

17 March 2023

General Manager, Policy  
Australian Prudential Regulation Authority  
1 Martin Place  
SYDNEY NSW 2000  
By email: [REDACTED]

Dear APRA

**Draft SPG 530 Investment Governance November 2022 - TelstraSuper Submission**

TelstraSuper thanks APRA for the opportunity to provide feedback on the draft SPG 530 Investment Governance published in November 2022.

Overall, we consider the draft SPG to be clear and comprehensive guidance to aide superannuation funds comply with Prudential Standard SPS 530 Investment Governance (SPS 530).

We do however wish to raise the following issues for APRA's consideration and further clarification:

1. Paragraphs 20 and 33 of SPS 530 Sections 45 and 63 of the draft SPG 530 make reference to the term "risk factors" when discussing the management of investment risk. In our experience, there is not a universally accepted definition of what this term means, and accordingly we believe it would helpful if SPG 530 were to define this term and/or provide examples to clarify APRA's intended meaning of this term.
2. Section 79(d) of the draft SPG 530 states that APRA expects stress testing to be done at least quarterly. In contrast, paragraph 32(b) and (c) of SPS 530 state that stress testing should be carried out at least annually. We note this inconsistency, and believe it would be preferable for the two documents to be made consistent with one another. One way of achieving this would be for SPG 530 to provide guidance on the circumstances in which more frequent stress testing than that specified in SPS 530 would be considered desirable.

We further note that AIST and ASFA plan to make submissions in relation to the valuation of unlisted assets. TelstraSuper supports these submissions.

For further information regarding our submission, please contact me at [REDACTED].

Yours sincerely



Graeme Miller  
Chief Investment Officer