

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE APRA ANNUAL REPORT 2019

APRA17QON:

Hansard Pages 14 - 15

CHAIR: What would be helpful is if you came back with the names of the organisations/consultants who dealt with these areas, and then go through which areas they looked at and how the methodology and the heat map was influenced ultimately by each of the different arms that APRA engaged with. I am putting that on notice. I fully accept that you take ownership of the heat map, and I'm not suggesting that you wouldn't do anything otherwise. Because of the contestability around it, scrutiny is justified because of the implications it can have across the entire financial services system.

Mr Byres: We will come back to you on that.

Answer:

The three external consultants were David Bell, Rice Warner and Deloitte.

- David Bell – APRA engaged former Chief Investment Officer of Mine Super, David Bell, in a consulting-style capacity during the development of the MySuper Product Heatmap. In this capacity Mr Bell reviewed and provided observations and suggestions on APRA's proposed heatmap metrics relating to investment performance.
- Deloitte – APRA retained Deloitte in the early stages of the MySuper Product Heatmap development through a short term consulting engagement. In this engagement Deloitte reviewed and provided summary observations on APRA's initial proposed metrics and high level methodology used in two areas - specifically investment performance and fees and costs.
 - No formal opinion or report was provided by Deloitte to APRA. Deloitte provided observations to APRA for the purpose of informing APRA's further work on the heatmap. Deloitte was not engaged and did not review the final versions of the MySuper Product Heatmap metrics, methodology or reporting as launched by APRA.
- Rice Warner – APRA retained Rice Warner in the MySuper Product Heatmap development through a short term consulting engagement. In this engagement Rice Warner reviewed and provided summary observations and feedback on APRA's proposed metrics and high level methodology. Rice Warner also reviewed draft calculations of the metrics in the heatmap and provided observations on the application of the methodology and on the interpretation of the data used as inputs to the methodology.
 - No formal opinion or report was provided by Rice Warner to APRA. Rice Warner provided observations and feedback to APRA for the purpose of informing APRA's further work on the Heatmap.
- Rice Warner also assisted APRA in finalising the metrics but did not review the final version of the MySuper Product Heatmap metrics, methodology or reporting as launched by APRA.