

## ASFA Policy Councils Charter - 1 July 2017

### 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 and represent the thought leadership of ASFA as Australia's peak superannuation industry body. The Policy Councils will be responsible for leading the development of 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 of each Policy Council is as follows:

**1. Super System Design Policy Council**

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

**2. Consumer & Industry Outcomes Policy Council**

Contribute to the development of policies that drive the best possible consumer outcomes.

**3. Industry Efficiency Policy Council**

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

**4. Economics & Investment Policy Council**

Contribute to the development of policies impacting economic and investment conditions to optimise long-term member returns and improve living standards in retirement.

The Councils 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.

### **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 (inter and intra-Council).
- Achieves an appropriate size that drives efficient operation.

- Comprises senior industry leaders to cultivate a strategic focus between the oversight function of the Board Policy Committee and the technical operations of working groups.
- 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.

Notwithstanding the terms of this Charter, Chairs 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.

### **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 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 at ASFA's Sydney office or via teleconference 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.

## **Policy Governance Framework**

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

### **Specialist Advisory Committees**

Two Specialist Advisory Committees will operate in the framework:

- Legal and Regulatory Specialist Advisory Committee
- Tax Specialist Advisory Committee

The Specialist Advisory Committees will be comprised of legal, regulatory and tax experts with an interest in contributing to and influencing superannuation policy through ASFA. 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 Committees will utilise their technical expertise to lead bespoke work items that fall outside of the remit of Policy Councils, such as responses to technical regulatory and tax consultations. The Committees will focus on issues impacting the whole system.

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

### **Issues Based Working Groups**

Working groups may be established by the secretariat on a 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.

### **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. ASFA will maintain the following e-mail lists for this purpose:

- Fund Administration & Operations
- Risk, Legal & Compliance
- Disclosure & Advice
- Defined Benefits
- Tax

### **Adoption of ASFA Policy**

Only the 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 dependant 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 or CPO must sign-off on any submission or other policy work emanating from Policy Councils, Specialist Advisory Committees and Issues Based Working Groups.

***Date of effect: 1 July 2017***