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Superannuation Administration Corporation trading as

Pillar Administration

Annual Report 2006/07

Part B – Detailed Corporate Information

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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 by the Treasurer as Shareholding Ministers.

Oversight of the Corporation by the NSW Government

Oversight of the Corporation by the NSW Government is carried out 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 review 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 s20I of the *State Owned Corporations Act 1989 (NSW)* is:

- ❖ The Hon. John Watkins, MP, Deputy Premier, Minister for Transport, Minister for Finance.

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. John Della Bosca, MLC, Minister for Education & Training, Minister for Industrial Relations, Minister for the Central Coast, Minister Assisting the Minister for Finance.

During the 2006/07 year, the following minister was a Voting Shareholder of the Corporation:

- ❖ The Hon. Robert Debus, MP.

The Board

The Board has statutory authority under the above-mentioned legislation to manage the Corporation and is the entity that reports to Shareholding Ministers and

to which directions may be issued by the Portfolio Minister.

The Board consists of at least three and no more than 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.

Each of the non-executive Directors of the Corporation was appointed to the Board by the Voting Shareholders pursuant to clause 15.2 of the *Memorandum and Articles of Association* of the Corporation. The names of the non-executive Directors and the dates and terms of their appointments are:

- ❖ **Dr Col Gellatly, Chairman**; was appointed on 18 June 2007 for the term to 17 June 2010;
- ❖ **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 2006 to 15 October 2008;
- ❖ **Mr Philip Small** was appointed on 25 February 2005 for the term to 24 February 2008.

During 2006/07, the following Directors left the Board:

- ❖ Prof. Bob Walker resigned as Chairman and as a Director on 15 June 2007.
- ❖ The term of appointment to the Board of Mr Darryl Snow expired on 28 February 2007.

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, information technology 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. He has been re-appointed for a further 3 year term, from 1 July 2007 to 30 June 2010.

Frequency of and Attendance at Board Meetings

The Board met 11 times during 2006/07. The number of meetings attended by each Director is set out below.

Director	Possible number	Number attended
Dr Gellatly	1	1
Ms Crestani	11	9*
Mr Cormack	11	11
Mr Davis	11	10
Ms Roper	11	10*
Mr Small	11	11
Prof. Walker	10	10
Mr Snow	7	7

* Two Directors were absent with leave granted for one Board meeting each.

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; and
- the **Superannuation Compliance Committee**, which oversees the Corporation's Compliance Program in relation to superannuation administration.

During 2006/07 two of the Board Committees were discontinued.

The **Marketing & Business Development Committee** met 3 times in 2006/07. The Committee was discontinued in recognition of the momentum that the Corporation has gained over the past few years in generating new business. The Board believes that marketing and business development issues can be adequately handled within the regular Board meetings and by management.

The **Information Technology Governance Committee** met 4 times in 2006/07. The Committee was discontinued but a new Board Committee, the Productivity & Information Technology Committee has been established, incorporating the objectives of the former Committee. The new Committee will have its first meeting in 2007/08.

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 consider any matters relating to their objectives, and any matters referred by the Board.

The Board Committees 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 review their performance annually with attention directed to how well the responsibilities contained in their relevant Charters have been met.

The individual Committee Charters are reviewed and updated annually subject to Board approval.

The membership of each of the existing Committees and the activities of each in 2006/07 are outlined below.

The Audit Committee

At 30 June 2007, the members of the Audit Committee were:

- ❖ Mr Philip Small (Chairman);
- ❖ Mr Noel Davis;
- ❖ Ms Glenys Roper; and
- ❖ Dr Col Gellatly (ex officio member).

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

The Committee met 6 times during 2006/07. 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 the Corporation's internal controls;
- monitoring the maintenance of the Corporation's Risk Management Policy and Risk Registers;

- monitoring the adherence to the Corporation's Fraud and Corruption Prevention Strategy;
- reviewing the Corporation's Business Continuity Plan and Disaster Recovery Plan
- reviewing the Corporation's Delegations of Authority; and
- reviewing various aspects of the Corporation's administration services including system access security.

