

# Policy Committee Guide

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Avanteos Investments Limited ABN 20 096 259 979  
AFSL 245531 (AIL, Trustee, Us) is the Trustee of  
FirstChoice Employer Super (the Fund) and issuer  
of interests in FirstChoice Employer Super, which is  
a product of the fund.

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## Helping you be more involved in your super

A policy committee can be a great way to engage your employees in their super and enable them to have a say in your super plan. Many employers like you have found a policy committee helps their business and people make the most of super.

This is a guide to what a policy committee is, how they work, and what to do to set one up. Here's what we cover:

- Explanation of some of the technical terms used
- What a policy committee is
- How to set up your policy committee
- Roles and responsibilities of policy committee members
- How your policy committee should operate.

### When should a Policy Committee be established?

The *Superannuation Industry (Supervision) Act 1993 (Superannuation Law)* requires the Trustee to take all reasonable steps to ensure that a policy committee is established for standard employer-sponsor arrangements if the standard employer-sponsor's super plan has:

- more than 49 members (standard employer-sponsored members), or
- more than 6 but fewer than 50 members upon written request from at least 5 members (standard employer-sponsored members).

A standard employer-sponsored arrangement is one in which the employer contributes to the fund as part of a default arrangement between the employer and the Trustee.

A policy committee must consist of an equal number of employer and member representatives.

#### Employers (fund sponsors)

Employers who make contributions to the fund on behalf of members are sponsors of the fund. An employer is known as a standard employer-sponsor and its employees as standard employer-sponsored members when the employer contributes to the fund as part of a default arrangement between the employer and the Trustee.

#### Employer's plan (plan)

The arrangement an employer has with the Trustee to enrol its employees into the fund as members in order to make contributions on behalf of those members.

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# Section 1

## What is a policy committee?

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A policy committee is a team of individual member representatives and employer representatives who assist the Trustee with the management of the plan.

### What is the purpose of a policy committee?

While the Trustee of the Fund has ultimate responsibility and decision making power, a policy committee:

- provides a forum to ask questions and give feedback about your employer plan.
- helps monitor your plan's service, investment strategy, performance and insurance.
- enables us to provide members with a better experience.
- ensures the interests of both employer and employees are considered when decisions are made.

### Do you need a policy committee?

While a policy committee is not compulsory, under Superannuation Law, the Trustee of the Fund is required to take all reasonable steps to ensure that a policy committee is set up for each employer in the following circumstances:

Number of employees who are FirstChoice Employer Super members	Should a policy committee be established?
Less than 6	No
6 but fewer than 50	Yes, but only if requested in writing by at least 5 members
50 or more	Yes

A policy committee helps to ensure your employees get the most out of their super plan.

### Who can join your policy committee

Your policy committee should have an equal number of employer and member representatives (we recommend at least four people in total).

#### Member Representatives

Plan members who are nominated by themselves, other members, or an organisation representing members' interests.

#### Employer representatives

Usually nominated by the employer or can be nominated by an organisation representing the employer's interests.

#### Who is not eligible to be a member representative?

Anyone who has been subject to a civil penalty order, charged with an offence relating to dishonesty, or who is insolvent.

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## What does the policy committee do?

A policy committee gives employees who are members of the fund the opportunity to understand more about their super and communicate with us. We also use it to update members on things that affect their plan.

### Its role

- Help make enquiries about the investment strategy, performance and administration of the plan, and communicate any opinions or concerns to the trustee.
- Give feedback on the need for more information on matters like insurance options.
- Assist with any enquiries or complaints.
- Communicates any other issues.

### How often does it meet?

Your policy committee needs to meet at least once every year.

### What role does the policy committee have?

The policy committee has an advisory role. While the Trustee is ultimately responsible for the decisions about the Fund, the policy committee's views will always be considered.

### Responsibilities of representatives

The policy committee is not responsible for ensuring the Trustee complies with super laws. Likewise, representatives are not liable for any recommendations they make, however, they should take reasonable care to ensure any information they provide is accurate.

Representatives must act in the best financial interests of plan members, regardless of whether they are member or employer representatives. They must also perform their duties with appropriate care, skill and diligence.

## Need help?

For help with getting the most out of your policy committee, contact us on 1300 654 666.

This guide is designed to help you run your policy committee efficiently. Please speak to us if you'd prefer to take another approach.

