fund disclosure.

The Sub-Committee was also involved in assisting the accounting profession review the AAS25 accounting standard for superannuation funds.

Education: J Humphreys (Convenor), S D Ferris, G J Humphrys, S Sweeney

The major focus of the Education sub-committee during the year was the organisation of the Superannuation Forum. The Sub-Committee also reviewed PS400, finalised the 2001 course, updated a marketing brochure targeted at University students, assisted in a review of the method of communicating information on superannuation matters to actuaries and developed a marketing plan for the 2001 Convention targeting superannuation actuaries.

Regulations: P A Shallue (Convenor), W King, A P Leung, D J McNeice, C Moran, M Murphy, J D Ward, D Watson

During the year the Regulations Sub-Committee was involved in ongoing work with the ATO related to proposed changes to existing Surcharge legislation. The other major areas of activity included the development of a Guidance Note relating to pension fund certification, the preparation of a response to proposed Government changes to the taxation of assets supporting pensions and the clarification of a number of administrative Surcharge issues with the ATO. The Sub-Committee also assisted in the preparation of comments by the Institute on superannuation issues raised by the Government from time to time.

During the year, a Task Force was involved in industry consultation with the Government regarding the development of legislation concerning superannuation entitlements on marital separation.

FRIENDLY SOCIETIES

Members: C J Stevenson (Convenor), M J Dwyer, R M Fitzherbert, F P Funder, A P Gale, A L Truslove

The major focus for the Committee has been its contribution to the development of regulations relating to Friendly Societies being issued by the Life Insurance Standards Board.

The Institute of Actuaries of Australia

Report of Council for the year ended 30 September 2000

Council submits herewith their report on the Institute for the year ended 30 September 2000. In order to comply with the provisions of the Corporations Law, the Council reports as follows:

The Institute is a company limited by guarantee and is licensed under Section 383 of the Corporations Law to be incorporated without the word 'Limited' in its name.

Council fulfils the role of the Board of Directors.

The members of Council in office at the date of this report are as follows:

D M KNOX BA, PhD, FIA, FIAA - President, Council Member, Member of Simple Superannuation Taskforce, Member of International Committee and Professional Guidance Committee. Born 28/12/53. Elected to Council in 1996.

David is Director, Actuarial Consulting Services, PricewaterhouseCoopers. He was previously Professor of Actuarial Studies, University of Melbourne. David was previously on Council 1985-88 and has served on the Education Policy Committee 1988-91, Education Management Committee 1991-96, Retirement Income Policy Committee 1993-97, Membership Committee 1985-91, Resources Planning and Recruitment 1986-89, assisted in preparation of 'Readings in Institutional Investment' (with M Sherris) 1987, published 'Index Linked Government Securities' 1984, 'Unifying Fundamentals of Actuarial Science' (with others) 1996, 'Education and Professionalism - Towards a Global Profession' (with others) 1997, co-author 'The Development of Some Criteria for Equity in National Retirement Income Systems' 1997, and many superannuation related papers. He was Actuary of the Year in 1996. In 1998 David was appointed to the Board of APRA. He is also on the Accreditation Committee of the International Actuarial Association.

A M COLEMAN BA, MBA, FIA, FIAA - Senior Vice President, Council Member, Chairman of Council Finance & Administration Committee. Born 29/4/54. Elected to Council in 1996.

Tony is a Partner of PricewaterhouseCoopers specialising in Corporate Finance and Financial Services Consulting. Tony has served on the Investment Practice Committee 1993-96, Life Insurance Financial Reporting Sub-Committee 1993-94 and has been a Tutor in Investment. He published 'Analysis and Optimisation of Leveraged Leases' 1981, was co-author of 'Valuation of Life Insurance Companies' 1992, developed 'Success Storiesæ Presentation Material on Actuarial Profession' in 1995, and co-authored 'Measurement of Capital Adequacy for Financial Product Providers æ A Submission to the Australian Financial System Inquiry' in 1997. He chaired the University Financing Taskforce in 1999.

