

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mr Higgins to the Treasurer:

Plan for Budget Repair

1. Please advise how pay freezes and recruitment freezes will be enforced?

The Commissioner for Public Employment sets the terms and conditions for NTPS employees including executive contract officers (ECOs).

Determination 5 of 2019 and Determination 8 of 2019 set out terms and conditions for contracts entered into after 23 April 2019, which are subject to three year wage freeze provisions.

Wage increase assurance provisions for ECOs subject to the three year wage freeze are set out in Determination 14 of 2019.

Determination 10 of 2019 and Determination 11 of 2019 set out terms and conditions for ECOs subject to the four year wage freeze. Wage increase assurance provisions for ECOs subject to the four year wage freeze are set out in Determination 12 of 2019.

2. How do you plan to meet your targets under the *Plan for Budget Repair*?

On 16 April 2019, the Territory Government released *A Plan to Fix the Budget*. The plan responds to recommendations made by the independent Fiscal Strategy Panel in its March 2019 final report, which recommended a package of interdependent reforms to support the Territory Government and

agencies to achieve the necessary level of expenditure restraint to return the budget to surplus.

The plan comprises immediate savings and revenue measures identified through the 2019 root and branch review of government programs, and medium to long-term structural reforms to the NTPS.

Significant progress has been made on implementing the reforms with 22 recommendations implemented and a further 43 under way.

A new fiscal strategy was adopted in the 2019 Budget, and a Charter of Budget Discipline implemented to strengthen and return focus to the annual budget process.

Measures to contain public sector employee growth have included the implementation of a staffing cap for all agencies, including a cap on executive contract officers and a wage freeze for ECOs and parliamentarians.

An ECO staffing cap, set at 52 positions below existing levels, was implemented effective 1 March 2019, with agencies given 12 months to achieve their targets. Staffing caps have been built into agency budgets, with agencies expected to manage staffing levels within the approved cap and employee expense budget.

A wage freeze for ECOs has been implemented, with indexation provisions in executive contracts for new and renewing staff removed in July 2019. Existing staff were requested to voluntarily agree to forgo salary increases for the next three years, but where they did not, their salaries will be frozen at 2019 levels upon contract renewal.

A wage freeze on parliamentarians has also been implemented through the Remuneration Determination Tribunal process.

Infrastructure service delivery teams previously existing across agencies have been centralised within the Department of Infrastructure, Planning and Logistics (excluding from the Department of Local Government, Housing and Community Development due to specific infrastructure requirements relating to remote and urban housing assets).

The centralisation of corporate services programs is well progressed, with the majority of corporate services personnel and budgets now transferred to the Department of Corporate and Information Services.

Investment Territory has been established, within a restructured Department of Trade, Business and Innovation (DTBI), to consolidate responsibility for major projects and investment attraction activities including a refresh of the Territory's major project processes. DTBI is also progressing microeconomic and regulatory reforms to reduce red and beige tape, aimed at making the Territory a more attractive destination for investment capital.

DTF, in conjunction with the Office of the Commissioner for Public Employment, is developing a framework to strengthen chief executive accountability. DTF continues to monitor agency expenditure to ensure emerging budget pressures and options to mitigate these are identified promptly and reported to the Budget Review Subcommittee for action.