2014 Year in Review

Making our Mark



A wealth of insights

Introduction

Actuaries are continuing to make their mark on the big questions facing business and society. Now more than ever, Australia needs actuaries to provide direction on financial and longevity challenges. With life expectancies rising and digital data amassing at unprecedented rates, the overriding skill of an actuary – to assess uncertain future outcomes – is highly valuable.

Brand Actuary

Brand 'Actuary' is already well entrenched as highly intelligent and analytical. Actuaries explain 'what the numbers mean' – distilling complex numerical analysis to show the key impacts for business, government and the community.

That's why in 2014 the Institute focused on bolstering the profession's reputation by demonstrating the breadth of the actuarial skillset through the *See what we see* campaign. This will continue in 2015 and beyond.

By making our mark as trusted advisers to business, government and the community we continue to promote and grow our brand.

That's why in 2014 the Institute has been on the front foot with public policy contributions showcasing the unique value of actuarial insights. In 2015 the Institute will work to extend the profession's influence further with key decisionmakers and employers.

Actuaries are uniquely placed to be 'professionals of choice' in data analytics, and big data. They have the skills and expertise to take advantage of emerging opportunities in banking.

That's why in 2015, the Institute will engage with employers to highlight the value the profession can bring to these industries.

Helping actuaries build their skills to be at the forefront in a fast-moving and challenging commercial environment is a key focus for the Institute. That's why in 2015, we will continue to seek best practice in qualifying education and build a stronger CPD program.

The Institute is committed to positioning brand 'Actuary' to take advantage of future challenges and opportunities. This will ensure that in 2015 and beyond, the profession makes a unique and extremely valuable mark.





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From the President

Daniel Smith reflects on the marathon of domestic and international collaborations and new insights into the actuarial profession, in his 2014 Presidential year.

What's been the highlight of 2014 for you as President?

There have been a range of highlights; one standout was being able to make the phone call to Peter Martin as Actuary of the Year and hearing his reaction of disbelief. I also really enjoyed awarding new Members their qualifying certificates. A lot of hard work goes into qualifying and it's good to be the giver of gifts.

What's your Presidential legacy?

I don't think that a President should feel the need to leave a legacy of any particular kind. It's more about the Institute and Council moving forward on its strategy and I feel like we've done that. I wanted to have more transparency within the Institute and more openness with Council and I believe we've achieved at least some of that.

Are you ready to pass the Presidential baton on?

I'm ready but I'm nowhere near as ready as my wife is! The role takes a lot of time especially when you're travelling and still needing to do your day job. The team that misses out the most is family so they're the ones who will get that extra time back.

What insights have you gained into the actuarial profession through your work at the Institute?

I have gained a better picture of how much the profession has grown over last 10 years. I used to feel like I knew a good chunk of people in the profession but I've realised, there are so many people I don't know. I've attended many more events and conferences this year and met a huge number of Members, most of whom are really enthusiastic about the profession. I've also got a better picture of how diverse we are. The gender balance of young people coming through is close to 50/50 and we're quite multicultural as well.

What's the key challenge facing the profession?

Making sure that we adapt as the environment changes is our biggest challenge. We can't go back in time to know exactly, but I suspect that if we were more on the ball, we wouldn't have let the opportunities in defined contribution and superannuation, largely slip us by because we were so locked into the defined benefit aspects. We've got to change this frame of mind and look forward. We've got to really invest in big data analytics and banking prospects and make sure actuaries are seen to be 'professionals of choice' in those areas. If we don't do that then somebody else will grab the opportunity and we could find ourselves marginalised.

How can actuaries make their mark in the business world?

The Institute, Council and Committees need to be forward thinking enough to provide whatever sorts of support they can to help individuals network. Making a mark in new areas really comes down to the way individual actuaries act. We've now got enough examples of people who have forged new pathways and either built up significant firms or got themselves into very senior management positions that show it can be done.

What three words would you use to describe today's actuary?

We have young actuaries, senior actuaries, conservative actuaries and entrepreneurial actuaries, I think respected is a word that fits all types of actuaries, and with that comes trust. Reliable is another one. Smart is often the default answer or assumption that people have, but there are lots of smart professionals around that can solve problems. In an insurance company context, we need to get used to being able to work with lawyers. accountants and economists. "We're going to need to be at the forefront of what happens in data analytics and big data." I think the most obvious differentiator for actuaries is our ability to think long-term. We're used to considering a whole range of potential interactions and scenarios that might arise. Often our competitors are only thinking 12 months ahead and it's hard to develop sound long-term strategies with that mindset. It would be ideal if we had more actuaries involved in government and this is one thing the Institute will be trying to encourage through our public policy work. One of the difficulties is that traditionally, actuaries have earned a considerably higher salary than what may be available to a person assisting government with policy, so perhaps we may need more people passionate about policy who are willing to take a pay cut to get involved.

What's your vision for the profession looking forward?

If actuaries are going to flourish as opposed to being wound back to backroom statutory roles, we're going to need to be at the forefront of what happens in data analytics and big data. We've got to understand what goes into the models and what's in the data; that's where we can differentiate ourselves. We need to be seen as the people who can make sense of the information, not necessarily involved in the technical aspects of big data. That is what our *See what we see* marketing campaign, launched in 2014, is all about.

We're going to need to have our actuaries able to work across multi-disciplinary teams and also across industries. As actuaries, we tend to speak our own language; we need to be able to communicate messages that executives can understand. Moving forward the Institute will work out ways of providing better CPD and other supports that meets the needs of actuaries in the modern commercial world.

Daniel Smith President "We have young actuaries, senior actuaries, conservative actuaries and entrepreneurial actuaries; I think 'respected' is a word that fits all types..."



From the CEO

Reflecting on my first year as CEO of the Actuaries Institute, the two things that strike me most are: the commitment of Members who give back to their profession and help out the Institute, and the high regard which the profession is held by opinion leaders and in the business community.

A great example of the latter was the contribution that we made to the Financial System Inquiry. When we met with the Inquiry Chair, David Murray and Members of his review team, they listened very closely to what we had to say, and our recommendations have been well covered in the final report.

Volunteer-wise a snap shot we took in July this year showed we had 615 volunteers – some 14% of the membership. The Institute exists for, and because of its members. Without our many volunteers working across education, marketing, events, leadership, research and international activities, Institute HQ literally could not do all of its work.

Vision for the profession

Council has recently set-down a strong agenda for 2015-17 and beyond. The five goals for 2015-17 are based on a 'preferred future for 2024'.

One key goal identified is to update and modernise qualifications, in particular, developing a new CPD program. This goes to the heart of the Institute's vision to make actuaries more widely valued and relevant, and will assist the strengthening of ties with our Members in Asia.

Another goal is to continue improving the Institute's member engagement. As part of this we will look to broaden and deepen our involvement to the so-called non-traditional areas of actuarial practice. This has also been picked up in one of the goals for 2015-17. Finally, Council has said that it wants the profession to have more influence and be better known, as a key part of the 2015-17 strategy.

Future challenges

The Institute has an important role to play in terms of helping Members build their skills for future employment. There is going to be other similarly qualified professionals encroaching on the sorts of work and types of jobs actuaries are currently doing. That's why actuaries need to be prepared to look at how they do their work, and how they can best prepare themselves.

First steps were made in 2014 to promote the profession through our public policy work, and the See what we see campaign. The brand marketing campaign has featured twice in 2014, and should continue to do so in 2015.

HQ is always focused on better member engagement and making sure we continue to adapt to new technology to improve our efficiency and reach. Moving into new offices in 2014 was like a new mandate, a fresh start; it's a great place for Members to come and meet each other, and for us to provide the necessary training and service to Members.

Thank you to all of our Members, and especially our volunteers for your support and interest in your Institute in 2014. The Institute's Council also deserves a thank you for its guidance over the past year.

