

# **Part III Implementation Taskforce**

## **Discussion Panel Ideas for Finding the Way Forward**

**IAAust BIENNIAL CONVENTION 2003**

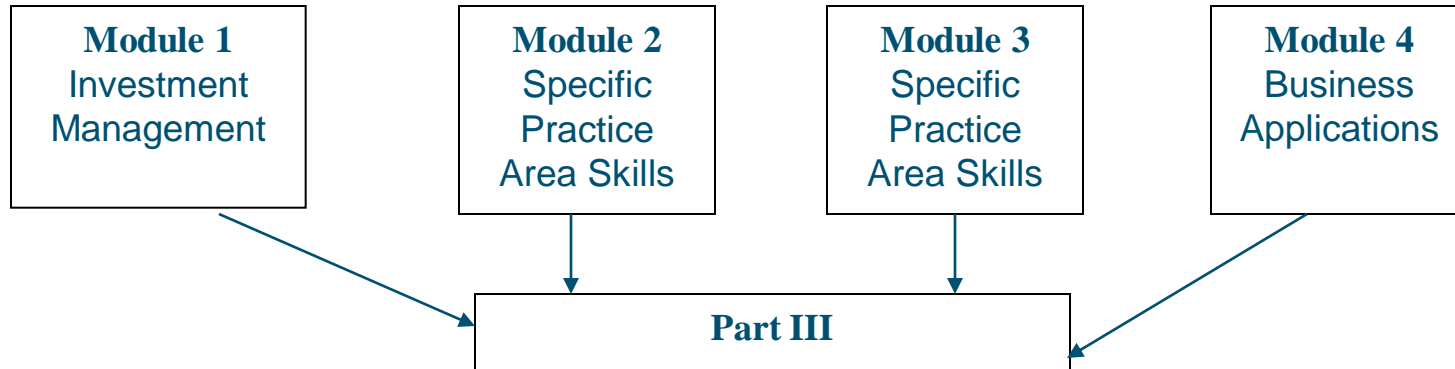


# Context - progress to date

- **June 2002 - Initial report from Part III Review Team exposed to members and international bodies**
- **August 2002 - Report finalised following feedback and endorsed by Council**
- **November 2002 - Implementation Taskforce formed**
- **April 2003 - Initial recommendations presented to Council**



# Part III structure



Each module is a half-year subject, all four modules must be completed.

- Module 1 – compulsory for all students. Focuses on providing students with an adequate level of investment knowledge.
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- Modules 2 and 3 – practice area based and at selection of student. These develop technical and judgmental skills required to practice in specific areas. A key change from the current structure is that only one specialist area is required to be studied in detail.
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- Module 4 – compulsory for all students. A non-practice specific module that allows students to use judgement in applying the knowledge and skills they have gained in the first three modules to simulated commercial problems.



# Initial Recommendations

- **Structure**
  - Revised Investment Management course (Module 1) - compulsory
  - Existing Life Insurance, General Insurance and Superannuation & Planned Savings courses split into two modules (Modules 2 & 3)
  - New combined Investment and Finance course established as two modules (Modules 2 & 3)
  - New business application module (Module 4) - compulsory



# Initial Recommendations cont.

- **Module 4**
  - combination of self study material and 5 day intensive residential course
  - residential course to cover traditional and non-traditional areas
  - self study material to cover:
    - non-traditional area background information
    - general ethical issues and corporate governance
    - professional standards
  - accredited communications course



# Initial Recommendations cont.

- **Assessment**

- **Modules 1 - 3: a combination of assignments and examination (maximum 20% towards final mark to be based on assignments)**
- **Module 4: a combination of case study, completed individually under examination conditions (50%) and examination (50%)**
- **Explore possibility for Viva Voce to be offered to a small number of candidates**



# Initial Recommendations cont.

- **Transition**

- new modules offered twice yearly from 2005
- two year period (2005, 2006) in which to qualify under old structure
- Part III subjects passed prior to 2004 = credit of two modules in the new structure
- Pass in one paper in 2004 = credit of one module in new structure



# Council Response

- Recommendations adopted by Council, subject to a suitable business plan being developed
- Business plan must demonstrate feasibility of delivering the recommended structure:
  - with an adequate level of resources
  - within an acceptable level of cost to both the students and the IAAust
- Plan due for June 2003 Council meeting





# Guiding Principles - Council

- Some (defined) education tasks must continue to be undertaken by IAAust, others may be outsourced
- Reliance purely on volunteers is not sustainable and other options must be considered
- Part III should be self financing
- Cost relativity between IAAust and other actuarial qualifications should continue to be maintained within acceptable range



# Guiding Principles cont

- **Cost relativity with other professional qualifications should also be within an acceptable range**
- **Acceptable to have different resources and delivery models for different course modules**



# Input Sought

- **Module 4:**
  - What should we call it?
  - Which non-traditional areas should be included?
  - How extensive should the corporate governance material be?
  - Should the communications course requirement be incorporated as part of the Professionalism course?



# Input Sought cont:

- **Assessment:**
  - How many assignments?
  - Type of assignment questions eg old examination questions or areas where difficult to assess in examination?
  - Use of external resources in assessment process - do they need to be actuaries?
  - Use of viva voce



# Input Sought cont.

- **Resourcing and Delivery**
  - How to increase resources - short / long term.
  - Volunteers - extent we should we rely on them, how to better manage resources
  - Outsourcing and paid resources - resource options, what components of education?
  - E-education - provision of material? What else could it provide? What would we gain?
  - Trade-off : Cost to candidates/volunteer effort
  - Yearly timetable



# Timeframes

| <b>Date</b> | <b>Milestone</b>   |
|-------------|--|
| June 2003   | Business Plan to be presented to Council including: <ul style="list-style-type: none"><li>▪ Recommendations for resourcing and delivery of revised Part III</li><li>▪ Detailed syllabus of Module 1 (Investment Management) and Module 2 and 3 (Finance and Investments)</li><li>▪ Detailed syllabus for Module 4.</li></ul>                         |
| Oct 2003    | Students will be making their choice of subject for 2004 and will need to be informed of proposed changes and final transition rules.<br><br>Existing Part III courses to be updated (as per annual review) and if possible to be spilt into Modules 2 and 3<br><br>Guide for examiners to be amended for 2004                                       |
| Aug 2004    | Full course split completed, adjusted course materials completed (if not completed for 2004), assignments written and aligned for Modules 1 -3.<br><br>Course material completed for Finance and Investments Modules 2 & 3.<br><br>Course materials for Module 4 (Business Applications) drafted.<br><br>Guide for examiners to be amended for 2005. |



# Feedback

- |                     |  |
|---------------------|--|
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