

## **Public Policy Framework**

### **1. Overarching purpose**

As outlined in the Council Policy on 'Public Policy – policy development and external communications', Council has determined that the Institute has a responsibility under its Constitution to contribute to the development of public policy and has delegated responsibility for oversight of this work to the Public Policy Council Committee (PPCC). This Framework provides additional information to assist Institute staff and volunteers to ensure the development can be done efficiently and effectively within the Institute's risk appetite.

The Actuaries Institute is committed to promoting the actuarial profession and providing expert commentary on public policy issues where there is uncertainty of future financial outcomes across the wide, and growing, range of areas in which actuaries practice.

By engaging in public policy discussions, the Institute aims to:

- ▶ use actuarial skills to serve the public interest and use data for good;
- ▶ enhance the profession's reputation as a trusted, credible source of advice on relevant issues;
- ▶ create the opportunity for an ongoing role for actuaries in policy formulation; and
- ▶ demonstrate to the membership the value of this role of the Institute and the profession.

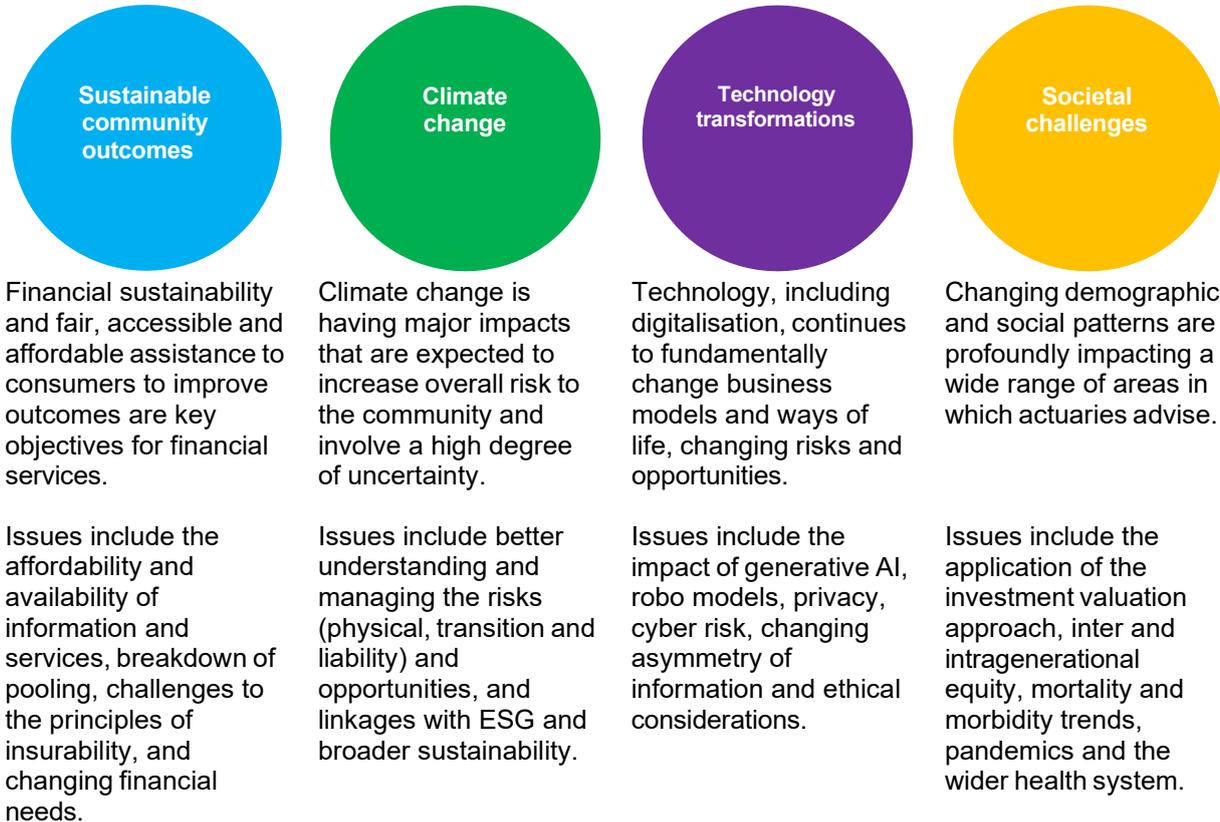
By doing so, the Institute increases awareness of the profession's skills which may increase the demand for actuaries' expertise.

### **2. Criteria for selecting public policy issues**

The Institute engages in public policy issues where we can identify:

- ▶ public benefit – by enabling actuaries to contribute their skills and expertise to help solve policy problems facing business and the broader community;
- ▶ actuarial insights – where the profession can provide unique insights to assist the development of policy positions;
- ▶ strategic opportunity – choosing topics of significant importance and reflective of areas in which actuaries work and that will increase awareness of the contribution actuaries can make; and
- ▶ materiality and impact – focusing on issues impacting a large sector of the community (directly or indirectly) and where we can have meaningful impact.

PPCC has identified the current areas of strategic opportunity to be:



### 3. Policy principles

The Institute’s public policy principles guide the development of our Thought Leadership publications, including Reports, Dialogue Papers, Research Reports, Public Policy Position Statements, submissions and responses to inquiries and other public policy development processes. These materials demonstrate how Actuaries, as a profession, serve the public interest and use data for good. The Institute’s policy principles are that policy measures or changes should promote public wellbeing, consider potential impacts on equity, be evidence-based and support effectively regulated systems.

