

Consultative Committee operating guide

January 2025

Operating guide

The purpose of this document is to provide background information in relation to UniSuper and the Consultative Committee to help inform potential candidates about the nature of the role and function of the Consultative Committee. It also includes a Statement of Responsibilities (Section E) that candidates should consider as part of a decision to nominate for membership of the Consultative Committee.

Background and information

A. ABOUT UNISUPER

UniSuper is one of Australia's largest superannuation funds with more than 600,000 members and around \$140 billion in funds under management as at 30 June 2024. UniSuper's heritage lies in the higher education and research sectors. Since 5 July 2021, UniSuper has been open to all Australians.

UniSuper's stated purpose is "to provide great retirement outcomes for members." This purpose emphasises our commitment to always assessing any proposed decision through the lens of whether it achieves the best financial interests of the members. We see this commitment as extending throughout our management and governance structure, including members of the Consultative Committee.

UniSuper is owned by 37 universities. All profits generated by UniSuper are used for the benefit of its members.

UniSuper along with all superannuation funds is regulated by the Australian Prudential Regulatory Authority.

B. ABOUT THE UNISUPER BOARD

A Trustee Board sets the strategic direction for UniSuper and ensures it operates in accordance with the requirements of the Trust Deed. The Trust Deed sets out the rules under which UniSuper must operate.

There are 11 directors who make up the Trustee Board. The composition of the Trustee Board is as follows:

- Two directors are nominated by Vice-Chancellors.
- Two directors are nominated by Consultative Committee members who represent employers.
- One director is an academic staff member of the Fund nominated by Consultative Committee members who represent academic staff.
- One director is a professional staff member of the Fund nominated by Consultative Committee members who represent professional staff.
- Two directors are nominated by the national unions who represent a significant number of Fund members.
- Three directors are independent directors nominated by the eight representative directors listed above.

The Trustee has appointed UniSuper Management to carry out the day-to-day operations of UniSuper. UniSuper Management is an independent entity, wholly owned by the corporate Trustee, UniSuper Ltd. It operates at arm's length to, and independently of, UniSuper Ltd and provides management services, investment services, membership support and financial advice to our members.

C. ABOUT THE UNISUPER CONSULTATIVE COMMITTEE

The Consultative Committee (CC) is the voice of UniSuper's university members and employers. Each of the 37 shareholder universities appoint up to four members to the CC. CC members are either:

- two appointed by the employer university (referred to as Employer Representatives); or
- one elected from academic staff and one elected from professional staff (collectively referred to as Employee Representatives).

The CC is created by both the Trust Deed and the Constitution of UniSuper. It has been a continuous feature of the Trust Deed since its inception and can be traced back to the original Superannuation Scheme of Australian Universities (SSAU) Trust Deed, first executed in 1982. SSAU merged with the Tertiary Education Superannuation Scheme in 2000 to form UniSuper. As set out in Section D, the CC fulfills a critical role in supporting the Trustee to deliver great retirement outcomes for UniSuper's members.

It should be noted that member cohorts who join UniSuper as part of fund mergers (such as those who joined as part of the recent merger with the Australian Catholic Superannuation and Retirement Fund) will have a consultation structure separate to the CC.

D. KEY FUNCTIONS OF THE UNISUPER CONSULTATIVE COMMITTEE

The UniSuper Constitution and UniSuper Trust Deed set out the responsibilities of the UniSuper CC. Members of the CC have an important role to play. Discharging this role requires commitment and diligence with a keen focus on members' best financial interests.

Advocating for the retirement benefit outcomes of members

The CC has a key role in advocating for the retirement benefit outcomes of the membership. In order to provide this advice, CC members need to understand what matters to the members in terms of achieving their retirement outcomes. These matters could include improvements to the service proposition and changes to the benefit structure.

In addition, Employer Representatives are required to understand what matters to that university in terms of having their employees as members of UniSuper. These matters could include the administration arrangements relating to payment of member and employer contributions, and the UniSuper onboarding process.

