

# Objective 5: Superannuation

## Strategic Objective

Appropriate public sector superannuation arrangements.

## Outputs Delivered

Superannuation policy for Government and administration of the Government's superannuation schemes, including the relationship between national

and Territory legislation, and advice and assistance to investment and review boards.

## Key Achievements

### More Investment Choice

In 2008-09, investment mixing and a new managed cash option were introduced to provide NTGPASS members with greater investment choice and flexibility, bringing the number of investment options to six.

The managed cash option is invested in a range of low-risk investments, and is less exposed to market volatility compared to the other options. NTGPASS members can now also choose one investment option for their account balance, and a different option for future contributions. Pension members can choose to invest their account balance in any or all six investment options.

Associated changes were implemented to systems and internal processes, forms and publications.

### Anti-Money Laundering and Counter-Terrorism Financing

The Commonwealth AML/CTF imposes a range of governance and operational obligations designed to combat money laundering and terrorism financing activities. All the Territory's public sector superannuation schemes are required to comply with the legislation but, due to their nature, a number of the schemes present a very low risk of money laundering or terrorism financing activities.

Complying with the AML/CTF program includes a detailed risk assessment of each scheme, member identification requirements, staff and due diligence programs, maintaining a range of records and regular reporting to AUSTRAC.

The AML/CTF program implemented in early 2008 has been updated to incorporate revised obligations which commenced in December 2008. Compliance will be ongoing, with the second progress report submitted to AUSTRAC in March 2009.

### *Family Law Amendment (De Facto Financial Matters and Other Measures) Act 2008*

The Commonwealth *Family Law Amendment (De Facto Financial Matters and Other Measures) Act 2008* came into effect on 1 March 2009. This legislation updates the *Family Law Act 1975* to provide for opposite sex and same sex de facto couples to access the Federal Family Law Courts on property and maintenance matters. The changes also include recognition of financial agreements between de facto couples and superannuation splitting, where this has been determined by court proceedings. Previously this was only available to legally married couples. The Superannuation Office reviewed each of the schemes to ensure they align with the new amendments.

### Member Communication

A range of publications including fact sheets and newsletters were issued to assist members understand the impact of the global financial crisis and the consequential negative returns on their superannuation accounts.

In addition, member information seminars were held around the Territory in November and December 2008.

## Output Performance

### Priorities for 2008-09

### Achieved

### Results in 2008-09

Introduce a cash investment option and further enhancements to member investment choice to give NTGPASS members more investment flexibility.



Investment mixing and the managed cash option commenced in March 2009. To support this functionality, system modifications were tested and implemented, member education seminars were presented in major regional centres and several publications were updated to inform members about these changes.

Improve information available to NTGPASS members through various media including an information booklet and online information statements.



Online information statements were made available to active members through ePASS. A number of publications were developed to better inform members on how their benefit can be affected by investment returns, including an Investment Update newsletter. Online versions of the Member Investment Choice and Allocated Pension booklets were updated.

Continue to develop AML/CTF compliance.



The AML/CTF program was revised to incorporate required obligations and was approved by trustees. Exemption from compliance has been sought for the LAMS, Police, Judges and Administrators schemes, which is under review by AUSTRAC.

Consider and develop options for improving and streamlining the administration of Territory public sector superannuation arrangements.



Work is continuing on the review of processes and procedures, and development of options to improve the administration of Territory superannuation schemes, including NTGPASS, NTSSS and NTGDIS.

## Future Priorities

- Analyse the impact of Commonwealth reviews (Henry, Harmer, Cooper) on Northern Territory superannuation arrangements.
- Progress the simplification of Territory public sector superannuation arrangements, which may include legislative amendment.

- Reduce the number of accounts where benefits remain unclaimed.
- Continue to manage AML/CTF compliance.
- Update the NTGPASS information booklet.