



# Emerging Risks for Pension Funds

International Pensions Research  
Association

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# A System Fit for the Future

Australia's Superannuation system is constantly evolving



## Over \$4 trillion AUD in AUM

Driven by compulsory savings and investment returns.

4<sup>th</sup> largest system in the world.



## Fund Consolidation

Mergers leading to a consolidated number of large funds.



## Increased interconnection with the rest of the financial system

# Emerging Risks for Pension Funds

## Board Governance



- Skills
- Fitness and Propriety
- Board Performance Assessments
- Conflicts of Interest
- Tenure

## Cyber Security and Operational Resilience



- Superannuation needs to mature – authentication controls.
- CPS 230 Operational Risk Management.
- Whole of industry response to future attacks.

## Artificial Intelligence



- Existing prudential standards are fit for purpose.
- APRA's approach seeks to maintain safety but not unduly hinder innovation.

## Investment Governance

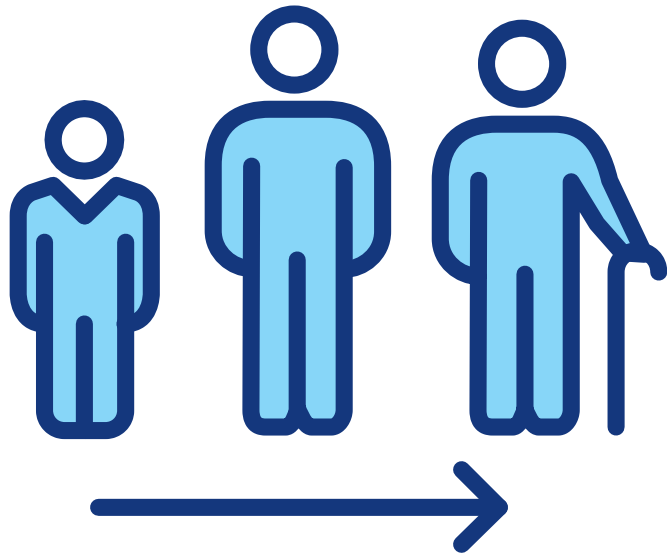


- Increased overseas investment.
- Increased investment in unlisted assets.
- APRA 2024 Thematic Review highlighted areas of poor practice.
- System Risk Stress Test.

# Trust in the System

## Delivering for Members into Retirement

- Data on Retirement Products.
- Implementing the Retirement Income Covenant.
- Holding Trustees accountable for adhering to obligations under the law.



## Climate Risk

- CPG 229 Climate Change Financial Risks.
- Climate Risk Self Assessment Survey.



# Getting the Balance Right



## **Economic Reform** Roundtable