



**Superannuation Administration Corporation trading as Pillar Administration**

# Annual Report 2005/06

**Part B** - Detailed Corporate Information

# Part B - Detailed Corporate Information

(Information in accordance with the *Annual Reports (Statutory Bodies) Regulation 2005 (NSW)* and relevant NSW Government requirements)

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# Corporate Governance

## Enabling Legislation

The *State Owned Corporations (SOC) Act 1989 (NSW)* provides for the establishment and operation of Government enterprises as State owned corporations. It sets out amongst many other matters, the objectives of State owned corporations, the powers of Ministers and provisions for reporting.

The *Superannuation Administration Authority Corporatisation Act 1999 (NSW)* established the Superannuation Administration Corporation ("the Corporation") as a statutory State owned corporation, defines the business of the Corporation and sets out special provisions for the management of the Corporation which supersede provisions in the SOC Act.

A *Memorandum and Articles of Association* for the Corporation with effect from 26 July 1999, the date of establishment of the Corporation, was executed by the Premier and the Treasurer as shareholders of the Corporation.

## Oversight of the Corporation by the NSW Government

Oversight by the NSW Government is through a Portfolio Minister in terms of section 20I of the SOC Act and two voting shareholders of the Corporation in terms of section 20H of the same Act.

Legislatively required reporting, in addition to this Annual Report, includes providing a Statement of Corporate Intent each year to the shareholding Ministers supported by a confidential business plan, risk analysis and financial projections. This is complemented by quarterly reports on performance. The Corporation also provides this material to the Portfolio Minister.

The Corporation is subject to external audit by the Auditor-General and is also subject to the powers of a number of other Government entities, such as the Ombudsman and the Independent Commission Against Corruption.

## The Portfolio Minister

The Portfolio Minister in terms of s 20I of the *State Owned Corporations Act 1989 (NSW)* is:

- **The Hon. John Della Bosca**, MLC, Minister for Commerce, Minister for Finance, Minister for Industrial Relations, Minister for Ageing, Minister for Disability Services and Vice President of the Executive Council.

## The Shareholding Ministers

The voting shareholders of the Corporation in terms of s 20H of the *State Owned Corporations Act 1989* at 30 June 2006 were:

- **The Hon. Michael Costa**, MLC, Treasurer, Minister for Infrastructure and Minister for the Hunter; and
- **The Hon. Robert Debus**, MP, Attorney General, Minister for the Environment and Minister for the Arts.

At various times during the 2005/06 year the following Ministers were voting shareholders of the Corporation:

- The Hon. Morris Iemma;
- The Hon. Bob Carr; and
- The Hon. Dr Andrew Refshauge.

## The Board

The Board has statutory authority under the above-mentioned legislation to manage the Corporation and is the entity that reports to the shareholding Ministers and to which directions may be issued by the Portfolio Minister.

The Board consists of six non-executive Directors and the Chief Executive Officer. The Chairman is a non-executive Director. The Board meets at least monthly and monitors corporate performance and key issues through formal processes such as monthly reports from management and discussion at board meetings, through discussions with stakeholders, and through various informal means open to the Directors.

# Corporate Governance

## The Board (continued)

Each of the non-executive Directors of the Corporation was appointed by the voting shareholders pursuant to clause 15.2 of the *Memorandum and Articles of Association* of the Corporation. The non-executive Directors (as at 30 June 2006) and the dates and terms of their appointments are:

- **Professor Bob Walker, Chairman** was first appointed on 21 July 1999 and was subsequently re-appointed for the term 26 July 2004 to 25 July 2008;
- **Ms Eve Crestani** was first appointed on 16 October 2001 and was subsequently re-appointed for the term 16 October 2004 to 15 October 2007;
- **Mr Noel Davis** was first appointed on 16 October 2001 and was subsequently re-appointed for the term 16 October 2004 to 15 October 2007;
- **Ms Glenys Roper** was first appointed on 16 October 2001 and was subsequently re-appointed for the term 16 October 2004 to 15 October 2006;
- **Mr Darryl Snow** was first appointed on 16 October 2001 and was subsequently re-appointed for the term 1 March 2005 to 28 February 2007; and
- **Mr Philip Small** was appointed on 25 February 2005 for the term to 24 February 2008.

In combination the non-executive Directors bring to the Board qualifications, skills and experience in, or relevant to, the superannuation and finance industries, private and public sector management and employee and industrial relations.

## The Chief Executive Officer

The Chief Executive Officer (CEO) is appointed by the non-executive Directors after consultation with the voting shareholders.

**Mr Peter Cormack** was appointed as CEO with effect from 17 July 2004.

## Frequency of and Attendance at Board Meetings

The Board met eleven times during 2005/06. The number of meetings attended by each Director is set out below.

Director	Possible number	Number attended
Professor Walker	11	11
Ms Crestani	11	11
Mr Cormack	11	9*
Mr Davis	11	9*
Ms Roper	11	10*
Mr Snow	11	11
Mr Small	11	10*

\* Certain Directors were absent with leave granted from some Board meetings.

