



Giving Actuaries their voice

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There has been some debate over the last couple of months over the role of the Institute in building a public profile for actuaries and the actuarial profession. This brief article sets out the approach we are taking and some of the results and potential traps.

PUBLIC DEBATE

Council has developed the view that the Actuaries Institute needs to be part of the public debate in areas where we can make a valuable contribution. Over the past year we have been in the press discussing topics such as the various flood reviews, capital standards for insurance companies, post retirement issues and the governance of superannuation funds. The reason we have been active in these areas is that the public debate has often been dysfunctional or is lacking a key piece of insight. We do have specific public policy positions on many of these items but the public debate does not always need to be limited to areas where we have a specific policy. To illustrate, the Institute has assisted a number of actuaries to publish opinion pieces and has organised press interviews for actuaries who write papers for conferences. As an example, we organised around 10 press interviews for actuaries who wrote papers for the financial services forum. We see this not only as a service to members but also a good way of getting interesting topics aired in public and associated with the profession. We select topics that may be of broader public interest and provide coaching if necessary to actuaries who speak to the press.

MEDIA

There are of course traps in dealing with the media. In complex debates and in search of a good story the journalists do sometimes attempt to sensationalise a story. A lesson learned from some of these experiences is that it is sometimes better to keep quiet. The profession is small but we have a loud voice. What we as an Institute say in the media does carry a lot of weight and



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carries a risk that statements may be misreported, misinterpreted or simply grabbed for some political advantage.

On specific policy issues we do have authorised Institute spokespeople. These are generally specialists in their particular fields and are media trained. On balance, I think it is important that the profession has a public voice but we always need to be mindful that there may be risks of unintended consequences.

Our preferred approach therefore is to publish opinion pieces where we have control of the message and we can target our audiences through the publications we use. To help us achieve our public policy objectives we have retained media consultants Honner Media. We rely on them to, amongst other things, organise media interviews and to position our messages in the press.

PUBLIC POLICY

The Institute has a process for agreeing public policy. The Public Policy Council Committee is tasked by Council to ensure the development of policy. The website sets out our detailed policy on three key areas namely retirement incomes, health financing and enterprise risk management. There are clearly many areas where the Institute can develop policy and we have set policy filters which narrow down what we should develop policy on. In particular we aim to position the profession as a source of valued advice and authoritative comment in areas where there is uncertainty of future financial outcomes. There also needs to be a public benefit.

Policy is generally developed through the relevant practice committee and then tested with the broader membership. There are often situations where our policy is in conflict with Government policy. In these cases, we communicate our views directly with the various arms of government and seek an understanding with them about how we will proceed. In some cases, such as the ongoing discussions regarding new capital standards for insurers, most of the debate has been directly with APRA rather than through the press. In other cases, however we do go public with our views for example over removal of barriers for innovation in some retirement products and the need for flood premium pooling mechanisms. The general rule here is that if we have a difference of opinion with the government over any policy issue we make sure they first hear it from us directly. We specifically do not want the government to be surprised by our public statements.

The actuarial profession does have an important contribution to make to public policy and it is often the case that we can be involved in the debate without taking sides. I encourage actuaries who have an 'opinion piece' in them to draft up something and send it in. **A**

Letter

DEAR EDITOR,

I do not like the Institute developing policies, or indeed having any attitudes whatsoever, on matters of public controversy where individual actuaries can reasonably take different positions and disagree among themselves. I believe it is wrong and dangerous.

Wrong, because the resources of the Institute should not advantage the interests or politics of some members to the detriment of others. Dangerous, because it puts the reputation of the profession itself at risk.

All of us are free as individuals to be as boisterous as we wish in public debate and in the media circus, and I often participate myself. It is healthy for us and for society. And Council has legitimate roles credentialing actuaries, resisting attacks on our independence, providing forums where practitioners can engage with policymakers, and encouraging the rigorous testing of ideas with evidence and reason.

But we do not need the Institute to filter what we say and to describe it as "giving actuaries a voice" – every actuary has a voice already. Nor do we need Council to make public pronouncements, setting itself at odds with its members in matters of policy. It adds little of value and makes us look foolish: in the past influential actuaries have urged the Institute to lobby for tax shelters and other rent-seeking, and to defend deceptive sales practices and homophobia, views that are now widely discredited. That reflects on us all.

Those who work for the Institute or hold elective office, and who are eager to participate in public controversy, can do so in their own names like other actuaries. I believe it is illegitimate for any to advance themselves, their opinions or their business interests by publicly arrogating the authority of the whole actuarial profession. **A**

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