



Northern Territory of Australia

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Northern Territory of Australia

*Building Legislation Amendment Act 2024*

## **Commencement Notice**

I, Hugh Crosby Heggie, Administrator of the Northern Territory of Australia, under section 2(1) of the *Building Legislation Amendment Act 2024* (No. 1 of 2024), fix 15 April 2024 as the day Parts 1 and 2 of the Act commence.

H. C. HEGGIE

Administrator

Dated 27 March 2024

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Northern Territory of Australia

*Professional Standards Act 2004*

## **Extension of The CPA Australia Ltd Professional Standards (Accountants) Scheme**

I, Chanston James Paech, Attorney-General and Minister for Justice, under section 33(2) of the *Professional Standards Act 2004*, extend the period for which The CPA Australia Ltd Professional Standards (Accountants) Scheme, notified in *Gazette* No. S77 of 20 December 2019, is in force to 20 August 2025.

C. J. PAECH  
Attorney-General and Minister for Justice

Dated 3 April 2024

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Northern Territory of Australia

*Professional Standards Act 2004*

## **Extension of Chartered Accountants Australia and New Zealand Professional Standards Scheme**

I, Chanston James Paech, Attorney-General and Minister for Justice, under section 33(2) of the *Professional Standards Act 2004*, extend the period for which the Chartered Accountants Australia and New Zealand Professional Standards Scheme, notified in *Gazette* No. G30 of 24 July 2019, is in force to 12 July 2025.

C. J. PAECH  
Attorney-General and Minister for Justice

Dated 3 April 2024

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Northern Territory of Australia

*Motor Vehicles Act 1949*

## **Revocation and Declaration of Compensation Contributions**

I, Eva Dina Lawler, Treasurer:

- (a) under section 47(1) of the *Motor Vehicles Act 1949* (the **Act**) and with reference to section 43 of the *Interpretation Act 1978*, with effect on 1 July 2024, revoke all previous declarations of the amount of compensation contributions payable that are in force immediately before 1 July 2024; and
- (b) under section 47(1) of the Act and with reference to section 47(2) of the Act, declare that for a class of vehicle or plate described in the Schedule, Columns 1 and 2, the amount specified opposite in Column 3 is the amount of compensation contribution payable on and after 1 July 2024 for the following:
  - (i) the grant or renewal of the registration of a motor vehicle or trailer;
  - (ii) the grant or renewal of a pastoral vehicle permit;
  - (iii) the grant of an exemption from registration of a visiting motor vehicle under section 8A of the Act;
  - (iv) the grant of a licence under section 137 of the Act;
  - (v) the issuing of a trader's plate.

E. D. LAWLER  
Treasurer

Dated 14 March 2024

**Schedule**

Column 1	Column 2	Column 3
<b>Class</b>	<b>Description of Vehicle or Plate</b>	<b>Amount (\$)</b>
<b>A</b>	<p><b>Private motor vehicle and derivatives</b></p> <p>A motor vehicle, not otherwise specified in this Schedule, that is one of the following:</p> <ul style="list-style-type: none"> <li>• a private motor vehicle (used for social, domestic or pleasure purposes);</li> <li>• a business vehicle (used for business or professional purposes);</li> <li>• a goods vehicle (constructed or adapted primarily for the carriage of goods and not exceeding 4.5 tonnes gross vehicle mass);</li> <li>• a motor omnibus (used exclusively for private purposes).</li> </ul>	607.25
<b>B</b>	<p><b>Goods carrying vehicle</b></p> <p>A motor vehicle constructed or adapted primarily for the carriage of goods, where the gross vehicle mass exceeds 4.5 tonnes.</p>	607.25
<b>C</b>	<p><b>Commercial passenger vehicle</b></p> <p>A commercial passenger vehicle (as defined in section 3(1) of the <i>Commercial Passenger (Road) Transport Act 1991</i>), where the vehicle is one of the following:</p>	
	(1) a taxi or substitute taxi;	1 706.70
	(2) a courtesy vehicle – where the vehicle has seating capacity for:	
	(a) more than 9 persons (including the driver); or	607.25
	(b) not more than 9 persons (including the driver);	607.25
	(3) a private hire car;	894.10
	(3A) a limousine;	894.10
	(4) a motor omnibus – where the vehicle has seating capacity for:	
	(a) more than 30 persons (including the driver); or	1 706.70