## Board Committees

During the year the Board was assisted by the following Committees composed of non-executive Directors:

- the **Audit Committee**, which establishes accounting policies, focuses on the adequacy of the administrative, operating, risk and financial controls, and oversees the work of the internal auditor;
- the **Human Resources & Remuneration Committee**, which provides high level oversight of human resources policies, strategies and remuneration;
- the **Marketing & Business Development Committee**, which provides high level oversight of marketing and business development strategies and activities;
- the **Superannuation Compliance Committee**, which oversees the Corporation's Compliance Program in relation to superannuation administration; and
- the **Information Technology Governance Committee**, which focuses on Pillar's investment in information technology to ensure that it is cost-effective, delivers value and is secure.

# Corporate Governance

## Membership of Board Committees

The Board determines the membership of the Board Committees. Persons who are not members of the Board may be included; however executives or executive Directors of the Corporation are excluded from Committee membership. The Chairman of the Board does not chair a Board Committee.

Membership is reviewed annually to consider the need for fresh perspectives while maintaining continuity and retention of knowledge and skills. After a review during 2005/06, changes were made to the composition of some committees.

Directors who are not members of a particular Board Committee are permitted to attend meetings of that Committee.

Invitees to Board Committee meetings may include:

- executives of the Corporation as appropriate;
- other persons providing reports or information for the Committee.

## Responsibilities and Activities of Board Committees

All Board Committees shall consider any matters relating to their objectives and any matters referred by the Board.

The Board Committees shall seek to ensure new Committee members are adequately inducted and that all members are informed about any changes relevant to their roles including changes in statutory requirements, accounting standards, or guidelines affecting financial reporting.

The Committees shall review their performance annually with attention directed to how well the responsibilities contained in their relevant Charters have been met. The individual Committee Charters shall be reviewed and updated annually subject to Board approval.

The membership of each Committee and the activities of each in 2005/06 are outlined below.

### The Audit Committee

At 30 June 2006, the members of the Audit Committee were:

- Mr Philip Small (Chairman);
- Mr Noel Davis;
- Ms Glenys Roper; and
- Prof. Bob Walker (ex officio member).

The meetings are attended by representatives of management, external auditors and internal auditors. On occasions the Audit Committee has met with external and internal auditors without management being present.

The Committee met six times during 2005/06. The activities of the Committee included:

- approving the Audit Plan and overseeing its implementation;
- assurance reporting to clients' Audit Committees;
- monitoring implementation of audit recommendations;
- matters related to the statutory accounts such as policy issues and matters raised by external auditors;
- reviewing delegations to management;
- monitoring the currency of Pillar's internal controls;
- monitoring the maintenance of Pillar's Risk Management Plan;
- monitoring the adherence to Pillar's Fraud and Corruption Prevention Strategy;
- monitoring implementation of AIFRS; and
- reviewing various aspects of the Corporation's administration services including system access security.

# Corporate Governance

## The Human Resources & Remuneration Committee

At 30 June 2006, the members of the Human Resources & Remuneration Committee were:

- Ms Eve Crestani (Chairman);
- Ms Glenys Roper;
- Ms Darryl Snow; and
- Prof. Bob Walker (ex officio member).

The Committee met five times during 2005/06. In addition, discussions on matters before the Committee were considered in scheduled Board meetings. The activities of the Committee included:

- performance and salary reviews of executive staff;
- monitoring the process for performance and salary review of non-Award staff;
- monitoring the progress of Award negotiations;
- monitoring the annual review of Pillar's Training Plan;
- executive succession planning;
- monitoring Human Resources issues such as training, recruitment, staff turnover and occupational health and safety;
- approving Human Resources policies including the recruitment and selection policy;
- monitoring the effectiveness of Pillar's Equal Employment Opportunity policies and management plan; and
- approving the revision of Pillar's Employee Code of Conduct.

## The Marketing & Business Development Committee

At 30 June 2006, the members of the Marketing & Business Development Committee were:

- Ms Glenys Roper (Chairman);
- Ms Eve Crestani;
- Mr Noel Davis;
- Mr Darryl Snow; and
- Prof. Bob Walker (ex officio member).

The Committee met four times during 2005/06 and its activities included:

- reviewing and further developing Pillar's marketing strategies;
- monitoring Pillar's marketing activities including exploration of business opportunities and marketing events;
- meeting with people involved in the superannuation industry in different capacities;
- monitoring action taken in response to tenders;
- monitoring the resourcing needs for handling potential and actual new clients; and
- monitoring the development of marketing documents.

## The Superannuation Compliance Committee

At 30 June 2006, the members of the Superannuation Compliance Committee were:

- Mr Noel Davis (Chairman);
- Ms Eve Crestani;
- Mr Philip Small; and
- Prof. Bob Walker (ex officio member).

The Committee met six times during 2005/06 and its activities included:

- oversight of the on-going operation of the Compliance Program and organisational arrangements for compliance;
- monitoring actual compliance performance;
- monitoring Pillar's specific compliance with the requirements of its Australian Financial Services Licence;
- oversight of Pillar's actions in response to and compliance with changed legislative requirements;
- monitoring the Compliance Assessment function within Pillar; and
- monitoring the timeliness and accuracy of Pillar's resolution of complaints received in relation to its provision of administration services.