H R MARTIN BA, FIAA - Vice-President, Council Member, Chairman of Public Policy Council Committee, Member of Council Finance & Administration Committee, International Committee and Simple Superannuation Taskforce. Born 30/11/61. Elected to Council in 1997.

Helen is a Principal of Towers Perrin and their Senior Actuary. Helen has served on the Superannuation Practice Committee 1991-1999, Programme Committee 1996-99, University Finance Taskforce 1999, Chief Tutor for Superannuation 1989-1991, a tutor and marker for Superannuation 1992-1995 and was the Superannuation Course Coordinator 1991-1992.

C S BELLIS BA, MA, FIA, FIAA - Council Member, Member of the Public Awareness Committee and the Committee for the Future, Chairman of the Greenhouse Gas & Energy Markets Practice Committee, Representative on the Education Committee of the International Actuarial Association. Born 6/8/54. Elected to Council in 1997.

Clare is a Senior Lecturer in Actuarial Studies at Macquarie University. Clare has served on the Resources and Planning Committee 1990, the Education Management Committee 1995-96, the Awards and Prizes Committee 1997-99 and the Publications Committee 1996-1999. She is co-author of 'The Education of Australian Actuaries: Improving the Quality of Learning' 1993, author of 'The Future Managers: Actuaries in

Australia 1853-1997' 1997, and 'Professions in Society' 2000, and joint editor of the Transactions of the Institute of Actuaries 1997. She is currently the Editor of the Australian Actuarial Journal.

C M BRENNAN BA, BSc, AIA, FIAA - Council Member, Chairman of Council Professional Affairs Committee, Member of Health Practice Committee. Born 15/5/53. Elected to Council in 1998.

Cherry is employed as a Consultant in the Health Practice of Trowbridge Consulting. Cherry was a member of the Mortality Committee during 1998 and 1999 and a member of the Health Practice Committee since 1997. Prior to 1991, for a number of years, Cherry helped redraft superannuation course notes and has been a superannuation tutor and examiner.

J W De RAVIN BSc, BEc, MBA, FIAA, FIA, FNZSA, CPA - Council Member, Chairman of the Research and Prizes, Special Awards and Long Term Care Committees, Member of the Council Professional Affairs, Experience Studies, Health Practice and Health Financing Committees. Born 18/5/56. Elected to Council in 1999.

John is Company Actuary to Munich Reinsurance of Australasia. Before his election to Council he was Assistant Tutor or Assistant Examiner in Life Insurance, General Insurance & Investment during 1986-99. He is co-author of 'Standard Methods of Estimating Outstanding Claims' 1984, 'Long Term Care, Disability and Ageing' 1995; and author of 'The Management of Disability Income Claims' 1998.

A P GALE BSc, ASIA, ASA, FIAA - Council Member, Member of the Health Practice Committee and Mortality Investigation Committee. Born 16/9/64. Elected to Council in 1997.

Andrew is employed as the Actuarial Manager for Medibank Private. Andrew has served on the Health Practice Committee 1997-2000, Financing the Ageing Committee 1998 - 1999, Council Financial Services Committee 1997, Life Insurance Practice Committee 1999, Mortality Committee 1999-2000. He has been an Examiner General Insurance 1991-1992 & 1996, Examiner Life Insurance 1998 and co-author 'Model of a Private Health Insurance Fund' 1996, co-author 'New Membership Categories in Private Health Insurance' 1997, co-author 'Collection and Analysis of Health Insurance Experience 1999, co-author 'Insuring the Health of Kiwis and Aussies' 2000.

D G HART BSc, FIA, FIAA - Council Member, Member of Council Finance & Administration Committee, and Chairman Council Education Committee, and member of the General Insurance Practice Committee. Born 7/7/46. Elected to Council in 1998.

David has operated his own consulting practice since 1991. Prior to this he worked for Tillinghast and AMP. He is co-author of 'Actuarial Practice of General Insurance'. He has written several papers on general insurance topics and was co-author of the Education Management Committee Paper 'Meeting the Challenge of Specialist Education' 1997. David was a member of Council from 1987-1989, a member of the General Insurance Practice Committee (1982-1995), and Chairman of the Board of Examiners (1992-1995).

