



POLICY	Doc ID	RBFDOC-491-69
Governance Policy	Effective Date	20/07/2016
	Version	18.0
	Approver	RBF Board

1. Policy
(next review
scheduled for
May 2017)

The Policy of RBF is to:

Reserve the following matters for decision by the **RBF Board**:

- ▶ Oversight of RBF, including its control and accountability systems;
- ▶ Advice to the Government on the appointment and termination of the **CEO** in accordance with the Retirement Benefits Regulations 2005;
- ▶ Development, with input from the **CEO** and Management, of the Strategic Plan (Corporate Plan);
- ▶ Approval of the annual Trustee and Fund budgets;
- ▶ Approval and monitoring of the systems for risk management and internal control, codes of conduct and legal compliance;
- ▶ Delegations of operational and financial responsibilities;
- ▶ Approval of performance objectives for the **RBF Board** and **CEO**;
- ▶ Approval of:
 - All major capital expenditure;
 - Investment strategy, objectives and performance measures of the Fund;
 - Buy/Sell spreads; and
 - Overseas travel for RBF employees and **RBF Board** members;
- ▶ Appointment of material service providers and ensuring appropriate written agreements are in place with all material service providers; and
- ▶ Approval of documents (including reports and statements to stakeholders) required by legislation or by other external regulation.

Delegate to the **CEO**:

- ▶ All authority to achieve the objectives of the Strategic Plan;
- ▶ Authority to take all decisions and actions which further the achievement of the objectives of the Strategic Plan and which, in his or her judgment, are reasonable having regard to the Scheme rules, **CEO limits** and **RBF Board** policies;
- ▶ Authority to approve documents that are required by the **regulatory framework** on functions not reserved for approval by the **RBF Board**. The **regulatory framework** may specify **RBF Board** approval of documents. Where the **RBF Board** has delegated responsibility for the functions captured by those documents to the **CEO** the **RBF Board** will approve the document as prepared by the **CEO** without debate. If the

RBF Board is not satisfied that a document meets the requirements of the **regulatory framework**, it will reject the document;

- ▶ Authority to take all decision and actions which further the achievement of the objectives and strategy of RBF Financial Planning Pty Ltd (ACN 094 806 412), as delegated to the **RBF Board**, which, in his or her judgment, are reasonable having regard to the **CEO Limits, RBF Board** policies and RBF Financial Planning Pty Ltd policies as applicable; and
- ▶ Authority to recover expenses incurred on behalf of RBF Financial Planning Pty Ltd, on a cost recovery basis.

2. Powers Reserved to the Board
(next review scheduled for May 2017)

Subject to the limitations imposed by the **RBF's** governing documents, statute and other external regulation, the **RBF Board** remains free to alter the matters reserved for its decision. The **RBF Board** acknowledges that it remains ultimately responsible for all actions of **RBF**.

3. Limits on CEO Powers
(next review scheduled for May 2017)

The achievement of the objectives of the Strategic Plan will guide all **CEO** decisions and actions.

The **CEO** will not engage in, cause or permit any activity or behaviour that is in violation of commonly accepted standards of business practice and ethics.

4. Commonwealth Superannuation Principles

The **CEO** will not allow **RBF** to operate without complying, as far as is practicable, in accordance with the standards required of an APRA regulated fund.

The **RBF Board** is required by legislation or regulation to maintain explicit direction and monitoring of the **CEO** in the following areas and the **CEO** will not allow **RBF** to operate without:

a. Risk Management

(next review scheduled for 15 August 2016)

- ▶ A system of control in place for identifying, assessing, managing, mitigating and monitoring material risks including:
 - maintaining a Board-approved –
 - Risk Appetite Statement; and
 - Risk Management Strategy;
 - proactively managing risks to achieve an appropriate balance between realizing opportunities for gains while minimizing adverse impacts;
 - maintaining processes to determine the levels of financial, human and technical resources that are adequate based on an assessment of the business plan, risk management framework and the size, business mix and complexity of **RBF's** operations; and
 - maintaining systems to ensure compliance with legislative and regulatory requirements.

b. Business Continuity Management

(next review scheduled for May 2017)

