

Gateway Network Governance Body Ltd – Chair’s Report, 9 October 2023

On behalf of the Board of Directors of the Gateway Network Governance Body Ltd (GNGB), I am pleased to present the Annual Report for 2022/2023. The GNGB has now been operating as the governance body overseeing the security and integrity of the Superannuation Transaction Network (STN) for 7 years.

In the face of continuous change in the economic and social climate, the GNGB remains focussed on serving superannuation stakeholders to ensure the STN remains secure, reliable and available to enable industry and employers to continue to meet the requirements of the Data and Payments Standards.

Managing the Integrity of the Superannuation Transaction Network (STN)

A key priority and focus of the GNGB Board is oversight of the security and integrity of the STN.

In 2022/2023, the GNGB Board oversaw the 6th annual audit of the security of the STN and implementation of audit recommendations. The results of the 2022 annual audit of Gateway Operator policies, systems, processes and practices against the minimum requirements set out in the STN Information Security Requirements (ISR) provided the Board with a clear view of the extent of compliance by Gateway Operators. The level of conformance demonstrated in Gateway audit reports continues to improve each year. Gateway Operators are demonstrating an increasing maturity in relation to risk awareness and mitigation.

Strategy

A key role of the GNGB Board is to shape the strategic directions and priorities of the GNGB in meeting its objects and roles as set out in the Constitution and Memorandum of Understanding between the GNGB and Gateway Operators (MOU).

Each year the Board monitors the implementation of the GNGB’s Strategic Plan to ensure that priorities of the GNGB remain relevant and effective in the context of a rapidly changing policy, regulatory, and technology environment. The Board also closely monitors risks to ensure that the GNGB is positioned to prevent and minimise the impact of identified risks on the integrity and security of the STN.

In April 2023, the Board held a facilitated Strategy Planning Day to review performance to date and consolidate a platform for 2023/24 strategic initiatives. The GNGB Strategy Day included a review of design principles to assist the Board in its consideration of the scope of the GNGB’s remit particularly in relation to new and emerging issues such as the inevitable changes to the network as a result of the Payday super measure. The Board reflected on the achievements of the 3-year strategic plan to 2023 and made plans for the type of organisation the GNGB aspires to be in 2026. The Board also agreed the following initiatives under each of the five strategic pillars for 2022/2023:



Cyber-security

The Security Committee, established by the Board in 2018, continues to advise the GNGB Board on information and cyber-security matters impacting the STN. The Board has approved initiatives to assist GNGB in:

- supporting Gateway Operators and the superannuation industry to be aware of cyber-security issues
- taking a risk-based approach to cyber governance
- driving continuous improvement in the information security governance framework
- fostering open discussions about cyber-security threats and solutions.

Stakeholder engagement

The GNGB has an important role in engagement with industry and government bodies in respect of any emerging legislative, policy or technological changes that may impact the STN. The Chief Executive Officer and Chair of the Board meet regularly with the ATO and engage actively with other key stakeholders through meetings, attendance at conferences and communications.

The GNGB has actively participated in a number of government consultations in the 2022/2023 financial year with a view to influencing policy that may impact GNGB and our stakeholders. Examples include:

- Consultations regarding Critical Infrastructure reforms, including the *Security of Critical Infrastructure Act 2018* (SOCIA Act) amendments, and the obligations under the Critical Infrastructure Risk Management Program Rules
- Advocating for good practice and standardised approach with the ATO in relation to STN concerns regarding the impact of Successor Fund Transfers (SFTs) and Digital Certificate exchanges

- Advocacy with the ATO and Treasury in relation to the Payday super measure and assisting government to understand how best to leverage the important data infrastructure that is the STN.

Board Renewal and Development

The composition of the GNGB, comprising representatives of the Association of Superannuation Funds of Australia (ASFA), Association of Industry Superannuation Trustees (AIST), Digital Service Providers Australia New Zealand (DSPANZ), formerly the Australian Business Software Industry Association (ABSIA), Financial Services Council (FSC), employers and Gateway Operators, provides for a diversity of backgrounds, skills and expertise on the Board and contributes to informed and robust discussion and deliberation of matters by the Board. Board members actively contribute to Board and committee meetings.

As provided in the GNGB's Constitution, the Board has established committees to assist it in carrying out its role. Current committees include the:

- Remuneration Committee, which provides independent oversight of Chair and Executive Officer Remuneration
- Cyber Security Committee, which provides leadership and oversight of the GNGB's strategies to protect the STN from the impact of cyber-security attacks on the STN
- Governance Committee, which provides oversight and review of GNGBs governance, risk, control and compliance framework as well as its financial management and reporting obligations.

The Board conducts an annual assessment of its performance to drive continuous improvement of its governance framework and identify Board skills development opportunities. The Board has undertaken training sessions this year on measuring impact and stakeholder engagement.

The Board also periodically reviews its skills matrix to ensure relevance and currency of skills on the Board and to assist in identifying suitable candidates to fill vacancies on the Board as they arise from time to time.

I would like to thank those Directors who left the Board in the 2022/23 financial year including:

- David Humphrey who served as the Employer representative on the GNGB Board for 6 years and made a significant contribution not only as a member of the Board but also as Chair of the Remuneration Committee and Member of the Governance Committee
- Ian Gibson who served on the GNGB Board since inception, initially as a Gateway Director and subsequently representing DSPANZ, and as the inaugural Chair of the Security Committee
- Chris Denney who served as a Gateway Director for almost 3 years.

I would like to extend a warm welcome to the three new Directors joining the Board in 2023, Belinda Stewart, appointed by DSPANZ, Tony Gold, appointed by GATE, and Michael Collins appointed by the Board. This Board renewal brings a diverse skill set including extensive cyber security capability as well as Gateway Operator, payroll and employer experience, expertise and perspectives, which will be essential as the network navigates changes under the Payday super measure.

Financial management

The Board was pleased to receive the annual audit of the GNGB's annual financial statements which identified no qualifications or area of concern. The audit demonstrated that the GNGB's financial management of funds from the APRA levy and Gateway Operator fees has been prudent and that reporting has been clear and effective. The Board has had good visibility and control of all financial activity.

The Board acknowledges the need to re-baseline the operating costs of GNGB to enable continuous improvement and modernisation of practices in certain areas and ensure a sustainable and robust operating model for years to come.

Acknowledgements

I would like to acknowledge the commitment and diligence of my fellow Directors of the GNGB Board in exercising their duties and responsibilities and to thank them for their support and significant contribution to the governance of the GNGB.

Thank you to GNGB's Chief Executive Officer, Michelle Bower, and Operations Support Manager, Mary Costello. It is a privilege to work with Michelle and Mary, who continue to work tirelessly in progressing implementation of GNGB's strategic priorities, providing support for the Board and Gateway Operators, facilitating continuous improvement of policies, procedures, systems and processes, and championing the work and achievements of the GNGB among key stakeholders and the broader superannuation ecosystem.

Finally, and importantly, I would like to acknowledge the ongoing support of all our stakeholders without whom our work would not be possible. Thank you to our Co-Sponsors and the Gateway Operators for their ongoing participation in the STN, their commitment to continuous improvement of the Network for the benefit of superannuation members.

Jan McClelland AM, Chair