CC members are encouraged to proactively engage with UniSuper Management throughout the year with suggestions that could benefit UniSuper members and universities. UniSuper Management welcomes the opportunity to discuss these suggestions with the relevant CC members.

Representations from the CC on matters that impact members and universities may be used to drive the strategic direction of UniSuper.

Appointment of Board directors

The CC is also responsible for nominating four directors to the Board from its membership. The relevant cohort of the CC will nominate the following directors:

- one academic staff representative
- one professional staff representative
- two employer representatives.

If required, UniSuper Management will conduct elections to identify the nominated directors. The nominated directors will need to be approved by Shareholders at the Shareholder annual general meeting.

Approving Trust Deed changes

In Australia, all superannuation funds operate according to a set of rules contained in a trust deed. The trust deed contains the obligations and powers of the trustee, as well as various rights and entitlements of the members.

It is standard in Australia for the board of directors of a trustee company to be able to make changes to a superannuation trust deed, if they are satisfied that the change is within the scope of the amending power in the trust deed and meets any other applicable restrictions.

At UniSuper, there is an additional requirement for the CC to approve any Trust Deed changes (other than those which are necessary or desirable so as to ensure that UniSuper complies with particular laws relating to superannuation). This dates back to when UniSuper was known as SSAU and was entirely a defined benefit fund. In the past, when UniSuper's defined benefit division was the default product which most new members joined, changes to the Trust Deed were more common. Those rules have been refined over the years and are operating well and, these days, all new members join the accumulation division with an option to join the defined benefit division. Given the simplicity of accumulation division administration, Trust Deed amendments are likely to occur rarely in future.





Figure 1. The role of the Consultative Committee in UniSuper governance

Operations of the Consultative Committee

Annual meetings of the CC will be organised by UniSuper Management. At these meetings, UniSuper's Chair and/or CEO will brief CC members on the operations of UniSuper. Members of UniSuper's Executive Leadership Team may also present to members on topics such as investment performance, financial position of the Fund and new strategic initiatives. Any Trust Deed amendments requiring CC approval will also be voted on at these meetings.

UniSuper Management will distribute the agenda and any associated papers to CC members prior to the annual meeting.

Members of the CC can propose resolutions for discussion at the annual meeting. These resolutions would be those that CC members believe are important to their electorate. It should be noted that the Board is not required to accept and implement any resolution carried at the meeting.

However, the Board will consider any resolutions carried at a CC meeting if it believes those resolutions are in the best interests of the members of UniSuper.

Over the past couple of years, CC members have suggested it would be helpful to have protocols for the submission of proposed resolutions for consideration by the CC.

These could include:

- The proposed resolution must be set out in writing and given to the Company Secretary of the Trustee.
- The proposed resolution must be supported by at least 5% (N = 8) of the members of the CC.
- CC members are encouraged to discuss proposed resolutions with UniSuper Management throughout the year to ensure the matters being formally raised at the annual meetings are not already being addressed by UniSuper Management.
- The proposed resolution must be received by the Company Secretary at least three weeks prior to the CC meeting at which it is to be considered, so that it can be included in the Agenda.
- The proposed resolution must not, in the opinion of the Trustee, be inconsistent with the Trust Deed.
- The proposed resolution must be no longer than 250 words and must not, in the opinion of the Trustee, be derogatory, defamatory or offensive.
- If there are multiple proposed resolutions, then it must be clear whether the resolutions are separate or related.

The current rules for the conduct of the CC Annual Meeting are set out in the Appendix to this document. These rules were approved by the CC on 25 November 2022.

In addition to the annual meeting, UniSuper Management may also organise a state-based roadshow during the year. The agenda for the roadshow will be distributed in advance and will contain a half-yearly update from the CEO and Management.

UniSuper will meet the costs incurred by CC members to attend the annual meetings and state-based roadshows. In addition, UniSuper will provide financial and other assistance to CC members who undertake any training or professional qualification (with prior approval from UniSuper Management) to assist them to fulfil their role as a valued CC member.

