



**Polishing the Crystal Ball:  
Progressing the Institute's  
Vision over the next 10 years**

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## Agenda

- Introduction
- Institute Strategic Plan 2004-07
  - Progress against plan
- Vision 20/20 Taskforce
  - Objectives
  - Vision & Mission
  - Issues
  - Discussion

## Introduction

- We have all been busy over the last couple of years!
- In our day jobs:
  - GI & HI regulation, regulation changes in life and super, IFRS, ramifications of HHH & Equitable, independence, product development....
- The Institute has been directly affected by these as well as progressing other initiatives.....

## Introduction (cont)

Over the last few years, the Institute has:

- Introduced the new Part III education program;
- Overhauled it's corporate governance:
  - Code of Conduct, professional standards and guidance structure, disciplinary scheme, and Secretariat processes and documentation.
- R&D: ARCA and Risk Management.
- Supporting GI actuarial growth, input on IFRS.
- Member services: website, banking actuaries.
- Profile raising: governments, regulators.
- International engagement: IAA, Asia.
- Enhancing the substance of the Secretariat.

## Introduction (cont)

- We have more to do in these areas to complete existing commitments.
  - ARCA, PS's review, driving forward on RM...
- But what did we intend to be doing, and how have we gone...
- And where to from here? Where should we be aiming over the next 3, 5, 10 years???

## IAAust Strategic Plan 2004-7

- 2004-7 Plan key focus areas:
  - Positioning and Marketing of the profession
  - Strengthening Quality of actuarial advice
  - Extending Influence of IAAust and actuaries
  - Leadership Development within the profession
  - Raising Practice Committees status/profile
  - New Domain Development
  - Research and Development initiatives
  - Education & CPD programs
  - Internal communication & member services
  - Asian development

# Positioning and Marketing

- **Market Research: Understand current issues:**
  - Employer Groups to be consulted (2006 - o/s).
  - Market Survey (2006 - o/s).
- **Understand current perceptions, future opportunities & repositioning imperatives.**
  - Survey to be sent to employers (2006 – o/s).
  - Access existing “corporate knowledge”.
- **Identify and execute key strategic partnering opportunities**
  - Attained position on Board of ERMII (2005).
  - Representative on Society for Knowledge Economics (2005).
  - Others as opportunities arise (2006, 2007).

## Positioning and Marketing (cont)

- **Implement stakeholder programs with policymakers, employers, media and analysts.**
  - Media lunches (various held and ongoing).
  - Discussions with Ministerial advisers (various held and ongoing).
  - Employers to be targeted in 2006.
- **Promote “proud to be an actuary” program**
  - Develop plan based on market survey and work of Communications TF (2006 – o/s)



## Strengthening Quality of Advice

- **Professional Standards: review all PS's and GN's on a rolling 3 year basis to ensure up-to-date and meet external demands:**
  - The highest priority in 2006.
  - Considerable road testing on Code of conduct, EPR, CPD, FCR, PS 200.
- **Corporate Governance: Implement the recommendations of the Institute's Corporate Governance Taskforce (as appropriate):**
  - EPR: PS completed for GI / Life. More work on superannuation / health.
  - Whistle-blowing: Reference in Code. Further discussion with authorities.
  - Risk Management: Initial work on checklist carried out – need to follow through.
  - Disclosure of uncertainty: Emphasised in new Code.
- **CPD: Strengthen CPD requirements:**
  - New PS 500 completed (2005/6).
  - Further CPD for actuaries in statutory roles being considered.

## Extending Influence

- **Identifying key public / business issues, setting priorities:**
  - Appointment of Director of Public Affairs
  - Shifting of priority to employers in 2006/7.
  - Opportunistic – benefit projections, longevity, tax simplifications and RITF
- **R&D to underpin policy: link R&D in practice development, academic research and public policy:**
  - Successful launch of ARCA in 2006
- **Robust public/external affairs: Build on established reputation for impartial/authorative advice - roundtables, forums, media:**
  - Strong on reactive submissions. Emphasis on delivery versus promise.
  - Reputation for independence and integrity maintained.
  - Ongoing program with media and political advisers.
  - Tax simplification on super a major project (ongoing).
  - Programs around Council meetings (ongoing).