Column 1 <b>Class</b>	Column 2 <b>Description of Vehicle or Plate</b>	Column 3 <b>Amount (\$)</b>
	(b) not more than 30 persons (including the driver);	607.25
	(5) a tourist vehicle:	
	(a) where the vehicle has seating capacity for more than 30 persons (including the driver); or	1 706.70
	(b) where the vehicle has seating capacity for not more than 30 persons (including the driver); or	607.25
	(c) where the vehicle is a motor cycle;	1 279.20
	(6) a special passenger vehicle – where the vehicle is not a rideshare vehicle and has seating capacity for:	
	(a) more than 9 persons (including the driver); or	1 706.70
	(b) not more than 9 persons (including the driver);	607.25
	(7) a special function vehicle;	607.25
	(8) a rideshare vehicle (as defined in regulation 4 of the <i>Ridesharing Regulations 2017</i> ) that has seating capacity for:	
	(a) more than 9 persons (including the driver); or	852.05
	(b) not more than 9 persons (including the driver).	852.05
	(9) a minibus (as defined in section 3 of the <i>Commercial Passenger (Road) Transport Act 1991</i> ).	781.95

**D****Motor cycle**

A motor cycle used for any purpose, including being let for hire, other than under a hire purchase agreement, but not being a motor cycle under class C(5)(b) – where the capacity rating of its engine:

Column 1 <b>Class</b>	Column 2 <b>Description of Vehicle or Plate</b>	Column 3 <b>Amount (\$)</b>
	(1) exceeds 600 ml; or	894.10
	(2) exceeds 260 ml but does not exceed 600ml; or	894.10
	(3) exceeds 125 ml but does not exceed 260 ml; or	346.35
	(4) does not exceed 125 ml.	124.10
<b>E</b>	<b>Drive yourself motor vehicle</b>	
	A motor vehicle that is let for hire, other than under a hire purchase agreement, without the services of a driver, where the vehicle is one of the following:	
	(1) a motor car;	1 706.70
	(2) a goods vehicle (exceeding 4.5 tonnes gross vehicle mass);	1 706.70
	(3) a goods vehicle (not exceeding 4.5 tonnes gross vehicle mass);	1 706.70
	(4) a passenger vehicle having seating capacity for more than 9 persons (including the driver);	1 706.70
	(5) a passenger vehicle having seating capacity for not more than 9 persons (including the driver).	1 706.70
<b>F</b>	<b>Trailer</b>	
	A trailer:	
	(1) exceeding 500 kg tare or 750 kg aggregate trailer mass; or	77.85
	(2) not exceeding 500 kg tare or 750 kg aggregate trailer mass.	77.85
<b>G</b>	<b>Miscellaneous vehicles</b>	
	The following vehicles:	
	(1) a motor breakdown vehicle used solely as a tow truck;	346.35

Column 1 <b>Class</b>	Column 2 <b>Description of Vehicle or Plate</b>	Column 3 <b>Amount (\$)</b>
	(2) an ambulance, fire-fighting vehicle (being a motor vehicle used solely for fire-fighting purposes) or undertaker's vehicle (being a motor vehicle used solely as a hearse);	185.00
	(3) an airport luggage transporter (being a motor vehicle used solely to transport luggage at an airport), ride-on mower, tractor, garbage compactor, forklift, backhoe, drilling rig, sweeper, roller, loader, scraper, grader, bobcat, crane or any other vehicle not included in this Schedule that is not principally designed for the carriage of goods or persons;	185.00
	(4) a veteran, vintage or classic motor vehicle used by a motor enthusiast;	55.45
	(5) a vehicle to which a pastoral vehicle permit relates;	136.90
	(6) a powered golf buggy;	85.70
	(7) a powered wheelchair, but only if capable of travelling at a speed greater than 10 kph.	22.05
<b>H</b>	<b>Trader's plate</b> A trader's plate:	
	(1) in respect of a motor vehicle other than a motor cycle; or	607.25
	(2) in respect of a motor cycle.	548.10
<b>J</b>	<b>Visiting motor vehicle</b>	pro rata the contribution payable for the registration of an equivalent vehicle in the Territory

Column 1	Column 2	Column 3
<b>Class</b>	<b>Description of Vehicle or Plate</b>	<b>Amount (\$)</b>
<b>K</b>	<b>Temporary licence under section 137 of the Act</b>	37.05

Northern Territory of Australia

*Motor Accidents (Compensation) Commission Act 2014*

### **Treasurer Determination 1/2024**

I, Eva Dina Lawler, the Treasurer, pursuant to section 25 of the *Motor Accidents (Compensation) Commission Act 2014*, make the following determination.