There is no better time for actuaries to make their mark on challenging issues facing Australian government, business and the community at large. I look forward to meeting more Members in 2015 and working with you all to strengthen the profession.

David Bell CEO

"There is no better time for actuaries to make their mark."

Business Delivery in 2014

Business Plan – Projects Report							
Cross-functional Projects							
Project 1.1: Design/Develop more CPD eLearning Courses							
Ongoing	The Whistleblowing eLearning Course development was completed. Development of the 'ERM for Non Actuaries' course currently suspended.						
Project 1.2: Re-design Residential Course – CAP							
Ongoing	This project has been deferred to 2015 due to resourcing constraints.						
Project 1.3: Develop Implementation Plan for the ESWG Recommendations							
Complete	Reports were provided to Council in June 2014 and September 2014. EWSG disbanded and a new group to be formed to take the work forward.						
Project 1.4: Re-design Residential Course – ERM Workshop							
Ongoing	The project (completing the plan and prototype of an online course) has been deferred to 2015 pending consideration of other delivery alternatives.						
Project 1.5: New Part III Assessments – Final Stage							
Complete	The documentation of the new system in the Board of Examiners Handbook completed at the end of 2014.						
Project 1.6: Whistleblowing eLearning							
Complete	Due to a large number of member communications in Q4-2014, a soft launch of the course was delivered in September 2014. A full marketing campaign will be launched early in 2015 to encourage additional enrolments.						
Project 1.7: Professionalism Course review							
Ongoing	Project re-directed from HQ to the Education Council Committee and deferred to 2015.						
Project 1.8: Future direction of the Australian Institute on the International Stage and the impact on its business							
Ongoing	This project was subsumed into the Asian Strategy project.						

Projects driven	by individual business units	
Project 2.1: Build		
Ongoing	Virtual participation model was successfully trialled at the 2014 Financial Services Forum. Based on this, an interactive 2015 Actuaries Summit is considered achievable.	
Project 2.2: Impr	100X	
Ongoing	42 events were held outside Sydney and Melbourne in 2014 (compared to 32 in 2013). CPD Representative appointed in Malaysia. Local actuarial bodies – Society of Actuaries, Actuarial Society of Hong Kong and the Malaysian Actuarial Society – have assisted with promotion of Institute events. Videoconferencing to both Melbourne and Perth completed and work is underway to videoconference Insights sessions with China and New Zealand.	
Project 3.1: Opp		
Ongoing	A survey of university subscribers was conducted to better understand their demographic information, age group, nationality and future career plans. Due to low response rates the benefits offered to this group will be revisited in 2015 with the objective of delivering targeted benefits to increase engagement. Implementation of a policy to deactivate accounts that haven't converted within three years will also be considered.	
Project 4.1: Vibra		
Ongoing	The three key indicators (website traffic, member communications and social media engagement) continue to show steady improvement. It is anticipated that the transition to digital for <i>Actuaries</i> magazine in early 2015 will further encourage online member engagement.	
Project 4.2: Gene	3	
Ongoing	The second phase of the See what we see campaign to promote the profession externally ran from 17 November to 15 December 20104. An update on the metrics and the proposed tactics for the 2015 campaign will be provided to Council at the meeting in March 2015.	
Project 5.1: Upda	· 1. 25	
Ongoing	Banks accounts established in Hong Kong, Singapore, Vietnam and Malaysia. Further accounts to be opened in China, London and Indonesia. The Institute's Exchequer accounting system has been upgraded to multi-currency, Changes to the Aptify database will be finalised in Q1 2015	1.2.

Education

The Education Council Committee (ECC) is responsible for the Institute's professional education program including the Part III exams, university accreditation and continuing professional development.

ECC members come from a range of industry practice areas as well as the universities. In 2014, the ECC was pleased to see the new Part III assessment approach successfully rolled out for all of the Part III subjects. Each subject now has a one-hour multiple choice exam and a three-hour 'real life' long answer paper, using spreadsheets and MSWord documents.

2014 saw the Education Strategy Working Group II (which reported directly to Council) present a 'straw man' plan for Part I and Part II education. After feedback from Council, practitioner groups and the accredited universities, the 'straw man' will be further developed in 2015.

The ECC also began meeting with each of the Institute-accredited universities (Macquarie University and UNSW in Sydney, Monash University and Melbourne University in Melbourne, ANU in Canberra and Curtin University in Perth) on a more regular basis to ensure that communication is open both ways. In the latter part of 2014, the ECC began a review of the university accreditation process and criteria with the aim of updating it to a more outcome-focused approach.

In 2015, a new group, the EDG (Education Development Group) will be responsible for further developing the Education Strategy Working Group's straw man. The ECC will give thought to potential changes to Part III over the coming years – including possibly adding new subject(s) – to enhance the program.

The ECC looks forward to the Institute's revitalisation of actuarial CPD activities with a focus on what's needed at different stages of an actuarial career.

A big thank you to everyone who volunteered as part of our education activities in 2014 – examiners, markers, faculty members, tutors, ECC members, CPD-deliverers, members of working groups and others. So much work is done by people who are already busy, and it's appreciated! The ECC and other educationfocused groups will continue to consult with members and universities during 2015.

Gae Robinson Education Council Committee Convenor



"Our aim is to continue to make courses professionally relevant and in line with best business practices."

Currently we are reviewing the university accreditation process and criteria with the aim of updating it to a more outcome-focused approach.

1.000

Leadership and Career Development

The Leadership and Career Development Committee supports the ongoing development of leadership skills among its Members through education, CPD and mentoring programs. The Committee supports actuaries to be thought-leaders at the forefront of industry developments; to provide strategic leadership; and to grow into the actuaries of the future.

The past year saw the Leadership and Career Development Committee maintain its enthusiasm to develop awareness and knowledge on a variety of aspects of leadership at all stages of our Members' careers. We define leadership in four key ways, through: thought-leadership; people leadership; strategic leadership; and self-leadership.

The Committee presented a number of leadership forums in 2014, with a range of internal and external speakers. In addition it has ensured events across all practice areas had a strong, relevant leadership component. We were well supported by the practice committees in this initiative. A monthly leadership column entitled *Actuaries Taking the Lead* also appeared in *Actuaries* magazine throughout 2014, covering a wide range of topics.

Mentoring Program

The Mentoring Program, established in 2013, improved its training and support for mentors in 2014. Support for the program and feedback from mentors and mentees was continually positive. We observed that the program and the initial information sessions encouraged Members to establish mentor/mentee relationships outside of the formal program. The program continued to focus on supporting these relationships, and encouraging mentees to define their objectives, and mentors to take initiative in organising and managing the process. This approach highlights the self-leadership skills needed to ensure there is real commitment to the process before proceeding.

Looking Forward

In August this year the Committee undertook a review of its objectives to clarify its aims and to establish its focus for 2015 and beyond. This resulted in setting longer-term goals for the next three years.

Valuing Leadership: The Committee will support this by addressing how leadership and 'softer' skills can become a more formal part of the CPD program; reviewing and enhancing messaging from the Institute about career development; and seeking support for these initiatives from senior actuaries and their organisations.

Resources and Opportunities For

Members: The Committee will support the Institute in providing the right tools and programs to enable Members to gain these skills. This will include enhancing opportunities for younger Members; the Mentoring Program; and leadership forums.

Enhancing the External Impact of the Profession: The Committee aims to influence the achievement of this objective by strengthening relationships with Council and the practice committees; support for the Institute's voice on appropriate public policy initiatives; and the leadership content on the Institute website.

Actuaries should be thought-leaders at the forefront of industry developments, providing strategic leadership and developing the actuaries of the future. The Leadership and Career Development Committee looks forward to providing enhanced opportunities to develop member's leadership aspirations and capabilities in 2015.

Jenny Lyon Leadership and Career Development Committee Convenor Actuaries should be thoughtleaders at the forefront of industry developments.