The Human Resources & Remuneration Committee

At 30 June 2007 the members of the Human Resources & Remuneration Committee were:

- ❖ Ms Eve Crestani (Chairman);
- ❖ Ms Glenys Roper; and
- ❖ Dr Col Gellatly (ex officio member).

The Committee met 5 times during 2006/07. 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 the Corporation'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 the Corporation's Equal Employment Opportunity policies and management plan;
 - approving the revision of the Corporation's Employee Code of Conduct; and
 - monitoring the resourcing needs for handling potential and actual new clients.
- monitoring actual compliance performance;
 - monitoring the progress made towards resolving any breaches of legislative or trustee requirements;
 - monitoring the Corporation's specific compliance with the requirements of its Australian Financial Services Licence;
 - oversight of the Corporation's actions in response to and compliance with changed legislative requirements;
 - monitoring the Compliance Assessment function within the Corporation; and
 - monitoring the timeliness and accuracy of the Corporation's resolution of complaints received in relation to its provision of administration services.

The Superannuation Compliance Committee

At 30 June 2007 the members of the Superannuation Compliance Committee were:

- ❖ Mr Noel Davis (Chairman);
- ❖ Ms Eve Crestani;
- ❖ Mr Philip Small; and
- ❖ Dr Col Gellatly (ex officio member).

The Committee met 5 times during 2006/07 and its activities included:

- oversight of the on-going operation of the Compliance Program and organisational arrangements for compliance;

Management

The Executive Structure

The Organisation 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 2006/07 are set out below.

Position	Occupant	Period
Chief Executive Officer	Mr Peter Cormack	Whole year
General Manager - Finance & Administration	Mr Eric Lo	Whole year
General Manager - Information Technology & Business Systems	Ms Fiona Abercrombie	Whole year
General Manager - Projects & Transition	Mr John Trent	From 11 December 2006
General Manager - Marketing & Business Development	Mr Mark Luciano	Whole year
General Manager - Human Resources	Mr Malcolm Saunders	Up to 4 August 2006
	Ms Mandy Varley-Mason	From 8 August 2006
Company Secretary	Ms Jane Byrne	Whole year

The Executive Committee

The **Executive Committee** is the senior executive committee of Pillar. During the financial year 2006/07 it met at least monthly for information sharing and consideration of key issues facing management. Its members are as listed above 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 2007 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 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.

Executive Remuneration

Executives with Remuneration Packages over \$214,351

During the 2006/07 year actual remuneration in excess of \$214,351 (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;
- ❖ **Mr Eric Lo**, General Manager - Finance & Administration;
- ❖ **Ms Fiona Abercrombie**, General Manager - Information Technology & Business Systems.

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

Performance Statements

Name:	Peter Cormack
Position:	Chief Executive Officer
Remuneration package paid or due and payable for year:	\$280,900
Performance pay:	\$30,000 paid effective 1 July 2007 for contributing to the improved organisation performance during the 2006/07 financial year.
Period:	1 July 2006 – 30 June 2007
Performance Targets Achieved:	<p>Tasks set by the Board for the Chief Executive Officer (CEO) and achieved successfully in 2006/07:</p> <ul style="list-style-type: none"> • Providing effective strategic leadership of Pillar; • To retain existing clients, and to grow the business by the addition of new clients in selected markets; • To ensure the business remains profitable; • Ensure that Pillar's Compliance Program, and business process and procedures continue to meet the obligations of our Australian Financial Services Licence; • To continue to provide high quality services to clients, at the agreed standards, in what is a continually changing, challenging and complex legislative environment; • Lead, coach and skill staff to meet ongoing business requirements, and to provide development opportunities for individuals wherever possible; • Manage key stakeholder relationships; and • Actively engage with the local Illawarra community.

Name:	Eric Lo
Position:	General Manager - Finance & Administration
Remuneration package paid or due and payable for year:	\$242,868
Performance pay:	\$15,000 paid effective 1 July 2007 for contributing to the improved organisation performance during the 2006/07 financial year.
Period:	1 July 2006 – 30 June 2007
Performance Targets Achieved:	<p>Tasks set by the CEO for the General Manager - Finance & Administration and achieved successfully in 2006/07:</p> <ul style="list-style-type: none"> • Managing the accounting, taxation and finance functions for both Pillar and its clients; • Meeting statutory and taxation reporting requirements; • Managing profit performance and forecasted returns for shareholders; • Conversion of new clients accounting system onto Pillar's systems; • Implementation of Australian equivalents to International Financial Reporting Standards (AIFRS) for the reporting of both Pillar and its clients; • Continuous process improvements to enhance operational effectiveness and cost efficiency; and • Performing due diligence review on new business and major transactions.