- ▶ identifying, assessing and managing potential business continuity risks to ensure that **RBF** is able to:
 - meet its obligations to:
 - beneficiaries; and
 - staff; and
 - protect the financial position of **RBF**;
- ▶ developing and maintaining a business continuity plan that documents procedures and information which enable **RBF** to manage business disruptions;
- ▶ Notifying the **RBF Board** as soon as possible, and no later than 24 hours, after a major disruption that has the potential to have a material impact on the interests, or reasonable expectations, of beneficiaries or the financial position of **RBF** or its connected entities; and
- ▶ reviewing the business continuity plan annually or as required as a result of the change in the business and periodically arranging for its review by the internal audit function or an appropriate external expert, in accordance with the Strategic Assurance Program.

c. Fit and Proper

(next review scheduled for May 2017)

- ▶ ensuring that the fitness and propriety of **Responsible Persons** is managed in a manner that satisfies the requirements of Prudential Standard SPS-520 Fit and Proper;
- ▶ ensuring that **RBF** identifies and manages the risk that **Responsible Persons** are not fit or proper;
- ▶ ensuring that **Responsible Persons** are ordinarily resident in Australia and available to meet with any regulator of **RBF** on request;
- ▶ ensuring that copies of the RBF Fit and Proper Guidance Notes – Responsible Persons are provided to **Responsible Persons** prior to appointment;
- ▶ ensuring that appropriate consents are obtained for the collection and use of any information collected by **RBF** in order to comply with the Fit and Proper requirements;
- ▶ **Responsible Persons** being **assessed for propriety** before appointment to their position and on an annual basis thereafter;
- ▶ **Responsible Persons** being **assessed for fitness** including a declaration of all relevant duties and relevant interests before appointment to their position and on an annual basis thereafter;
- ▶ procedures being in place for removal of **Responsible Persons** who no longer meet the requirements of fitness and propriety;
- ▶ encouraging people, including any **Responsible Person** to advise the relevant regulators if they believe that **RBF** has not complied with SPS 520 Fit and Proper, or any other information, in accordance with the Public Interest Disclosures Policy;
- ▶ the General Manager Corporate Support maintaining and distributing RBF's Fit and Proper Guidance Notes – Responsible Persons as part of the **Board and Senior Management Candidate Packs**.

members through the unit pricing mechanism in the event that the **Fund** is wound up (excluding a successor fund transfer);

- ▶ having a replenishment plan approved by the **RBF Board** in the event that the operational risk financial requirement target amount falls below the tolerance limit that at a minimum explains:
 - how the shortfall has arisen;
 - the amounts that apply in relation to **RBF**;
 - how **RBF** will replenish the financial resources held to meet the operational risk financial requirement target amount, including the source of funding; and
 - the expected date for **RBF** to again meet the operational risk financial requirement target amount.
- ▶ the size of the operational risk reserve and the tolerance amount will be reviewed on an annual basis (including internal and external audit where appropriate) or earlier following a material change in the business of **RBF** with the review conducted by an operationally independent party every third year.

e. **Conflict of Interest**

(next review scheduled for May 2017)

- ▶ having in place guidance notes and processes which prescribe RBF's framework for managing conflicts of interests and duties in a manner which is compliant with:
 - Sections 52 and 52A of the *Superannuation Industry (Supervision) Act 1993* (C'th); and
 - APRA Prudential Standard SPS 521 Conflicts of Interest and relevant associated APRA guidance in relation to Conflicts of Interest;
- ▶ ensuring that as far as practicable **Responsible Persons** disclose all relevant duties and relevant interests prior to the person taking up appointment;
- ▶ ensuring that training is provided to **RBF** employees so that they clearly understand their obligations regarding the identification and management of conflicts of interest at **RBF**;
- ▶ maintaining a register of relevant interests and relevant duties that is available for inspection;
- ▶ requiring all gifts to be declared;
- ▶ requiring prior approval for Financial Transactions undertaken by the Special Class of Persons;
- ▶ reviewing the conflicts management framework annually and reporting the results to the **RBF Board**, such review to consider:
 - whether all relevant duties and interests have been identified and addressed;
 - the level of compliance with the conflicts management requirements of the **RBF Board**; and
 - any non-compliance and rectification actions.
- ▶ ensuring that the appropriateness, effectiveness and

adequacy of conflicts management at **RBF** is subject to comprehensive review by operationally independent, appropriately trained and competent persons at least every three years.

