

## **GNGB AGM – Chief Executive Officer’s Report**

**October 2022**

Dear Members,

Welcome to the 2022 annual general meeting and thank you for taking the time out to share in an update and reflection on the 2022/22 financial year with GNGB.

The 21/22 Financial year was subject to continuing challenges as a result of the pandemic, increasingly catastrophic weather events and growing geo-political tensions around the globe. It is in this context, that I believe we can be proud of the service the STN continues to provide to Superannuation stakeholders, and the dedicated focus on continuous improvement by Gateway Operators, Co-Sponsor Members and GNGB over this period, supporting the industry.

I am pleased to present the CEO’s report, supporting the Chair’s Report and the Annual Financial Statements of the GNGB for 2022.

### **GNGB Key activities and achievements**

As our Chair mentioned, GNGB Board has set out Strategic targets and initiatives with which to meet those, I will touch on some of those in more detail shortly. A number of key milestones across the 2021/22 year that I would like to touch on.

In October 2021, GNGB was granted an additional 10 year exemption to the Competition and Consumer Act, on behalf of our Members who work together on a daily basis to deliver benefits to Superannuation Stakeholders. This reflects recognition of the important role of GNGB in the ecosystem and the continued public benefits derived from the work that we do together.

GNGB’s operational objectives over the period tie back to the strategic areas and support GNGB’s overall purpose: Security and integrity of the STN. Continuous improvement of the technical practices and requirements for Gateway Operators within the context of the dynamic environment they operate within, supporting Gateway Operators and the network to manage through changes and enabling a single voice for management of those challenges with industry stakeholders where appropriate. In 2022, this included:

- a complete review of Binding Implementation Practices and working with the ATO and the broader industry to identify opportunities for harmonisation of standards
- working with Gateway Operators to streamline monthly STN performance reporting
- delivering on 2 key recommendations out of [Securing the Future](#) report of 2021
- Continuing to refine GNGB risk based approach to management of STN Risks

### **Cyber Security**

A key focus for GNGB has always been on information security however GNGB’s report released in February 2021 placed GNGB at the forefront of the cyber conversation in superannuation.

The Board has endorsed 2 key recommendations from the report to further this work into 2022 and beyond, including

- Security Information Sharing program implementation within the STN,
- leveraging the Incident response experience of the STN as an example for a broader ecosystem response which some of you participated in, in June this year. In conjunction with the ACSC's National Exercise Program, we are very close to finalising the out of action report on this exercise which we look forward to sharing with participants
- Introduction of the qtrly STN Cyber forums

What these initiatives demonstrate, is that the STN is leading the superannuation industry in relation to Cyber maturity, experience with response and recovery testing and the building of the collaborative approach needed to secure the ecosystem for all our stakeholders. A truly shared responsibility model. Together, we have been able to achieve success where others have previously failed.

### **Risk Management Framework**

Our focus on risk management this year has resulted in an independent threat assessment conducted on the STN by Parafire consultants. This has enabled GNGB to realign STN cyber risk ratings but has also provided a resource for Gateway Operators.

### **Financial Management**

A key pillar of GNGB's work is of course ensuring sound and prudent financial management of member and industry funding. We present to you the 2022 Financial Statements which demonstrates a continued focus on strategic alignment to spending.

### **Notes to Revenue**

As you will be aware, revenue streams are largely fixed, increasing by CPI. In the 2022 financial year we have seen the beginnings of a CPI upswing economy wide, however in ensuring Gateway Operators fees remain under 15% of total revenue, we have not increased fees by the full CPI increase.

The benefits of the Government's COVID stimulus measures are carried forward for this remains in retained earnings of approximately \$100,000.

You will also note, due to the lingering effects of COVID in 2021 and early 2022, savings on office rent and travel have resulted in a material deferred revenue amount of approximately \$117,000.

## Expenses

Key Figures	2022 ('000)	2021 ('000)	% change	Inclusions	Comments
Staff	484	459	+5.4%	Chair and EO OSM	CPI aligned increases
Corporate admin expenses	98	57	+72%	Insurances, accounting and bookkeeping, rent office supplies and licences	50% of this increase is a timing item due to accruals of accounting costs, rest largely due to rental costs increasing after lockdowns
Governance Expenses	193	142	+36%	Research and Projects, Deferred revenue projects, Disaster testing, Board support, GOM and forum support, Board and GOM travel,	Delivery of greater number of projects/initiatives – resumption of activity from Covid impacted years
Stakeholder engagement	68	68	0%	Marketing support, website development and maintenance, conferences and travel	No material change Expect this to be greater as travel resumes for 2023 FY

## Auditor Reappointment

GNGB are seeking a resolution by members to reappoint HLB Mann Judd as GNGB's auditor for the next period. HLB Mann Judd have now completed 6 years of audits for GNGB, since inception. In line with good governance, GNGB undertook a review of good practice in relation to audit rotation, particularly in the Not-for-Profit sector and determined a rotation is not yet required. If a recommendation is made to change audit arrangements, a meeting of members will be called to approve changes.

## Initiatives for 2022 into 2023 – Strategy into Action

Looking to the year ahead and beyond, GNGB's focus on strategic initiatives, key activity being:

- Finalise the implementation and monitor the benefits realisation of the SIS program
- Release and socialise the after-action report on Ecosystem Incident Response
- Closely monitor the opportunities and challenges being presented by emerging issues such as the continued focus on Critical Infrastructure, the ever-evolving external threat environment and the approaching Consumer Data Right model for Open Finance
- Through all of this, we will maintain focus on the important groundwork, critical to our purpose, working with Gateway Operators to ensure the integrity, efficiency and reliability of the STN for all it serves; and
- Continuing to advocate for the great work that is done by Gateway Operators within the STN
- We note as well, the now constant signals from government on a renewed focus of employer SG compliance and our exploration on how GNGB and the STN more broadly can support those efforts in 2023 and beyond.

## Acknowledgements

GNGB is a unique organisation which depends upon collaboration and cooperation to achieve its purpose in securing the STN.

I would like to thank the GNGB team, Mary for her continued drive and professionalism throughout this period.

I would like to thank Jan for her continued support and guidance and always her generosity with her time.

I thank our Co-Sponsor members, AIST, FSC, ASFA and DSPANZ and associate Co-Sponsor Gate, for continuing to support GNGB and provide assistance in many ways, whenever and wherever you are asked to.

Also our Directors, for their time and willingness to work together for the benefit of STN stakeholders.

And of course, importantly Gateway Operators and their focus on continuous improvement, their ability to adapt through the many sources of change whilst maintaining their dedication to a secure and reliable network.

**Michelle Bower**

**Chief Executive Officer**