Name:	Fiona Abercrombie
Position:	General Manager - Information Technology & Business Systems
Remuneration package paid or due and payable for year:	\$215,280
Performance pay:	\$15,000 paid effective 1 July 2007 for contributing to the improved organisation performance during the 2006/07 financial year.
Period:	1 July 2006 – 30 June 2007
Performance Targets Achieved:	<p>Tasks set by the CEO for the General Manager - Information Technology & Business Systems and achieved successfully in 2006/07:</p> <ul style="list-style-type: none"> • Ensure appropriate governance across of all aspects of information, communications and technology (including disaster recovery planning); • Manage risk, compliance, integrity and security across Pillar's Information Technology systems; • Cost management and productivity improvements across IT; • Mitigation of supplier risk and management of vendor agreements; • Business acceptance and implementation of all IT solutions; • Ensure effective IT plans are in place to meet existing and new business requirements; and • Delivery of technology & communication solutions to meet business requirements for clients.

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 (\$137,800).

Date	Female	Male
30 June 2007	2	5
30 June 2006	2	5

Note: These figures include Information Technology managers.

EEO Information

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

EEO GROUP	% of Total Staff				
	Benchmark or Target	2004	2005	2006	2007
Women	50%	65%	64%	65%	67%
Aboriginal people and Torres Strait Islanders	2%	1%	1%	1%	0.8%
People whose first language was not English	20%	19%	19%	19%	21%
People with a disability	12%	3%	3%	3%	2%
People with a disability requiring work-related adjustment	7%	0%	0.2%	2.6%	0%

Table B. Trends in the Distribution of EEO Groups

EEO GROUP	Distribution Index				
	Benchmark or Target	2004	2005	2006	2007
Women	100	76	72	71	70
Aboriginal people and Torres Strait Islanders	100	n/c	n/c	n/c	n/c
People whose first language was not English	100	102	102	98	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 2006/07 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 client, SAS Trustee Corporation, Pillar's Annual Report includes statistics on complaints it received relating to the NSW public sector superannuation schemes. There were 87 individual complaints about particular situations recorded for the year ended 30 June 2007 applicable to the public sector schemes that Pillar administers. A statistical breakdown by category is shown below.

Category of Complaint	Number of Complaints
Application of policy	5
Administrative issues	82
Investment	0
Insurance	0
Incorrect data from external provider	0
Total	87

Note: The number of public sector scheme members (including pensioners) as at 30 June 2007 was 148,414.

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

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.

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 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 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.

Procedures for access or amendments to documents or 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 of the amended information.

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, the applicant will be advised in writing.

Requests under the *Freedom of Information Act 1989 (NSW)* for inspection of or to 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 phone (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.

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

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

There is no fee for requests to amend a record or for a notation to be added to a personal record.

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.

FOI Statistics 1 July 2006 to 30 June 2007

Required Information for 2006/07 *The relevant statistics for 2005/06 are set out for comparative purposes*

