



## APRA and ASIC host Superannuation CEO Roundtable

**24 August 2022**

APRA and ASIC held a Superannuation CEO Roundtable on Friday 12 August 2022. The focus for this discussion was the Retirement Income Covenant (**the covenant**) which took effect 1 July 2022. Hosted by Margaret Cole, Member, APRA and Danielle Press, Commissioner, ASIC, the Roundtable was attended by eleven superannuation trustee Chief Executive Officers (**CEOs**) and other executives, representing a broad cross-section of the industry (see Appendix I for the full list of attendees).

### *Retirement Income Covenant*

APRA and ASIC referenced key elements of their joint letter to all superannuation trustees titled *Implementation of the retirement income covenant* released March 2022 and noted that the covenant was a call to action for superannuation trustees to articulate and codify what they will do to promote good retirement income outcomes for their members. APRA and ASIC shared their early observations of the varying levels of detail in trustees' website summaries of their retirement income strategies.

CEOs shared their lessons learnt from preparing the first retirement income strategy and using data to design a strategy that is fit for the specific needs of their membership base. CEOs discussed the importance of understanding the range of factors that contribute to good retirement outcomes for members and the challenges of assessing external factors impacting retirement which are not captured by fund data. Several CEOs also shared examples of how trustees are responding to these challenges, such as by comparing their existing data on members' characteristics to other datasets at the postcode level (e.g. house price data) or to observed member behaviours (e.g. modelling which member characteristics are associated with the decision to draw an income stream or seek financial advice).

CEOs noted that trustees needed to consider the varying objectives and income needs members may have throughout the retirement phase, in addition to at the point of retirement. CEOs also acknowledged the importance of continually adapting their retirement income strategies to accommodate for the needs of their membership base and ensuring that there are appropriate engagement channels and infrastructure designed to service members transitioning into retirement and throughout retirement.

APRA and ASIC asked CEOs how they plan to measure the success of their retirement income strategies. CEOs discussed how success can be measured by assessing levels of engagement at the point of retirement and understanding why some members leave the fund, tracking indicators of member satisfaction and confidence (such as net promoter scores), and using external expertise or benchmarks to assess the quality of product offerings.

CEOs also discussed challenges they are facing in implementing the covenant including the delivery of financial advice, the impact of consolidation in the industry and findings ways to assist members who do not have high levels of engagement.

APRA and ASIC closed the meeting by noting that they plan to commence a joint thematic review of a selection of trustees' retirement income strategies and summaries later in 2022, to conclude with communication of findings to the industry in early 2023. APRA and ASIC will also continue to closely collaborate on implementation of the retirement income covenant.



## Appendix I – CEO Roundtable attendees

### Superannuation Executives

Paul Schroder	Chief Executive Officer, AustralianSuper Pty Ltd
Damian Hill	Chief Executive Officer, Commonwealth Superannuation Corporation
Bernard Reilly	Chief Executive Officer, Australian Retirement Trust Pty Ltd
Sarah Burley	Chief Member Officer, Insignia Financial Ltd
Deanne Stewart	Chief Executive Officer, Aware Super Pty Ltd
David Elia	Chief Executive Officer, Host-Plus Pty. Limited
Scott Cameron	Chief Executive Officer, Togethr Trustees Pty Ltd
Michelle Weber	Head of Wealth Product and Technology, Macquarie Investment Management Ltd
Stephen Rowe	Chief Executive Officer, Vision Super Pty Ltd
Phil Stockwell	Chief Executive Officer, LGSS Pty Limited
Ben Facer	Acting Chief Executive Officer, NGS Super Pty Limited

### APRA attendees

Margaret Cole	APRA Member
Suzanne Smith	Executive Director, Superannuation
Adrian Rees	General Manager, Superannuation
Mike Cornwell	General Manager, Superannuation
Katrina Ellis	General Manager, Superannuation
Lucinda McCann	General Manager, Legal
Alison Bliss	General Manager, Data Analytics and Insights
Carolyn Morris	Senior Manager, Policy and Advice

### ASIC attendees

Danielle Press	Commissioner
Jane Eccleston	Senior Executive Leader, Superannuation
Leah Sciacca	Senior Executive Leader, Financial Advisers
Brad Ruting	Senior Manager, Superannuation
Jessica Spence	Senior Specialist, Superannuation

Signed

**Margaret Cole**

Member

Australian Prudential Regulation  
Authority

[www.apra.gov.au](http://www.apra.gov.au)

**Danielle Press**

Commissioner

Australian Securities  
and Investments Commission

[www.asic.gov.au](http://www.asic.gov.au)