

NT Government response to the Fiscal Strategy Panel: Final report

Recommendations		Government Response	Implementation Detail
2.1	Reform the current major projects process to expedite and improve the efficiency of project approvals.	Recommendation accepted	Establish an Office of Investment Attraction. Timing: 1 July 2019.
2.2	Develop a microeconomic reform roadmap with the key objective of making the Territory a globally competitive capital investment destination.	Recommendation accepted	Undertake a government-wide benchmarking of Territory regulation against best practice to inform the development of a microeconomic reform roadmap for industry consultation. Timing: within 12 months.
2.3	Consolidate the major projects, microeconomic reform and investment attraction functions into an Office of Investment Attraction.	Recommendation accepted	Establish an Office of Investment Attraction. Timing: 1 July 2019.
3.1	Retain the twin objectives of the current fiscal strategy but specify that budget repair is the primary objective.	Recommendation accepted	Implement in the 2019 Budget.
3.2	Targets under the fiscal strategy should have a more medium to long-term focus.	Recommendation accepted	
3.3	Expand the principles and targets of the fiscal strategy to include government owned corporations.	Recommendation accepted	
3.4	Adopt the new fiscal strategy principles and targets outlined in Chapter 3.	Recommendation accepted	
3.5	Adopt the proposed Charter of Budget Discipline.	Recommendation accepted	Implement in the 2019 Budget.
5.1.1	Remove the efficiency dividend exemption from grants and property management expenses across the forward estimates.	Recommendation partially accepted	Apply the efficiency dividend to grants in the 2019 Budget. Efficiency dividend will not apply to property management expenses in recognition of contractual arrangements.
5.1.2	Abolish the efficiency dividend discount.	Recommendation not accepted	Efficiency dividend discount to be retained in recognition of the potential impact of removal on frontline services.

5.1.3	Review the wages indexation factor as part of the development of a new wages policy.	Recommendation accepted	Immediately establish a working group with NTPS Unions to discuss and develop responses for implementation.
5.1.4	Replace the special demand parameter for hospital and primary health services with a population based indexation factor applied equally across the health department and networks.	Recommendation accepted	Implement in the 2019 Budget, effective from 2021-22.
5.1.5	Publish 10-year budget and forward estimates key fiscal aggregate information in Budget Paper No. 2.	Recommendation accepted	Implement in the 2020 Budget.
5.1.6	Publish five-year agency output information in Budget Paper No. 3.	Recommendation accepted	Implement in the 2020 Budget.
5.1.7	Strengthen the processes and level of ministerial and executive accountability for agency financial performance.	Recommendation accepted	Implement in the 2019 Budget.
5.1.8	Establish a parliamentary committee to scrutinize agencies' actual financial performance against the original budget.	Accept in principle	Previously implemented through reforms to the Estimates process, but ceased due to lack of bipartisan support.
5.1.9	Legislate a debt ceiling.	Recommendation accepted	Work has commenced for implementation in the 2021 Budget.
5.1.10	Strengthen the accountable officer requirements in the <i>Financial Management Act</i> to limit the ability of accountable officers to commit money for expenditure in excess of the approved budget and develop a Treasurer's Direction clearly outlining the sanctions for accountable officers for non-compliance with the Act.	Recommendation accepted	Chief Minister to write to Chief Executives notifying that measures and non-compliance sanctions will apply from 1 July 2019. Progress legislative changes and formally implement in the 2020 Budget.
5.2.1	Review the Financial Management and Accountability Framework and associated legislation, policies and procedures to ensure best practice.	Recommendation accepted	Implement immediately.
5.2.2	Introduce bilateral meetings with the Budget Review Subcommittee prior to and during the development of Budget Cabinet submissions.	Recommendation accepted	Implement immediately.
5.2.3	Require OCPE to provide advice to Cabinet on submissions with staffing implications.	Recommendation accepted	Implement immediately.

