No. 138

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mr Higgins to the Treasurer:

Annual Report – Department of Treasury and Finance

1. P41 of the DTF Annual Report states lower GST revenue of $108m, how does this reconcile with GST decrease figures that have been used by the NT Government?

2. $48m extra in interest revenue due to market revaluations of the Condition of Service Reserve is reported. Why was there a 100% ($48m) increase in 16/17?

3. Please explain the reduction in advertising spend from $21,000 in 2016 to $4,000 in 2017.

4. Please explain the increase for document production from $9,000 in 2016 to $92,000 in 2017.

5. Please explain the increase in 'legal expenses' from $476,000 in 2016 to $994,000 in 2017.

6. Please explain the increase in 'Agent service arrangements' from $548,000 in 2016 to $1,421,000 in 2017.

7. Why does the DTF Annual Report 16/17 p28 list future priorities as 'finalise the Territory's submission to the Productivity Commission Inquiry into the Horizontal Fiscal Equalisation'?

Annual Report – Motor Accident (Compensation) Commission

1. How was the net return to MACC of 4.02% in 16/17 achieved?

2. There were 494 new claims in 16/17, a 10.5% increase on the previous year. Please explain the increase. What factors could be driving the increase?

3. Will there be public consultation on the MACC asset allocation review to be conducted in financial year 17/18?

4. The number of pedestrian claims received was up 25% from 48 in 15/16 to 62 in 16/17. Why? Is enough being done to protect pedestrians?

5. Towards Zero was put out to public consultation on the “Have your say” website – how many Territorians have had their say? Will these be made public?

6. Why has revenue decreased from $196,172 in 2016 to $108,817 in 2017?

7. Please state the management fee paid to Allianz for services to MACC in FY 16/17.

8. Please provide evidence to support the actuarial assumptions outlined on p43 of the MACC Annual Report 16/17.

9. Why has the cash at the bank decreased from $65m in 2016 to $21m in2017?

10. What are solvency ratio KPIs and key benchmarks for MACC in the short and long run?

Annual Report – NT Government and Public Authorities’ Superannuation Scheme 2016

1. Ausfund is named as the PSSAP fund in the Annual Report – how was this fund selected?

2. Please advise the cost of Member education in 2016/17?

3. The real rate of return for 2016 for PSSAP was 0.65%. Why, noting that the Australian ASX market was 13.8% for the same period?

4. Why was the Managed Cash objective not met?

5. Is the Managed Cash return objective misleading and/or inappropriate?

6. 90.58% of members accounts are in the ‘Growth’ option (1 in 6) - is there sufficient awareness of the other options? What resources were allocated to alternative options awareness education? What KPIs are in place around percentages in each option?

7. The Annual Report notes the 3% productivity payment per year of membership since introduction (1 October 1988) - how much does it cost per year?

8. There were 16 opt outs in 16/17, 0 in 15/16, why?

9. Please explain the $8211 for ‘training and conferences’ listed in the Annual Report.

10. What is the degree of certainty around the amount of $796.5m in accrued liability in 2020?

11. What are the funds expenses? What is the cost of managing the fund?

12. Why have investment fees increased from $6,000 in 2016 to $114,000 in 2017?

13. Why have administration fees dropped from $477,000 in 2016 to $79,000 in 2017?

14. Why have governance expenses decreased from $27,511 in 15/16 to $257 in 16/17?

Annual Report – Department of Treasury and Finance
ANSWER

1. ***P41 of the DTF Annual Report states lower GST revenue of $108m, how does this reconcile with GST decrease figures that have been used by the NT Government?***

   The reduction of $108 million reflects the year on year decline in GST revenue between 2015-16 and 2016-17 and is consistent with that reported in the audited 2016-17 Treasurer's Annual Financial Statements (page 49).

   The Northern Territory 2017 Budget estimated that the Territory would receive GST revenue of $3183 million in 2016-17 or $80 million lower than estimated at the time of the Pre-Election Fiscal Outlook (PEFO) in August 2016. The actual amount received in 2016-17 was $3157 million, a further $26 million lower than estimated.

   This reconciles with the $2 billion decrease referenced by the NT Government, being a comparison over a 5 year period of what was expected to be received between 2016-17 and 2020-21 compared to estimates at the time of the PEFO as shown below:

Cumulative GST reductions	2016-17	2017-18	2018-19	2019-20	2020-21	
	Estimate	Budget	Forward Estimate			Total
	$M	$M	$M	$M	$M	$M
GST reduction	- 80	- 397	- 444	- 549	- 581	-2 051

Source: Department of Treasury and Finance

2. ***$48m extra in interest revenue due to market revaluations of the Condition of Service Reserve is reported. Why was there a 100% ($48m) increase in 16/17?***

   Revaluations are adjustments made to the recorded value of an asset to accurately reflect its current market value.