f. Contracts and Material Outsourcing

(next review scheduled for 9 November 2016)

- ▶ having detailed guidance notes and processes which prescribe RBF's requirements for managing the outsourcing of **Material Business Activities** in a manner which is compliant with:
 - the *Superannuation Industry (Supervision) Act 1993* (C'th) insofar as it relates to outsourcing at any time, and
 - APRA's Prudential Standard SPS 231 "Outsourcing" and relevant associated APRA guidance in relation to outsourcing; and
- ▶ **RBF Board** approval for the outsourcing of **Material Business Activities** including contract execution, exercising extension options and major contract variations; and to delegate authority to the **CEO** to execute minor contract variations for outsourced **Material Business Activities**; and
- ▶ otherwise for non-Material Business Activities and support services, have a procurement and contract management process that appropriately manages risk, is transparent and consistently applied and which is approved by and reported on to the **CEO** and **RBF Board** in relation to **RBF**, **RBF Direct** and **RBF Property**, and to **RBF Financial Planning Board** in relation to **RBF Financial Planning Pty Ltd**.

The **RBF Board** recognises that where a **Material Business Activity** outsourcing agreement has been entered into, although the business activity or function is delegated, the **RBF Board** as trustee of **RBF** remains accountable for the outsourced business activity. The **RBF Board** recognises that this includes ensuring that **RBF's** outsourcing risks are taken into account as part of **RBF's** overall risk management framework and when completing a risk management declaration for **APRA**.

g. Remuneration

(next review scheduled for 9 November 2016)

- ▶ Remuneration practices for all **Responsible Persons** (excluding the auditor and actuary), risk and financial control personnel and all other persons where a significant portion of their remuneration is based on performance that:
 - focus on the long term objectives of **RBF**;
 - emphasise prudent risk management principles;
 - do not compromise the independence of risk and financial control personnel in carrying out their function;
 - support **RBF's** licensing requirements in relation to APRA standards;

- differentiate pay to reward behaviours in line with **RBF's** values and desired culture;
- offer a competitive proposition for the attraction, retention, motivation and alignment of highly qualified resources required to achieve **RBF's** strategic objectives;
- accentuate accountability and leadership; and
- are linked where appropriate to the performance of both individuals and the organisation ("the remuneration practices");
- Remuneration comprises the following components:
 - a) Fixed Annual Reward (which includes base salary, superannuation, and other short-term guaranteed benefits); and
 - b) Variable remuneration (which is annual incentive pay).
 - c) Both (a) and (b) are subject to performance linkages with the quantum of both annual increases and annual incentives linked, inter alia other factors, to performance.
- Performance based components of remuneration within the following indicative remuneration mix as a percentage of total remuneration:
 - **CEO** 0-25%; and
 - Other senior managers 0-20%; and
 - are able to be reduced to zero if such adjustments are necessary to protect the financial position of **RBF** or for the purposes of any other relevant prudential matter and to respond to significant unexpected or unintended consequences that were not foreseen by the Administration and Remuneration Committee;
- To the extent that external remuneration benchmarking is performed, Fixed Annual Reward should generally be paid against the median of the National Financial Services industry less 10% in recognition of both the ownership and the Tasmanian market (recognizing that Government Business Entities and Tasmanian organisations in general positioning reward below a national median). There shall be a tolerance of +/- 20% from the preferred market positioning to provide flexibility. Any exceptions shall be approved by the **RBF Board**;
- Other benefits may be offered from time to time. These may be changed or withdrawn or added at the discretion of the **RBF Board**.
- Performance based components of remuneration designed to encourage behaviour that supports:
 - Protecting the interests, and meeting the reasonable expectations of members;
 - The long term financial soundness of **RBF** or connected entities; and
 - The risk management framework of **RBF**.
- Performance based components of remuneration that allow

for adjustments to reflect:

- The outcomes of **RBF's** business operations;
 - The risks related to **RBF's** business operations; and
 - The time necessary for the outcomes of those business operations to be reliably measured.
- The “remuneration practices” applying to service contracts between **RBF** and a body that is not a connected entity or a related body corporate of **RBF**, if:
- The primary role of the body is to provide risk management, compliance, internal audit, financial control or actuarial control services to **RBF**; or
 - The services provided by the body, either individually or collectively with the services provided by other bodies, may affect the interests of members, the financial position of **RBF**, or any of its connected entities and any other relevant prudential matter, under the service contract with **RBF**, a significant portion of the total payment to the body is based on performance.

h. Issue and Breach Management

(next review scheduled for May 2017)

- A framework to identify, report, assess and rectify issues and breaches in a timely manner, that is consistent with **RBF's** approach to risk management; and
- Establishing and maintaining register/s to record and manage issues and breaches.

i. Member Insurance

(next review scheduled for 9 November 2016)

- A framework to manage making insured benefits available to beneficiaries; and
- An insurance strategy that complies with the requirements of section 52(7) of the *Superannuation Industry (Supervision) Act 1993* (C'th) and Prudential Standard SPS 250 Insurance In Superannuation.

j. Investment Governance Framework

(next review scheduled for 7 September 2016)

- A framework, including at a minimum:
 - investment objectives for each investment option offered by **RBF**;
 - a methodology for determining investment reporting measures;
 - an investment strategy for **RBF** and for each investment option;
 - policies relating to investment activities;
 - role statement that include the details of each role's responsibilities and reporting structures for all roles related to investment activities;
 - structures policies and processes for investment performance and risk measurement, assessment and reporting; and
 - a review process to ensure that the investment governance framework remains effective.

5. Treatment of Members

The **CEO** will not allow **RBF** to operate without:

a. Marketing and Communications

(next review scheduled for May 2017)

- ▶ having a clear, consistent and effective approach across the organisation to communications, marketing, branding, publications and promotion to **RBF** members, stakeholders and the broader community;
- ▶ informing **RBF** members, stakeholders and members of the community of their rights and responsibilities relating to **RBF** products and services;
- ▶ communications that are clear, use plain language and are tailored for the audience;
- ▶ communications that meet all legislative requirements and adhere to best practice where possible;
- ▶ the President of the **RBF Board** or the **CEO** or their expressed approved delegate being the only people making media or public statements on behalf of **RBF**, except in the event of a crisis when the Business Continuity Management Framework applies. The Manager, Marketing is to be advised regarding any media/public statements which may have some bearing or impact on **RBF**;
- ▶ Management of media related issues facilitated through the **CEO** and Manager, Marketing who is responsible for maintaining **RBF's** relationship with external media advisers and agencies.

b. Complaints Handling

(next review scheduled for May 2017)

- ▶ a complaints handling process that complies with the requirements of the *Superannuation Industry (Supervision) Act 1993* (C'th) and *Corporations Act 2001* (C'th);
- ▶ an explanation of the complaints handling policy available for **RBF** members;
- ▶ inquiries and complaints dealt with promptly, efficiently and equitably;
- ▶ no charge for lodging and resolving complaints through the internal process;
- ▶ **RBF** members provided with a reason for the decision, further avenues of complaint and a suitable remedy (if any);
- ▶ in place processes to evaluate and improve programs and services identified through complaints; and
- ▶ the ability to limit continued correspondence where a complaint is considered trivial, frivolous or vexatious.

c. Tax Strategy

(next review scheduled for 9 November 2016)

- ▶ ensuring **RBF** pursues a tax strategy that is principled, transparent and sustainable in the long term.
- ▶ managing the **Fund's** tax affairs in a pro-active manner that seeks to maximize after tax returns to **RBF** members while operating in

accordance with the law.

d. Unit Pricing

(next review scheduled for 7 September 2016)

- ▶ ensuring that the practices outlined in the ASIC and APRA *Unit Pricing Guide to Good Practice* are followed with discretions exercised in the best interests of all **RBF** members;
- ▶ ensuring that, given the nature of the **Fund** and its underlying structure that the maximum amount of Deferred Tax Asset included in the calculation of unit prices will be set at 3% of the net asset value of the superannuation assets of the **Fund**;
- ▶ setting unit prices weekly using the most recently available information;
- ▶ compensating **RBF** members where any error at the fund or individual account level (including individual fee errors) amounts to 0.05% of the Cash MIC option and 0.30% for all other MIC options:
 - Exited **RBF** members will only be compensated where the error exceeds \$20.00.