# Corporate Governance

## **The Information Technology Governance Committee**

At 30 June 2006, the members of the Information Technology Governance Committee were:

- Mr Darryl Snow (Chairman);
- Ms Eve Crestani;
- Mr Philip Small; and
- Prof. Bob Walker (ex officio member).

The Committee met five times during 2005/06 and its activities included:

- monitoring the purchase and development of administration software;
- reviewing current infrastructure and future needs;
- monitoring the effectiveness of Pillar's Business Continuity and Disaster Recovery Plans;
- approval and monitoring of Pillar's Information Security policy; and
- oversight of Pillar's Information Technology business plan.

# Management

## The Executive Structure

The Organisational Chart of the Corporation (hereafter in **Part B** referred to as Pillar) including the main functions of the organisational divisions is set out in this Annual Report at **Part A – The Business**. The senior management positions and the occupants of those positions during 2005/06 are set out below.

Position	Occupant	Period
Chief Executive Officer	Mr Peter Cormack	Whole year
General Manager, Information Technology & Business Systems	Ms Fiona Abercrombie	Whole year
General Manager, Operations	Currently vacant	
General Manager, Finance & Administration	Mr Eric Lo	Whole year
General Manager, Marketing & Business Development	Mr Mike Turner	Until 13 January 2006
	Mr Mark Luciano	From 16 January 2006
General Manager, Human Resources	Mr Malcolm Saunders	Whole year
Company Secretary	Ms Jane Byrne	Whole year

## The Executive Committee

The **Executive Committee** is the senior executive committee of Pillar. During the financial year 2005/06 it met at least monthly for information sharing and consideration of key issues facing management. Its members are as listed on this page under Executive Structure.

## The Joint Consultative Committee

The **Joint Consultative Committee** provides a forum for discussion between management and the representatives of employees and employee associations. Its meetings are generally held each six weeks and it draws its membership from amongst Pillar's executive group, employee representatives and representatives of the Public Service Association.

## Other Committees

To assist with monitoring, decision-making and organisational functioning, Pillar has various specific purpose committees. As at 30 June 2006 these included:

- the **Project Priority & Management Committee**: comprised of all Executive Committee members with other managers co-opted as required, with the purpose of approving and monitoring on-going management of all major project work within Pillar;
- the **Management Committee**: comprised of senior and middle management staff, who meet to share information, particularly in relation to the general operations of Pillar;
- the **Fraud & Corruption Prevention Committee**: comprised of all Executive Committee members, with the purpose of monitoring incidents of suspected fraud or corruption or circumstances that may lead to fraudulent acts and to consider and implement strategies to decrease the likelihood of fraudulent practices; and
- the **Occupational Health & Safety Committee**: composed mainly of non-managerial staff, with the purpose of monitoring occupational health and safety issues.

## Number of Executive Officers

The following figures disclose the number of executive officers employed at the close of the year with an annual remuneration package equal to or greater than the minimum remuneration package for Senior Executive Service Level 1 executives (\$132,500).

Date	Female	Male
30 June 2006	2	5
30 June 2005	2	6

**Note:** These figures include Information Technology managers.

# Executive Remuneration

## Executives with Remuneration Packages over \$206,101

During the 2005/06 year actual remuneration in excess of \$206,101 (equivalent to the minimum remuneration package for Senior Executive Service Level 5 executives) was paid or payable to the following three executives:

- **Mr Peter Cormack**, Chief Executive Officer,
- **Ms Fiona Abercrombie**, General Manager, Information Technology & Business Systems; and
- **Mr Eric Lo**, General Manager, Finance & Administration.

Performance statements for the executives listed above are provided below as required by the *Annual Reports (Statutory Bodies) Regulation 2005 (NSW)*.

Name	Peter Cormack
Position:	Chief Executive Officer
Remuneration package paid or due and payable for year:	\$265,000
Performance pay:	\$15,000 paid effective 1 July 2006 for contributing to the improved organisational performance during the 2005/06 financial year.
Period:	1 July 2005 - 30 June 2006
Performance targets achieved:	<p>Tasks set by the Board for the Chief Executive Officer (CEO) and achieved successfully in 2005/06:</p> <ul style="list-style-type: none"> <li>• Providing effective strategic leadership of Pillar, particularly in regard to the winning of new business;</li> <li>• Ensuring that the Compliance Program, business processes and procedures meet the requirements of Pillar's Australian Financial Services Licence;</li> <li>• Continuing to meet or exceed client performance standards and ensuring harmonious commercial relationships with existing and new clients;</li> <li>• Meeting or exceeding agreed financial targets; and</li> <li>• Leading, coaching and developing staff to meet on-going business requirements.</li> </ul>