We continue to develop support for young Members through our programs and professional opportunities.

International

The Actuaries Institute's international activities are designed to better prepare and support Members who work internationally; improve Members' access to overseas markets; and leverage international relationships to benefit the profession in Australia.

ICA 2022

At the March 2014 Council meeting of the International Actuarial Association (IAA) it was announced that the 2022 International Congress of Actuaries (ICA) would be held in Sydney. This is a wonderful result and was achieved through the hard work of many people including Presidents John Newman and Daniel Smith and Chair of the Organising Committee Nick Li.

ICA is held every four years. The most recent was staged in Washington DC from 30 March to 4 April 2014, with 1,300 delegates attending from 103 countries. ICA 2022 will be a truly international event, and is a great opportunity to showcase the Australian profession.

Asia Strategy

Council has been working on the Institute's Asia Strategy during the year. The International Council Committee (ICC) has provided considerable input into a background paper for Council. The objectives, as set out in the paper, were to enhance the professional development of, and the long-term employment opportunities for, Australian-trained actuaries in Asia, and to ensure that Asia-based students, who go to Australia for their actuarial education, have a positive experience.

The paper concluded that the key components of the Asia strategy should include: an increased and enhanced CPD offering; increased member networking opportunities and events; providing dedicated on-the-ground support in Asia and at HQ, to implement the strategy; active collaboration with local actuarial societies; communicating with employers and the Asian Development Bank to assist in enhancing long-term employment opportunities; a focus, initially, on the four major centres of membership; and engagement with students whilst in Australia attending a university program.

Educating Future Actuaries

As is well known in Australia, there are significant changes in the demand for actuaries, with some diminished demand in traditional fields such as life insurance and superannuation, and increased demand in non-traditional practice area such as banking and data analytics.

The IAA set up a Task Force to 'review the fundamental nature of actuarial education and identify and define the core competencies that should be attained and exemplified by actuaries of the future, and the resulting learning objectives for the IAA's core education syllabus...'.

The Task Force concluded that it viewed the actuary of the future as a professional with general qualifications, able to understand and communicate risks and modelling, with an understanding of wider financial services and with an underpinning of ethical and professional conduct. The next step for the IAA is to determine what specific changes are required to the core education syllabus, and carriage has been given to a Syllabus Review Task Force.

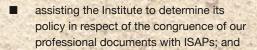
Australia has been, and continues to be, well represented in these developments. The outcomes will be highly significant to the actuarial profession, globally and locally.

During the year ICC has also been heavily involved in:

- the signing of a new Mutual Recognition Agreement with the Institute and Faculty of Actuaries;
- assisting the IAA develop further International Standards of Actuarial Practice (ISAPs);

"We need to enhance the professional development of, and the longterm employment opportunities for, Australian-trained actuaries in Asia."

> Fred Rowley and Daniel Smith attend the 15th China Association of Actuaries Annual Meeting



involvement with IAA Committees including Executive, Accounting standards, Education, Nominations, Professionalism, ERM, ORSA, Mortality Working Group and the Scientific Committee.



In 2015 our very own Fred Rowley (President of the Institute in 2007) will be President of the IAA. The Institute wishes him well in what is sure to be a busy and significant year.

Martin Stevenson International Council Committee Convenor

Public Policy

The Actuaries Institute provides expert comment on public policy issues where there is uncertainty of future financial outcomes. Public policy submissions enable the Institute and the profession to have a significant influence on the development of regulation, financial reporting, risk management and related practices.

Actuaries were busy making their mark in the public policy arena throughout 2014. A total of 30 submissions across superannuation, life insurance, risk management and general insurance were written by Members and submitted by the Institute.

Two significant submissions were made to Treasury on its policy reviews: *Review of Retirement Income Stream Regulation* and *Better Regulation and Governance, Enhanced Transparency and Improved Competition in Superannuation.*

In 2014, the Institute also updated its public policy position on retirement incomes *Securing Adequate Retirement Incomes for an Ageing Australia* and accepted an invitation to join the Banking, Funds Management & Superannuation and Insurance & Risk Management research groups of the Australian Centre for Financial Studies.

Providing advice to the Royal Commission into Child Sexual Abuse on its redress scheme design was another major activity in 2014 with the Institute forming a working group to assist actuaries with reserving considerations.

Institute representatives attended hearings into The Productivity Commission Inquiry into National Disaster Funding following the presentation of an Institute submission. As well as this, an online discussion forum was established to determine whether the Institute should have a policy position on climate change and if so, what form it should take. The general consensus was that the Institute should concentrate on areas actuaries work in that are impacted by climate change projections, focusing on our core strength of dealing with uncertainty over the long-term.

A taskforce was also formed over the course of 2014 to report to the Public Policy Council Committee (PPCC) and Council on the role of the Life Appointed Actuary in current life insurance issues.

Financial System Inquiry

The Financial System Inquiry (FSI) was a big focus in 2014 with two of our Members – Geoff Atkins and Brad Parry - working in the FSI Secretariat. The Institute made submissions to both the initial and interim FSI reports and put forward views directly to the FSI panel and secretariat. Institute submissions were referenced throughout the mainstream press and we were requested by the FSI to set up a special working group to examine retirement income options.

The Institute was referenced a number of times in David Murray's final report to the Treasurer, released on 7 December 2014. The report supported four Institute recommendations, including to enshrine the objectives of the superannuation system in legislation and require superannuation trustees to pre-select a comprehensive income product for Members' retirement. The Institute issued a media release on the same day as the report's release, calling on the Government to adopt the FSI recommendations to significantly improve the living standards of millions of retirees. The Government intends to release a formal response to the FSI report in mid-2015.



Members Geoff Atkins (pictured left) and Brad Parry

30

... the number of Institute policy submissions in 2014



David Murray, Chairman, Financial System Inquiry

Health and Ageing

In December 2014, the Institute released a Green Paper entitled *Who Will Fund Our Health?* The Paper was not a blueprint for fixing the health system but rather, a suite of insights and potential financing options for further consideration and debate to drive sensible policy reform.

Commissioned by the Institute and undertaken by Three Rivers Consulting, the paper found that the working population may be paying almost double their own health expenditure to subsidise older Australians in the future. It explores why health expenditure is increasing; the impact of future population ageing on healthcare costs; and what it means for future generations. Without a rigorous and comprehensive policy effort, the Institute argues Australia will face a series of major public policy problems in the funding of health care. The challenge to remedy this will be to do so in a way which is equitable, practical and acceptable to the community.

The Green Paper attracted media attention with CEO David Bell interviewed on ABC Radio National and an article was published in the *Australian Financial Review*. The Institute hopes the paper continues to encourage community debate on healthcare policy framework revision in 2015.

> Who Will Fund Our fealth?

A Antonio

"By 2030

almost half of household wealth will be in the hands of the over 65s" – Executive Summary, Who Will Fund Our Health?

Public Policy (continued)

Federal Budget

In our Pre-budget submission, the Actuaries Institute highlighted areas for consideration in the 2014 Federal Budget. Immediately following the budget night lock-up in Canberra in May 2014, an information note to Members was distributed and a media release, supporting the Government's budget decision to increase the pension age, but urging more reform, was issued. In October Institute representatives met with Treasury representatives from the Markets and Revenue groups and the Government Actuary's department in Canberra to follow up on many issues previously raised.

Public Policy Forum



Institute Public Policy Advisor John McLenaghan and Professor Rodney Maddock talk ahead of the inaugural Public Policy Forum



Sophie Dyson, Michael Rice and Christine Brownfield front audience PPF Q&A time

The Institute hosted its first Public Policy Forum on 3 November 2014 with around 50 Members attending. Chaired by CEO David Bell, the program featured a mix of high-calibre external and internal speakers including Tony Cole AO and Professor Rodney Maddock. Both having contributed to public policy development over many decades, they shared their insights and advice. The Forum also featured briefings on emerging developments in the fields of retirement incomes, home equity release and health insurance. Members were highly engaged in the Forum with plenty of post-event discussion and positive feedback.