5.2.4	Limit supplementary funding submissions outside of the budget development process to extraordinary items and, where possible, require the identification of offsetting savings.	Recommendation accepted	Implement immediately.
5.2.5	Develop clear and strict eligibility guidelines to support the assessment of Treasurer's Advance applications to ensure it is used for genuinely unforeseen and unavoidable circumstances.	Recommendation accepted	Implement in 2020 Treasurer's Annual Financial Report.
5.2.6	Publish a list of approved Treasurer's Advance items in the Treasurer's Annual Financial Report.	Recommendation accepted	Implement in 2020 Treasurer's Annual Financial Report.
5.2.7	Implement reward/milestone-based budgeting for new initiatives to incentivise the achievement of desired outcomes.	Recommendation accepted	Implement in the 2021 Budget.
5.2.8	Reward agencies that achieve outcomes and spend within their approved budget by allowing them to retain a share of underspends.	Recommendation accepted	Implement in the 2020 Budget.
5.3.1	Implement a cap on Territory-funded FTE positions for the next three years, with growth in the cap thereafter limited to population growth.	Recommendation accepted	Implemented. Caps to be reviewed annually.
5.3.2	Implement an immediate recruitment freeze for agencies currently exceeding their expenditure budget.	Recommendation accepted	Implemented. Existing frontline positions not impacted.
5.3.3	Incorporate staffing KPIs into chief executive performance agreements.	Recommendation accepted	Implement from 1 July 2019.
5.3.4	Review ECO levels and their associated remuneration structure.	Recommendation accepted	Review and restructure will reduce ECO numbers by 10 per cent (52 FTEs) and reduce ECO bands from six down to five.
5.3.5	Implement a cap on executive staffing (including SAO2/SP2 positions) with immediate effect, pending the outcome of the executive classification review (recommendation 5.3.4 refers).	Recommendation accepted	
5.3.6	Convert all existing ECO1 positions to SAO2/SP2 positions as soon as practicable.	Recommendation not accepted	The practical intent of this recommendation will be realised through the implementation of recommendations 5.3.4 and 5.3.5.
5.3.7	Develop a new wages policy based on a \$1000 per annum wage increase, including a wage freeze for executives and parliamentarians.	Accept in principle	Wage freeze for executives and parliamentarians is accepted. Immediately establish a working group with NTPS Unions to

5.3.8	Rationalise awards, harmonise conditions and review entitlements across the NTPS.	Accept in principle	discuss and develop responses for implementation.
5.3.9	Explicitly prohibit back pay or equivalent sign-on payments under the new wages policy to encourage timely bargaining resolution.	Accept in principle	
5.3.10	Expand the current PSEMA review to include assessment of the contemporaneity and efficiency of the broader NTPS employment framework including options to reduce duplication through consolidation of tribunals and legislation.	Recommendation accepted	Review to be completed with 18 months.
5.3.11	Move industrial relations to the Treasurer's portfolio and merge the Wages Subcommittee with the Budget Review Subcommittee.	Recommendation accepted	Implement from 1 July 2019.
5.3.12	Establish a whole of government strategic workforce board.	Recommendation accepted	Implement in the 2020 Budget.
5.3.13	Develop a comprehensive training program to address concerns about the hollowing out of policy, administrative and technical capability across the NTPS.	Recommendation accepted	Implement in the 2021 Budget.
5.3.14	Introduce a Job Family model for corporate roles common across agencies.	Recommendation accepted	Implement over 2020 and 2021 Budgets.
5.4.1	Implement the next phase of shared services reform by further centralising corporate services in the Department of Corporate and Information Services.	Recommendation accepted	Phased implementation commencing 1 July 2019.
5.4.2	Further centralise infrastructure planning, management and delivery into the Department of Infrastructure, Planning and Logistics, including repairs and maintenance budgets.	Recommendation accepted	Phased implementation commencing 1 July 2019. Management of housing infrastructure to remain with the Department of Local Government, Housing and Community Development.
5.4.3	Restructure agencies to consolidate similar/related functions and reduce duplication.	Recommendation accepted	Establish an Office of Investment Attraction. Timing: 1 July 2019.
5.4.4	Implement a rolling program of organisational reviews.	Recommendation accepted	Implement in the 2020 Budget.
5.4.5	The annual schedule of reviews should be determined by the Budget Review Subcommittee as part of the Budget development process.	Recommendation accepted	Implement in the 2020 Budget.

