

A PLAN TO FIX THE BUDGET IMPLEMENTATION STATUS UPDATE BY AGENCY – MARCH QUARTER 2020

Rec #	Recommendation	Government Response	Status	Comment
2.1	Reform the current major projects process to expedite and improve the efficiency of project approvals.	Establish an Office of Investment Attraction. Timing: 1 July 2019.	Underway	Investment Territory was established on 1 July 2019.
2.2	Develop a microeconomic reform roadmap with the key objective of making the Territory a globally competitive capital investment destination.	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.	Underway	The monitoring and review of regulatory practices affecting business is a core function of the Department of Trade, Business and Innovation (DTBI). Terms of reference have been finalised, stakeholder engagement has been completed and industry case studies are progressing. In addition, a consultant has been contracted to identify best practice across other domestic and international jurisdictions. The desktop research phase of the project has been completed, and consultation is about to commence with interstate and international government agencies and external stakeholders.
2.3	Consolidate the major projects, microeconomic reform and investment attraction functions into an Office of Investment Attraction.	Establish an Office of Investment Attraction. Timing: 1 July 2019.	Complete	Investment Territory was established on 1 July 2019. Investment attraction and major projects are part of Investment Territory.
3.1	Retain the twin objectives of the current fiscal strategy but specify that budget repair is the primary objective.	Implement in the 2019 Budget.	Complete	Complete - fiscal strategy updated through the 2019 Budget.
3.2	Targets under the fiscal strategy should have a more medium to long-term focus.	Implement in the 2019 Budget.	Complete	Complete - fiscal strategy updated through the 2019 Budget.
3.3	Expand the principles and targets of the fiscal strategy to include government owned corporations.	Implement in the 2019 Budget.	Complete	Complete - fiscal strategy updated through the 2019 Budget.
3.4	Adopt the new fiscal strategy principles and targets outlined in Chapter 3.	Implement in the 2019 Budget.	Complete	Complete - fiscal strategy updated through the 2019 Budget.

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3.5	Adopt the proposed Charter of Budget Discipline.	Implement in the 2019 Budget.	Complete	The NT Government approved the Charter of Budget Discipline in August 2019.
5.1.1	Remove the efficiency dividend exemption from grants and property management expenses across the forward estimates.	Apply the efficiency dividend to grants in the 2019 Budget. Efficiency dividend will not apply to property management expenses in recognition of contractual arrangements.	Complete	Complete - implemented through revisions to parameters in the 2019 Budget.
5.1.3	Review the wages indexation factor as part of the development of a new wages policy.	Immediately establish a working group with NTPS Unions to discuss and develop responses for implementation.	Underway	Working Group has been established. Implementation Plan project has been developed and Terms of Reference are being finalised. Executive Contract Officer wage freeze has been implemented.
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.	Implement in the 2019 Budget, effective from 2021-22.	Complete	Complete - implemented in 2019 Budget.
5.1.5	Publish 10-year budget and forward estimates key fiscal aggregate information in Budget Paper No. 2.	Implement in the 2020 Budget.	Complete	ICT upgrades to the whole of government budget system have been completed to enable 10-year reporting of key fiscal aggregates in the 2020 Budget.
5.1.6	Publish five-year agency output information in Budget Paper No. 3.	Implement in the 2020 Budget.	Underway	Planning is underway.
5.1.7	Strengthen the processes and level of ministerial and executive accountability for agency financial performance.	Implement in the 2019 Budget.	Underway	The Department of Treasury and Finance (DTF) has commenced development of a new performance reporting framework. This will be used to underpin accountability provisions. Revisions to existing legislation, e.g. the <i>Financial Management Act (FMA)</i> , will also be required.
5.1.8	Establish a parliamentary committee to scrutinize agencies' actual financial performance against the original budget.	Previously implemented through reforms to the Estimates process, but ceased due to lack of bipartisan support.	Complete	The establishment of a parliamentary committee to scrutinize actual financial performance was not supported by Opposition and Independent Members.