# Executive Remuneration

## Executives with Remuneration Packages over \$206,101 (continued)

Name	Fiona Abercrombie
Position:	General Manager, Information Technology & Business Systems
Remuneration package paid or due and payable for year:	\$207,000
Performance pay:	\$12,500 paid effective 1 July 2006 for contributing to the improved organisational performance during the 2005/06 financial year.
Period:	1 July 2005 - 30 June 2006
Performance targets achieved:	<p>Tasks set by the CEO for the General Manager, Information Technology &amp; Business Systems and achieved successfully in 2005/06:</p> <ul style="list-style-type: none"> <li>• Management of all aspects of Information Technology (IT) and Business Systems;</li> <li>• Achieving IT budget and implementing a cost effective IT approach across Pillar;</li> <li>• Continuing mitigation of supplier risk;</li> <li>• Business acceptance and implementation of all IT projects;</li> <li>• Ensure effective IT plans are in place to meet existing and new business requirements;</li> <li>• Management of IT vendor agreements;</li> <li>• Delivery of IT business solution for all trustee clients' funds; and</li> <li>• Ensure IT governance requirements are met, including Audit and Disaster Recovery planning.</li> </ul>
Name	Eric Lo
Position:	General Manager, Finance & Administration
Remuneration package paid or due and payable for year:	\$223,527
Performance pay:	\$12,500 paid effective 1 July 2006 for contributing to the improved organisational performance during the 2005/06 financial year.
Period:	1 July 2005 - 30 June 2006
Performance targets achieved:	<p>Tasks set by the CEO for the General Manager, Finance &amp; Administration and achieved successfully in 2005/06:</p> <ul style="list-style-type: none"> <li>• Managing the accounting, taxation and finance functions for both Pillar and its clients;</li> <li>• Meeting all statutory and taxation reporting requirements;</li> <li>• Conversion of new clients' accounting system to Pillar's systems;</li> <li>• Implementation of Australian equivalents to International Financial Reporting Standards (AIFRS) for the reporting of both Pillar and its clients; and</li> <li>• Continuous process improvements to enhance operational effectiveness and cost efficiency.</li> </ul>

# Human Resources

## Equal Employment Opportunity (EEO) Achievements

Pillar is an equal opportunity employer that has integrated Equal Employment Opportunity (EEO) practices into all areas of the workplace, thereby creating an environment where staff are valued and have the opportunity to contribute and develop to their fullest potential. The merit principle is applied to all recruitment, selection, promotion, training and other employment-related opportunities.

Pillar's EEO strategy for the upcoming year includes continual encouragement for persons with disabilities and persons of Aboriginal & Torres Strait Islander background to apply for positions.

## Statistical Information for EEO Groups

**Table A Trends in the Representation of EEO Groups**

% of Total Staff					
EEO Group	Benchmark or Target	2003	2004	2005	2006
Women	50%	60%	65%	64%	65%
Aboriginal people and Torres Strait Islanders	2%	1%	1%	1%	1%
People whose first language was not English	20%	18%	19%	19%	19%
People with a disability	12%	2%	3%	3%	3%
People with a disability requiring work related adjustment	7%	0%	0%	0.2%	2.6%

**Table B Trends in the Distribution of EEO Groups Distribution Index**

EEO Group	Benchmark or Target	2003	2004	2005	2006
Women	100	75	76	72	71
Aboriginal people and Torres Strait Islanders	100	n/c	n/c	n/c	n/c
People whose first language was not English	100	103	102	102	98
People with a disability	100	n/c	n/c	n/c	n/c
People with a disability requiring work related adjustment	100	n/c	n/c	n/c	n/c

### NOTES

1. A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels. The Distribution Index is automatically calculated by the software provided by ODEOPE.
2. n/c = Not Calculated. The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20.

# Consumer Response

## Guarantee of Service

Service standards are specified within service provision contracts with Pillar's clients.

## Complaints

There were no complaints made to Pillar during 2005/06 that were not related to the superannuation funds and schemes that Pillar provides administration services for. Pillar reports to the trustees of these funds and schemes each quarter on the complaints received in relation to each fund.

## Public Sector Superannuation Schemes

By arrangement with its public sector trustee clients, Pillar's Annual Report includes statistics on complaints it received relating to the NSW public sector superannuation schemes. There were 123 individual complaints about particular situations for the year ended 30 June 2006 that were applicable to the public sector schemes that Pillar administers. A statistical breakdown by category is shown below.

Note: The definition of a complaint for reporting purposes is 'a written or oral expression of dissatisfaction which requires a response'.

Category of Complaint	Number of Complaints
Application of policy	21
Administrative issues	95
Investment	1
Insurance	5
Incorrect data from external provider	1
<b>Total</b>	<b>123*</b>
Number of public sector scheme members as at 30 June 2006	614,307

\* This is an historically low figure - the figure for 2004/05 year was 137.

**Note:** FTC, the trustee of First State Super (FSS), was incorporated as a proprietary company limited by shares and registered under the Corporations Act 2001 (Cth) on 1 May 2006. From that date onwards FSS was a SIS regulated public offer fund and is effectively not a public sector superannuation scheme. However, the complaints data for 2005/06 compiled above does include complaints in relation to FSS. In future years complaints relating to FSS will not be reported by Pillar in its Annual Report.