   The Conditions of Service Reserve (COSR) has a long-term investment strategy, which orientates it toward growth assets such as domestic and international equities.

   The 100 per cent increase in 2016-17 compared to 2015-16 in the market value of COSR predominantly reflects the strong performance of Australian and international equities over the 2016-17 financial year, and the poor performance of those same asset classes in 2015-16.

3. ***Please explain the reduction in advertising spend from $21,000 in 2016 to $4,000 in 2017.***

   In 2016, DTF established the Northern Territory Infrastructure Development Fund (NTIDF), including the interim board. The higher advertising spend in 2016 relates to the public expression of interest process conducted by the interim board, to select a high quality investment manager.

DTF placed and paid for the advertisements on behalf of the interim board.

4. ***Please explain the increase for document production from $9,000 in 2016 to $92,000 in 2017.***

   The cost of printing the budget papers for the 2016 Budget was $41 000 compared to $44 000 for the 2017 Budget. Costs for both years' budget papers were reported in 2017 due to late invoicing.

5. ***Please explain the increase in 'legal expenses' from $476,000 in 2016 to $994,000 in 2017.***

   The increase is mainly due to costs associated with the application of the National Electricity Rules, increased Port Regulation costs, and implementation of newer arrangements Northern Territory Public Sector Workers Compensation claims management as shown below:

	2017	*2016*
	$	*$*
Application of National Electricity Rules	*319 070*	*132 079*
NTPS Worker's Compensation Claims Management	*194 753*	
Port Regulation - Utilities Commission	*154 742*	*28 393*

6. ***Please explain the increase in 'Agent service arrangements' from $548,000 in 2016 to $1,421,000 in 2017.***

   The increase of $873 000 in 2017 is a result of the increased cost of the claims management fee paid to Allianz Australia for services provided to the Northern Territory Public Sector (NTPS) workers compensation scheme across government for all agencies, partly offset by a reduction in Commonwealth Superannuation Scheme (CSS) administration costs following a decline in member numbers.

7. ***Why does the DTF Annual Report 16/17 p28 list future priorities as 'finalise the Territory's submission to the Productivity Commission Inquiry into the Horizontal Fiscal Equalisation'?***

   The Northern Territory's initial submission to the Productivity Commission's Inquiry into Horizontal Fiscal Equalisation was completed post 30 June 2017, in July 2017, before it was submitted by the due date (1 August 2017). Further work has been undertaken to respond to the Productivity Commission's draft report, also submitted by the due date (10 November 2017), and in presenting the Northern Territory Government's case at the Productivity Commission's public hearings in Darwin on 28 and 29 November 2017.

Annual Report – Motor Accident (Compensation) Commission
ANSWER

1. How was the net return to MACC of 4.02% in 16/17 achieved?

The Commission has a balanced portfolio of investments in bonds, fixed interest, property and shares. The net return of 4.02 per cent reflects the gross returns on that portfolio less the management fees. The returns in 2016/17 reflect the relative weighting to defensive asset classes.

2. There were 494 new claims in 16/17, a 10.5% increase on the previous year. Please explain the increase. What factors could be driving the increase?

There are a number of causes for the increase in claim numbers as follows:

a. Claim numbers are variable from year to year in the Territory, reflective of the relatively small number of claims. Part of the increase can be attributable to this natural variation (in contrast, 2015/16 saw relatively low claim numbers).

b. A system change half way through 2015-16 means now that every dependent person claim for a fatal accident is counted as a separate claim, whereas previously these were counted as a single claim. The increase in 2016-17 reflects this effect for the full year.

c. There was a growth in the number of registrations of vehicles, which accounts for part of the increase.

3. Will there be public consultation on the MACC asset allocation review to be conducted in financial year 17/18?

No. The MAC Commission's investment advisor, Mercer, has provided a recommendation to the Commissioner taking into account the Scheme's investment objectives, risk appetite statement and revised solvency framework. The Treasurer's approval will be sought before any significant changes to the Scheme's Strategic Asset Allocation are implemented.

4. The number of pedestrian claims received was up 25% from 48 in 15/16 to 62 in 16/17. Why? Is enough being done to protect pedestrians?