# Leadership Development

- **Introduce leadership programs: identify individuals and offer them skills development (where they indicate interest and talent):**
  - No progress - Andrew Gale offer to move forward
- **Encourage key individuals to take up the positions of convenors of the practice committees - higher profile as leaders and spokespersons:**
  - No progress
- **Identify a group of spokespeople on key policy and practice issues - provide these with media training etc:**
  - No progress



# Developing Practice Committees

- **Refine terms of reference for PC's - 5 key responsibilities – education, CPD, public policy, technical issues, member services/communication:**
  - Completed.
- **Raise the status / profile of PC's:**
  - Program initiated with abolition of a number of Council Committees.
  - Terms of reference completed.
  - Commenced PC convenors and Executive meetings.
- **Support role and responsibility of PC's by Secretariat:**
  - Director Practice Development to attend all PC meetings.
  - Formalisation of roles through Terms of Reference (complete).
  - Practice Committee presentation at Council meetings (under consideration).



## New Domain Development

- **Vision 2007 Taskforce to consult Council, PC's etc:**
  - Risk and risk management has emerged as a key domain to be developed.
- **Initial targets: economic valuations, capital management, risk management and customer insights**
  - Currently: applying resources to Risk in 2006. Other domains under review.
- **Domain specific taskforces to plan/implement “growth/development”:**
  - Risk Taskforce is being transitioned to a Practice Committee.
- **“Domain” taskforce plans to identify “strategic partners”:**
  - Risk Committee is to have two way dialogue with other Committees.
  - ERMII is strategic partner (and we have involvement).
  - Universities likely to be involved.
- **Incorporate “domain plans” into Horizons programs, CPD, R&D, AAJ contributions and “stakeholder influencing” initiatives**
  - A natural outcome of the main initiative

## R&D initiatives

- **Establish an effective research structure – bring together research needs, the research capability of members and funding:**
  - Plan to successfully launch ARCA in 2006
- **Leverage voluntary members efforts in research - cross fertilise with uni's:**
  - Maintain Horizons, Insights, Conventions, GI seminars, Financial Services Forum.
  - Funding universities + ARCA.
- **Utilise external funding –industry and stakeholder groups, government CRCs and private 'think tanks':**
  - ARCA.

## Education and CPD Programs

- **Effective implementation of the new Part III.**
  - Other than teething problems – Achieved.
- **Introduce Health Financing into the Part III in 2007:**
  - A 2006 initiative. Preliminary work started.
- **Increased rigor in the CPD requirements. Improve level and variety of CPD programs being offered by the Institute:**
  - Increased rigour achieved in new CPD PS.
  - CPD program now vested in Secretariat.
- **Review the content of the CPD program with a goal of facilitating actuaries broadening and deepening their expertise**
  - Delegated to Secretariat.
  - Council to monitor progress.

## Internal Comm, Member Services

- **Increase focus on member services:**
  - MSCC abolished. Member services fully delegated to Secretariat. Council to monitor.
- **Increase reporting to the membership. Improve the design and delivery of information via the website. Improve website discussion forums, search function etc:**
  - Work on website proceeding (soon).
- **Temper growth in annual subscription rates:**
  - Electronic delivery versus other increased services.
- **Increase the contact between PC's and their constituents:**
  - Ongoing campaign (PC liaison meetings etc).
- **Targeted member services to members in newer domain areas and those outside of the Sydney region:**
  - Banking, Finance and Investment and Risk will be the focus in 2006



## Asian Development

- **Bring together current initiatives – drive to increase involvement in Asia:**
  - 2006 initiatives.
- **Maintain program of visits and exchanges with actuaries in Asia:**
  - Ongoing campaign.
- **Develop strategic partnerships across region – actuarial bodies and education institutions:**
  - Ongoing campaign.
- **Focus Institute actions in Asia to be economically sustainable:**
  - Noted.

## So where to now...

- OK...we have implemented much...
- So, “where to from here” .....
- Lift focus from “reactive” or “tactical” to genuine “strategic”.
- Look at issues and priorities for the next 10 years or so.

## Vision 20/20 Taskforce

- Vision 20/20 Taskforce has been convened to lead discussion amongst members.
- Taskforce has 8 members from a broad range of backgrounds:
  - Practice areas, education, Institute , etc
  - Greg Martin (c), Henry Onions, Ken Guthrie, Mike Sherris, Raymond Yeow, Rowan Ward, Eric Judd, Tracey Polladore

## Vision 20/20 TF Timetable

- Kicked off on 6 April 2006.
- Aiming to have a DD “proposition” by end 2006.
- Initial data gathering / discussion Apr-Jul.
  - Includes this Forum
- Discussion note for broader member consultation and feedback Jul-Sep 2006.
  - Horizons, Insights etc,
- Pre Christmas 2006
  - Discussion draft proposition to Council pre-Christmas 2006.
- Next steps to be decided then...further consultation 2007??