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# Section 2

## Setting up your policy committee

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### How to set up a new policy committee

#### **Step 1: Decide on the number of representatives and their term**

We recommend you have at least two employer representatives and two member representatives, up to a maximum of five each.

While there is no specified term for representatives, we recommend a minimum term of two years.

#### **Step 2: Appoint employer representatives**

Employer representatives should be appointed as soon as possible after starting your plan and advised in writing. Please let us know in writing who the chosen representatives are, as well as if there are any changes. You can do this by completing a Policy Committee Nomination Form.

#### **Step 3: Nominate an electoral officer and record keeper**

The employer should nominate an electoral officer and record keeper who can call for nominations for member representatives and check the eligibility of nominees. These should be people in or outside the company who are reasonably independent to avoid any conflict of interest. The electoral officer needs to sign a confidentiality agreement and send it to us.

#### **Step 4: Notify employees and call for nominations**

Let members know that a policy committee is needed and call for nominations for member representatives.

The electoral officer calls for nominations for member representatives. All members must be told that a policy committee is forming and any member can be nominated, including senior management.

Members must be told:

- how many member representatives there will be
- who is eligible
- required qualifications of nominees
- term of office
- summary of duties and responsibilities
- whether or not representatives will be remunerated
- closing date for nominations (this should be at least 21 days after distributing the nomination form, however the returning officer may extend the date if needed)
- who the returning officer is
- how to return nomination forms, and
- the need for a nomination to have a proposer, a seconder and the signed consent of the nominee.

You can use the newsletter and nomination form available in the forms and guide section of FirstNet.

It's the employer's responsibility to ensure all plan members receive this information by a method such as email, payslips or internal mail (not by placing forms in a central location or on a noticeboard).

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## Notifying us

You must let us know in writing that the newsletter and nomination forms have been given to members by sending an email to [employer@cfs.com.au](mailto:employer@cfs.com.au).

## Review member representative nominations

Nominations must be kept confidential and not made available to members until nominations close. It is up to the returning officer and scrutineer to check the eligibility of nominees.

If there are the same number of nominations as positions, the returning officer must declare the representatives elected.

## Insufficient number of nominations

If there are not enough nominations, the electoral officer should extend the nomination period and advise members. If there are still not enough nominations, the number of employer representatives can be reduced to the same number as the employer representatives.

If you haven't been able to meet the required number of member representatives, you must let us know.

If five or more members later request for a policy committee to be set up, you must begin nominations again.

If there are more nominations than positions, an election must be held as set out in the next step.

## Hold an election

The following are guidelines for holding an election:

- The electoral officer must ask us for a list of members.
- The election must be held within one month of nominations closing.
- You should let us know in writing that all ballot papers have been provided to members within one month of nominations closing.

Ballot papers must:

- list candidates in alphabetical order.
- include information on how to vote, how and when to return the ballot papers, and the date election results will be announced.
- include any background information provided by nominees.
- ask voters to vote for one candidate per position, and
- tell members that voting is optional.

You can use the draft ballot paper available in the forms and guide section of FirstNet.

## Making votes

Ballot papers may be:

- emailed to the electoral officer, or
- enclosed in an envelope and put in a ballot box at your office or sent or given to the returning officer. Pre-printed envelopes can be used to ensure ballot papers are returned correctly. Votes may be made before the nominated date.

## Counting votes

The electoral officer must count all votes in the presence of the record keeper and ensure they are from eligible voters. The member with the highest number of votes is the first representative, the member with the second highest number is the second representative, and so on until all positions are filled. The two members with the next highest votes are alternative representatives and can come to meetings if any other representatives can't attend.

## Tied votes

A tied vote can be resolved by:

- asking the employer to increase the size of the policy committee
- asking that one of the candidates withdraw voluntarily
- using a random method (e.g. toss a coin, draw of the hat), or
- repeating the election (however due to time and costs we don't recommend this).

## When voting is complete

Successful representatives and members should be told about the policy committee representatives via email or on your noticeboard. Members should also be told the date, time and location of the first meeting. You can use the draft notification available in the forms and guide section of FirstNet.

All election documents should be kept for at least two years. If a nominee contests a result, there can be a recount.

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# Section 3

## Meetings and committee management

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The success of your policy committee depends on everyone understanding their roles and responsibilities. It's also important that records are kept for both you and us.

We suggest annual meetings are held within one to four months after members receive their annual super statements (August/September each year). This gives the policy committee time to get member feedback on their statements and fund performance.