6. Operating Values

The **CEO** will not allow the culture of **RBF** to develop or continue in a way that condones dishonest conduct, or lack of integrity, respect or dignity in relationships amongst those involved or affected by **RBF's** activities.

The **CEO** will not allow **RBF** to operate without:

a. Privacy

(next review scheduled for 11 July 2016)

- ▶ ensuring that all personal, sensitive and health information held by it has been dealt with in accordance with the *Personal Information Protection Act 2004 (Tas)* and the *Privacy Act 1988 (C'th)* as it applies to subsidiary companies of **RBF**.

b. Public Interest Disclosure

(next review scheduled for 15 August 2016)

- ▶ complying with the following legislative requirements, standards and guidelines relating to Public Interest Disclosures:
 - *Public Interest Disclosures Act 2002 (Tas)*;
 - Ombudsman's Guidelines and Standards for procedures to be followed by Public Bodies – Guideline No 1/2011;
 - the *Superannuation Industry (Supervision) Act 1993 (C'th)*;
 - Prudential Standard SPS 510 – Governance issued by APRA; and
 - Prudential Standard SPS 520 – Fit and Proper issued by APRA;
- ▶ abiding by the Australian Standard AS 8004–2003 – Whistleblower Protection Programs for Entities;
- ▶ taking all necessary steps to ensure that improper conduct is not tolerated and that the discloser does not suffer any detrimental action

as a result of reporting a disclosure;

- establishing Public Interest Disclosures processes and procedures that support disclosure of reportable conduct and to take all reasonable steps to ensure that no one will be personally disadvantaged;
 - ensuring that established processes and procedures are made available to each **RBF** officer, employee and contractor. The **CEO** will also ensure that such information is made publicly available on the **RBF** website;
 - ensuring that at all times there are at least two Public Interest Disclosure Officers in place to act as a contact point for general advice and undertake all necessary steps delegated to them;
 - ensuring that the duties delegated to the Public Interest Disclosure Officers are in writing and the period in which they are appointed does not exceed a 3 year period at any one time.
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7. Operating Principles

(next review scheduled for May 2017)

The **CEO** will ensure that there is in place policies and procedures necessary for the efficient and effective management of **RBF** including:

- a detailed framework for the management, approval, publishing, communication, training of staff in, auditing, monitoring, and reporting of governance documents;
- all forms, fact sheets or other documents that support and/or are created at the same time as the governance documents are reviewed together with the governance documents they support;
- governance documents that are routinely audited and monitored to ensure that they are kept current according to business practices and compliance obligations;
- a register of compliance obligations is maintained to assist in developing appropriate methods, including governance documents, to ensure compliance by the business with those obligations;
- minor typographical, formatting, template, nomenclature changes, or those arising as a result of organisational restructures or role changes, to **RBF Board** governance documents may be approved by the General Manager Corporate Support; and
- governance documents are published, communicated and reported on.

The **CEO** will ensure there are in place appropriate policies, information systems and procedures to ensure that all **RBF** members receive (through appropriate channels) timely and accurate information concerning their accounts with **RBF**.

The **CEO** will ensure that the systems extend to statutory reporting.

8. Treatment of Staff

The **CEO** will not allow **RBF** to operate without:

a. Staff Agreement

(next review scheduled for 9 November 2016)

Employing staff in accordance with the terms of any relevant industrial award or agreement.

b. Work Health and Safety

(next review scheduled for 9 November 2016)