M S HOWES BEc, FIAA - Council Member, Chairman of Council Public Awareness Committee. Born 2/7/68. Appointed to Council in August 2000.

Melinda is a Senior Vice President of BT Funds Management Ltd where she has been employed since 1993. Prior to this she was with Prudential. She assisted with the re-writing of the Superannuation course in 1998 and spent two years tutoring superannuation. She has served on the Simple Super Taskforce, the Funds Management Practice Committee and the Education Subcommittee.

C G LEWIS BSc (Hons), FIA, FIAA - Council Member. Member of the Council Finance and Administration Committee and Experience Studies Committee. Born on 30/3/51. Elected to Council in 1997.

Chris is employed as Senior Actuary, Corporate Tax at AMP Limited, and is also their Senior Actuary. He has served on the Institute's Tax Reform Task Force.

J M NEWMAN BBusSc (Hons), FIAA - Council Member, Member of Council Superannuation and Employee Benefits Practice Committee, Public Policy Council Committee and Prudential Regulation Taskforce. Born 7/12/52. Elected to Council in 1998.

John is an Executive Director of William M Mercer. He was previously a Partner in E S Knight & Co when that firm was acquired by Mercer in 1985. He was a member of the IAAust University Financing Taskforce (1999).

M J RICE FIAA - Council Member, Member of Public Policy Council Committee. Born 5/11/54. Elected to Council in 1998. Michael is a Director of Rice Kachor Research and Managing Director of Phillips Fox,

Actuaries & Consultants. He is the author of 'Industry Superannuation in Australia' (with Lally & Newman), and 'The Age Pension (Our Unstable Pillar)'. He has participated in the Tax Reform Taskforce, the Financing the Aged Committee and the Ageing Australia Taskforce.

F ROWLEY MA, FIA, FIAA - Council Member, Chairman Prudential Regulation Taskforce, and Chairman Life Insurance Practice Committee. Born 18/2/50. Elected to Council in 1999.

Fred is Chief Actuary in the Corporate Office of AMP Ltd. Co-Author IAAust submission on Conglomerate Regulation 1999; IAAust Submission to Basel Committee on Banking Supervision 1998; IAAust Submission to APRA on Prudential Regulation 1999. He represents the Institute on the Advice and Assistance Committee of the IAA. He was Chairman Tax & Legislation Sub-committee Life Insurance Practice Committee 1998-1999.

C W THORBURN BEc FIAA ASA – Council Member, Chairman Council Education Committee, Chairman International Committee. Born 23/01/64. Elected to Council 1999.

Craig is the General Manager, Diversified Institutions at the Australian Prudential Regulation Authority (APRA) and the Senior Actuary at APRA having previously been Deputy Commissioner – Life Insurance and Australian Government Actuary at APRA's predecessor the Insurance and Superannuation Commission (ISC). He is author of 'Birth, Death, Passports & Pensions' Sessional Paper 1999; 'The Relative Capital Requirements Imposed for Providers of Capital Guaranteed Retirement Savings Accounts' 1997. He acts as representative on the IAA's Social Security Sub-committee and is the chairman of the International Association of Insurance Supervisors Sub-committee on Solvency, Solvency Assessment and Actuarial Issues. He is also a member on the International Joint Forum Working Group on Risk Assessment and Capital Issues for Conglomerates, and the Insurance Committee of the OECD. Craig is an Adjunct Fellow in Actuarial Studies at the Australian National University and a member of the advisory board to the Centre for Actuarial Studies at the University of Melbourne.

D J WALKER FIAA – Council Member, Member of Council Education Committee. Born 26/5/64. Elected to Council 1999.

Donna works for CGU Insurance Ltd within the actuarial and statistics team. She has served on the Health Practice Committee 1998-99, including convening the Education Sub-committee of the Health Practice Committee 1999, and the Education Management Committee 1998. Donna has been an examiner in Superannuation 1997-98; tutor in Superannuation 1995-96; and Project Manager for the development of the CPD course 'Actuarial Practice in Health Insurance' in 1998.