Dated 25 March 2024

E. D. LAWLER  
Treasurer

### **Treasurer Determination 1/2024**

#### **1. Application and interpretation**

- (a) The provisions of this Determination apply with effect immediately.
- (b) This Determination has been prepared by the Treasurer following consultation with the Motor Accidents (Compensation) Commission.
- (c) The Motor Accidents (Compensation) Commission Determination 1/2017 will cease to have effect on and from the commencement of this Determination.
- (d) In this Determination:
  - (i) 'Catastrophe Risk Charge' means the net cost of 3 individual large claims as determined by the Scheme Actuary;
  - (ii) 'Commission' means the Motor Accidents (Compensation) Commission continued by section 5(1) of the Commission Act. A reference to the 'Commission' includes a reference to the Commissioner, and an outsourced manager. The Commissioner is not a 'responsible person' for the purposes of this Determination;
  - (iii) 'Commission Act' means the *Motor Accidents (Compensation) Commission Act 2014* (Northern Territory);
  - (iv) 'Economic Basis' means the calculation of the net outstanding claims provision<sup>1</sup> using an interest rate equal to 2% above the assumed inflation rate, claims handling expenses at the same percentage of gross outstanding claims as in the financial accounts, and a risk

<sup>1</sup> Referred to as the Liability for Incurred Claims under AASB17



margin which increases the probability of sufficiency of the provision to 90%;

- (v) 'Economic Liability Margin' means the difference between the net outstanding claims provision from the financial accounts and the net outstanding claims provision estimated on the Economic Basis;
- (vi) 'Government' means the Government of the Northern Territory;
- (vii) 'Gross Outstanding Claims' means the gross outstanding claims provision estimated on the economic basis;
- (viii) 'Gross Unearned Contributions'<sup>2</sup> means the gross unearned contributions as recorded in the financial accounts;
- (ix) 'ICAAP' means Internal Capital Adequacy Assessment Process;
- (x) 'Intangibles' means the total of deferred tax assets, capitalised software, goodwill and any other intangible items from the financial accounts;
- (xi) 'Investment Risk Charge' means the charge calculated using the following formula:

$$\text{Growth Assets} \times \left(1 - \frac{\text{ASX200 Dividend Yield}}{\text{ASX200 Dividend Yield} + 1.5\%}\right) \times (1 - \text{Diversification Benefit})$$

- (i) where 'Growth Assets' means the value of total investments as recorded in the financial accounts less those investments in fixed interest assets, bonds and cash;
  - (ii) the 'ASX200 Dividend Yield' means the ASX 200 dividend yield determined using dividends for the 12 months prior to the reporting date and asset values at the reporting date; and
  - (iii) 'Diversification Benefit' means 30%.
- (xii) 'Net Assets' means the net assets from the financial accounts.
  - (xiii) 'Outsourced manager' is a third party (or parties) that provides services to the Commission in relation to the management and delivery of the Scheme;
  - (xiv) 'Responsible Person' means any person employed by the Commission (apart from the Commissioner), or any person working in accordance with a contract to perform services for the Commission, whose activities may materially affect the financial position of the Commission or the prudential position of the Scheme. The Commissioner may determine which persons meet this definition, including any employee of an outsourced manager;
  - (xv) 'Scheme' means the compensation scheme established by the *Motor Accidents (Compensation) Act 1979*;
  - (xvi) 'Scheme Actuary' means the person appointed by the Commission in accordance with this Determination. The Scheme Actuary is a 'responsible person' for the purposes of this Determination;

<sup>2</sup> Referred to as the Liability for Remaining Coverage under AASB17

(xvii) 'Under Treasurer' means the Head of the Northern Territory Department of Treasury and Finance.

## **2. Capital management and solvency**

### **Responsibility for capital management**

- (a) Capital provides a buffer for the Scheme to absorb unanticipated losses and, in the event of such losses, enables the Scheme to continue to meet its obligations.
- (b) The Commissioner must ensure that the Scheme has capital that is adequate in supporting the Scheme to meet its obligations under a wide range of circumstances.
- (c) The Commission must have in place an Internal Capital Adequacy Assessment Process (ICAAP) that is documented in an ICAAP Summary Statement and reported on in an Annual ICAAP Report.