Managers review the handling of complaints on a sample basis and this includes follow-up contact with the person who complained. All complaints are analysed to determine if there is a systemic cause and if that is the case, corrective and preventive action is implemented.

Staff and managers are encouraged to recognise and highlight complaints that show the need for changes to scheme literature, standard letters, systems, procedures and practices. Where appropriate, changes to legislation or policy are proposed to clients for their consideration.

## Disputes and Appeals

The dispute and appeal processes for the public sector schemes, which are formally exempt from compliance with the provisions of the *Superannuation Industry (Supervision) Act 1993 (Cth)* are administered by the trustees of the public sector schemes and are covered in their Annual Reports.

The Superannuation Complaints Tribunal (SCT) is the independent tribunal set up by the Commonwealth Government to deal with complaints made to all superannuation funds that are subject to the provisions of the *Superannuation Industry (Supervision) Act 1993 (Cth)*.

# Freedom of Information

## Freedom of Information (FOI) Statement of Affairs

Every agency covered by the *Freedom of Information Act 1989 (NSW)* is required by the Act to publish an annual Statement of Affairs. The Statement has to describe the structure and functions of the agency, the categories of documents held and how to obtain access to the documents.

### Structure and Functions of Pillar

The Superannuation Administration Corporation, trading as Pillar Administration, was created as a statutory State owned corporation with effect from 26 July 1999, by the *Superannuation Administration Authority Corporatisation Act 1999 (NSW)*. The *Freedom of Information Act 1989 (NSW)* includes statutory State owned corporations in its definition of an agency.

Pillar's structure, functions and statutory objectives are set out in this Annual Report at **Part A – The Business**. The functions of Pillar only affect those members of the public who are members or beneficiaries of the public sector superannuation schemes that Pillar provides administration and related services for.

### Documents held by Pillar

Pillar holds the following policy documents, some on behalf of the SAS Trustee Corporation (STC), which is also an agency to which the *Freedom of Information Act 1989 (NSW)*. Pillar administers various NSW public sector superannuation schemes for STC.

The documents listed below are available free of charge upon request.

- **All STC Schemes Policy Register**  
This document contains policies covering various matters affecting STC schemes.
- **State Authorities Superannuation Scheme (SASS) Policy Register.**  
This document contains policies made by STC under the *State Authorities Superannuation Act 1987 (NSW)*.

- **State Superannuation Scheme (SSS) Policy Register**  
This document contains policies made by STC under the *Superannuation Act 1916 (NSW)*.
- **Police Superannuation Scheme (PSS) Policy Register**  
This document contains policies made by STC under the *Police Regulation (Superannuation) Act 1906 (NSW)*.
- **State Authorities Non-contributory Superannuation Scheme (SANCS – Basic Benefit) Policy Register**  
This document contains policies made by STC under the *State Authorities Non-contributory Superannuation Act 1987 (NSW)*.
- **Pillar's Equal Employment Opportunity Policy Statement**  
This document sets out how Pillar aims, in carrying out its functions, to reflect the spirit and intent of anti-discrimination and equal employment opportunity legislation.
- **Pillar's Privacy Policy**  
This document sets out Pillar's commitment to best practice privacy standards and how it aims to comply with the requirements of the *Privacy Act 1988 (Cth)*.
- **Pillar's Delegations of Authority**  
This document sets out how Pillar's Board delegates the authority for certain matters to the CEO and other executives and staff.
- **Pillar's FOI Statement of Affairs and Summary of Affairs**

**Note:** No policy document relating to FSS Trustee Corporation (FTC) is listed above. FTC was incorporated as a proprietary company limited by shares and registered under the *Corporations Act 2001 (Cth)* on 1 May 2006 and from that date is no longer an agency to which the *Freedom of Information Act 1989 (NSW)* applies.

# Freedom of Information

## Procedures for Access to Documents or Member Records or Amendments to Member Records

Member records contain personal information about individual members of the various public sector superannuation schemes that Pillar administers. The information relates to personal details, employment history, contributions and benefits paid to a member or other person in respect of a member and general correspondence about the superannuation entitlements. The information is stored on computer and on microfiche and is held by Pillar on behalf of the trustee of the schemes.

A scheme member may contact Pillar's Freedom of Information (FOI) Co-ordinator if they want to view or amend any personal information Pillar holds about them. Requests to amend personal information may directly or indirectly affect benefits payable from the applicable scheme, so Pillar may require proof in relation to the information to be amended.

The *Freedom of Information Act 1989 (NSW)* provides that FOI applications must be processed within 21 days. This time period may be extended in special circumstances, for example, if there is a need to consult third parties. If this is the case, then the applicant will be advised in writing.

