

GNGB AGM – Executive Officer’s Report

October 2020

Dear Members,

I am pleased to present the Executive Officer’s report, supporting the Chair’s Report and the Annual Financial Statements of the GNGB.

The 2019-20 year has been a busy year dominated by the complexities brought about by the pandemic.

The key operational objectives of the GNGB for the 2019-20 year were to:

- execute the 2019-20 elements of the Three-Year Strategic Plan as agreed in August 2017
- review the GNGB operating model and implement the roadmap of changes as approved by the Board
- enhance the existing stakeholder engagement framework with regular and structured communications targeting an expanded stakeholder audience utilising channels enabling one to many communications
- ensure responsible financial management in order to maximise funding allocation to governance activities and strategic initiatives

As detailed in the Chair’s report, the GNGB has maintained a high focus on Strategic Plan activities, including an active involvement in monitoring emerging opportunities and industry developments impacting on the Superannuation Transaction Network (STN) such as NPP, e-invoicing, the legislative changes related to Rollovers v3.0, as well as a key focus on positioning GNGB and the STN as thought leaders in relation to Cyber Security.

As always, an important focus is ensuring GNGB is operationally and financially sustainable and positioned to effectively manage potential emerging opportunities. Key activities and achievements in this year are detailed as follows.

GNGB Operating Model

My commencement in the role in October 2019, provided an opportunity to formally review GNGB’s operating model to understand the current state allocation of resources and the ability of the operating model to continue to meet the needs of the organisation. This review, together with the input of the Board’s strategic direction from the March 2020 strategy day, resulted in a number of changes:

- insourcing of Gateway Governance project and operations capability, with the appointment of the Operations Support Manager, Mary Costello. This appointment delivers greater internal capacity and allows us to build capability in a sustainable way
- sourcing and implementation of specialised marketing and communications capability to assist in meeting the objective of increasing awareness of GNGB and the STN within our key stakeholder groups
- introduction of Confluence site for sharing of Gateway contact details, notification of outages and shared document storage
- a change of accounting and payroll service provider

- together with the refinement of GNGB's internal technology infrastructure which continues into 2021

The operating model is a living framework that we will continue to review and adapt within an evolving technology, operations and sourcing environment. Always with the continued objective to enable GNGB's strategy as it changes over time.

GNGB Operations

STN Information Security Requirements

Gateway Operators delivered independent audit reports against the 2019 STN ISR requirements at the end of calendar year 2019. A consolidated view of compliance against control categories provided a clear insight into the capabilities of Gateway Operators to manage the security of the network as well as the overall risk profile of the network. Compliance Letters were issued by GNGB for the first time in February of 2020, for those Gateways who were deemed compliant with the requirements, which enabled Gateways to provide a summarised view of conformance to their clients, to assist with CPS234 and other requests for information. For those Gateways with remediation items, GNGB has been working with Gateway Operators to monitor and ensure that any remediation work is completed as planned.

An independent review of the STN ISR was commissioned in November 2019 and concluded in February 2020 resulting in 7 recommendations to improve the ISR. 6 of these recommendations have been implemented into the 2020 ISR and Appendix 1 requirements. Changes to the ISR were spread over the two audit periods, 2020 and 2021 to allow GOs to manage changes within the context of an already heightened change period. The changes to the STN ISR also prompted a review of the Gateway Standards, with the objective of ensuring all security related requirements resided within the ISR. Both Gateway Standards and revised ISR were approved by the Board and issued to Gateways in July 2020. This opportunity to review the key governance artefacts of the STN has resulted in a move towards a risk based approach for assessment of compliance, as well as greater alignment of the ISR controls to specific information security risks to the STN. This is a task that will be ongoing.

Business Continuity Planning

The GNGB has continued with a program of supporting Gateway Operators and the superannuation industry to ensure business continuity in the event of operational or network outages, by running the 2019 STN BCP exercise, and participating in the ATO-run, industry-wide exercise. These exercises have been well-attended and supported enthusiastically by Gateway Operators, and have provided valuable and practical insights into challenges and potential improvements to support the integrity of the STN.

STN Incident Response Testing

In June 2020, the 2nd annual network incident response test was conducted. It was well attended by all Gateways, together with interested industry participants, including the ATO and APRA, our fund association colleagues from FSC and ASP, and a number of GNGB Directors and Security Committee members. The test outcomes have provided an opportunity to continue to improve the incident response plan and refine specific areas on which we continue to work with Gateways.

Gateway Operator Engagement

Gateway Operator Meetings have continued to run on a monthly basis, with a high level of support and attendance by Gateway Operators and the ATO. This is a significant achievement by all participants given the inability to meet face to face since February 2020. These forums have proven valuable for consulting with network participants on changes to the governance framework, continuing to manage change driven by external factors, as well as addressing network operational and interoperability issues, including those with the ATO as a participant.

In addition to the regular GOM and Technical working group meetings, GNGB has sought to engage Gateway business owners to understand more holistically the focus of Gateway businesses, their opportunities and threats. The response from GO business owners was very positive and engaged and we hope Gateways found as much value in these conversations as GNGB did. We will continue to periodically engage in this way.

GNGB Financial position

GNGB continues to manage Commonwealth Grant and Gateway Operator fees in a prudent and responsible manner which can be demonstrated in the financial statements distributed at the 2020 AGM.

GNGB are fortunate in that the implications of COVID have resulted in an underspend of key expenses such as board and management travel and costs relating to premises. This has placed GNGB in a strong financial position and we will seek to direct the excess towards initiatives furthering GNGB's strategic pillar objectives and ensuring effective use of the funds. These decisions will be made in conjunction with the Board.

Finally, I would like to acknowledge the ongoing support of Jan McClelland and the Board of me in my role, and I am grateful for the faith that has been placed in me with my appointment, now a year ago. I would like to thank Mary Costello for her hard work and significant contribution to the GNGB in her short time with the organisation.

Importantly I would like to thank all GNGB members including Gateway Operators and Co-Sponsors for the way they have made me feel at home at GNGB and for their continued engagement and contributions, as GNGB works to support them, ensuring the STN continues to meet the expectations of our diverse stakeholder groups, in delivering a secure Superannuation Transaction Network.

Michelle Bower

Executive Officer