### **ICAAP Summary Statement**

- (d) The ICAAP Summary Statement is a high-level document that describes and summarises the capital assessment and management processes of the Commission. The ICAAP Summary Statement must include at a minimum:
  - (i) A statement of the objectives of the ICAAP, the expected level of financial soundness associated with the capital targets and the time horizon over which the ICAAP applies;
  - (ii) Discussion and analysis of target levels of capital, based on a target solvency range of 110% to 150%;
  - (iii) A description of the basis of measurement of capital used in the ICAAP in accordance with this Determination, and any elements not covered in the Determination;.
  - (iv) A description of the key assumptions and methodologies utilised by the Commission in its ICAAP;
  - (v) A discussion of how the ICAAP relates to and interacts with other key aspects of the Risk Management Strategy of the Commission;
  - (vi) Actions and procedures for monitoring the Commission's compliance with its capital targets including plans for how target levels of capital are to be met and the means available for sourcing additional capital where required;
  - (vii) Stress testing and scenario analysis relating to potential risk exposures and available capital resources;
  - (viii) Processes for reporting on the ICAAP and its outcomes to the Commissioner.
  - (ix) Triggers for reviewing the ICAAP in light of changes to the operation of the Commission or the Scheme, regulatory changes, economic and financial market condition changes or other factors affecting the Commission's risk profile and capital resources.
  - (x) References to supporting documentation and analysis, as relevant.

### **ICAAP review**

- (e) The Commission must ensure its ICAAP is subject to regular and robust review by appropriately qualified persons who are operationally independent of the conduct of capital management. A review must be conducted at least every three years. The review must be sufficient to reach a view on whether the ICAAP is adequate and effective.
- (f) The results of this review must be provided to the Treasurer.

### **Annual ICAAP Report**

- (g) The Commission must prepare an annual ICAAP Report to document the implementation of the ICAAP for the year in question.
- (h) The Commissioner must provide the annual ICAAP Report to the Under Treasurer. The report must include:
  - (i) detailed information on current and three-year projected capital levels relative to target levels;
  - (ii) detailed information on the actual outcomes of applying the ICAAP over the period, relative to the planned outcomes in the previous ICAAP report (including analysis of the Fund's actual capital position relative to capital targets, and actual-versus-planned capital management actions);
  - (iii) detail and outcomes of stress testing and scenario analysis used in undertaking the ICAAP;
  - (iv) an assessment of anticipated changes in the Scheme's risk profile or Fund's capital management processes over the planning horizon;
  - (v) responses to any review of the ICAAP conducted in the latest year, including any recommendations for change and how those recommendations have been, or are being, addressed; and
  - (vi) references to supporting documentation and analysis, as relevant.

### **Annual ICAAP declaration**

- (i) The Annual ICAAP Report submitted to the Under Treasurer must be accompanied by a declaration signed by the Commissioner stating whether:
  - (i) capital management has been undertaken by the Commission in accordance with the ICAAP over the period and, if not, a description of, and explanation for, deviations;
  - (ii) the information included in the ICAAP report is accurate in all material respects.

### **Solvency measure**

- (j) The target solvency range shall be determined using the ratio of capital over liabilities plus 100%, where the components of capital and liabilities are set out below (refer to the definitions at the start of this section).
  - (i) Capital is determined as:
    - (i) Net Assets; less
    - (ii) Intangibles; plus

- (iii) Economic Liability Margin; less
- (iv) Investment Risk Charge; less
- (v) Catastrophe Risk Charge.
- (ii) Liabilities are determined as:
  - (i) Gross Outstanding Claims; plus
  - (ii) Gross Unearned Contributions.
- (k) The target solvency range shall be 110% - 150%.

### **Notification requirements**

- (l) If the solvency moves outside the target solvency range, or is expected to move outside the target solvency range in the near future, then:
  - (i) The Commissioner is required to inform the Treasurer at the earliest opportunity and outline the next steps;
  - (ii) The Commissioner is required, in consultation with the Under Treasurer, to develop and recommend to the Treasurer an action plan to return the scheme to within the target range within no more than five years.