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5.1.9	Legislate a debt ceiling.	Work has commenced for implementation in the 2021 Budget.	Underway	Work has commenced for implementation in the 2021 Budget.
5.1.10	Strengthen accountable officer requirements in the FMA to limit ability of accountable officers to commit money in excess of approved budget and develop Treasurer's Direction clearly outlining sanctions for non-compliance.	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.	Underway	Changes to legislation and Treasurer's Direction underway.
5.2.1	Review the Financial Management and Accountability Framework and associated legislation, policies and procedures to ensure best practice.	Implement immediately.	Underway	Work is progressing to review and expand the Northern Territory financial management framework program.
5.2.2	Introduce bilateral meetings with the Budget Review Subcommittee prior to and during the development of Budget Cabinet submissions.	Implement immediately.	Complete	Consistent with the Charter of Budget Discipline, bilateral meetings with Ministers are now part of the budget development process.
5.2.3	Require OCPE to provide advice to Cabinet on submissions with staffing implications.	Implement immediately.	Complete	Cabinet Handbook and template have been updated.
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.	Implement immediately.	Complete	Government approved the Charter of Budget Discipline, detailing changes to the budget development process.
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.	Implement via Treasurer's Direction	Underway	Treasurer's Direction has been drafted for consultation, and will be finalised shortly.
5.2.6	Publish a list of approved Treasurer's Advance items in the Treasurer's Annual Financial Report.	Implement in 2020 Treasurer's Annual Financial Report.	Complete	List of approved Treasurer's Advance items were published in the 2019 Treasurer's Annual Financial Report (TAFR).
5.2.7	Implement reward/milestone-based budgeting for new initiatives to incentivise the achievement of desired outcomes.	Implement in the 2021 Budget.	To be commenced	DTF is developing an implementation plan for this item.

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5.2.8	Reward agencies that achieve outcomes and spend within their approved budget by allowing them to retain a share of underspends.	Implement in the 2020 Budget.	Underway	DTF has reviewed the carryover process to implement this recommendation.
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.	Implemented. Caps to be reviewed annually.	Complete	Complete.
5.3.2	Implement an immediate recruitment freeze for agencies currently exceeding their expenditure budget.	Implemented. Existing frontline positions not impacted.	Complete	Complete.
5.3.3	Incorporate staffing KPIs into chief executive performance agreements.	Implement from 1 July 2019.	Complete	Complete.
5.3.4	Review ECO levels and their associated remuneration structure.	Review and restructure will reduce ECO numbers by 10 per cent (52 FTEs) and reduce ECO bands from six down to five.	Underway	Executive Contract Officer numbers already incorporated into revised agency staffing caps. Jurisdiction comparison has been delayed due to the impact of COVID-19.
5.3.5	Implement a cap on executive staffing (including SAO2/SP2 positions) with immediate effect, pending the outcome of the executive classification review.	Review and restructure will reduce ECO numbers by 10 per cent (52 FTEs) and reduce ECO bands from six down to five.	Complete	Staffing cap has been established and is being monitored quarterly.
5.3.7	Develop a new wages policy based on a \$1000 per annum wage increase, including a wage freeze for executives and parliamentarians.	Wage freeze for executives and parliamentarians is accepted. Immediately establish a working group with NTPS Unions to discuss and develop responses for implementation.	Underway	Working Group has been established. Terms of Reference are being finalised. Executive Contract Officer wage freeze has been implemented.
5.3.8	Rationalise awards, harmonise conditions and review entitlements across the NTPS.	Wage freeze for executives and parliamentarians is accepted. Immediately establish a working group with NTPS Unions to discuss and develop responses for implementation.	Underway	Working Group has been established. Terms of Reference are being finalised.