Requests under the *Freedom of Information Act 1989 (NSW)* for inspection of or obtain copies of accessible documents and/or to view member records and personal information can be made to:

The Freedom of Information Coordinator  
Pillar Administration  
Locked Bag 1229,  
Wollongong NSW, 2500  
Telephone (02) 4253 1478  
or fax (02) 4253 1688

When prior arrangements have been made documents may be inspected between the hours of 10am and 4pm at Pillar Administration, 5 Old Springhill Road, Coniston, or at Level 18, 83 Clarence Street, Sydney.

Pillar now also provides access to requested documents in electronic format.

## Charges for FOI Applications

Nature of Application	Application Fee*	Processing Charge*
Request for access to personal documents	\$30	First 20 hours free, then \$30 per hour
Request for access to non-personal documents	\$30	\$30 per hour
Application for review of decision	\$40	nil
Request for amendment of records	nil	nil
Request for notation to be added to personal records	nil	nil

\*50% reduction for financial hardship and public interest reasons

When processing an FOI application, every effort will be made to minimise the cost to the applicant. Where appropriate, the applicant will be contacted to discuss options for limiting the cost of processing the application.

# Freedom of Information

## FOI Statistics 1 July 2005 to 30 June 2006

### Required Information for 2005/06

(based on Appendix B of the FOI Procedure Manual published by the Premier's Department).

The relevant statistics for 2004/05 are set out for comparative purposes

**Section A** Number of new FOI requests - Information relating to number of new requests received, those processed and those completed from the previous period

Freedom of Information (FOI) Requests	Personal 2005/06	Other 2005/06	Total 2005/06	Total 2004/05
A1 New (including transferred in)	589	0	589	576
A2 Brought forward	26	0	26	18
A3 Total to be processed	615	0	615	594
A4 Completed	590	0	590	564
A5 Transferred out	0	0	0	0
A6 Withdrawn	0	0	0	4
A7 Total Processed	590	0	590	568
A8 Unfinished (carried forward)	25	0	25	26

### Section B What happened to completed requests

Result of FOI Request	Personal 2005/06	Other 2005/06	Total 2005/06	Total 2004/05
B1 Grant in full	288	0	288	232
B2 Granted in part	224	0	224	255
B3 Refused	0	0	0	19
No documents held	78	0	78	58
B4 Deferred	0	0	0	0
B5 Completed	590	0	590	564

### Section C Ministerial Certificates - number issued during period

	Total 2005/06	Total 2004/05
C1 Ministerial Certificates issued	0	0

# Freedom of Information

**Section D Formal Consultations** - number of requests requiring consultations (issued) and total number of formal consultation(s) for the period

	Issued 2005/06	Total 2005/06	Total 2004/05
D1 Number of requests requiring formal consultation(s)	9	9	12

**Section E Amendment of personal records** - number of requests for amendments processed during the period

Result of Amendment Request	Total 2005/06	Total 2004/05
E1 Result of amendment - agreed	0	0
E2 Result of amendment - refused	0	4
E3 Total	0	4

**Section F Notation of personal records** - number of requests for notation processed during the period

	Total 2005/06	Total 2004/05
F3 Number of requests for notation	0	0

**Section G FOI requests granted in part or refused - Basis of disallowing access** - number of times each reason cited in relation to completed requests which were granted in part or refused

Basis of disallowing or restricting access	Personal 2005/06	Other 2005/06	Total 2004/05
G1 Section 19 {application incomplete, wrongly directed}	17	0	14
G2 Section 22 {deposit not paid}	0	0	0
G3 Section 25 (1) (a1) {diversion of resources}	0	0	0
G4 Section 25 (1) (a) {Exempt}	224	0	252
G5 Section 25 (1) (b), (c), (d) {Otherwise available}	0	0	0
G6 Section 28 (1) (b) {documents not held}	78	0	58
G7 Section 24 (2) {deemed refused, over 21 days}	0	0	0
G8 Section 31 (4) {released to Medical Practitioner}	9	0	6
G9 Totals	328	0	330

**Section H Costs and fees for requests processed during the period**

	Assessed Costs 2005/06	FOI Fees Received 2005/06	FOI Fees Received 2004/05
H1 All completed requests	\$110,000	\$17,450	\$16,385

# Freedom of Information

**Section I Discount allowed** - number of FOI requests processed during the period where discounts were allowed

Type of Discount allowed	Personal 2005/06	Other 2005/06	Total 2004/05
I1 Public Interest	0	0	2
I2 Financial hardship - pensioner/child	1	0	12
I3 Financial hardship - non profit	0	0	0
I4 Totals	1	0	14
I5 Significant correction of personal records	0	0	0

**Section J Days to process** - Number of completed requests (A4) by calendar days (elapsed time) taken to process

Elapsed Time	Personal 2005/06	Other 2005/06	Total 2004/05
J1 0 -21 days	550	0	328
J2 22-35 days	37	0	198
J3 Over 35 days	3	0	38
Totals	590	0	564

**Section K Processing time** - number of completed requests (A4) by hours taken to process

Processing Hours	Personal 2005/06	Other 2005/06	Total 2004/05
K1 0-10 hours	541	0	541
K2 11-20 hours	46	0	23
K3 21-40 hours	2	0	0
K4 Over 40 hours	1	0	0
K5 Totals	590	0	564