### **3. Risk management strategy**

#### **Risk management strategy: key requirements**

- (a) The Commission must maintain a risk management strategy (RMS) that enables it to appropriately develop and implement strategies, policies, procedures and controls to manage material risks to the Scheme.
- (b) The RMS must provide reasonable assurance to the Under Treasurer that the Commission's risk management arrangements are soundly managed and appropriate having regard to:
  - (i) the objectives of the *Motor Accidents (Compensation) Commission Act 2014*;
  - (ii) the risks covered by the Scheme;
  - (iii) the Scheme's performance; and
  - (iv) the Commission's operations.
- (c) The RMS must:
  - (i) Describe each material risk identified and the Commission's approach to managing these risks;
  - (ii) Summarise the policies and procedures, roles and responsibilities and formal reporting structures for the management of material risks of the Scheme;
  - (iii) Describe any management information systems (MIS) used for measuring, assessing and reporting on all material risks for the scheme;
  - (iv) Summarise the role and responsibilities of the Chief Risk Officer;

- (v) Describe the risk governance relationship between the Commissioner and the Commission's senior management (including senior management of an outsourced manager) with respect to the RMS;
  - (vi) Describe the review process implemented by the Commission to ensure that the RMS is effective in identifying, measuring, evaluating, monitoring, reporting, controlling or mitigating material risks.
- (d) The RMS must be accompanied by:
- (i) A risk appetite statement, which may be incorporated into the RMS document;
  - (ii) The reinsurance management strategy (ReMS), which may be incorporated into the RMS document;
  - (iii) A business plan;
  - (iv) An Internal Capital Adequacy Assessment Process (ICAAP).
- (e) The RMS must include forward-looking scenario analysis and stress testing programs, commensurate with the objectives of the Commission Act, the risks covered by the Scheme, the Scheme's performance and the Commission's operations.
- (f) The Commission must submit the RMS to the Under Treasurer, including when any material changes are made to the RMS.

#### **Material risks**

- (g) Material risks are those that could have a material impact, both financial and non-financial, on the Commission and/or the Scheme. The RMS must address:
- (i) Investment risk;
  - (ii) Liquidity risk;
  - (iii) Insurance risk;
  - (iv) Operational risks – including information security, business continuity and the management of material service provider arrangements;
  - (v) Risks arising from its strategic objectives and business plans; and
  - (vi) Other risks that, singly, or in combination with different risks, may have a material impact on the Scheme and/or the Commission.

#### **Risk appetite statement**

- (h) The Commission must have and maintain an appropriate, clear and concise risk appetite statement that addresses its material risks.

#### **Business plan**

- (i) The Commission must maintain a written plan that sets out its approach for the implementation of its strategic objectives (business plan).
- (j) The business plan must be a rolling plan of at least three years' duration that is reviewed at least annually by the Commission.
- (k) The Commission must identify and consider the material risks associated with its strategic objectives and business plan, and must explicitly manage these risks through the RMS.

- (l) The business plan must include a Business Continuity Plan which covers an outsourced manager.

**Chief Risk Officer**

- (m) The Commission must ensure a person is designated to be responsible for the RMS, to be known as the Chief Risk Officer (CRO). The CRO:
  - (i) Is responsible for developing and maintaining the RMS and ensuring it is appropriate for the Scheme, having regard to the nature and objectives of the Scheme;
  - (ii) Must have the necessary authority and resources to conduct risk management activities in an effective and independent manner;
  - (iii) Must have access to all aspects of the Scheme that have the potential to generate material risk, including information technology systems and information security frameworks; and
  - (iv) Is required to notify the Commission of any significant breach of, or material deviation from the RMS.
- (n) The CRO must be involved in, and have the authority to provide effective challenge to activities and decisions that may materially affect the Scheme's risk profile. The CRO may be an employee of an outsourced manager. The Commission may designate other persons to perform the role of the CRO for different aspects of the Scheme.

**Triennial review of the RMS and risk governance arrangements**

- (o) The Commission must ensure that the appropriateness, effectiveness and adequacy of the RMS and its risk governance arrangements are subject to a comprehensive review by an operationally independent, appropriately trained and competent person or persons every three years. This review must include or be accompanied by a review of the Commission's reinsurance management strategy (ReMS).
- (p) The person (or persons) undertaking this review, and the review of the ReMS, must be independent from any entity contracted by the Commission to provide management services to the Commission.
- (q) The results of this review, and the review of the ReMS, must be provided to the Treasurer.

**Annual review of the RMS**

- (r) The Commission must ensure that compliance with, and effectiveness of, the RMS is subject to an independent review at least annually. This review must include a review of the Commission's reinsurance management strategy (ReMS).
- (s) The results of this review must be provided to the Under Treasurer.

**Annual risk management declaration to the Under Treasurer**

- (t) The Commissioner must provide an annual risk management declaration to the Under Treasurer that sets out details of the Commission's risk management arrangements.