Action in 2015

Retirement Incomes

Continuing on from the Institute's White Paper Australia's Longevity Tsunami What Should We Do? published in 2012, the Institute has commissioned a White Paper on retirement incomes to assess whether the existing government policy will deliver an acceptable level of retirement income to various cohorts retiring now and in the future. This paper investigates the relative financial positions (subject to age pension, aged care and health costs) of various cohorts (by income level and generation) of people in order to identify risks and possible solutions. Expected to be completed in late March 2015, the paper is intended to spark public discussion and guide retirement income policymakers.

Public Policy Council Committee

The Committee has welcomed four new Members for 2015 including new Convenor, Michael Rice.

In 2015, the PPCC will develop a public policy framework that includes an overarching statement of intent indicating where the Institute should be active, our public policy principles, an



Michael Rice, Convenor PPCC

engagement strategy for building relationships with Treasury and other policymakers and priorities and focus for the next 12 months. Continuing and emerging projects for 2015 include review of the final report of the FSI as well as a review of the Government's response to the FSI Report. The Institute will look to evaluate Treasury's 2015 Intergenerational Report and the Federal Government's Tax White Paper. The proposed redress scheme for the Royal Commission into institutional response to child sexual abuse will also be a key issue of concern in 2015 for the PPCC.

We are also keen to build on the inaugural Public Policy Forum by hosting further events in 2015.

Many thanks to the 110+ Members involved in assisting the Institute to develop policy positions and submissions this year. We look forward to providing further insights and advice to business and government next year as we strive to make our mark in important areas. The Institute looks forward to welcoming new Members into public policy working groups in 2015. As always, we encourage you to let us know if there are any public policy issues we should be speaking to.

Elayne Grace Deputy CEO and Head of Public Policy



... estimated total expenditure on health goods and services in Australia in 2012–13. "Public Policy submissions enable the Institute to have a significant influence on the development of regulation, financial reporting, risk management and related practices."

Research

The Research Council Committee is responsible for the Institute's research agenda and strategy.

Committee Members include: John Evans (Convenor), David Koob (Deputy Convenor), Anthony Asher, Colin O'Hare, Peter Mulquinney, Richard Fitzherbert, Rick Shaw and Sally Galbraith.

Six regular meetings were held in 2014 to uphold its mandate to oversee development of Institute research activities; facilitate research activities that support and promote the profession; oversee and award Institute prizes relating to research activities; and oversee and award direct Institute research grants.

Australian Journal of Actuarial Practice (AJAP)

The *AJAP* was established as a successor to the *Australian Actuarial Journal* to include more emphasis on papers with relevance to practitioners. In September 2014 Council approved the nomination of Colin O'Hare as the Editor. The *AJAP* reports through the RCC for governance purposes. The first *AJAP* volume was published in March and the second volume, based on papers presented to a conference on international retirement systems, was published in November 2014.



Colin O'Hare, Senior Lecturer and Program Director for the Actuarial Science degree at Monash University, is the new Editor of the AJAP.

Prizes

The RCC undertook, at Council's request, a review of all prizes awarded by the Institute with a view to ensuring consistency across the prizes and also that funding was available. Council has approved the recommendation that there should only be a prize for the best paper presented to the biennial Actuaries Summit, but where sponsorship for prizes for papers presented at other Institute events can be secured, this would be welcomed.

In 2014, the RCC awarded \$5,000.00 for the HM Jackson Prize to Alex Huynh, Bridget Browne, & Aaron Bruhn, for their paper: *Catastrophic Mortality Bonds: Analysing Basis Risk and Hedge Effectiveness.* The HM Jackson and AM Parker Prizes will be discontinued from 2015.

Grants

In 2013 Council approved a recommendation by the RCC for a significant change in the way research grants were to be approved. Essentially, the RCC proposed that to improve the impact of research grants funded by the Actuaries Institute, requests for funding should have the endorsement of a Practice or Council Committee and the grant should ideally include senior researchers and practitioners.

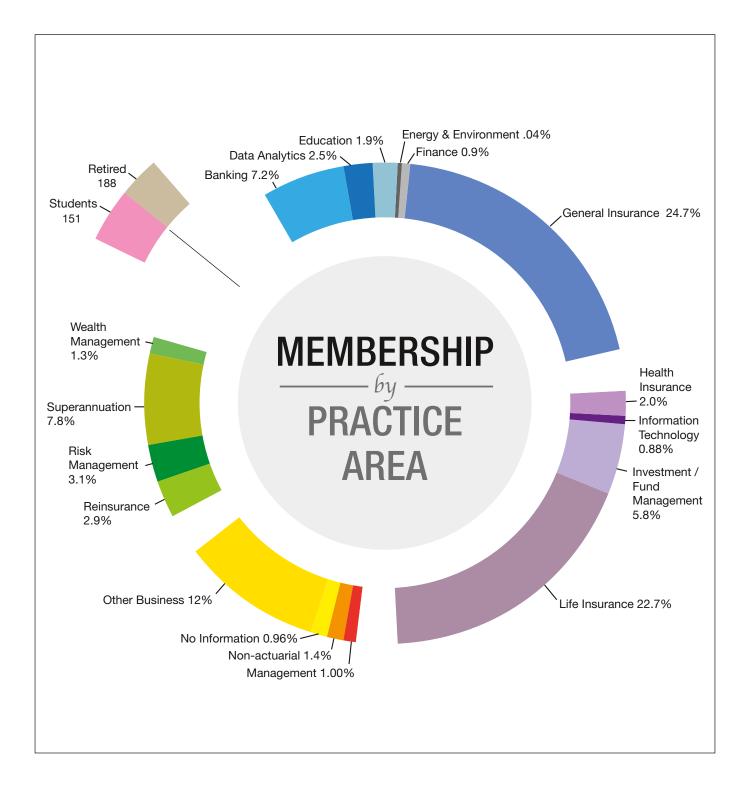
Council approved the discontinuance of PhD scholarships in order to direct funds to research grants that would benefit the profession. The revised practice for granting research funding was well received with applications for funding in 2014 exceeding funds available.

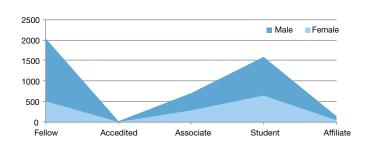
John Evans Research Council Committee Convenor

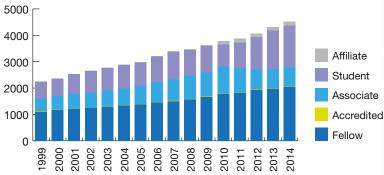
Research sheds light on new fields of actuarial influence and application.