- ▶ Ensuring as far as is reasonable practicable, the health and safety of:
 - Workers engaged, or caused to be engaged by the **RBF Board**; and
 - Workers whose activities in carrying out work are influenced or directed by the **RBF Board**, while the workers are at work in the business or undertaking of **RBF**; and
 - Other persons are not put at risk from work carried out as part of the conduct of the business or undertakings at **RBF**.
- ▶ Establishing a method (such as the work health and safety committee) to:
 - Facilitate consultation between the **RBF Board** and workers;
 - Facilitate cooperation between the **RBF Board** and workers in instigating, developing and carrying out measures designed to ensure the workers' health and safety at work;
 - Assist in developing standards, rules and procedures relating to health and safety that are to be followed or complied with at the workplace;
- ▶ Ensuring as far as is reasonably practicable, that the workplace, the means of entering and exiting the workplace and anything arising from the workplace are without risks to the health and safety of any person;
- ▶ Ensuring officers of **RBF** exercise due diligence to ensure that the **RBF Board** complies with the duties and obligations imposed by the *Work Health and Safety Act 2012* (Tas);
- ▶ Informing workers of the requirement to:
 - Take reasonable care for his or her own health and safety;
 - Take reasonable care that his or her acts or omissions do not adversely affect the health and safety of other persons;
 - Comply, so far as the worker is reasonably able, with any reasonable instruction that is given by the **RBF Board** to allow the person to comply with the *Work Health and Safety Act 2012* (Tas); and
 - Cooperate with any reasonable policy or procedure of the **RBF Board** relating to health or safety at the workplace that has been notified to workers.
- ▶ Informing a person at a workplace (whether or not the person has another responsibility under the *Work Health and Safety Act 2012* (Tas)) that they must:
 - Take reasonable care for his or her own health and safety;
 - Take reasonable care that his or her acts or omissions do not adversely affect the health and safety of other persons; and
 - Comply, so far as the person is reasonably able, with any reasonable instruction that is given by the **RBF Board** to allow the **RBF Board** to comply with the *Work Health and Safety Act 2012*

(Tas).

9. Budgeting

(next review
scheduled for
May 2017)

The **CEO** will not allow capital and operating expenditure to be made without addressing the impact on the achievement of the objectives of the Strategic Plan. The **CEO** has the authority to approve capital and operating expenditure below the limits set in this Policy. The **CEO** will not allow decisions or actions to be taken without assessing their implications for work health and safety, the reputation of **RBF** and their impact on the achievement of the objectives of the Strategic Plan.

10. Assurance Activities

(next review
scheduled for
May 2017)

The **CEO** will ensure that **RBF** undertakes activities, whether conducted internally or as assisted by external third party providers, to provide assurance to the **RBF Board** as to the appropriateness and effectiveness of **RBF's** key controls to mitigate **RBF's** higher rated Enterprise Wide Risks.

11. Information & Information Technology (IT)

(next review
scheduled for
9 November
2016)

The **CEO** will ensure that **RBF** has an IT governance framework to ensure that all information, technology, data, equipment and processes are governed in a manner consistent with the requirements of the APRA Prudential Practice Guides.

Further, from an IT Security and Cybersecurity perspective, the **CEO** will ensure that **RBF** has a security model established that manages information and technology with the appropriate risk and cost considerations in mind that are consistent with the requirements of the AS/NZS ISO/IEC 27001:2006 – Information Technology – Security Techniques – Information Security Management Systems – Requirements.

12. Succession

(next review
scheduled for
9 November
2016)

The **CEO** will ensure there is in place a plan and process for the development and succession of senior management to guard against unforeseen loss of those managers and to promote equal opportunity and development of all staff.

13. Delegations relating to operations of Schemes

(next review
scheduled for
May 2017)

The **CEO** may exercise the powers of the **RBF Board** under the **Schemes** subject to the following limitations.

Expenditure Limit

	Expenditure Level including GST	
	Unbudgeted Items	Budgeted Items
Mercer Contract Related	\$100,000	\$2,000,000
CommInsure Contract related	\$100,000	\$1,500,000
Other	\$100,000	\$1,500,000

Urgent works contracts to remedy defects in any property held directly by or controlled by the RBF Board	\$25,000	
Make good claims by members from the Operational Risk Financial Reserve	\$25,000	

Investment of Funds

Invest money standing to the credit of the **Fund** either directly or with any investment manager appointed by the **RBF Board** in a manner that is consistent with the Consolidated Investment Strategy and Investment Policy and report it to the next meeting of the **RBF Board**.