- (u) The risk management declaration must:
  - (i) be provided under cover of a signed letter from the Commissioner to attest that the risk management arrangements are in accordance with the requirements of the RMS.
  - (ii) provide key information about the Commission's risk management arrangements, including a copy of the Commission's:
    - (i) risk appetite statement;
    - (ii) RMS;
    - (iii) business plan.
- (v) The Commissioner must qualify the risk management declaration if there has been a significant breach of, or material deviation from, the RMS. Any qualification must include a description of the cause and circumstances of the qualification and steps taken, or proposed to be taken, to remedy the problem.

#### **4. Reinsurance management**

##### **Reinsurance management strategy: key requirements**

- (a) As part of its RMS, the Commission must maintain a reinsurance management strategy (ReMS) to manage the risks arising from its reinsurance arrangements.
- (b) The ReMS must provide a reasonable assurance to the Under Treasurer that the Commission's reinsurance arrangements are appropriate, and that they are being prudently and soundly managed, having regard to:
  - (i) the objectives of the *Motor Accidents (Compensation) Commission Act 2014*;
  - (ii) the risks covered by the Scheme;
  - (iii) the Scheme's performance; and
  - (iv) the Commission's operations.
- (c) The ReMS is a high level, strategic document. In approving the ReMS (or any changes to the ReMS), the Commission must be satisfied that it:
  - (i) provides assurance to the Under Treasurer that the Commission's reinsurance arrangements are prudently and soundly managed.
  - (ii) describes the key elements of the Commission's policies and procedures, processes and controls that comprise the ReMS.
  - (iii) describes how the ReMS is linked to the Commission's RMS.
  - (iv) provides a summary of the processes for selecting, implementing, monitoring and reviewing reinsurance arrangements, including methodologies for the selection of reinsurance participants and consideration of diversification and the reinsurers' creditworthiness.
  - (v) identify those persons or groups of persons with managerial responsibility for the execution of the ReMS (including those persons responsible for reinsurance purchasing, collecting reinsurance assets and audit of the systems) and set out their roles and responsibilities.

- (d) As part of its ReMS, the Commission must have processes to achieve legally binding reinsurance arrangements. The Commission must ensure that any reinsurance contract that it enters into is governed by Australian law, and that any disputes to be determined are to be heard in an Australian court.
- (e) The ReMS must be consistent with the Commission's RMS, business plan and Internal Capital Adequacy Assessment Process.
- (f) The Commission must not intentionally deviate in a material way from its ReMS except where this deviation has been approved by the Commissioner and notified to the Under Treasurer prior to the deviation occurring.
- (g) The Commission must inform the Under Treasurer immediately if it anticipates that a problem is likely to arise out of the Commission's reinsurance arrangements that may materially and adversely affect its current or future capacity to meet its obligations. The Commission must put in place plans to redress any such problem and advise the Under Treasurer accordingly.
- (h) The Commission must:
  - (i) Submit the ReMS to the Under Treasurer, including when any material changes are made to the ReMS;
  - (ii) Undertake a review of the ReMS every three years<sup>3</sup>, or when necessary due to material changes to the Scheme or the Commission's operations;
  - (iii) Submit all ReMS reviews to the Under Treasurer;
  - (iv) Submit an annual reinsurance arrangements statement to the Under Treasurer.

**Annual reinsurance arrangements statement to the Under Treasurer**

- (i) The Commissioner must provide an annual reinsurance arrangements statement to the Under Treasurer that sets out details of its reinsurance arrangements.
- (j) The reinsurance arrangements statement must:
  - (i) be provided under cover of a signed letter from the Commissioner to attest that the annual reinsurance arrangements are in accordance with the requirements of the ReMS
  - (ii) provide key information about the Commission's reinsurance arrangements, including:
    - (i) the nature of the reinsurance program;
    - (ii) a schematic of layers, deductibles and reinstatements;
    - (iii) the program structure and final pricing;
    - (iv) details of the reinsurer signed lines;
    - (v) security ratings for participating reinsurers.

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<sup>3</sup> Refer section A.3.2 in relation to the Triennial Review of the RMS and the ReMS.