Grants approved for funding in 2014								
Grant Topic	Organisation	Researchers	PC Sponsor and Contact	Grant				
Discount Rates for Pricing General Insurance Premiums	Taylor Fry / Finity Consulting	Peter Mulquiney, Brett Riley, Hugh Miller, Tim Jeffrey	GIPC	\$25,000				
Depth of the Australian Corporate Bond Market for AASB 119	Milliman	N/A	SPC	\$50,000				
Estimation of life expectancy of Australian men 45 years of age and older by age and health status	Prostate Cancer Foundation of Australia	Grace Joshy (Principal Researcher), Anthony Lowe, Bruce Armstrong, Mark Clements, Leonie Tickle (Macquarie University), Emily Banks (Australian National University)	PPCC	\$20,000 (Phillip Burns Research Fund)				
Graduate views on their actuarial education in Australia	Australian National University	Adam Butt (Principal Researcher), David Pitt, Jim Farmer	ECC	\$18,000				
Retirement Income – Is the system effective now and will it be in the future?	Rice Warner	Alun Stevens, Nathan Bonarius and Jack Ding, Michael Rice (Peer Reviewer)	PPCC	\$50,000				
Retiree Annuities & Pensions and Drawings from Super Funds - member strategies and longevity risks	Plan for Life (Asset International Australia Pty Ltd)	Simon Soloman (Principal Researcher), Paul Scully, Anthony Asher	LWMPC and SPC (with RIWG)	\$13,000				
Individual Life Expectancies for Australians	Australian Projections Pty Ltd	Richard Cumpston (Principal Researcher), David Service, Hugh Sarjeant	N/A	\$18,000				
Developing a transition matrix by age and sex from the extended Pathways in Aged Care dataset to model usage of aged care services and mortality in Australia	Australian National University	Bridget Browne (Princiapl Researcher), Heather Booth	LIWMPC	\$13,000				
General Forms of dependency in Chain Ladder Structures	UNSW	Greg Taylor, Benjamin Avanzi, Bernard Wong, Mario Wuthrich	GPIC	\$10,000				

Membership Statistics and Demographics

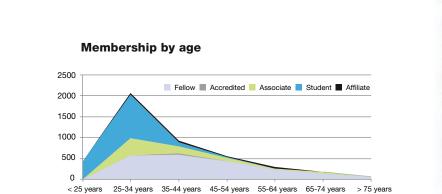


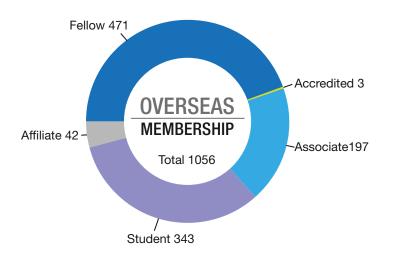






Membership by gender





Our membership base is broad, varied, and continuing to grow.

Your Council in 2014







Estelle Pearson Senior Vice President



Vice President



Caroline Bayliss

(until September)



Peter Carroll

Reports on Council meetings

In June 2014, the first of regular, timely reports to Members on the outcomes of Council meetings was released. The objectives of the reports are to improve transparency to, and stimulate discussion by, Members about Council decisions.

The reaction to the reports from Members has been very positive and this initiative will continue.

Strategy 2015-17

In December 2014, President Daniel Smith updated Members on the outcomes of Council's two strategy days, which were held as part of the development of the Institute's strategy for 2015-17. All Members of Council, as well as the incoming Councillors for 2015, the CEO, the Deputy CEO and the Company Secretary participated in two full days of externally facilitated planning sessions.

Council's strategy days were the penultimate step in the development of the strategy for 2015-17 and benefited greatly from a series of consultations that aimed to ascertain stakeholder views on strategic priorities and actions for both the Institute and the profession.

Those consultations elicited the views of: the Convenors of all the Practice Committees; the International Council Committee; the Public Policy Council Committee; the Leadership and Career Development Committee; Council's Asia Strategy Working Group; Members through the regular feedback surveys; and the CEO and the HQ team.

Preferred Future for 2024

In order to develop the strategy, Council first clarified where the actuarial profession, and the Institute itself, would ideally be positioned over the longer term. A number of preferred attributes were identified for: Qualified Actuaries, the Profession, Students and the Institute, in order to provide a better understanding of the transitional path to be played by the 2015-17 strategy.

To progress the preferred future for 2024, five goals for 2017 were agreed upon in the following categories:

- Best practice education and lifelong learning;
- Improved Member and Student engagement;
- More Influence and Better Known;
- Reach further in Asia; and
- Extend Practice Reach.

Future Steps

Since the Council strategy days were held, HQ has been developing, and costing, key actions to progress the identified goals. The proposed Strategic Plan will be presented to Council for its approval at its March 2015 meeting.















Gloria Yu

John Evans

Andrew Huszczo

Jenny Lyon

Significant steps have been made in recent years to promote the profession and provide Members with enhanced services in more locations. The opportunities to further improve the profession's influence and reputation, and the value of Institute membership, are real and exciting.

Disciplinary Scheme Report

Under Rule 9.5 of the Disciplinary Scheme, Council is required to report annually to Members in relation to the activities of the Professional Conduct Committee and any proceedings before any Tribunal or Appeal Board during the year. Accordingly, the following information is provided for the information of Members.

Since the report provided to Members in the 2013 Annual Review, the three separate complaints lodged against one member reported in that Annual Review remained on foot at the Investigating Sub-Committee stage. A further three complaints were referred to the same Investigating Sub-Committee.

No other complaints were lodged in 2014.

Significant steps have been made in recent years to promote the profession and provide Members with enhanced services in more locations.

Member Milestones in 2014

New Fellows in 2014

Suryandhani Surjo AMIDHARMO Abhijit APTE Belinda Stephanie ASHTON Mathew AYOUB Nicholas Ryan BAKER Robert BASKIN Luv BHATNAGAR Nathan BONARIUS Jennifer Louise BONNETT **Richard Stuart BOYFIELD** Aaron Luke BROWN Linh Thi Giao BUI Stephen James BURKE Carmen BURRASTON Jie CAO Luke Cameron CASSAR Ming-Chak CHAN Matthew Ho Yan CHAN Cordelia CHEN Ting CHEN Yoong Xiong CHONG Raymond CHOW Yuin-Tien CHU Philip Ken Chong CHU Kenneth Liu Yi CHUA Jenna May COOKE Jennifer Wyng Yeen DANG Arthur John DANN Jie DING Robert DUNN Rory Joseph EGAN **Rickie FONG** Samuel FUNG Tim GOODHEW Qian Kerwin GU Mudit GUPTA Intisar Mohamed HAFI Vy Tung Joseph HOANG Sally HSIEH Su HU Yingxian HU Wenchuan Victor HUANG Ian Paul HYLAND Aakash JAIN

Joshua JAROUDY John George JEAITANI Timothy Alexander JEFFREY Mathew Rodney JENSEN Michael Richard JOHNSON Peter Benjamin KARIATLIS Hendrie KOSTER Gerrit Pieter KROON Kenneth KWOK Pek-Lun Andy LAI Kerri LAM Jeanette Louise LE DAN Simone LEAS Alan LEE Kieran James LEONG Kam Chuen LEUNg Jiang LI Aloysius Choon Yong LIM Yi-Yang LING Wenjing LIU Sammy Leung Chi LIU Kwan Emily Ying LO Ben Leigh LOCKE Leon Hua LOOI **Benjamin LOVELOCK** Dai LU Tony LY Stephen Anthony LYNCH Abigail Claire MARWICK Kristopher Bruce MCCULLOUGH Gavin Andrew John MOORE Lisa Marie MORAN Pooja NAGARAJAN Ciyu NIE Karl Alexander NIEMANN Emma Louise NORTH Colin O'HARE Christopher ONG Holly OU Nicholas Allen PARKIN Yeong Heng PUA Michael RAMSAY Jason David ROBERTSON John ROBINSON Mark ROMANOS Andrew Nisala SAMARATUNGE

Anita Julie SAMU Daniel Kieran SHUN Augustine SIDIK Andrew Zhiwei TEH **Richard Geoffrey TRENDALL** James Goulburn VINCENT Christopher Kenneth VO Lifei WANG Lulu Yi WANG Nicola Ann Cartner WESTOBY Claire WHITE Nicholas Keith WHITLOCK Danny Shu Wing WONG Weimin XIE Li-Te Leon YAN Chen YANG Ziving YANG Benjamin YOUNG Patrick Shi ZHANG

Members Who Achieved Actuary Designation in 2014

Christopher BARRY Allan BIRCH James BISHOP Charbel CHAHINE Li CHENG Pauline CHEUNG Howard CHUANG Han Wah CHEW Danushka CHANDRASIRI Yi DING Michael DI PILLA Hieu DO Slesha DEVI BHARAT KUMAR Jessica EGAN Luke FITZPATRICk Jack FITZPATRICK Ivan FUNG Thomas GALLIGAN Lin GAN Chong GU Kylie HOGAN Qian HOU