The policy principles are as follows.

#### 1. PROMOTE PUBLIC WELLBEING

Actuaries promote public wellbeing by considering the impact of policy changes or measures on the Australian community as a whole and sub-groups that may be disadvantaged. We do so by considering a wide range of domains that reflect how individuals or groups can be impacted, including economic, social, health, housing, education and the environment.

## **2. CONSIDER THE IMPACT ON EQUITY**

Actuaries balance multiple stakeholder interests to help ensure the long-term sustainability of government policy and financial and other systems. Specific considerations include inter- and intra-generational fairness, and community expectations about discrimination and fair access to financial and other products and services.

## **3. BE EVIDENCE-BASED**

Actuaries support well informed decision-making by providing careful and objective analysis of data and information and delivery of relevant insights around risks and uncertainty so it is accessible and actionable to stakeholders.

## **4. SUPPORT EFFECTIVELY REGULATED SYSTEMS**

Actuaries believe the public interest is best supported by systems that are effectively regulated, including settings that balance being proportional to risk, supporting efficient and fair practices and outcomes, minimising complexity, understanding future trends and withstanding foreseeable future shocks.

## **4. Development process**

As much as possible public policy related content should be developed through volunteer led efforts.

If a new volunteer group needs to be formed to undertake the work, recruitment should include advertising for expressions of interest in the Bulletin (unless a time imperative makes advertising impractical).

Any new volunteer group must be established with a Terms of Reference (ToR), that specifies the purpose, objectives, time frame, and reporting line. This ToR must be approved by the relevant Institute EGM and the committee to which the group will report.

In forming any new group, explicit consideration must be given to how the work can be conducted in a manner consistent with competition law obligations. As appropriate, the Institute will consult with the Institute's legal advisers. At a minimum, the Important Notice providing a reminder of competition law obligations is to be included in the ToR and agenda/s meeting packs.

The convention for naming any new group is to be referred to as a 'working group', except for those examining high profile issues which should be referred to as 'taskforce' (or similar). All working groups and taskforces should be time limited.

In general, all public policy work is to be developed by at least one member of the Institute with support from Institute staff. If it is considered involvement of non-members would significantly improve the quality of the work or effectiveness of the advocacy, they may be involved with the prior approval of the relevant Institute EGM or CEO, as appropriate.

The Institute will consider collaborations, partnerships or other joint efforts on a case-by-case basis. These should only be entered into with the permission of the CEO and PPCC Chair if they would:

- enhance the quality of the work, while being consistent with the Institute's policy principles, and effectiveness of the advocacy;
- there is a suitable cultural fit with the other organisation/s involved, such that the Institute's independence would not be adversely impacted; and
- to the extent possible, suitable risk mitigants will be put in place to avoid potential significant adverse impacts on the Institute, including financially and reputationally.

The Institute recognises some public policy content is best developed through a commissioned (and usually) paid engagement. This can include because the effort required is beyond what is considered reasonable for volunteers and/or there is a time imperative. Commissioned work should be awarded through an open tender process advertised in the Bulletin unless there is an insufficient pool of potential tenderers or there is a time imperative. All commissioned work must be approved by the PPCC Chair and CEO and, if particularly sensitive, the President will be consulted.

For public policy content that has high strategic significance and high potential for adverse reputational risk, the relevant Institute EGM, with the prior approval of the CEO and PPCC Chair, will organise consultation with a group of experts, including non-members, during the course of development to ensure a suitable breadth of perspectives has been considered. For commissioned reports, this may, for example, include a reference group or review of a draft. For other content, it may, for example, include review of a draft, a roundtable or similar process.

## **5. Approvals process**

Practice Committee (or equivalent) approval of proposed publications should be for:

- technical accuracy;
- consistency with the Institute's policy principles;
- being of a suitable tone; and
- consideration of material reputational risks that could arise from publication.

Approval by the relevant Institute EGM, PPCC Chair, CEO (and, if required under Council Policy, PPCC and/or the President) should be for the latter three (i.e., not for technical accuracy as this has been delegated to earlier stages).

For all thought leadership publications the relevant Institute EGM, PPCC Chair and CEO will also consider whether any potential or actual conflicts of interest of the author/s have been appropriately managed for potential adverse risk to the Institute's reputation as a trusted, objective and expert adviser to external stakeholders. This is particularly relevant for Dialogue Papers, which are published as the opinion of the author/s and under the Institute brand.



**Actuaries  
Institute.**

## **6. Engagement strategy**

The Institute will develop appropriate and targeted engagement plans to advocate our public policy related content to stakeholders. The following are examples of relevant engagement targets:

- ▶ Government and other parliamentary political spokespersons (for example, Treasury, Finance, Social Services, Health);
- ▶ Government departments and agencies (for example, Treasury, Prime Minister and Cabinet, Finance, APRA, ASIC, ACCC, ATO and the Australian Government Actuary);
- ▶ Business and industry groups, such as the Council of Australian Life Insurers, Financial Services Council, Insurance Council of Australia, Association of Superannuation Funds of Australia, Super Members Council of Australia and Australian Institute of Company Directors; and
- ▶ Media – key relevant journalists.

Launch plans and media opportunities are managed by the relevant Institute EGM/s on behalf of the Institute. All Institute media spokespersons will be managed and prepared by the Institute's PR team.