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5.3.9	Explicitly prohibit back pay or equivalent sign-on payments under the new wages policy to encourage timely bargaining resolution.	Wage freeze for executives and parliamentarians is accepted. Immediately establish a working group with NTPS Unions to discuss and develop responses for implementation.	Underway	Working Group has been established. Terms of Reference are being finalised. Executive Contract Officer wage freeze has been implemented.
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.	Review to be completed within 18 months.	Underway	Current Public Sector Employment and Management Act (PSEMA) review finalised for government consideration. The Terms of Reference for the expanded PSEMA review is being finalised.
5.3.11	Move industrial relations to the Treasurer's portfolio and merge the Wages Subcommittee with the Budget Review Subcommittee.	Implement from 1 July 2019.	Complete	The Wages Subcommittee has been incorporated into the Budget Review Subcommittee of Cabinet, and wages policy is in the Treasurer's portfolio, with other elements remaining with the Minister for Public Employment. Reflected in the Administrative Arrangements Order effective 1 July 2019.
5.3.12	Establish a whole of government strategic workforce board.	Implement in the 2020 Budget.	Complete	The strategic workforce board has been established and will meet quarterly. A 12 month work program has been prepared. The work program includes priority projects, such as Job Families, Standardised Workforce Reporting, Performance Planning, NTPS Strategic Workforce Plan and NTPS Common Capabilities. This will include oversight of recommendation 5.3.13 and 5.3.14.
5.3.13	Develop a comprehensive training program to address concerns about the hollowing out of policy, administrative and technical capability across the NTPS.	Implement in the 2021 Budget.	Underway	Project has commenced, under the auspice of the Strategic Workforce Board.
5.3.14	Introduce a Job Family model for corporate roles common across agencies.	Implement over 2020 and 2021 Budgets.	Underway	Project has commenced, under the auspice of the Strategic Workforce Board. The model will be developed by the Office of the Commissioner for Public Employment (OCPE) in collaboration with the Department of Corporate and Information Services (DCIS).

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5.4.1	Implement the next phase of shared services reform by further centralising corporate services in the Department of Corporate and Information Services.	Phased implementation commencing 1 July 2019.	Complete	Budget and personnel transfers relating to the corporate services reform are complete.
5.4.2	Further centralise infrastructure planning, management and delivery into the Department of Infrastructure, Planning and Logistics, including repairs and maintenance budgets.	Phased implementation commencing 1 July 2019. Management of housing infrastructure to remain with the Department of Local Government, Housing and Community Development.	Complete	Personnel from eight departments have transferred into the Department of Infrastructure, Planning and Logistics (DIPL). Budget Transfer Agreements have been signed for six of the eight agencies. A DIPL change management team has been established to define a new divisional structure based on a centralised service delivery model in consultation with staff.
5.4.3	Restructure agencies to consolidate similar/related functions and reduce duplication.	Establish an Office of Investment Attraction. Timing: 1 July 2019.	Complete	Personnel have transferred to DTBI's Investment Territory from the Department of Primary Industry and Resources and the Department of Tourism, Sport and Culture. Subject expertise will be maintained as a key aspect of the new structure.
5.4.4	Implement a rolling program of organisational reviews.	Implement in the 2020 Budget.	Underway	A proposed framework for agency organisational reviews has been developed. Consultation with Chief Executives is underway. Government endorsement of the proposed framework will occur after consultation for implementation in 2020-21.
5.4.5	The annual schedule of organisational reviews should be determined by the Budget Review Subcommittee as part of the Budget development process.	Implement in the 2020 Budget.	Underway	Annual schedule will be developed following endorsement of the review structure.
5.4.6	Work with the Commonwealth and local government to improve remote service delivery coordination.	Already commenced.	Underway	Strengthening the role of the Regional Network Group, the Department of the Chief Minister (DCM) is continuing to work in collaboration with local government and the Commonwealth within the regions to strengthen Regional Coordination Committees and related governance. Engagement has been undertaken with Regional Executive Directors, Commonwealth National Indigenous Australian Agency, DCM Office of Aboriginal Affairs and other stakeholders to develop four action plans to support remote service delivery.