Arun ISAAC Dinushi JAYASURIYA Li JIANG **Brendan JONES** Jin-Ah JUNG Gokulan KARUNASALADEVA Anh-Hop KHUU Andrew KIGHT Amy KUITERS Theeban KUGANESAN Hui Ling LEE Lu Ll Wen LIANG Shan LIE Nicole LIU Cameron LUCAS Alexander MCDONALD Raiiv NAROTAM Xin Yin OOI Paul PHAM Darryl PRIYADIPTA Geoffrey RASHBROOKE Paul REHILL Michael ROZENBLIT Yash SANGHAVI Ha Young SEO Kathryn SPRAGG Chapman SIU Akalya SURENDRA Sophia SOPHOS Andrew Kheng Kie TAY Tian TIAN **Fiona VAN ROOYEN** Chong WAN Nicholas WARREN Louise WATSON Yi Kai WU Monika WEENINK Llovd WILLIAMS Thomas WONG Lin XU Chuanji YONG Jason YU Carl ZHANG Peter ZHENG

Members Who Achieved CERA Designation in 2014

Belinda ASHTON Mathew AYOUB Nathan BONARIUS **Bridget BROWNE** Stephen BURKE Carmen BURRASTON Luke CASSAR Jie CAO Fennalia CARLE Matthew CHAN Fennalia CARLE Han Wah CHEW Yuin-Tien CHU Jennifer DANG Michael DI PILLA Danielle DI SANO **Christopher DOLMAN Rickie FONG** Samuel FUNG Qian GU Mudit GUPTA Vy Tung HOANG Sally HSIEH Joshua JAROUDY Mathew JENSEN Theeban KUGANESAN Pek-Lun LAI Leon LOOI Kristopher MCCULLOUGH Pooja NAGARAJAN Paul NG Yan NG Michael RAMSAY Mark ROMANOS Augustine SIDIK Evelyn TANUDJAJA Andrew TEH James VINCENT Lifei WANG Kwok WONG Michelle WEDD Weimin XIE

Chen YANG Yi-Yang LING Jason YU Patrick ZHANG Peter ZHENG **Congratulations to all successful Members in 2014**

Prizes and Awards in 2014

Research Prizes

Melville Financial Services Prize

Christine Brownfield was awarded the Melville Financial Services Prize for her paper presented at the 2014 Financial Services Forum: *The Fourth Pillar – The Role of Home Equity Release in Retirement Funding.*



The Research Council Committee awarded \$5000.00 in 2014 for the HM Jackson prize to **Alex Huynh**, **Bridget Browne and Aaron Bruhn**, for their paper: *Catastrophic Mortality Bonds: Analysing Basis Risk and Hedge Effectiveness*. Alex Huynh received \$3500, Bridget Browne and Aaron Bruhn both received \$750.



Daniel Smith and 2014 Financial Services Prize winner Christine Brownfield

The Prize Review Panel determined that the paper met all criteria for the prize and is an important addition to actuarial literature. The Panel concluded that this paper discusses the potential for home equity release to become an accessible fourth pillar in retirement funding, and the impact on intergenerational equity and the sustainability of the age pension system. The Panel also noted that the benefits and issues associated with home equity release are clearly discussed in the paper, along with a range of potential options.

The monetary value of the prize is \$4,500. The prize was presented to Christine at the Melbourne Fellowship and Graduation Dinner on Tuesday 19 August.

Alex Huynh

9

Bridget Browne



Aaron Bruhn

Education Prizes

Andrew Prescott Memorial Prizes for Meritorious Performance

Course 2A • Life Insurance – William Zheng

Course 2B • Life Insurance – Tyson Johnston

Course 5A • Investment Management & Finance - Han-Bo Li

Course 6B • Global Retirement Income Systems – Yong Tze Tan

Course • Commercial Actuarial Practice - Pulkit Jain

Katherine Robertson Memorial Prize for Meritorious Performance

Course 3A • General Insurance – Kirsten Flynn

Course 3B • General Insurance – Khar Mun Tang Rewarding a commitment to excellence within our profession.

Actuary of the Year 2014

a defining moment...

Choosing just one Actuary who has truly made a mark on business and the community in 2014 was no small task. The Nominations Committee and Council were impressed by the calibre of all nominations, each a credit to the profession. In the end, Peter Martin, Australian Government Actuary since 2001 was named as 2014 Actuary of the Year, Peter accepted the award at the General Insurance Seminar Gala Dinner in November 2014 in Sydney, with an impassioned speech.

"Sometimes, just a few particular moments in time can, in effect, define a whole life," he said. Peter went on to describe three pivotal moments that led him to his position today.

The first came at 30 years of age, when he was introduced to actuary Cathy Nance who encouraged him to try the Part I exams (then called Part A exams).

"I didn't know what an actuary was or what they did. I guess I'd heard that, perhaps, they tended to be a little bit bookish!" Peter said.

Brisbane was experiencing a recession and actuarial jobs were hard to come by at the time he finished the Part I exams, so Peter's idea to enter the actuarial world gradually diminished as he continued as a school teacher. However, eight months later, a letter arrived in the mail from a former family acquaintance containing a newspaper cut out of an advert for a position in the Government Actuary's office in Canberra.

"By virtue of that one random letter I ended up moving to Canberra... and there I met Donald Duval," said Peter, describing Donald, the Government Actuary during the early to mid-1990s, as a great mentor with massive intellect.

Up until that time the Government Actuary's Office was primarily working on superannuation. Peter's appointment occurred soon after the move of the office from APRA to Treasury.

Then, in 1995, Peter was asked to look at why the costs of the military compensation scheme had doubled in the space of a couple of years. "Donald wisely engaged the help of David Minty and Geoff Atkins to guide us in the way of general insurance actuarial thinking and approaches [and] with that, the Government Actuary's office was on its way in the world of general insurance," said Peter.

Over the subsequent years, he demonstrated to Government the value of actuarial advice in a policy setting context.

The HIH collapse, September 11, and then the collapse of UMP and the difficulties in the medical indemnity industry meant a steep learning curve for both Government and its Actuary's office.

"But learn they (and we) did," said Peter, "in one sense, we hit the high-water mark when, one day, Prime Minister Howard, in answer to a question time question, uttered the words 'Incurred but not Reported'. We kind of felt we'd made it."

More recently, in 2012, Peter led a review of the costing undertaken by the Productivity Commission in relation to the National Disability Insurance Scheme (NDIS). He then provided influential advice on enshrining the roles of scheme actuary and reviewing actuary in the governing legislation.

The guiding philosophy for the NDIS differs fundamentally from the approach which has been taken to funding disability support services by Governments in the past and the importance of actuarial valuation and control cycle techniques in ensuring the long-term sustainability of the scheme cannot be overstated.

Peter's input, and his membership of the Sustainability Committee for the NDIS, helped



"Peter has played a key role in enhancing the stature of the actuarial profession within Government."

Peter receives his award from Daniel Smith, President 2014

Award Criteria

This award is presented to an individual who:

- has brought credit to the profession; and
- made a key contribution to business, the community, government or the profession.

inject these concepts into discussions around the design of the scheme and maintain that focus going forward.

It is a measure of his influence, and the respect in which Peter is held that, in the period since his appointment, the Australian Government Actuary has been assigned a legislative role in areas as diverse as medical indemnity, family law and visa charging arrangements.

Peter dedicated his Actuary of the Year award to all public sector actuaries, especially the team in Canberra, including his colleague of 20 years, Susan Antcliff. "At the risk of sounding biased, I think the contribution they make to the public policy discourse is disproportionate to their small size."

As well as playing a key role in enhancing the stature of the actuarial profession within government, Peter has also played an active role in actuarial education, through participation in the Commercial Actuarial Practice Course and guest lectures at the Australian National University.