## Key Questions..

- What are the likely scenarios for the future working environment of Institute members?
- On current trends and known initiatives what might the member profile look like in 10 years?
- To what extent will the actuarial profession meet the needs of the evolving environment?
- Is what we are doing consistent with our “Vision”? Will we make progress in the direction of the Vision??
- What very high level broad directional changes should the Institute undertake?

## Institute Vision & Mission

**Vision & Mission to be taken as read....**

### **Actuarial Vision:**

“Whenever there is uncertainty as to future financial outcomes, actuaries will be sought for their valued advice and authoritative comment.”

### **Institute Mission:**

“To represent the actuarial profession and maintain, create and expand an environment where the skills of actuaries are widely used and valued.”

## Vision & Mission Ramifications

- First point to note...the ramifications of the Vision and Mission would seem to be than over the next (say) 25+ years Actuaries will be:
- Operating throughout the vast majority of the whole of financial services sector.
- A readily recognised, a respected and a “pre-eminent” profession throughout the financial sector.
- To satisfy this...number “many” (thousands).



## Key Issues

- Demography and employment environment.
- Education, CPD and R&D.
- What is an “actuary”?
- Is risk management “it” for the future?
- International – IAA & Asia
- Marketing, co-branding etc.
- Governance & quality assurance.



## Demography and employment

(Approx only)	2005	2015 V1	2015 V2
Life & WM*	400	550	650
GI & Health*	400	600	650
Super, EB, FP*	260	300	350
BFI & RM*	310	600	2,000
Other*	200	325	400
O/S FIAA/AIAA (Asia)	150	275	1,000
O/S FIAA/AIAA (Other)	155	250	300
Students (Aus)	770	1,150	2,500
Students (O/S)	130	300	2,150
Total (excl retired)	2,775	4,350	10,000

\* Aus & NZ FIAA & AIAA approx



## Demography and employment

- Currently membership growth (approx):
  - 50 net increase in fellows p.a. (4½% p.a.)
  - 90 net increase in students/associates p.a.
- No change → 4,500 members by 2015.
- To get 10,000 need, say, 700 p.a. net:
  - 250 net fellows p.a. (total 3,900).
  - 450 net students/associates p.a. (total 6,100).



## Education, CPD and R&D

- Does our education syllabus support the vision, in particular Part I and II:
  - High quality, modern financial/risk maths based?
  - Drop UK and do our own? International issues?
- Pass rates for Part III? Resourcing the vision?
- Overlap across Education and CPD, and need for future easier “re-skilling” of actuaries?
- R&D likely to be critical to maintain and expand domains. Is ARCA enough?

## What is an “actuary”?

- Is it time to reassess what is an “actuary”?
- Both dimensions:
  - Fellow versus associates? Relevance of fellowship outside traditional fields? Can we support a Part III practice area course for everyone?
  - Dealing with an increasingly diverse range of actuary sub-groups / “churches”. Should we let some just “drift off” post qualification?
- NB: International convergence / expectations (both ways).

## Is risk management “it”?

- A lot of focus on risk management as the distinguishing feature of actuaries.
- Is that it? Or is our *raison d’être* broader?
  - Financial mathematics?
  - Communication skills → Education again??
  - Professional standards & quality control?
- Risk of hitching our wagon to risk...



## International – IAA & Asia

- What are the ramifications of a growing International Actuarial Association?
  - What is the Institutes long term relevance?
  - What does it mean for our need to be involved?
- Where is Asia going and what will we get out of our involvement / support?
  - Are there opportunities?
  - Or is this a “must do” defensive strategy?

## Marketing, co-branding etc

- A lot of focus on government in the past.
- Also regulators.
- What focus in future:
  - Industry / business?
  - Specific large institutions?
- The role of Co-Branding, affiliations
  - e.g. risk management domain development proposition.

## Governance & quality assurance

- Governance framework of the Institute.
- Professional standards and Guidance.
- Code & Discipline.
- What more do we have to do?



## Discussion

- Is the ramification of the Vision & Mission reasonable?
- Demography - comments. How big? Where will the jobs be?
- What is an actuary?
- Ramifications for Education, CPD and R&D?
- Is risk management “it”?
- Marketing focus in future?
- Comments on International and Asia.
- Co-branding, affiliations: OK? Short term, long term?
- More to do on Governance, Code, Standards etc?
  
- What other questions are critical??



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