Mortgage Investments

Approve investments in first mortgage of property in the State of Tasmania, subject to:

- a limit of 5% of the loan portfolio balance in respect of a mortgagor's total indebtedness to the **RBF Board** as either a borrower or guarantor;
- where a mortgagor's total indebtedness to the **RBF Board** is in excess of 5% of the loan portfolio balance, approve additional investments in first mortgage subject to the quantum of the additional investment being not greater than 20% of the mortgagor's existing indebtedness to the **RBF Board**.

Mortgages

Determine the interest rate for any new or renegotiated loan, subject to the following conditions:

- in determining the interest rate, delegates will be guided by a minimum rate target that will achieve the portfolio performance objective of UBS Bank Bill plus 1.5% over time;
- any proposed interest rate that is less than the 90 day Bank Bill Rate plus 1.5% margin net of management fees is to be approved by the **RBF Board**; and
- any exercise of this delegation be reported to the Risk and Audit Committee.

Renew, vary or renegotiate existing loans for further terms (excluding further loan advances), subject to a limit of 5% of the loan portfolio balance in respect of a mortgagor's total indebtedness to the **RBF Board** as either a borrower or guarantor.

Property investments

Commit the **RBF Board** to new leases and lease renewals or terminations for any property held directly by or controlled by the **RBF Board** or its subsidiaries, up to a rental value of \$1,500,000 per annum.

Compensation to RBF Members

Make good loss to **RBF** members as a result of a complaint up to \$10,000 per complaint.

14. Accountability of CEO and

The **CEO** is accountable to the **RBF Board** for the exercise of authority that is delegated to the **CEO**, and the performance of **RBF**.

Monitoring by RBF Board

(next review scheduled for May 2017)

The **RBF Board** will monitor the decisions and actions of the **CEO** and the performance of **RBF** to gain assurance that progress is being made in achieving the objectives of the Strategic Plan consistent with the **CEO limits** and **RBF Board** policies.

Throughout the annual planning cycle, the **CEO** will report systematically in a spirit of openness and trust on the progress being made by **RBF** in achieving the objectives of the Strategic Plan and shorter and medium-term plans.

The **CEO** will determine the format and system of reporting, which will address material developments in the following areas, and will describe for each of them the potential impact on the achievement of the objectives of the Strategic Plan:

- ▶ The development and implementation of strategic and annual business plans of the Divisions;
- ▶ The business and financial performance of **RBF**, and the material events which are critical to the achievement of the objectives of the Strategic Plan;
- ▶ The activities covered by the **CEO Limits** and **RBF Board** policies.

The **RBF Board** also will monitor performance through the **RBF Board** Committees where it is more effective to do so. The Committees will focus on gaining assurance that the conduct and performance of the **CEO** and **RBF** were undertaken within the **CEO Limits**.

15. CEO Reports

(next review scheduled for May 2017)

The **RBF Board** and its Committees will determine whether the information provided by the **CEO** is sufficient to enable them to fulfill their obligations. They may make direct requests for information including from the **CEO**, any employee of **RBF**, the external auditor or any third party.

The **CEO** (and his or her nominees) will supply the **RBF Board** and its Committees with the information in a form that is appropriate to enable the **RBF Board** and Committees to make assessments and judgments, to conduct inquiries, and to gain assurance that the decisions and actions of the **CEO**, and the performance of the Division Managers, are directed towards achieving the objectives of the Strategic Plan and fall within the **CEO Limits**.

The President of the **RBF Board**, the chair of each of the Committees, the **CEO** and the Corporate Support Division will strive collaboratively to ensure that effective systems are in place for the production and transmission of information and reports.

Relationships and dialogue between individual members of the **RBF Board** and the **CEO** and Division Managers that focus on gaining a better understanding of **RBF's** business will be encouraged but will not alter the roles, accountabilities and divisions of authority in this Policy.

16. Evaluation

The **RBF Board** will seek to ensure that the structure of remuneration for

of the CEO the **CEO** is linked to the achievement of the objectives of the Strategic Plan.

(next review scheduled for 8 June 2016)

The **RBF Board** will ensure that performance requirements of the **CEO** are linked to the achievement of the objectives of the Strategic Plan, and that the system of evaluation of the performance of the **CEO** is based on previously stated criteria that are transparent.

The President of the **RBF Board**, drawing on guidance of the Administration and Remuneration Committee, will lead an annual formal evaluation of the performance of the **CEO**.