**Section L Review and Appeals** - number finalised during the period

	Total 2005/06	Total 2004/05
L1 Number of internal reviews finalised	4	3
L2 Number of Ombudsman reviews finalised	0	1
L3 Number of ADT appeals finalised	0	2

# Freedom of Information

## Details of Internal Review Results - in relation to internal reviews finalised during the period

Bases of Internal Review	Personal 05/06		Other 05/06	
	Upheld*	Varied *	Upheld*	Varied*
<b>Grounds of which Internal Review Requested</b>				
L4 Accessed refused	0	0	0	0
L5 Deferred	0	0	0	0
L6 Exempt matter	4	0	0	0
L7 Unreasonable charges	0	0	0	0
L8 Charge unreasonably incurred	0	0	0	0
L9 Amendment refused	0	0	0	0
L10 Totals	4	0	0	0

Note: \* relates to whether or not the original agency decision was upheld or varied by the internal review

## Assessment of FOI Information

Information as required by clause 10(3) of the *Freedom of Information Regulation 2005 (NSW)*.

### Comparison of information with previous year:

The number of FOI requests processed increased from 568 in 2004/05 to 590 in 2005/06.

**Impact assessment:** The FOI requirements have not unduly impacted upon the activities of Pillar during 2005/06.

### Particulars of major issues that have arisen in connection with Pillar's compliance with FOI requirements:

No major issues arose in connection with FOI compliance in 2005/06.

### Particulars of circumstances and outcomes of any investigations under of Freedom of Information Act 1989 (NSW) by the NSW Ombudsman or of any applications for review under the Act to the Administrative Disputes Tribunal (ADT):

#### Investigation by NSW Ombudsman:

There were no investigations under the *Freedom of Information Act* by the NSW Ombudsman in relation to Pillar in the 2005/06 year.

#### Application for Review to ADT:

There were no applications to the ADT for review of any decisions of Pillar in relation to FOI in the 2005/06 year.

# Compliance with Specific Policies

## Disability Action Plan

Pillar provides flexible communications options to cater for clients and staff with specific needs. When providing customer service any special client needs are met on a case by case basis. Pillar has action plans in place to enable it to actively seek to employ persons with disabilities.

## Electronic Service Delivery

Pillar continues to meet the Government's targets for electronic service delivery, both itself and for its major clients. This has resulted in:

- all appropriate publications being available on the internet;
- all appropriate high volume transactions conducted via the internet; and
- all other appropriate transactions conducted via the internet.

## Employee Code of Conduct

Pillar has a detailed Employee Code of Conduct. In addition, all staff are required to sign an Employee's Covenant annually. This Covenant covers compliance with all Pillar's policies, rules and procedures, including the following:

- Code of Conduct;
- Conflicts of Interest policy;
- Fraud and Corruption Prevention policy;
- Harassment policy;
- Occupational Health & Safety responsibilities;
- Privacy Policy;
- Protection Disclosure policy; and
- Other policies and guidelines covering building security procedures, electronic messaging and media guidelines for staff, virus protection and workstation access security.

## Ethnic Affairs Priorities Statement

Pillar has a continuing commitment to the principles of multiculturalism as contained in the *Community Relations Commission and Principles of Multiculturalism Act 2000 (NSW)*.

Ethnic diversity is reflected within Pillar and is recognised in staff recruitment practices.

Pillar has a culturally and linguistically diverse workforce and has a significant number of multi-lingual staff. Pillar is thus able to provide interpretation and translation services when required to members of the superannuation funds that it administers. If there is no Pillar staff member available who is able to speak the language of a particular fund member, then the services of the Community Relations Commission are used.

## NSW Government's Action Plan for Women

The NSW Government's Action Plan for Women focuses on a range of issues including: equitable and safe workplaces for women; the interest of women in economic reform; and access for women to education and training. Relevant policies in relation to the funds and schemes administered by Pillar are the responsibility of its trustee clients. In relation to internal staff, Pillar's policies and practices are intended to ensure equitable and safe workplaces and equality of opportunity.

## NSW Government Energy Management Policy

Pillar is committed to the principles of the NSW Government Energy Management Policy, thereby contributing to NSW's broad environmental outcomes whilst pursuing good business practice.

## Occupational Health and Safety

An active Occupational Health and Safety Committee meets regularly within Pillar to ensure that occupational health and safety (OH&S) issues are identified and communicated to management. Members of the Committee provide OH&S advice to staff, conduct regular workplace inspections and provide reports on any remedial action required.

Three (3) Workers' Compensation claims were submitted to Pillar's insurers during 2005/06. These claims included two (2) concerning injuries sustained when travelling to or from work and one (1) concerning a work related injury.

There were no prosecutions under the *Occupational Health and Safety Act 2000 (NSW)* involving Pillar in the 2005/06 year.