## **5. The Scheme Actuary**

- (a) The Commission must appoint an Actuary (the 'Scheme Actuary') in accordance with any relevant procurement policy of the Commission. The Scheme Actuary must be approved by the Treasurer.
- (b) The purpose of the Scheme Actuary is to ensure that the Commission and the Treasurer have access to expert and impartial actuarial advice and review. The role is intended to assist with the sound and prudent management of the Scheme.
- (c) The Scheme Actuary must have appropriate experience, seniority and professional reputation to deliver credible advice. The Scheme Actuary must meet the 'fit and proper' requirements of this Determination and be a Fellow or Accredited Member of the Actuaries Institute.
- (d) The Scheme Actuary must be independent from any entity contracted by the Commission to provide management services to the Commission.
- (e) The Commission must appoint a new Scheme Actuary after an appropriate period to support the independence of the role.
- (f) The Scheme Actuary must perform the required functions under this Determination impartially and expertly, having regard to relevant Actuarial Professional Standards to the extent that they are not inconsistent with the requirements of this Determination.
- (g) The Commission must do all things necessary to enable the Scheme Actuary to perform the required functions under this Determination, including provision of relevant information and access to:
  - (i) the Commission;
  - (ii) the Scheme's internal and external auditors;
  - (iii) senior management of an outsourced manager(s); and
  - (iv) other service providers or advisers to the Commission as required.
- (h) The functions of the Scheme Actuary include:
  - (i) A biannual valuation of insurance liabilities and provision of a biannual Actuarial Valuation Report to the Commission;
  - (ii) Confirmation in each Actuarial Valuation Report that the relevant solvency disclosures by the Commission are materially correct;
  - (iii) Provision to the Commission of a Financial Condition Report for the Scheme at least every three years.

### **Actuarial Valuation Report**

- (i) The Commission must arrange for the Scheme Actuary to calculate the value of the Scheme's insurance liabilities biannually and provide a written Actuarial Valuation Report (AVR) to the Commission.
- (j) The AVR must include the following information:
  - (i) The value of the Scheme's insurance liabilities;
  - (ii) A statement of the completeness and accuracy of data and information relied on to derive the required value;
  - (iii) The methodologies and assumptions used to determine the value, including the key risks or limitations of the methodologies and assumptions used;

- (iv) Significant aspects of recent experience and the affect it has on the valuation of the Scheme's insurance liabilities.
- (k) The Scheme Actuary must exercise judgment about the matters which are relevant and material to include in the AVR.
- (l) The Scheme Actuary must prepare the AVR annually at the Scheme's balance date and every six months thereafter. The Commission must provide each AVR to the Under Treasurer.
- (m) If the Commission does not accept the advice of the Scheme Actuary in a material respect, the Commission must immediately notify the Under Treasurer of the non-acceptance.

### **Financial Condition Report**

- (n) The Commission must arrange for the Scheme Actuary to assess the financial condition of the Scheme at least every three years.
- (o) The Scheme Actuary must report on this assessment in a Financial Condition Report to the Commission and the Treasurer.
- (p) The Financial Condition Report must include the following information:
  - (i) A business overview including the background, structure, strategy and operations of the Scheme;
  - (ii) A summary of the key results of Actuarial Valuation Reports prepared since the last Financial Condition Report;
  - (iii) An assessment of pricing, including the adequacy of premiums;
  - (iv) An assessment of the suitability and adequacy of the Commission's Reinsurance Management Strategy;
  - (v) An assessment of the appropriateness of the Commission's investment strategy, having regard to the nature of the insurance liabilities;
  - (vi) An assessment of the actual experience and performance compared to the expected experience and performance of the Scheme;
  - (vii) General observations on the Commission's overall risk management strategy;
  - (viii) General observations on the Commission's approach to capital management;
  - (ix) An assessment of the Scheme's capital adequacy;
  - (x) Any other matters considered relevant and material to the Scheme's current and future financial condition.

### **6. Fit and proper**

- (a) Persons who are responsible for the management and oversight of the Commission and the Scheme, and whose activities may materially affect the financial position of the Commission and the Scheme, need to have the appropriate skills, experience and knowledge, and act with honesty and integrity.
- (b) The Commission is responsible for ensuring the fitness and propriety of the responsible persons of the Commission.
- (c) Each responsible person (as defined in this Determination) must provide an annual attestation to the Commissioner that they meet the Commission's Fit and Proper criteria.