C W YANG BEc(Hons), FIAA, SIA(Aff) - Council Member, Member Investment & Funds Management Practice Committee, Investments sub-committee of the Council Finance & Administration Committee. Born 26/02/65. Elected to Council 1999.

Andy is a Portfolio Manager in County Investment Management's Structured Investment Group. He was previously Vice President with Bankers Trust in Asia and Australia. Andy has been an Examiner Investment Management 1995-96; Tutor Investment 1993-94; and helped write the latest Investment Management course. He has published 'Fair Exchange- Getting the Best Out of Transition Management' 2000; 'Calculated Risks for Satisfying Returns' 1997; 'Overlays – Choosing the Benchmark' 1997; 'A Theoretical Basis for Measuring Overlays' 1996; 'Asset Overlay Products - Benchmarking Overseas Assets' 1996; 'Valuing an Annuity Quotation Guarantee' 1993; 'Using the Black-Scholes Option Pricing Formula to Value the 14 day Fee Lock period' 1992; 'The Delta of the Merton Proportional Dividend European Call Option Pricing Formula' 1992; 'A Note on the Normal Distribution and Mean-Variance Space' 1989. Andy is also an affiliate of AIMR, a member of the Q-Group and is participating in the P-Group's after-tax performance sub-committee. All Members of Council are Fellows of the Institute of Actuaries of Australia.

Seven meetings of the 1999/2000 Council were held since the last Annual general Meeting. The following is a record of attendance, (Meetings Attended:No. of meetings):

Clare Bellis	6:7	Helen Martin	6:7	
Cherry Brennan	6:7	Richard Mitchell#	5:7	# Past President
Anthony Coleman	5:7	John Newman	7:7	
John De Ravin	7:7	Barry Rafe*	2:3	*Resigned 11/04/00
Andrew P Gale	7:7	Michael Rice	6:7	
David Hart	4:7	Fred Rowley	4:7	
Melinda Howes	6:7	Craig Thorburn	4:7	
David Knox	7:7	Donna Walker	6:7	
Chris Lewis	7:7	Andy Yang	5:7	

The principal activities of the Institute in the course of the financial year comprised encouraging the study of actuarial science, statistics and other subjects and conducting examinations in relation thereto. The Institute also undertook promotional and administrative activities in relation to the actuarial profession, including the preparation of professional standards. During the year there was no significant change in the nature of those activities.

Operating deficit for the year amounts to \$9,733. A net amount of \$200,115 has been transferred to accumulated funds from the education and prize funds reserves.

No significant change in the state of affairs of the Institute occurred during the financial year not otherwise outlined in the accounts or notes thereto. The operations of the Institute for the year, were similar to that of the previous year.

No matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Institute, the results of those operations or the state of affairs of the Institute in the financial year subsequent to 30 September 2000.

The Members of Council believe that there are no likely developments in the operations of the Institute and the expected results of those operations in the financial years subsequent to 30 September 2000 which need to be brought to your attention.

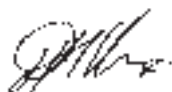
Council members receive no remuneration or other benefits. No Member of Council, since the end of the previous financial year, has received or become entitled to receive a benefit by reason of a contract made by the Institute with a Member of Council or with a firm of which s/he is a member or with a company in which s/he has a substantial financial interest for services rendered in connection with the activities of the Institute, except as disclosed in Note 14 to the Financial Statements.

During the financial year, the Institute paid a premium in respect of a contract insuring the Council Members (as named above), and all Executive Officers of the Institute against a liability incurred as such Council Member's or Executive Officers to the extent permitted by the Corporations Law. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Institute has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Institute against a liability incurred as such an officer or auditor.

Signed in accordance with a resolution of Council.

On behalf of the Council.



D.M. KNOX
President



A.M. COLEMAN
Senior Vice President

Sydney 10 November 2000.