### Running a meeting

So you're prepared for meetings, a template for minutes and an example agenda are available in the forms and guide section of FirstNet. Your first meeting may include the following agenda items.

#### 1. Appointing a chairperson

The role of the chairperson is to manage the meeting, so all items are addressed. The chairperson can be nominated, or representatives can take turns.

#### 2. Appointing an electoral officer

The electoral officer must also be one of the employer representatives. Their role is to:

- Be the central point of contact for the administration of the policy committee
- Answer any questions members may have regarding nomination and voting, and
- Be the person who counts the votes during member representative elections.

#### 3. Appointing a record keeper (secretary)

The record keeper can be nominated, or representatives can take turns. Their role is to:

- keep records including who the member and employer representatives are take minutes of the meeting to be given to representatives within 14 days or as soon as practical (this can just be a photocopy of the minute book)
- ask for agenda items from representatives and provide the agenda and any relevant documents before a meeting
- keep records of minutes and other information and provide them to the Trustee.

You may also agree that the record keeper is the one who communicates with the Trustee.



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#### **4. Deciding how many meetings you'll hold**

You are required to hold one meeting each year, however we recommend meeting twice a year (or more if needed).

#### **5. Deciding how many representatives you need to hold a meeting**

We recommend that at least two-thirds of representatives are present to reach a majority. However, there should be at least two member representatives at all meetings. If one or more member representatives are absent, an alternative member representative should take their place.

#### **6. Deciding if you require a Trustee representative to attend**

If a representative of the Trustee needs to come to the meeting, they should be given at least a month's written notice. They should also be advised of agenda items and any questions they may be asked to answer.

#### **7. Deciding the majority to pass resolutions**

If the policy committee needs to vote on an issue, we recommend a two-thirds majority of representatives to pass a resolution. All resolutions must have greater or equal support from member representatives than/as employer representatives.

#### **8. Arranging the next meeting**

This decision may be made by the record keeper, who should organise the meeting in the timeframe and give a month's notice to representatives and the Trustee.

The policy committee can agree to hold meetings either in person or remotely (or a combination of the two).

#### **9. Confidentiality and maintaining records**

Plan members can be reassured that representatives do not have access to confidential information (such as their salary or super), and that any member information will be dealt with in accordance with our privacy policy.

It is the record keeper's responsibility to keep the minute book and all documents in a safe place (as we may need access to it from time to time). When a new record keeper is appointed, the outgoing record keeper should tell them about their responsibilities.

#### **10. Subsequent meetings**

Once the policy committee is told about the next meeting, the record keeper should ask representatives to propose any agenda items. These should be given to representatives along with any relevant documents at least two weeks before the meeting.

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## Resignation of representatives

Representatives may choose to resign at any time or may need to resign in certain circumstances (listed below). It is important to fill any vacancies to ensure the policy committee can continue.

### How does a member and employer representative resign?

A member representative can resign at any time by letting the employer or record keeper know in writing. They will need to resign if their employment is terminated, or they resign or retire from their current employment.

An employer representative may resign at any time by letting the employer or record keeper know in writing and may also be removed by the employer at any time.

### When does a representative need to resign?

A member or employer representative will be required to resign if:

- their term expires
- they leave the plan
- they suffer physical/mental incapacity
- they are disqualified under part 15 of the Superannuation Industry (Supervision) Act (which includes being insolvent, under administration, or convicted of an offence involving dishonest conduct)
- they no longer satisfy a condition of appointment or don't come to three consecutive meetings (without reasonable cause) and the other representatives decide they should be removed.

If we become aware of a representative not meeting the eligibility criteria, we will let them know in writing as soon as practical. They have 14 days to object.

### Filling a vacancy

- To ensure equal representation, a vacant position must be filled within 90 days of a resignation.
- When an employer representative resigns, the employer should nominate a replacement within 30 days.
- When a member representative resigns, the position is filled by the first alternative representative. If this is not possible, the record keeper should call a meeting to organise a call for nominations.

### Committee dissolution

#### Can the policy committee dissolve itself?

The policy committee may decide at any meeting that it is not needed. This decision should be carefully considered and does not prevent the policy committee being set up again later if five or more members ask for it. Members must be advised of any proposal to dissolve a policy committee.

#### Keeping us up to date on changes

If there are any changes to your policy committee, please let us know by completing the Policy Committee Nomination Form and returning it to us.

#### Need help?

For help with managing your policy committee, contact us on 1300 654 666.

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