

Policy Governance Framework

The work of the Board Policy Committee will be supported and complemented by the following groups and processes:

1. Policy Councils
2. Specialist Advisory Committee(s)
3. Issues based Working Groups
4. Email lists

Adoption of ASFA Policy

Only the ASFA secretariat and Board Policy Committee have the authority to adopt ASFA policy. Prior to adoption, sign-off must be ascertained at the appropriate level, determined by the secretariat dependent on the nature of the policy issue being determined.

For example, a technical regulatory submission may only require secretariat sign-off, whereas a major inquiry submission is likely to require Board Policy Committee sign-off.

At a minimum, prior to publication or lodgement the ASFA CEO, CPO or Policy Team representative must sign-off on any submission or other policy work emanating from Policy Councils, Specialist Advisory Committee(s) and Issues Based Working Groups.

ASFA Policy Principles

ASFA's Policy Councils, Specialist Advisory Committee(s) and Working Groups are to develop policy in line with the Board approved *ASFA Policy Principles*:

- 1.1** • **Principle:** ASFA should be an “honest broker”, aiming to inform debate to improve outcomes for fund members.
- 1.2** • **Principle:** The impact on fund members and other stakeholders is understood and is evidence-based.
- 1.3** • **Principle:** The issue is a priority in ASFA's strategic plan or is significant in nature, for example because an existing position has become indefensible from the perspective of fund members'.
- 1.4** • **Principle:** The likely impact of the policy will be to improve equity, efficiency, simplicity and/or adequacy in the system.
- 1.5** • **Principle:** The policy will increase sustainability and fund members' confidence in the system.
- 1.6** • **Principle:** A compromise can be reached despite a diverse and valid range of views across ASFA members.
- 1.7** • **Principle:** ASFA is likely to be perceived as credible in advocating a position.

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1. Policy Councils

Function and Mandate

ASFA's Policy Councils are established by, and report to, the ASFA Board Policy Committee.

The Policy Councils will explore strategic policy and system design issues. The Policy Councils will help develop ASFA policy to support ASFA's vision, mission, purpose, and strategic objectives:

Vision: All Australians are financially confident about their retirement.

Mission: To continuously improve the super system, so all Australians can enjoy a comfortable and dignified retirement.

Purpose: To achieve the best retirement outcomes for members of super funds through the development of good public policy and industry best practice.

In this context, the mandate and strategic objective of each Policy Council is as follows:

1. **Super System Design Policy Council**

Mandate: Contribute to the development of policies that enhance system design and structure to enable the delivery of a comfortable retirement for all Australians.

Strategic objective: ASFA drives improved system design through proactive advocacy.

2. **Industry Efficiency Policy Council**

Mandate: Contribute to the development policies that improve system efficiency and the delivery of services to fund members.

Strategic objective: ASFA drives key stakeholders on data quality and transaction governance.

Structure and Membership

The ASFA Board Policy Committee will appoint an ASFA Director to Chair each Policy Council.

Corporate member organisations may register their interest in participating in a Policy Council(s) and nominate an appropriate individual(s) by notifying the secretariat at any point in time.

The structure and membership of each Policy Council will be determined by the secretariat and Chairs in accordance with the following principles and guidelines:

- Represents a balanced reflection of ASFA's core membership segments.
- Achieves an appropriate size that drives efficient operation.
- Members can only be selected from corporate (not individual) ASFA members.
- Only one person from each corporate member organisation can be selected (per Policy Council).
- Meets corporate member's needs. Where possible ASFA should seek to ensure that CEO's have genuine buy-in into this process.

Towards the end of each financial year there will be an annual review of membership by the secretariat and Chairs to ensure currency and validity.

Chairs and the secretariat will retain ultimate discretion for Policy Council membership at all times.

To foster development within the superannuation industry, the secretariat and Chairs may appoint an emerging leader representative to each Policy Council to participate in strategic policy development activities and gain exposure to senior industry leaders.

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Accountability

Policy Council members are selected as representatives of their corporate member organisation. It is the responsibility of Policy Council members to:

- Liaise internally within their organisation to facilitate effective discharge of their representative role.
- Communicate Policy Council outcomes as is appropriate within their organisation, including to senior management, government and regulatory affairs, or other internal parties as required.

To preserve the ongoing integrity of ASFA policy governance, members are selected for their individual skills and expertise on the basis that they commit to attend Policy Council meetings and support the achievement of ASFA's strategic objectives.

Members may nominate appropriate delegates in case they are unable to attend meetings and are obliged to inform the secretariat in advance where this is the case.

Members are expected to make reasonable efforts to attend meetings of the Policy Council. Where a member has not attended at least 50% of meetings in any given financial year this will be considered as part of the annual review by the secretariat and Chair of the membership of that Policy Council for the following financial year. Attendance by a nominated delegate is not considered to be attendance for this purpose.

Operations

The secretariat and Chair will schedule up to four meetings per year for each Policy Council, with the flexibility to reduce this frequency or to hold additional out of session meetings at their discretion.