E. RESPONSIBILITIES OF CC MEMBERS

Given that UniSuper operates in a highly regulated environment and CC members' key role is in supporting Management and the Board to provide great retirement outcomes for members, those wishing to become CC members will be asked to confirm that they agree to a Statement of Responsibilities before standing for election or appointment. This is to ensure those looking to be a CC member fully understand the responsibilities they are taking on.

The introduction to the Statement of Responsibilities to which each CC member will be asked to agree will depend on whether the CC member is standing for election as a potential employee member or being appointed by the Vice-Chancellor as a potential employer member. The actual set of responsibilities themselves will be the same.

Statement of Responsibilities

The Statement of Responsibilities is set out in italics below:

In standing for election to be a potential Employee Representative member of the Consultative Committee, I agree to:

In accepting the Vice-Chancellor's nomination as a potential Employer Representative member of the Consultative Committee, I agree to:

1. *Attend and complete UniSuper's induction training;*
2. *Engage in ongoing training and professional development to build and/or maintain knowledge and understanding of UniSuper and the superannuation industry;*
3. *Regularly attend and engage with UniSuper Consultative Committee events;*
4. *Keep confidential any confidential information provided to me by virtue of my role on the Consultative Committee;*
5. *Represent my member electorate and/or employer to the best of my ability while acting in the interests of all UniSuper members; and*
6. *Accept and follow agreed protocols and practices of the Consultative Committee (as amended from time to time), including those described in this Statement of Responsibilities and dedicate the time required to fulfill the Responsibilities set out above.*

SECTION E DECLARATION AND SIGNATURE

➤ I agree to the Statement of Responsibilities as set out in Section E of this document.

Full name

University

Representative type

☐ Employer ☐ Academic staff ☐ Professional staff

Signature

Date

DD MM YYYY

Once complete, please save a version and attach it to an email, then email UniSuper's Company Secretary at companysecretariat@unisuper.com.au

Appendix

RULES FOR THE CONDUCT OF CONSULTATIVE COMMITTEE MEETINGS

(Approved on 25 November 2022 by the Consultative Committee)

The following principal rules for conducting the business of the Committee have been adopted:

1. The Committee appoints one of its members as Chair. The Chair will rotate between Member and Employer representatives each year.
2. The quorum for a meeting is 50% of the total number of Committee members and including at least 30% of each sub-group (i.e. management, academic and general).
3. Proxies are allowed but a proxy must be a member of the Committee.
3A Where there is a casual vacancy for the office of any representative on the Committee and the Committee meets or votes on a circular resolution before the participating institution has filled the vacancy, a proxy vote shall be allocated to:
 - a. The elected Academic Member of the Board where the vacancy is for an academic representative to the Committee.
 - b. The elected Professional Staff Member of the Board where the vacancy is for a professional staff representative to the Committee.
 - c. The appointed Employer Representatives of the Board where the vacancy is for an employer representative of the Committee.
4. Voting is initially on a show of hands of those members present but any member present may demand a poll, in which event proxy votes are also counted.
5. Resolutions of the Committee will be passed by a simple majority of votes.
6. The Chair has a casting vote if the voting is equal, whether the equal voting is by a show of hands or by a poll.
7. Members of the Board of Directors who are not members of the Consultative Committee, nominated staff of UniSuper and observers may attend the meeting and, with the leave of the Chair, may participate in the discussions but may not take part in any voting procedures.
8. In other respects, the Committee may regulate its own affairs and, generally speaking, may alter any of the above rules.

This information is current as at January 2025. Information is subject to change. To the extent that this document contains information which is inconsistent with the UniSuper Trust Deed and Regulations (together the Trust Deed), the Trust Deed will prevail. Issued by: UniSuper Management Pty Ltd ABN 91 006 961 799, AFSL No. 235907 on behalf of UniSuper Limited the trustee of UniSuper, Level 1, 385 Bourke Street, Melbourne Vic 3000.

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