Section A: Freedom of Information (FOI) Requests	Personal 2006/07	Other 2006/07	Total 2006/07	Total 2005/06
A1 New (including transferred in)	536	0	536	589
A2 Brought Forward	33	0	33	26
A3 Total to be processed	569	0	569	615
A4 Completed	536	0	536	590
A5 Transferred out	0	0	0	0
A6 Withdrawn	0	0	0	0
A7 Total Processed	536	0	536	590
A8 Unfinished (Carried forward)	33	0	33	25
Section B: Result of FOI Request	Personal 2006/07	Other 2006/07		Total 2005/06
B1 Granted in full	249	0		288
B2 Granted in part	214	0		224
B3 Refused	0	0		0
No documents held	73	0		78
B4 Deferred	0	0		0
B5 Completed	536	0		590
Section C: Ministerial Certificates			Total 2006/07	Total 2005/06
C1 Ministerial Certificates issued			0	0
Section D: Formal Consultations		Issued 2006/07	Total 2006/07	Total 2005/06
D1 Number of requests requiring formal consultation(s)		1	1	9
Section E: Amendment of Personal Records			Total 2006/07	Total 2005/06
E1 Result of amendment - agreed			0	0
E2 Result of amendment - refused			0	0
E3 Total			0	0
Section F: Notation of Personal Records			Total 2006/07	Total 2005/06
F3 Number of requests for notation			0	0
Section G: Basis of Disallowing or Restricting Access	Personal 2006/07	Other 2006/07		Total 2005/06
G1 Section 19 {application incomplete, wrongly directed}	0	0		17
G2 Section 22 {deposit not paid}	11	0		0
G3 Section 25(1)(a1) {diversion of resources}	0	0		0
G4 Section 25(1)(a) {Exempt}	214	0		224
G5 Section 25(1)(b),(c),(d) {Otherwise available}	0	0		0
G6 Section 28(1)(b) {documents not held}	73	0		78
G7 Section 24(2) {deemed refused, over 21 days}	0	0		0
G8 Section 31(4) {released to Medical Practitioner}	9	0		9
G9 Totals	307	0		328

Section H: Costs and Fees for Requests Processed	Assessed Costs 2006/07	FOI Fees Received 2006/07	FOI Fees Received 2005/06	
H1 All completed requests	\$110,000	\$15,105	\$17,450	
Section I: Type of Discount Allowed	Personal 2006/07	Other 2006/07	Total 2005/06	
I1 Public Interest	0	0	0	
I2 Financial hardship –Pensioner/Child	1	0	1	
I3 Financial hardship – Non profit	0	0	0	
I4 Totals	1	0	1	
I5 Significant correction of personal records	0	0	0	
Section J: Days to process - Elapsed Time	Personal 2006/07	Other 2006/07	Total 2005/06	
J1 0 - 21 days	520	0	550	
J2 22 - 35 days	12	0	37	
J3 Over 35 days	4	0	3	
J4 Totals	536	0	590	
Section K Processing Time	Personal 2006/07	Other 2006/07	Total 2005/06	
K1 0 – 10 hours	507	0	541	
K2 11 - 20 hours	26	0	46	
K3 21 - 40 hours	2	0	2	
K4 Over 40 hours	1	0	1	
K5 Totals	536	0	590	
Section L Review and Appeals	Total 2006/07	Total 2005/06		
L1 Number of internal reviews finalised	1	4		
L2 Number of Ombudsman reviews finalised	0	0		
L3 Number of ADT appeals finalised	0	0		
Details of Internal Review Results: Bases of Internal Review Requests	Personal 06/07		Other 06/07	
	Upheld*	Varied*	Upheld*	Varied*
L4 Access refused	1	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	1	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

The number of FOI requests processed by Pillar decreased from 590 in 2005/06 to 536 in 2006/07. The FOI requirements have not unduly impacted upon the activities of Pillar during the year but they do occupy a significant portion of the applicable staff's time. No major issues arose in connection with Pillar's FOI compliance arose in 2006/07. Further, there were no investigations under the *Freedom of Information Act* by the NSW Ombudsman in relation to Pillar, nor were there any applications to the ADT for review of any decisions of Pillar in relation to FOI, in the 2006/07 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 services any special client needs are met on a case by case basis. Pillar now 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. All staff are required to sign the Code of Conduct when they first join Pillar and to annually re-confirm that commitment. The Code of Conduct covers compliance with all Pillar's policies, rules and procedures, including the following:

- Conflicts of Interest policy;
- Fraud and Corruption Prevention policy;
- Harassment policy;
- Occupational Health & Safety responsibilities;
- Privacy Policy;
- Protected Disclosures 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 and the principles of multiculturalism are particularly relevant to Pillar in the following broad areas:

- **Customer service:** The ethnic diversity of Australia is reflected within the populations of members of superannuation funds that Pillar administers on behalf of trustee clients. Pillar is the main point of contact for fund members in relation to their superannuation and this has implications in relation to cultural and language differences.
- **Staff:** Pillar is physically located in both Sydney and the greater Wollongong area and draws on an ethnically diverse population for its workforce. This has particular implications for ensuring equal employment and promotion opportunities, and respect for others regardless of gender and ethnicity.
- **Benefits of diversity within Pillar:** Pillar and its trustee clients benefit from the highly multi-faceted diversity within Pillar's staff. We have a culturally and linguistically diverse workforce and direct, measurable benefits arise from the substantial number of multi-lingual staff who are able to assist with interpreter functions and who also are sensitive to

cultural differences. Less easy to measure but profound are the benefits arising from the richness of perspectives and backgrounds that ethnic diversity brings to any workforce.

Pillar has an Ethnic Affairs Action Plan that contains a number of on-going initiatives:

- a strong commitment by the CEO and the Executive Committee to the principle of multi-culturalism;
- promoting understanding of multi-culturalism within the organisation;
- ensuring access to information services; and
- ensuring equality of opportunity based on merit within Pillar.

Pillar has met its performance indicators in relation to the above-mentioned initiatives in the past year and aims to continue to do so in future.

Heritage Management

Pillar has established a Heritage and Conservation Register as required by the provisions of the *Heritage Act 1977 (NSW)*. As at 30 June 2007, there were no items of the environmental heritage that were required to be listed by Pillar in the Register. The Heritage Council has not issued any guidelines to Pillar about any items of the environmental heritage.

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.

Nine (9) Workers' Compensation claims were submitted to Pillar's insurers during 2006/07.

There were no prosecutions under the *Occupational Health and Safety Act 2000 (NSW)* involving Pillar in the 2006/07 year.

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 would be 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 2006/07

Pillar's expenditure on consultants in 2006/07 was as follows:

- ❖ Approximately \$130,000 to Alphawest Services Pty Ltd for assistance with the installation of a product that enabled employer contributions to be processed via 'straight-through processing' directly to the applicable computer membership system;
- ❖ Approximately \$53,000 in total to Alphawest Services Pty Ltd for a variety of other consulting services.

including professional indemnity cover for all staff, property, motor vehicle, workers' compensation and for miscellaneous matters.

Insurance premiums paid to Treasury Managed Fund for 2006/07 amounted to \$460,800 (GST incl.)

Major Works in 2006/07

Pillar did not have any expenditure on major works in 2006/07.

New Contracts in Excess of \$100,000

It is Pillar's policy to publish the names of firms who are awarded contracts with Pillar exceeding \$100,000 during the reporting period. In 2006/07 the Pillar awarded contracts totalling approximately \$500,000 to Alphawest Services Pty Ltd for the provision of software and software licences.

Grants to Non-Government Organisations

No grants to non-government organisations were made by Pillar during 2006/07.

Insurance Premiums

Pillar maintains insurance cover through a contract of coverage with the NSW Treasury Managed Fund with the cover

Overseas Visits

There were no overseas visits by representatives of Pillar in 2006/07.

Payment Performance Indicators

Accounts paid on time within each quarter during 2006/07:

Quarter	Total Accounts Paid On Time			
	Target	Actual	Target	Actual
	%	%	\$	\$
September 2006	100	100	5,351,168.00	5,351,168.00
December 2006	100	100	6,141,322.00	6,141,322.00
March 2007	100	100	4,999,420.00	4,999,420.00
June 2007	100	100	5,559,593.00	5,559,593.00
Total			22,051,503.00	22,051,503.00

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 was a very minor change to the *State Owned Corporations Act 1989 (NSW)* in 2006/07 (it was the correction of a typographical error in the legislation) and there was no substantive impact upon Pillar.

There were no changes during 2006/07 to the *Superannuation Administration Authority Corporatisation Act 1999 (NSW)*.

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 Spring Hill Rd
Coniston NSW 2500
Ph. 4253 1437

Business hours are 8.30 am to 5.30 pm.

Details of Production of Report

The estimated external costs of this Annual Report are estimated to be no greater than \$4,000, with 150 copies of the Report being printed.

This report will be available on the internet from December 2007. The Internet address is <http://www.Pillar.com.au>.