This could be best addressed by the Department of Infrastructure Planning and Logistics (DIPL), which has overall responsibility for road safety. The Commission works with DIPL through the Road Safety Executive Group to coordinate the development of road safety initiatives. The Northern Territory has a very high level of pedestrian claims compared to interstate jurisdictions, and the Commission is working with Police and DIPL to try and address this high rate of harm.

5. Towards Zero was put out to public consultation on the "Have your say" website – how many Territorians have had their say? Will these be made public?

This should be addressed to the Department of Infrastructure Planning and Logistics.

6. Why has revenue decreased from $196,172 in 2016 to $108,817 in 2017?

The variation is an accounting related movement, which relates to changes in the value of the scheme's reinsurance recoveries. In 2015-16 there was a significant increase in the estimate of the Scheme's liability for outstanding claims by the Scheme's actuary. (This was caused by a number of factors, including the discount rate used, and the amount of expense assumed to handle future claims).

For large claims, the Commission has reinsurance in place to cap its liabilities. As a result, when the liability estimate increased, so did the estimate of potential recoveries under the reinsurance contracts. This was reflected as a one off increase in revenue in 2015-16. As there was no upward revaluation in liabilities in 2016-17, there was no significant movement in reinsurance recoveries, meaning that revenues decreased in 2016-17 to more normal levels.

7. Please state the management fee paid to Allianz for services to MACC in FY 16/17.

Total management fee for 2016-17 was $20 323 638.64 (including 10% GST)

This comprised:

- a claims management fee of $14 220 791.16

- an investment management fee of $6 122 847.48.

8. Please provide evidence to support the actuarial assumptions outlined on p43 of the MACC Annual Report 16/17.

The actuarial assumptions are determined by the Independent Actuary and are subject to audit by the Auditor-General. The Independent Actuary performs an independent assessment of outstanding claims twice each year. The discount rates chosen are the market observable Commonwealth government bond rates for the applicable duration. Inflation rates are the Actuary's best estimate of long-term inflation. The expense rate was calculated by reference to a detailed study undertaken by the actuary to determine actual work performed in managing claims (this study was completed in 2016-17, which explains the movement in this estimate from 2015-16). The remaining measures are calculated with reference to the actual claims on file.

9. Why has the cash at the bank decreased from $65m in 2016 to $21m in 2017?

Cash at bank and on hand details the fund's cash holdings that are not being invested at the time of reporting. The amount of cash holdings changes on a regular basis depending on investment activities of the fund. The decrease noted reflects a reallocation of cash balances to other investment classes.

10. What are solvency ratio KPIs and key benchmarks for MACC in the short and long run?

Solvency target: Between 110 per cent and 150 per cent (adjusted capital over liabilities, plus 100 per cent). This is defined in the Treasurer's Determination 1/2017, published in the NT Government Gazette (No. S60), dated 16 August 2017.

Financial Benchmark: Target long-term real portfolio returns to exceed average weighted earnings index plus 2 per cent.

Service Quality: The Scheme has a range of service quality benchmarks in relation to claimant care and customer service.

Annual Report – NT Government and Public Authorities' Superannuation Scheme 2016
ANSWER

This Annual Report relates to the Northern Territory Government and Public Authorities' Superannuation Scheme (NTGPASS), which is established under the *Superannuation Act 1986* (NT).

Questions 1 and 3 refer to PSSAP. It appears that this is a reference to the Public Sector Superannuation Accumulation Plan, which is established under the Commonwealth's *Superannuation Act 2005*.

Questions 1 and 3 have been answered on the assumption that references to PSSAP should be to NTGPASS.

1. Ausfund is named as the PSSAP fund in the Annual Report – how was this fund selected?

Eligible Rollover Funds (ERFs) are specialist superannuation funds whose mandate and core business is to reunite individuals with their lost superannuation. Only eight ERFs operate in Australia. As was outlined at page 5 of the NTGPASS 2015-16 Annual Report, AUSfund was selected by the Superannuation Trustee Board in the first half of 2016 as the ERF used by NTGPASS.

As an ERF is not providing goods or services to the Territory Government, but to the transferred members of a superannuation scheme, the selection of an ERF occurs outside of the *Procurement Act* framework. Despite this, prior to AUSfund being selected, the Superannuation Office undertook a procurement-like process with a view to recommending that the Superannuation Trustee Board select the ERF that was likely to take the greatest effort to reunite members with their lost superannuation at a low cost.