His significant contribution deserved recognition by the Institute as 2014 Actuary of the Year.

Congratulations to Peter Martin – 2014 Actuary of the Year, pictured here with wife Marie-Ann Holdich

"When, one day, Prime Minister Howard uttered the words... 'Incurred but not Reported'... we kind of felt we'd made it." - Peter Martin

And Andrew Party of the State o

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Data is in high demand. But not as high as the people who can make sense of it.

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A recent McKinsey study estimated a US short-fall of up to 190,000 people with deep analytical skills. Harvard Business Review agrees adding that 'Data Scientists' will be the Rock Stars' of the 21st century. In Australia, they're known as actuaries. They have the skills to dig beneath the rhetoric to find pure, honest insights hidden in business data. Insights which are then used to change businesses, industries and even countries. The world isn't black and white but business decisions are.

When you need clarity in a complex world, you need an Actuary.

Visit actuaries.asn.au

See what we see.



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See what we see – the Institute campaign to raise awareness and promote the profession to external stakeholders.



Communications and Marketing

Maintaining ongoing communication with Members, listening to Members and promoting brand 'Actuary' is pivotal to the work of the Communications and Marketing Team.

See What We See

2014 was the year the spotlight began to shine on brand 'Actuary'. The See what we see campaign was successfully launched to C-Suite, Senior HR executives and recruiters in April and November. It was the first of its type for the Institute, and Members were consulted extensively prior to the launch. The campaign featured a number of case studies which showed that actuaries can use their skills across a broad range of sectors, not just finance and insurance. Performance metrics from both launches demonstrated a significant level of cutthrough with our target audiences.

The launch of the See what we see campaign was a bold leap for the profession, it is essential that we continue to make our mark by building on this in 2015 and beyond.

Media, Social Media and Multimedia

2014 was also the year we focused on attracting the attention of mainstream media as well as industry press to promote the profession. With 22 articles relating to the Institute and/or Members published across the *Australian Financial Review*, *The Australian* and the *Age / Sydney Morning Herald*, eight radio interviews as well as 86 articles in industry media, awareness of the profession increased significantly.

The Institute's social media platforms were also leveraged to highlight brand 'Actuary'. This included live tweeting from major events, broadcasting thought-leadership pieces, highlighting the social side of actuaries using Facebook posts and launching discussion forums to enable Members to participate in live debates on topics of interest. The number of video segments produced to promote actuaries' involvement across a broad range of activities also increased in 2014. These will be showcased on the Institute's YouTube channel in 2015.

Actuaries Magazine – Going Digital

Actuaries magazine has always been about providing relevant, high quality and timely content. The magazine has consistently delivered on relevance and quality however, over time the monthly hardcopy format has challenged our ability to deliver timely content with articles taking up to two months to go from conception to print. To keep up with the pace of issues actuaries face working in their respective industries, the publication frequency has to change.

In 2015 Actuaries will change to a continuous cycle, allowing articles to be published immediately following editorial review, with greater use of multimedia to encourage interaction and engagement. The Practice Committees will have a nominated editor and be actively contributing material. Thought-leaders from actuarial and other consulting firms will also contribute regularly. It is our vision for Actuaries to be the first port of call for industry-related news, views and thought-leadership.

The Way Ahead

The Institute's Strategy for 2015-2017 includes the goal of improving Member and Student engagement. To achieve this goal, a number of initiatives will be presented to Council for approval in March 2015.

The opportunities to enhance the profession's reputation and influence plus improve Member engagement across the board are exciting. We look forward to the challenges in 2015.

Katrina McFadyen Head of Communications and Marketing The Communications and Marketing team are committed to ensuring business, government and the wider community discover the valuable contribution that actuaries make.



Promoting brand 'Actuary' is essential to the broader recognition of the diverse skills and capabilities our Members have to offer.

CPD

Continuing professional development plays a critical role in safeguarding the reputation of both the Institute and profession by ensuring that Members maintain the currency of their professional expertise.

Recognising the importance of lifelong learning, a number of initiatives in the CPD space were implemented during 2014.

Rewarding Challenging CPD

A new Professional Standard 1 (Continuing Professional Development) (PS 1) took effect from 1 January 2014. The most important of the changes introduced in the new standard was the shift from an hours-based system, to a points-based system.

This shift allowed us to distinguish – and reward – more challenging CPD undertaken by members by permitting a higher points claim per hour for such activities. The points system recognises that, whilst all CPD delivers a level of value, some activities deliver additional, or even substantive, value to a Member in terms of the development of his or her personal and professional skills.



Barry Rafe presents a workshop on Public Speaking

Clarity in Capability

The introduction of the capability icons for CPD events and courses created a more transparent alignment between such events and courses and the Actuarial Capabilities Framework. This allows Members to more efficiently identify opportunities to expand their skills sets.

Whistleblowing eLearning Course

Following on from the successful Practice Risk Management eLearning course, a new eLearning course on whistleblowing was launched.

The course provides learners with a dynamic interaction that advances the learning process. Utilising a combination of different activities and tasks, as well as theoretical and real-life case studies, the course guides Members through the legal, professional and personal aspects of this challenging obligation on actuaries.



Where To in 2015?

A key aspect of the Institute's strategy for 2015-17 is a focus on CPD. The aim is to develop an integrated, sustainable CPD solution for our Members, including those based in Asia.

Anne Peters Director, Governance and Regulation Company Secretary The new pointsbased CPD system more appropriately recognises the substantive advantages of some CPD areas of skills development.

Our aim is to develop an integrated, sustainable CPD solution for our Members, including those based in Asia.

Education

The Actuaries Institute is committed to educating the next generation of actuaries by providing or arranging effective, valued and inclusive education.

This year saw the Education Strategy Working Group progress changes to the education program to better meet the needs of the actuary of the future.

The education unit's main achievement in 2014 to help the membership advance has been the implementation of the new Part III assessment structure, including computer-based exams, in all Part III specialist areas. Approval has been granted by Council to continue with the new model from 2015, with some modifications. The weighting of the multiple choice exam will be reduced from 30% to 20% and the weighting of the longer answer question component will be increased from 60% to 70%, including a recommendation for three longer answer questions instead of two. The assessments in the new system use today's business tools, such as Word and Excel, better reflecting what actuaries do in the workplace.

The membership is now better positioned than 12 months ago by having a more sustainable Part III education program. The primary goal of the new Part III assessment model was to reduce the volunteer effort while maintaining the educational quality of assessments. This project has resulted in an estimated 47% reduction in volunteer effort and a 49% reduction in volunteer roles.

In 2014 we learnt that consultation with stakeholders and modifying plans based on their feedback is more important than ever. This includes consultation with actuarial associations internationally. A new Education Development Group has been formed to continue the work of making changes to the education program to better meet the needs of the actuary of the future and will include representatives from universities as well as the Education Council Committee, and Council.



Christopher Ong receives his Qualifying Certificate at the Sydney Graduation Dinner 2014

There will be more work in 2015 on providing better value and service to Members outside of Sydney such as continuing to explore effective alternatives to face-to-face delivery.

Phillip Latham Head of Education

20% ... weighting of the multiple choice exam under new Part III assessment structure

HQ Review

Governance

The Governance and Regulation business unit at HQ exists to manage the Institute's corporate governance arrangements so that they reflect best practice, support the profession and protect its reputation.

During 2014, the Governance Unit's main focus was on improving our understanding of you. We looked at what Members want from their Institute in terms of how it is governed; how plans and decisions are communicated; how to improve the level of engagement by Members in the governance-related activities of the Institute; and the future direction of the Institute and profession.

A number of key initiatives supported this focus and are detailed below.

Mission Statement Review Taskforce

Through a series of three rounds of consultation (including two of the whole membership), the Institute's Mission Statement was re-crafted to reflect more accurately the contemporary and relevant environment. The Mission Statement is an important articulation of the Institute's purpose.

