



Presidential Message

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It goes without saying, but I'll say it anyway, that I am honoured and proud to be President of the Actuaries Institute for 2012 and it's a great pleasure to speak to you as President.

A number of members have asked me when I will be delivering my Presidential Address. The formal Presidential Address, by its nature is generally the President's vision for the profession which tends to heavily influence the short term strategy. In a Governance Review in 2009 it was agreed the role of the President should be to implement the longer term strategy set by Council and it was decided to remove the formal address from the Presidential duties. This allows the President to communicate with Members more often through much shorter messages, like this one.

I thought I'd start off by telling you a bit about myself then give you some thoughts on our profession, the Institute's strategy and where we are heading.

I graduated from Macquarie University in 1976 and worked for three life companies before moving onto a consulting career in 1989. Being an actuary has provided me with the opportunity to meet many interesting people, to be involved in a number of interesting transactions and allowed me to make a difference from time to time and I'm delighted to be able to have this opportunity to give back to the profession.

The profession and the Institute have come a long way since I first joined the profession in late 1976. Back then the UK was the examining body and I still remember going round to the Institute Secretary's office in his garage in St Ives, to lodge my exemption application. In those days it was the Institute of Actuaries of Australia and New Zealand and father time dominated the logo as he still does the Presidential Medallion.



Today we are a professionally run body with a new name and a new look, ready to take on the challenges of the 21st Century. You our members want and deserve better services and support wherever you may be throughout Australia and overseas. Council has been very aware of this and charged Melinda Howes our CEO and her team with improving services. A lot of work has gone into this area over the last year with great success and will continue to do so particularly in the areas of quality member events and access to CPD as well as the effective use of technology to improve the member experience. We are also talking to other organisations around the world to see how we can share our resources and skills.

Taking a more external focus, the world has certainly changed and continues to change as we all go through difficult times.

All the life companies I worked for have been consumed in takeovers. Our traditional insurance and financial services based markets are shrinking through consolidation and these are no longer the obvious employer of new actuaries in Australia. The traditional areas can no longer support the growing profession and we must find new markets for our services.

On the other hand there is a growing skills shortage and there are increasing opportunities in banking and other areas in the broader financial services sector, as well as opportunities beyond financial services. The profession globally has created the CERA qualification to provide a pathway into a much wider sphere of influence for actuaries both within and beyond the insurance and financial services sectors. But are we as members of the profession up to the challenge of seizing the opportunity?

Our research tells us that employers of actuaries value our technical skills but aren't seeing enough demonstration of commercial skills, of having a firm opinion, of providing advice rapidly, and we risk being seen more as providers of technical services than providers of high quality commercial advice based on a thorough understanding of the many drivers of the business.



Our customers are telling us we need to anticipate or respond quickly to change and this doesn't necessarily gel with our training for comprehensive analysis. We no longer have the time to analyse as we once did.

But all this is nothing new...

Let me read you a quote

As a profession we are apt to be accurate, cautious, consistent, and reticent, and in these lie our strength; but if they do not leave enough room for impulse and imagination, they can be a weakness. The actuary who is only an actuary is not an actuary.

Those words were spoken by Frank Reddington accepting his gold medal from the Institute of Actuaries in 1968 and I believe they are even more applicable today.

I fear we are not attracting the people who can be more than an actuary into the profession and this is a major threat to the profession.

We and other actuarial bodies around the world face competing demand from the increasing number of other professions for new members. We are no longer the pin-up profession of choice as younger people brought up in a world of instant gratification are keen to get on with their exciting glamorous careers. There is not as much patience for the dedication and work required to qualify as an actuary.

We need to evolve the profession into one that demonstrates diversity and meets modern needs without surrendering our unique professional skills in analysis and complex judgement.

The strategy set by Council was developed in this context and we are taking steps to address it. We have already created the Actuary designation for Associates who have attended the Professionalism Course to recognise that achieving the Associate qualification is a major professional achievement. This has been very successful in both retaining members and bringing members back to the profession.



I mentioned the CERA qualification which is another important initiative in expanding the profession. We will also shortly be announcing details of the Leading Experienced Practitioner and Academic Practitioner Pathway which will allow those members who can demonstrate a strong skill and experience in Enterprise Risk Management to be awarded the CERA qualification directly. I hope that those of you with the appropriate experience will take advantage of this and act as role models for our newer members.

As part of implementing our strategy we also need to look at changing the training of actuaries to let go of some of our historic techniques, replace them with more progressive methods and incorporate the necessary and desired soft skills required in modern business. We will also be promoting the abilities of actuaries to employers. All of this will take time. But the Institute can't do it alone. The Institute does not create job opportunities for actuaries, it is we as individuals who must rise to the challenge and step up to let the world know what actuaries can do, that actuaries can act with impulse and imagination tempered by skill, experience and professional judgement that is, I believe, unique.

For that we need leaders in business, we need role models, we need mentors, we need risk takers to show the way and I hope that many of you can take on these roles.

Of course many of you - over 500 in 17 countries - already volunteer and we are very grateful for this. Your input is vital to the Institute's success. Volunteering is a marvellous way of learning new skills, networking, expanding your experience and making a contribution, and I would like to thank you all for your enthusiasm and commitment. We will be doing our best to support and recognise our volunteers throughout the year.

I would also like to say how much I appreciate the support of the Institute Staff most ably led by Melinda Howes. We have a very hard working and capable team who have undergone a lot of change in the last year to create a much more efficient and member focused organisation. I see a lot of compliments from members which is great, and please keep them coming, but we do recognise we still have a way to go and always appreciate constructive comments.



I must pay tribute to our Past President Barry Rafe. Barry brought his personal people focused style to the presidency and a desire to ensure the profession delivers to its current and future members. Barry has been active in a number of areas and I'd like to single out the public policy area where he has been Chair of the Public Policy Committee, this has resulted in a great many high-quality public policy submissions. We all thank Barry for his dedication and commitment and I am very pleased to say that Barry will be continuing his involvement with the Institute in public policy and education as well.

As for me it is an important part of my job as President to promote the profession and drive the implementation of the strategy to ensure the profession remains relevant, increases its circle of influence and is seen as a profession of choice for the leaders of the future. I look forward to the challenge and of having you join me in taking on the changing world.