## **7. Information security**

- (a) The Commission and its service providers hold sensitive personal information about the health and financial situation of those making claims on the Scheme.
- (b) The Risk Management Strategy must include specific consideration of information security as a material risk for the Scheme.
- (c) The Commission must ensure that it meets its obligations under relevant privacy laws of the Commonwealth and the Territory. This includes ensuring that any service provider has appropriate systems and controls in place to meet its obligations under relevant privacy laws.
- (d) The Commission must comply with any Northern Territory Government requirements or protocols for information security for third parties and contractors, unless given specific exemption by the Under Treasurer.
- (e) Because the Commission manages a statutory insurance Scheme, it may take relevant guidance from APRA standards and guidance for Information Security, such as CPS234 and CPG235 (as amended or updated from time to time).
- (f) If a service provider, and in particular the outsourced manager, is part of an entity supervised by APRA, the Commission may rely on that entity's compliance with the relevant APRA standards and guidance for Information Security, provided that the entity provides suitable evidence to the Commission of its compliance.

## **8. Reviews and reporting under the Prudential Framework for the Scheme**

- (a) The Commission will meet twice a year with the Under Treasurer. These meetings will be supported by an Annual and Mid-year Report package from the Commission.
- (b) If the Determination does not provide a specific timeframe for the provision of a report or document to the Treasurer or the Under Treasurer, the Commission must provide such report or document as part of the next Report package, unless there is a matter that may require prompt attention, in which case it must be provided as soon as is reasonably practicable.

### **General reporting to the Treasurer/Under Treasurer**

- (c) The Commission shall, not later than 6 weeks after the last day of March, September and December of each year lodge a report with the Under Treasurer relating to the 3 months preceding the last day of that March, September or December. Such reports must contain details of the Commission's compliance with and performance with respect to the prudential framework under this Determination.
- (d) The Commission must, not later than 4 months after the last day of June of each financial year, lodge a report with the Treasurer relating to the financial year preceding that last day of June, based on the audited financial information for that year. This report must also contain details of the Commission's compliance with and performance with respect to the prudential framework under this Determination.

- (e) The Commission must provide such other reports and documents as and when required under this Determination, subject to any other direction or approval of the Treasurer.
- (f) The Commission must provide any additional ad-hoc reports requested by the Treasurer from time to time, in an accurate and timely manner, and in a format approved by the Treasurer.
- (g) The Commission must inform the Treasurer as soon as practicable of any material or significant events, transactions, breaches or other issues relating to the Scheme, the Commission, or compliance with this Determination.
- (h) If the Commission lodges a review, report or document with the Treasurer under this Determination, it must also lodge a copy of the report or document with the Under Treasurer.

### **Triennial Reviews**

- (i) **Financial Condition Report:** The Scheme Actuary must assess the financial condition of the Scheme at least every three years and provide a Financial Condition Report to the Commission and the Treasurer.
- (j) **Risk Management Strategy:** The Commission must arrange a triennial and independent review of the Risk Management Strategy and governance practices and provide the review to the Treasurer. This review must include a review of the Reinsurance Management Strategy.
- (k) **ICAAP:** The Commission must arrange a triennial review of the adequacy and effectiveness of the ICAAP. The Commission must provide this review to the Treasurer.

### **The Annual Report package**

- (l) The Annual Report package from the Commissioner to the Under Treasurer each financial year shall include:
  - (i) The *Annual Report* for the MACC – including the audited financial statements (to be published);
  - (ii) the annual ICAAP report to be accompanied by an annual ICAAP declaration signed by the Commissioner;
  - (iii) the annual risk management declaration;
  - (iv) the annual reinsurance arrangements statement;
  - (v) the annual review of the Risk Management Strategy, including a review of the Reinsurance Management Strategy;
  - (vi) the annual valuation of insurance liabilities and the Actuarial Valuation Report.

### **The Mid-year Report package**

- (m) The Mid-year Report package from the Commissioner to the Under Treasurer shall include:
  - (i) the biannual valuation of insurance liabilities and the Actuarial Valuation Report;

- (ii) any other reports or reviews, such as three-yearly external reviews, that have been received by the Commission since the previous Report package.
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## Gazette publication information

### Anzac Day

Due to Anzac Day falling on Thursday 25 April there will be no *Gazette* publication on this day. The General *Gazette* G9 will be published on Friday 26 April.

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The Northern Territory Government *Gazette* is published by the Office of the Parliamentary Counsel.

The General *Gazette* is published fortnightly on a **Thursday**. The closing date for notices is at close of business on the Tuesday of the week of publication.

Notices will be published in the next issue, unless urgent publication is required.

Special *Gazettes* are published as required.

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### Gazette publication fees

Fees apply to the publication of notices in the Government *Gazette*.

The cost per notice is as follows:

General *Gazette* (regular timing): \$150

Special *Gazette* (urgent or specific timing): \$400

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