Governance Review Taskforce

The Governance Review Taskforce handed down its final recommendations on its remit to consider how to improve member involvement, transparency and accountability of governance, as well as communication with Members in these areas.

On the whole, Members were supportive of the current governance arrangements, rather than being against them. There were some areas identified for improvement, primarily around transparency and communication of Council issues and decisions. Reports on Council meetings have been published since June 2014 and have received a very positive reaction from Members.

The Member feedback through the Taskforce's work (via submissions, Insights sessions, surveys and online forums) – and the resulting recommendations – will inform, as well as provide enhanced member awareness of, the Institute's activities and approach. In turn, this will assist the Institute to position itself and the profession to the maximum advantage of its Members.

Strategy survey

During September/October, Members were surveyed for their views on a number of strategy-related questions as part of the development of the Institute's strategy for 2015-17. The survey results provided thought provoking insights into specific activities that are important for Members and the direction favoured by Members for the Institute and the profession.

Anne Peters Director, Governance and Regulation Company Secretary

Member Services

Providing Members with timely and professional services is of utmost priority to Institute HQ. A variety of activities were undertaken in 2014 to improve process efficiencies and enhance member experience in line with feedback.

It has been another strong year for Member Services. 451 new Members joined in 2014 with 95% of these being students interested in pursuing further studies. There were also 86 reinstated memberships as per the tables below.

New Members		
Accredited	12	3%
Affiliate	8	2%
Student	431	95%
Total	451	

Reinstatements		
Accredited	1	1%
Affiliate	3	4%
Associate	8	9%
Fellow	18	21%
Student	56	65%
Total	86	

Subscription Facility Upgrade

Bulk invoicing of Membership subscriptions was introduced in 2014. This was well received with more than 20 employers requesting a bulk membership subscription invoice – streamlining the membership payment process for both employers and Member Services.

This year we also had 63% of Members receive their membership fee invoice by email, compared to 49% in 2013 – another system efficiency. Our quick, easy-to-use online payment facility resulted in 66% of Members paying online – up 5% since last year. In 2015 the Member Services Team at HQ will be looking at streamlining the membership subscription process further, particularly with regard to the duration of the payment period.

Connecting You To Jobs

The Institute continued to advertise recruitment opportunities and also promote graduate opportunities for the benefit of our Student Members throughout 2014.

In 2015, we plan to enhance our recruitment service to offer better value to recruiters and further opportunities to our Members in traditional and non-traditional fields of actuarial practice.

New Members

The new New Member Networking Evening, which was successfully launched in 2013, was once again well attended in 2014 in both Sydney and Melbourne. A revamp this year of the Member Information Pack, which is sent to new Members to help familiarise them with the Institute, also received encouraging feedback in the new Member survey.

We look forward to providing a high standard of support in 2015 and continuing to enhance Members' experience with the Institute.

Shreya Trasy Member Services Manager



Volunteers

Significant member contribution is involved in the delivery and administration of all Actuaries Institute activities. With over 100 committees, sub-committees, taskforces and working groups, volunteers provide crucial support to the Institute.

Volunteers continued to be vital to the success of the Institute's education, communications, governance and professional development projects in 2014. A comprehensive network of member committees and taskforces supported Council and Institute HQ to achieve strategic and operational plans by: assisting with strategic projects; organising and contributing to seminars and other CPD events; preparing submissions to government and regulators on topics of interest; providing governance and disciplinary support; contributing to the research effort; and representing the profession internationally.

Education is a key area in which volunteers played a major role by tutoring students; marking exams and assignments; writing and reviewing education examinations and courses; and preparing professional development material.

Demographic analysis

A major demographic snapshot, the first conducted in corporate memory – was undertaken of our volunteer base in 2014. This deepened understanding of who Institute volunteers are, and provided opportunities to target new, additional volunteers to take the profession forward in future.

The analysis, produced in July 2014 of all volunteers who had served in any capacity since 1 October 2013, found that the Institute has a high ratio of volunteers (615) to paid employees (25) and that its volunteer rates are high compared with other professional member bodies. These findings reveal a deep sense of commitment to and pride in the profession among Members.

Without actuarial volunteers, the Institute could not function effectively. Their unique qualities and technical expertise allow the Institute to deliver unsurpassed results and ensure the profession thrives now and into the future.

615

... number of Members volunteering for the Institute

*2014 demographic snapshot

Events

The Actuaries Institute supports the professional aspirations of Members by offering events and seminars that provide opportunities for advancing knowledge and developing strong professional networks.

From Insights sessions, to large scale conferences spanning multiple days, 2014 featured a rich events program for Members working across both traditional and emerging areas of the profession.

2014 saw the delivery of a successful Financial Services Forum (FSF2014), General Insurance Seminar (GIS2014) and Enterprise Risk Management Seminar (ERM2014); each of these attracting high calibre speakers. FSF2014 kicked off the year attracting over 500 registrations with a motivational opening presentation from Australian cricket legend Glenn McGrath.

GIS2014, held in November, attracted over 300 attendees across the two days and was ably chaired by Australian financial journalist and commentator Michael Pascoe. ERM2014 had 158 registrations with a cross section of professionals in attendance including a large number of CROs.

The Events Team also made greater use of webinars this year with a number of speakers available live online to Members outside Sydney. This is an area of focus for 2015, with greater bandwidth and virtual capabilities being looked at to ensure greater access for Members.

From sourcing high quality speakers, to securing venues, to displaying banners and collecting charity donations on site at our major events, the Events Team at HQ had their work cut out to ensure Members had an enriching experience at each event. Speaker papers and presentations, along with vibrant summaries of plenary sessions were loaded onto the Institute's website and sent via e-newsletter almost instantaneously during the course of major events.

The 2015 national CPD Roadshow kicks off in March, visiting Sydney, Melbourne, Adelaide, Brisbane, Perth and Canberra and featuring Dr Simon Longstaff AO presenting on "The Tiger in the Room". The CPD Roadshow will also travel to Asia and New Zealand later in the year.

The Institute's premier event, the Actuaries Summit, will be held from 17-19 May in Melbourne and is expected to host around 500 delegates. The program is shaping up to be the biggest to date with more than 56 concurrent sessions and five plenaries planned.

In August the Institute will host the International Actuarial Association's ASTIN, AFIR/ERM and IACA Colloquia in Sydney.

The final major event for 2015 will be the Injury Schemes Seminar scheduled for 8-10 November in Adelaide. The Institute's remaining calendar of events will include more than 150 events featuring a broad range of CPD opportunities for Members working across all practice areas.

The Team looks forward to continuing to provide relevant and engaging events to Members throughout 2015.

Emma Simonson Head of Events





#2014GIS took over social media as attendees debated issues live online



Glen McGrath* – keynote speaker at the Financial Services Forum

HQ Review

Events are the professional, social and networking lifeblood of the Institute.



performed the tango at the GIS2014 Gala Dinner, to raise money for Bowel Cancer Australia.

2014 President Daniel Smith and Senior Vice President Estelle Pearson,

rvices rum ring Goals



FSF2014 – Ian Harper, John Brogden, Rob Whelan, Naomi Edwards and Steven Munchenberg

Josh Ailwood and Hardik Dalal





Left: Ernst & Young Partner Walter Poetscher presents at GIS2014

Right: Michael Pascoe* facilitates GIS2014

* Glenn McGrath and Michael Pascoe appeared by arrangement with Saxton Speakers Bureau.



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In Memoriam

The Institute sadly lost a number of Members in 2014. As strong supporters and valued contributors to the profession, their loss was felt by all who knew them.

Minoo Rustomji Batliwalla John Stephen Colls Roger Harry Garrett Alexander Craig Ginnane Henry Hou Raymond Colin Palmer Christopher James Pound

Robert Ernest Balchin

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