The recommendation process included a detailed investigation and analysis of each of the ERFs':

- Fee structure
- Activities undertaken to reunite members with lost and unclaimed superannuation
- The numbers and values of accounts ultimately transferred to the Australian Taxation Office under Commonwealth lost and unclaimed superannuation legislation
- Investment returns.

AUSfund was recommended on the basis that it has a very transparent and low fee regime, and reports openly on a range of activities designed to reunite members with lost superannuation, as well as how many member accounts have been transferred to the Australian Taxation Office. AUSfund also reported among the highest rates of investment return of the eight ERFs.

AUSfund is the default ERF for industry superannuation funds such as AustralianSuper and Sunsuper.

2. Please advise the cost of Member education in 2016/17?

The cost of NTGPASS member education are met by the Northern Territory Superannuation Office as a business unit of the Department of Treasury and Finance.

Member education includes:

- member seminars
- member meetings
- responding to written and verbal questions from members and their advisors
- reviewing and updating NTGPASS forms and publications
- reviewing and updating the Superannuation Office's website.

The Superannuation Office's 2016-17 budget and costs are not reported in the NTGPASS Annual Report, which relates solely to the operation and management of that scheme. They are set out at page 32 of the Department of Treasury and Finance's 2016-17 Annual Report under 'Capacity to provide policy advice and services on superannuation', which was $2.81 million in 2016-17.

3. The real rate of return for 2016 for PSSAP was 0.65%. Why, noting that the Australian ASX market was 13.8% for the same period?

The figure of 0.65 per cent return relates to the 2015-16 reporting period whereas the 13.8 per cent figure relates to the 2016-17 reporting period.

Table 2 at page 7 of the NTGPASS 2016-17 Annual Report sets out the annual investment returns of the NTGPASS Growth Option both before and after accounting for the effect of inflation, as measured by the consumer price index.

Those after-inflation returns were 8.57 per cent for 2016-17 (10.63 per cent before inflation) and 0.65 per cent for 2015-16 (1.66 per cent before inflation).

Australian equities, as measured by the Australian Securities Exchange (ASX) 300 index, decreased 4.8 per cent during 2015-16 (when the after-inflation returns of the NTGPASS Growth Option were 0.65 per cent – see page 9 of the NTGPASS 2015-16 Annual Report) and increased by 13.8 per cent during 2016-17 (when the after-inflation returns of the NTGPASS Growth Option were 8.57 per cent – see page 7 of the NTGPASS 2016-17 Annual Report).

The returns of the NTGPASS Growth Option do not align with the performance of the ASX 300. This is because Australian shares represent approximately 30 per cent of the NTGPASS Growth Option (page 12 of the NTGPASS 2016-17 Annual Report), so their performance has only a moderate impact on that investment option's returns when compared with the other assets that the option invests in.

4. Why was the Managed Cash objective not met?

The Managed Cash investment option was introduced in March 2009, after the global financial crisis, and following requests by members to have access to a low-risk, low-return investment option.

This option invests solely in cash investments (such as cash deposits, bank bills and similar securities). Consequently, its returns depend on the returns that those low-risk investments can generate. More details on the features of the Managed Cash investment option, and when it might be an appropriate option for members, are set out in the attached fact sheet titled *The Managed Cash Option*.

The return objective of the Managed Cash option is 'A high probability that the net return will exceed the increase in the CPI over 5-year rolling periods by at least 0.5 per cent per annum'. The net return is after investment management fees, custodian fees and taxes have been deducted.

In terms of the Managed Cash option's returns, over the last five years Australia has had historically low interest rates, which means that the rate of return on cash investments has been similarly low. For 2016-17, the difference between that low rate of return, and CPI, over a rolling five-year period has been less than 0.5 per cent per annum. This is the only time in the last five years that the Managed Cash option did not meet its return objective.

5. Is the Managed Cash return objective misleading and/or inappropriate?

Each NTGPASS investment option has both a return objective and a risk objective.

The return and risk objectives for Managed Cash and the other NTGPASS investment options have been set by the Superannuation Trustee Board on the advice of JANA Investment Advisers Pty Ltd (JANA), the implemented investment consultant for NTGPASS.

The two objectives for Managed Cash are set out at page 11 of the NTGPASS 2016-17 Annual Report:

- Return objective – 'A high probability that the net return will exceed the increase in the CPI over 5-year rolling periods by at least 0.5 per cent per annum'. The net return is after investment management fees, custodian fees and taxes have been deducted.