17. Definitions

CEO	Chief Executive Officer
Expenditure Limit	the maximum amount that can be approved for a single supplier in a calendar month
Fund	fund of money that comprises the “Retirement Benefits Fund”
Limits	the RBF Board may impose limits on the exercise of any function. Limits are primarily contained within Policies
Material Business Activity	as defined in the Material Outsourcing Guidance Notes
Material Risk	as defined in the Risk Management Strategy
RBF	the organisation comprising the RBF Board and employees
RBF Board	Retirement Benefits Fund Board
Regulatory Framework	the legislative and regulatory obligations that impact on RBF as an Exempt Public Sector Superannuation Scheme as well as all obligations that the RBF Board would need to comply with if it held an RSE Licence
Responsible Persons	as defined in the Fit and Proper Guidance Notes – Responsible Persons
Schemes	the Retirement Benefits Fund Contributory Scheme, Tasmanian Accumulation Scheme, State Fire Commission Superannuation Scheme, Tasmanian Ambulance Service Superannuation Scheme, Parliamentary Superannuation Fund and Parliamentary Retiring Benefits Fund

18. Supporting Documents

Governance Framework
 Governance Document Framework
 CEO Monitoring and Evaluation Process
 Strategic Plan

19. Who is affected

This Policy applies to the members of the **RBF Board** and the **CEO**.

20. Purpose

The *Retirement Benefits Act 1993* provides for management and control of the **Schemes** and **Fund** to be vested in the **RBF Board**. The Retirement Benefits Regulations 2005 provides that the **CEO** is responsible for the general administration of the **Schemes** and management of the **Fund**.

Good governance requires that the **RBF Board** clearly describe the matters reserved to itself for decision and those for the **CEO**.

21. Background

The **RBF Board**, as trustee of the **Fund**, seeks to maintain the highest standards of fund governance and control.

The **RBF Board** has developed governance documents relating to:

- its own tasks and activities (e.g. Board Charters, Governance Framework);
- the matters specifically reserved for **RBF Board** decision-making, the authority delegated to the **CEO**, the accountability of the **CEO** for that authority, and guidance on the management of the relationship between the Board and the **CEO** (Governance Policy);
- **CEO limits** (**RBF Board** policies); and
- delegations of other functions (Instrument of Delegation Policy).

22. Revision History

Effective Date	Revision	Author	Description of change
4 December 2013	5	Andrew Cameron	Incorporation of Information and Technology Security and Governance Policy and Adequacy of Resources Policy
29 January 2014	6	Andrew Cameron	Incorporating, Remuneration, Work Health and Safety, Issue and Breach Management Policies and changes to Unit Pricing
2 April 2014	7	Andrew Cameron	Incorporating (Risk Management, Compliance) Policies, change to Mortgage Delegations
4 June 2014	8	Andrew Cameron	Conflict of Interest statement amended to required independent external review every 3 years consistent with SPS
September 2014	9	Andrew Cameron	Incorporation of Improvements following Deloitte recommendations
October 2014	10	Andrew Cameron	Risk Management
February 2015	11/12	Various	Operational Risk and Strategic Development Reserve, Overseas Travel.
29 April 2015	13	Various	Consolidation of Policy Statements approved at 29 April 2015 Board meeting.
29 July 2015	14	Various	Consolidation of Policy Statements approved at 29 July 2015 Board meeting.
2 September 2015	15	IM	Consolidation of Policy Statements approved at the 2 September 2015 Board meeting. (3.1 Investment Governance Framework, 3.2 Unit Pricing, 3.3 Property Investments)
8 October 2015	15.1	Carol Rawnsley	Updated to remove unnecessary detail about related documents and processes. Updated to include numbering.
28 October 2015	16.0	Andrew Cameron	Consolidated Policy Statements approved at the 28 October 2015 Board meeting from multiply GARs.
15 December	16.1	Carol	Admin changes – replace references to Governance

2015		Rawnsley	and Secretariat Division with Corporate Support
May 2016	17	Aileen Koh	Annual review and minor administrative changes.
July 2016	18	Peter Wise	Issue and Breach Management policy statement updated to remove reference to Breach Assessment Committee.