# Compliance with Specific Policies

## Privacy Policy

Pillar's Privacy Policy sets out its commitment to best practice privacy standards and its objective of compliance with the requirements of the *Privacy Act 1988 (Cth)* and the National Privacy Principles contained therein. Additionally, Pillar is contractually obligated to comply with the Privacy Management Plan of the trustee of the NSW public sector superannuation schemes that it administers. This Privacy Management Plan sets out the requirements of the *Privacy and Personal Information Protection Act 1998 (NSW)* that Pillar, as the administrator of the schemes, is obligated to comply with, although as a State owned corporation Pillar is technically exempted from the NSW privacy legislation.

## Waste Reduction and Purchasing Plan

Pillar is committed to waste reduction and recycling and has produced a Waste Reduction and Purchasing Plan. Practices consistent with the policy are firmly established in business processes. This has reduced paper products used by Pillar and, through e-business initiatives, by other organisations as well. The key requirements are that:

- information technology and other technologies as appropriate are used to the optimum extent to reduce paper needs in Pillar, bearing in mind cost and quality criteria;
- office consumables with recycled content are purchased where these are readily available and meet cost and quality criteria;
- paper and cardboard waste that meets recycling criteria as advised from time to time and toner cartridges are placed in designated containers for recycling; and
- other suitable materials are recycled as advised from time to time.

Employees are required to comply with the policy, and are aware that the policy reflects corporate practices that have been in place for some time. New employees are made aware of the practices as part of the standard induction program.

# Additional Financial Related Data

## Expenditure on Consultants during 2005/06

Pillar did not make any expenditure on consultants in 2005/06.

## Grants to Non-Government Organisations

No grants to non-government organisations were made during 2005/06.

## Insurance Premiums

Pillar maintains insurance cover through a contract of coverage with the NSW Treasury Managed Fund with the cover including professional indemnity cover for all staff and cover for property and motor vehicles, workers' compensation and miscellaneous matters.

Insurance premiums paid to Treasury Managed Fund for 2005/06 amounted to \$366,367 (GST incl.).

## Major Works in 2005/06

In 2005/06 Pillar's Sydney office underwent a security upgrade, refurbishment and a reconfiguration to release surplus space for sub-leasing (to accommodate a trustee client). The cost of this work was \$511,349.

## Payment Performance Indicators

### Accounts paid on time within each quarter during 2005/06:

Total accounts paid on time				
Quarter	Target	Actual	Target	Actual
	%	%	\$	\$
September 2005	100	100	4,318,822.00	4,318,822.20
December 2005	100	100	5,264,110.00	5,264,110.00
March 2006	100	100	5,294,107.00	5,294,107.00
June 2006	100	100	7,570,156.70	7,570,156.70
<b>Total</b>			<b>22,447,195.70</b>	<b>22,447,195.70</b>

## New Contracts in Excess of \$100,000

It is Pillar's policy to publish the names of firms who are awarded contracts with the organisation exceeding \$100,000 during the reporting period. In 2005/06 the following contracts of over \$100,000 were awarded by Pillar:

- Veridian Software Pty Ltd was awarded a contract for upgrading the technology in Pillar's Contact Centre;
- Synchronised Software Pty Ltd entered into a contract for software maintenance and services and software licences.

## Overseas Visits

There were no overseas visits by representatives of Pillar in 2005/06.

# Other Corporate Information

## Changes in Legislation Relating to Pillar

Changes in legislation related to the administration of superannuation funds are reported in the Annual Reports of Pillar's clients, in particular the Annual Reports of the FSS Trustee Corporation and the SAS Trustee Corporation.

There were some minor changes during 2005/06 to the *Superannuation Administration Authority Corporatisation Act 1999 (NSW)* that had no significant impact upon Pillar.

There were also some changes to the *State Owned Corporations Act 1989 (NSW)* in 2005/06. The changes affected Pillar to the extent that whenever there is a change of Treasurer of NSW or other shareholding Minister, the Treasurer's shares in Pillar automatically transfer to the succeeding Treasurer and a single instrument of transfer may transfer shares held by the other shareholding Minister in one or more statutory State owned corporations (such as Pillar).

## Publications

Publications of Pillar available for the public upon request (free of charge) are this seventh Annual Report of the Superannuation Administration Corporation and a limited number of previous Annual Reports.

Pillar assists its trustee clients with the publication of many documents for the use of fund members. These publications belong to the Trustee Corporations and are identified in their Annual Reports.

## Access

The address and phone number of each of Pillar's principal offices are as follows:

### Sydney Office

Level 18, 83 Clarence St  
Sydney NSW 2000  
Ph. 9238 5555

### Coniston Office

Pillar National Service Centre  
5 Old Springhill Rd  
Coniston NSW 2500  
Ph. 4253 1437

Business hours are 8.30 am to 5.30 pm.

## Details of Production of Report

The external costs of this Annual Report are estimated to be no greater than \$5,500, with 150 copies of the Report being printed.

This report will be available on the internet from December 2006.

The Internet address is <http://www.Pillar.com.au>



Pillar Administration  
Level 18, 83 Clarence Street, Sydney NSW 2000  
Telephone: 02 9238 5555 Facsimile: 02 9238 5272  
[www.pillar.com.au](http://www.pillar.com.au)