  The 2016-17 financial year is the first time that the Managed Cash return objective has not been met.

- A risk objective – 'A low chance of a negative annual return'.

  This risk objective is explained further on page 9 of the NTGPASS 2016-17 Annual Report using a standard risk measure (or SRM), which is expressed as the average number of years out of 20 where the option is expected to have a negative return. The SRM for the Managed Cash option is 0.0 in 20 years.

The Managed Cash option has met its risk objective and SRM since it was introduced in 2009.

As set out in the answer to question 4, the Managed Cash investment option invests solely in cash investments (such as cash deposits, bank bills and similar securities), so its returns depend on the returns that those low-risk investments can generate.

6. 90.58% of members accounts are in the 'Growth' option (1 in 6) - is there sufficient awareness of the other options? What resources were allocated to alternative options awareness education? What KPIs are in place around percentages in each option?

NTGPASS closed to new members on 10 August 1999. Until 1 July 2007, NTGPASS members only had access to a single investment option. From that date the single default option was renamed Growth and four other options were introduced (Conservative, Cautious, Assertive and Aggressive). In March 2009, the Managed Cash option was added.

All NTGPASS members have received written information about the different investment options and their features. This information is also posted on the Superannuation Office's website.

At NTGPASS member information seminars, representatives of JANA, the NTGPASS scheme's investment manager, provided details of the different investment options, their features, and when they might be appropriate.

NTGPASS member information statements, issued to members annually, show the rates of return of all six investment options, and confirm the member's investment option.

NTGPASS members can choose to change the option in which their accumulation account is invested. Importantly, the Superannuation Office is responsible for administering NTGPASS, but its employees are not able to provide members with financial or investment advice. Accordingly, it is up to NTGPASS members, and their advisors, to choose whether and when to change the option in which their accumulation account is invested. For this reason, there are no KPIs or targets around the number of members, or quantum of funds, invested in each of the different options.

The following table summarises where non-pension NTGPASS accounts have been invested over the last five years. As can be seen, the relative percentages invested in the different options do alter from time to time.

Investment Option	2016-17 %	2015-16 %	2014-15 %	2013-14 %	2012-13 %
Managed Cash	1.21	2.40	2.16	2.90	2.13
Conservative	1.69	2.35	3.84	4.84	2.54
Cautious	1.69	2.50	6.92	6.20	2.29
Growth (default)	90.58	87.60	81.55	80.96	90.30
Assertive	1.39	1.83	2.54	2.30	1.12
Aggressive	3.44	3.32	2.99	2.80	1.62
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

7. *The Annual Report notes the 3% productivity payment per year of membership since introduction (1 October 1988) - how much does it cost per year?*

As explained in the NTGPASS 2016-17 Annual Report on page 13, the Northern Territory Supplementary Superannuation Scheme (NTSSS) is a non-contributory lump sum scheme which provides an employer-financed superannuation benefit at the rate of three per cent of salary for each year of service since 1 October 1988. The benefit is based on the member's final salary at the time they leave NTSSS, which is compulsory when they exit from NTGPASS or the Commonwealth Superannuation Scheme.

The value of NTSSS benefits paid by the Territory over the last three financial years was:

Year	$
2014-15	17 861 766
2015-16	19 409 062
2016-17	21 767 631

8. *There were 16 opt outs in 16/17, 0 in 15/16, why?*

There are a number of ways in which members can leave NTGPASS. These are summarised in Table 11 at page 15 of the NTGPASS 2016-17 Annual Report. When a member has reached their preservation age (currently 57) or is employed under an executive contract, they have the option to cease NTGPASS membership while remaining a Northern Territory Government employee.

The decision to opt out and crystallise their employer-funded defined benefit is a personal one, and may be based on financial advice as to what is most advantageous to the employee. The opt out statistic reported is purely the result of members exercising choice, and is not something that the NT Superannuation Office controls or influences. Other reasons for leaving NTGPASS include resignation, and age or invalidity retirement.

The table below compares the total number NTGPASS members exiting contributory membership against the number opting out over the last five years.

	2016-17	2015-16	2014-15	2013-14	2012-13
Opt outs	16	0	0	0	56
Total exits	**209**	**261**	**284**	**302**	**280**

9. Please explain the $8211 for ‘training and conferences’ listed in the Annual Report.

Training and conference expenses are incurred by members of the Superannuation Trustee Board (STB) to ensure their continued professional development and currency of knowledge. The STB approves Board member attendance at these events.

