

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

**October 2023**

Dear Members,

Welcome to the 2023 annual general meeting and thank you for taking the time out to share in an update and reflection on the 2022/23 financial year with GNGB.

I am pleased to present the CEO’s report, supporting the Chair’s Report and the Annual Financial Statements of the GNGB for 2023.

### **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, however 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. The bulk of our work is on continuing engagement with Gateway Operators to ensure a stable and reliable STN, through regular forums, contingency testing and continuous improvements. A number of key milestones and achievements across the 2022/23 year include:

- Promoting awareness and fostering open discussion of cyber security among Gateway Operators and the superannuation industry (SIS Program, Cyber Forums, TISN participation)
- Risk Maturity review and the implementation of recommendations
- Driving continuous improvement in the information security governance framework (adoption of a risk-based approach to cyber governance and continuous review of risks and mitigation measures)
- Continuing to ensure the STN remains resilient to cyber incidents and physical threats via annual business continuity testing and continual improvement of contingency plans
- Contribution to government reviews and policy relating to Critical infrastructure Act and the Payday super measure

### **Cyber Security**

A key focus for GNGB continues to be information security, building on our report [Securing the Future](#) to drive sustainable improvements in the cyber risk profile of the STN.

- The implementation and continued refinement of the Security Information Sharing program implementation within the STN,
- Continuing to expand the reach of the qtrly STN Cyber forums
- Planning for 2024 follow up Ecosystem incident response exercise

We will continue to develop opportunities for greater collaboration across the ecosystem, as well as build on the strong foundations of cyber risk management with STN participants.

### Risk Management Framework

Our focus on risk management this year has resulted in an independent review of our own approach to risk, to assess the maturity of our risk management processes. This review found “GNGB has made substantial cultural change with an increased focus on cybersecurity risk” and has confirmed the impact of a number of activities undertaken in the last three years. In addition to this, a number of recommendations have been tabled for consideration and incorporation into roadmap activities for 23/24.

### 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 2023 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 2023 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, carried forward savings on office rent and travel have resulted in a material deferred revenue amount of approximately \$112,000 which will be directed to projects in the 2024 financial year.

### Notes to Expenses

Expense area	2022 ('000)	2023 ('000)	% change	inclusions	Comments
Staff	489	509	4%	Chair, CEO and OSM	
Corporate admin expenses	98	67	(30%)	Insurances, accounting and bookkeeping, rent office supplies and licences	50% of this increase is a timing item due to a change in accrual methodology last FY however significant savings in rental costs for 2023
Governance Expenses	193	138	(28%)	Research and Projects, Deferred revenue projects, Disaster testing, Board support, GOM and forum support, Board and GOM travel,	Savings in disaster and resilience testing projects by utilizing in house capability, less travel with only two face to face Board meetings
Stakeholder engagement	68	87	21%	Marketing support, website development and maintenance, conferences and travel	Sight increase in travel/conference costs but main difference is website review project

### 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 7 years of audits for GNGB, since inception. As you may recall, in line with good governance, GNGB undertook a review of good practice in relation to audit rotation in 2022, particularly in the Not-for-Profit sector and determined a rotation is not yet required. We may review this again in the coming period.

### Initiatives for 2023 into 2024 – Strategy into Action

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

- Payday Super Measure (last year we noted the increasing signals from government over the changing focus on employer obligations), anticipating impacts and advocating for how the STN can best support the measure, how the industry can leverage the near real time capability of the STN to facilitate the outcomes required
- Budget re-baseline and a request for increased funding
- Ecosystem incident response exercise 2024
- An independent comparison of ISO27001:2022 and the STN's Information Security Requirements

### 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 and sage advice.

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. I would also like to acknowledge the role GATE has played in the STN ecosystem since inception. GATE has wound up this year and we wish key personnel the best for new opportunities.

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**