Each Policy Council will be serviced by a secretary from the ASFA Policy team. An agenda and meeting papers will be prepared and circulated by the secretary to members via e-mail, generally one week prior to the Policy Council meeting.

A standing agenda item will be incorporated to promote sharing of relevant information between the Board Policy Committee and Policy Councils. The secretariat and Chair will seek to ensure appropriate updates are provided.

Meetings may be attended in person or remotely and (indicatively) will be 90 minutes in duration. In the absence of the appointed Chair, the secretariat will determine an alternative member or secretariat representative to act as Chair for the meeting.

A formal meeting is constituted by a quorum of four Council members.

2. Specialist Advisory Committee(s)

One or more Specialist Advisory Committee may operate within ASFA's Policy Governance Framework. As at 1 July 2020 the ASFA Board has endorsed the operation of a Tax Specialist Advisory Committee, however others may be formed should the need arise.

Function and Mandate

The Tax Specialist Advisory Committee will utilise members' tax technical expertise to lead bespoke work items that fall outside of the remit of the four ASFA Policy Councils or Working Groups, or to work on relevant matters in tandem with the Councils or Working Groups. This will include providing input into responses to technical tax consultations. The Committee will focus on issues impacting the whole system.

The secretariat will provide guidance to ensure the work of the Committee is congruent with ASFA's vision, mission, purpose and strategic objectives.

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Structure and Membership

The Tax Specialist Advisory Committee will be comprised of tax experts with an interest in contributing to and influencing superannuation policy through ASFA.

The Tax Specialist Advisory Committee will appoint a Chair from amongst its membership. The Committee may also decide to appoint a Deputy Chair to act in the role if the Chair is unavailable.

Corporate member organisations may register their interest in participating and nominate an appropriate individual(s) by notifying the secretariat at any point in time.

The structure and membership of the Tax Specialist Advisory Committee will be determined by the secretariat and Chairs in accordance with the following principles and guidelines:

- Achieves an appropriate size that drives efficient operation.
- Members can only be selected from corporate (not individual) ASFA members.
- A maximum of two individuals from each corporate member organisation can be appointed.

Towards the end of each financial year there will be an annual review of membership by the secretariat and Chair to ensure currency and validity.

The secretariat will retain ultimate discretion for Committee membership at all times.

Accountability

Members of the Tax Specialist Advisory Committee are selected as representatives of their corporate member organisation. It is the responsibility of Committee members to:

- Liaise internally within their organisation to facilitate effective discharge of their representative role.
- Communicate Committee outcomes as is appropriate within their organisation, including to senior management, government and regulatory affairs, or other internal parties as required.

To preserve the ongoing integrity of ASFA policy governance, members are selected for their individual skills and expertise on the basis that they commit to attend Committee meetings and support the achievement of ASFA's strategic objectives.

Members may nominate appropriate delegates in case they are unable to attend meetings and are obliged to inform the secretariat and Chair in advance where this is the case.

Members are expected to make reasonable efforts to attend meetings of the Committees. Where a member has not attended at least 50 per cent of meetings in any given financial year this will be considered as part of the annual review by the secretariat and Chair of the membership of the Committee for the following financial year. Attendance by a nominated delegate is not considered to be attendance for this purpose.

Operations

The Chair will schedule up to six meetings per year for the Tax Committee, with the flexibility to reduce this frequency or to hold additional meetings at their discretion.

Operational matters such as:

- the duration and format of the meetings; and
- requirements as to quorum;

will be determined by agreement of Committee members with the Chair retaining ultimate discretion.

Members will be responsible for driving Committee operations, with the ASFA secretariat providing limited logistical support where required. Formal minuting of meetings will not be required.

The Chair will provide a regular update on the Committee's work to the secretariat, to be included in formal reporting to the ASFA Board Policy Committee.

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3. Issues Based Working Groups

Working groups may be established by the secretariat on a as needs basis, drawing on relevant experts from within the ASFA membership. These groups will operate in a targeted manner and deliver responses to contemporary policy consultations or issues.

The structure and membership of each Working Group will be determined by the secretariat in accordance with the following principles and guidelines:

- Represents a balanced reflection of ASFA's core membership segments.
- Achieves an appropriate size that drives efficient operation.
- Members can only be selected from corporate (not individual) ASFA members.
- Meets corporate member's needs.
- Where the corporate ASFA member has more than one representative participating in the Working Group, one representative is nominated as the ASFA corporate member's spokesperson for the Working Group.

Each Working Group may develop its own Charter to reflect its purpose, terms of membership and operating guidelines. The need for a Charter will be dependent on the nature of the Working Group and whether Working Group members believe it is necessary.

Formal minuting of meetings will not be required.

Working Groups are convened for a particular purpose and will be disbanded once this purpose is fulfilled or are deemed no longer necessary.

The secretariat will retain ultimate discretion for Working Group membership at all times.

4. Email Lists

From time to time the secretariat may consult with members via e-mail, particularly where there are time constraints on submissions to Government or where a working group is not required.

Date of effect: 1 July 2020