In 2016-17, costs were incurred for one Board member to attend the Australian Superannuation Fund Association (ASFA) Conference in November 2016 and for one Board member to attend the Conference of Major Super Funds (CMSF) facilitated by the Australian Industry of Superannuation Trustees (AIST) in March 2017.

A detailed breakdown of the costs incurred is set out below.

	$
Accommodation	1 023
Airfares	1 112
Conference registration	5 671
Travelling allowance	405
	8 211

As set out at page 19 of the NTGPASS 2016-17 Annual Report, all the STB’s costs, including those outlined above, are allocated between the three funds that the STB manages, according to the value of each fund’s investments.

10. What is the degree of certainty around the amount of $796.5m in accrued liability in 2020?

PricewaterhouseCoopers Securities Limited are the actuaries for NTGPASS. As set out at page 21 of the NTGPASS 2016-17 Annual Report, section 45ZA of the *Superannuation Act* requires an actuarial review of NTGPASS to be undertaken every three years. This review provides, among other things, projections of the cash flows for Territory-financed benefits and of the scheme’s accrued liabilities to members. In the years between triennial reviews, the actuaries provide an update based on the scheme’s experience (such as rates of members exiting NTGPASS) and any changes to prevailing economic conditions (such as short and long-term wage increase assumptions, as well as changes to the relevant discount rate).

The estimated cash flow and estimated accrued liability figures provided in Table 12 at page 21 of the NTGPASS 2016-17 Annual Report are the actuaries' current estimates, based on the most recent reviews and economic conditions.

11. What are the funds expenses? What is the cost of managing the fund?

The expenses directly related to the management of the NTGPASS Fund for 2016-17 were $0.22 million as noted on page 50 (8. Other Operating Expenses) and page 52 (16. Related Parties) of the NTGPASS 2016-17 Annual Report.

Administration expenses	**$**
Bank fees	853
Investment fees	114 070
Administration fees	79 325
Board expenses	21 505
Sundry expenses	6 650
	222 403

Costs for the day-to-day administration of the Superannuation Office were met through the Department of Treasury and Finance's 2016-17 budget.

12. Why have investment fees increased from $6,000 in 2016 to $114,000 in 2017?

Investment fees have increased from $6 000 in 2015-16 to $114 000 in 2016-17 due to the changes in the management of the fund's investments by the National Australia Bank in 2016. As identified on page 5 of the NTGPASS 2015-16 Annual Report, the investments were moved out of the life policy vehicle and moved in to a trust structure in May 2016.

This change required the engagement of a specialised form of trustee, known as a "custodian", which incurred additional ongoing costs to the NTGPASS fund. In order to ensure that NTGPASS members were not disadvantaged by the investment change, the investment consultant that advises the Superannuation Trustee Board agreed to reduce its investment management fees in order to entirely offset the fees charged by the custodian. The figure for 2016 was for the one month of custody services at the end of 2015-16 year and the 2017 amount was for the full 2016-17 financial year.

13. Why have administration fees dropped from $477,000 in 2016 to $79,000 in 2017?

The Administration fees at page 29 of the NTGPASS 2016-17 Annual Report are the fees paid to the Territory by former employees for administration of their NTGPASS accounts. These fees were materially higher in 2015-16 because prior to 15 February 2016 former employees were allowed to keep their superannuation in NTGPASS. On 15 February 2016 the accounts of 3973 former employees and their spouses/ex-spouses, totalling $278 million, were transferred under a successor fund transfer to Sunsuper. The fees reported for 2016-17 relate to unclaimed NTGPASS accounts of former employees.

14. Why have governance expenses decreased from $27,511 in 15/16 to $257 in 16/17?

The STB has a requirement to ensure ethical, social and governance (ESG) oversight of the funds invested by members of NTGPASS and the other two funds for which it has responsibility. To assist with this obligation, the STB had taken out membership of the ESG advocacy group Regnan. This membership cost about $40 000 per annum.

In November 2015, the STB decided to evaluate whether other bodies could provide similar services to Regnan at a reduced cost. In December 2015, the STB decided to cancel its Regnan membership and began subscribing instead to the Australasian Centre for Corporate Responsibility (ACCR) at a cost of $1 000 per annum. The decision to engage ACCR was reported at page 7 of the NTGPASS 2015-16 Annual Report.

The costs of the STB's 2016-17 ACCR subscription did not appear in the NTGPASS 2016-17 Annual Report, and were reimbursed to DTF in 2017-18.