5.4.6	Work with the Commonwealth and local government to improve remote service delivery coordination.	Recommendation accepted	Already commenced.
5.4.7	Develop a centralised whole of government remote travel hub.	Recommendation accepted	Commence development immediately with implementation across government phased over three years.
5.5.1	Develop a whole of government program evaluation framework.	Recommendation accepted	Implement in the 2020 Budget.
5.5.2	Update the Cabinet submission template to include program evaluation requirements.	Recommendation accepted	Implement in the 2020 Budget.
5.5.3	Develop an annual schedule of evaluation of existing programs for approval by the Budget Review Subcommittee.	Recommendation accepted	Implement in the 2020 Budget.
5.5.4	Mandate the use of sunset clauses in new programs.	Recommendation accepted	Implement in the 2020 Budget.
5.5.5	Foster the development of behavioural economics capability across the NTPS with a focus on adopting proven approaches from other jurisdictions.	Recommendation accepted	Implement in the 2020 Budget.
5.5.6	Develop a process to ensure new and existing business-related regulations are actively maintained and improved through a regulatory stewardship model.	Recommendation accepted	Implement in the 2020 Budget.
5.5.7	Update the Cabinet submission template to include regulation evaluation requirements.	Recommendation accepted	Implement in the 2020 Budget.
5.5.8	Develop and communicate clear timeframes for decision-making processes to minimise the impact of beige tape and improve investor certainty.	Recommendation accepted	Implement in the 2020 Budget.
5.5.9	Publicly report actual performance against approved regulatory decision-making process timeframes through annual reports and budget papers.	Recommendation accepted	
5.5.10	Mandate the use of sunset clauses in new regulations that affect the cost of doing business in the Territory.	Recommendation accepted	Implement in the 2020 Budget.
5.5.11	Implement the Northern Territory Project Development Framework (NTPDF) via Treasurer's Direction to support a structured approach to capital project development.	Recommendation accepted	Implement in the 2020 Budget.

5.5.12	Work with the Commonwealth to secure increased capital investment to address the Territory's infrastructure deficit.	Recommendation accepted	Already commenced.
5.6.1	Adopt a digital first mindset in relation to government service delivery.	Recommendation accepted	Implement in the 2020 Budget.
5.6.2	Develop a digital government transformation plan to identify technologies that could create efficiencies in the delivery of government services across the Territory, such as telehealth/videoconferencing/drones.	Recommendation accepted	
5.6.3	Undertake a whole of government ICT system stocktake.	Recommendation accepted	
5.6.4	Develop and maintain a five-year ICT system roadmap outlining priority projects and major system replacement requirements.	Recommendation accepted	Implement in the 2020 Budget.
5.6.5	Rationalise the number of bespoke/standalone ICT systems across the NTPS.	Recommendation accepted	
5.6.6	Develop and implement a single integrated budget management system for agencies.	Recommendation accepted	System development to commence immediately. Phased implementation over the 2020 and 2021 Budgets.
5.6.7	Develop an automation roadmap for Territory Government service delivery.	Recommendation accepted	Implement in the 2020 Budget.
5.7.1	Maintain a competitive taxation environment and revenue raising effort relative to other jurisdictions.	Recommendation accepted	Implement immediately.
5.7.2	Reform gambling taxation arrangements for bookmaker and betting exchange taxes.	Recommendation accepted	Stakeholder engagement to commence in 2019. Implement in the 2020 Budget.
5.7.3	Increase accountability for the performance of government owned corporations against their statements of corporate intent, including developing clear sanctions for non-compliance.	Recommendation accepted	Commence implementation through the 2019-20 Statement of Corporate Intent process.
5.7.4	Develop a commercial asset management framework.	Recommendation accepted	Framework to be developed within 12 months.
5.7.5	Undertake a review of existing commercial assets in accordance with the commercial asset management framework.	Recommendation partially accepted	Government will consider efficiency improvements, but has ruled out all commercial asset sales with the exception of the Integrated Land Information System (ILIS), which will be sold.

5.7.6	Develop a government services pricing framework.	Recommendation accepted	Implement in the 2021 Budget.
5.7.7	Commission an independent review of areas where Commonwealth expenditure in the Territory is lower than other jurisdictions (for example, Medicare) and where funding is required to close the gap in Aboriginal disadvantage.	Recommendation accepted	Review to commence by December 2019.
5.7.8	Seek relief of debt inherited from the Commonwealth on self-government.	Recommendation accepted	Implement immediately.
6.1	Adopt a staged process to budget repair, incorporating phases of reform linked to the annual budget development process.	Recommendation accepted	Adopt a phased approach linked to the budget cycle where relevant over the 2019, 2020 and 2021 Budgets.
6.2	Implement the governance model outlined at Figure 13, including the establishment of a Budget Repair Standing Committee and Budget Repair Office.	Recommendation accepted	Governance structure to be established in June 2019, with quarterly reporting to the Budget Review Subcommittee.