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5.4.7	Develop a centralised whole of government remote travel hub.	Commence development immediately with implementation across government phased over three years.	Underway	In light of the COVID-19 pandemic, project effort has been reprioritised to focus on: <ul style="list-style-type: none"> • Supporting the changes to restrictions on staff and patient travel • Supporting the improvement and upgrade of teleconference and telehealth services to enable staff to work from home and clinical services being delivered remotely reducing the need for patient travel.
5.5.1	Develop a whole of government program evaluation framework.	Implement in the 2020 Budget.	Nearly complete	Program evaluation framework nearly complete.
5.5.2	Update the Cabinet submission template to include program evaluation requirements.	Implement in the 2020 Budget.	Underway	Work is progressing on the proposed updates to the Cabinet submission template.
5.5.3	Develop an annual schedule of evaluation of existing programs for approval by the Budget Review Subcommittee.	Implement in the 2020 Budget.	Underway	A master list of NTG programs is being compiled in collaboration with agencies, with responses due to DTF in May 2020. An evaluation register has been established which will inform the development of the annual schedule of evaluation.
5.5.4	Mandate the use of sunset clauses in new programs.	Implement in the 2020 Budget.	Underway	Work is progressing on the proposed updates to the Cabinet submission template and handbook.
5.5.5	Foster the development of behavioural economics capability across the NTPS with a focus on adopting proven approaches from other jurisdictions.	Implement in the 2020 Budget.	Complete	An informal NTG Behavioural Economics interagency network has been established with 73 members across 13 agencies. The group shares examples of how other jurisdictions are using behavioural economics to improve service delivery and access.
5.5.6	Develop a process to ensure new and existing business-related regulations are actively maintained and improved through a regulatory stewardship model.	Implement in the 2020 Budget.	Underway	A review of the Northern Territory Regulation-Making Framework (RMF) is currently underway.
5.5.7	Update the Cabinet submission template to include regulation evaluation requirements.	Implement in the 2020 Budget.	Underway	Work is progressing to develop updates to the Cabinet submission template. Linked to recommendation 5.5.6.

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5.5.8	Develop and communicate clear timeframes for decision-making processes to minimise the impact of beige tape and improve investor certainty.	Implement in the 2020 Budget.	To be commenced	This item will be addressed in recommendations arising from the beige tape review noted in Recommendation 2.2 above.
5.5.9	Publicly report actual performance against approved regulatory decision-making process timeframes through annual reports and budget papers.	Implement in the 2020 Budget.	To be commenced	This item will be addressed in recommendations arising from the beige tape review noted in Recommendation 2.2 above.
5.5.10	Mandate the use of sunset clauses in new regulations that affect the cost of doing business in the Territory.	Implement in the 2020 Budget.	Underway	Refer to 5.5.6 above
5.5.11	Implement the Northern Territory Project Development Framework (NTPDF) via Treasurer's Direction to support a structured approach to capital project development.	Implement in the 2020 Budget.	Nearly complete	Government approved the NTPDF for use in developing the 2020 Budget. Treasurer's Direction is being finalised as part of the infrastructure series to support use of the framework. DTBI will continue an outreach and awareness program targeting key stakeholders.
5.5.12	Work with the Commonwealth to secure increased capital investment to address the Territory's infrastructure deficit.	Already commenced.	Underway	The NT Government has continued to advocate for Commonwealth investment in key infrastructure priorities for the Territory, as part of COAG discussions and bilaterally. The Northern Territory has engaged with the Commonwealth on the possible design of economic stimulus measures in response to COVID-19 pandemic — including for infrastructure.
5.6.1	Adopt a digital first mindset in relation to government service delivery.	Underpins other digital transformation initiatives and will progress in parallel.	Underway	Digital Service Standard and Policy approved. Data Governance Framework approved by government. A digitally aware culture and mindset change will continue to improve.
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.	To inform 2021 Budget. Requires 5.6.3 to be completed. Provides foundation for 5.6.4 and 5.6.7	To be commenced	Preliminary analysis in progress, with detailed planning dependent on availability of key resources across government, as well as outputs from the ICT systems stocktake. To be progressed over 2020.
5.6.3	Undertake a whole of government ICT system stocktake.	Deliver in 2020 as prerequisite to inform other digital transformation initiatives.	Underway	Systems stocktake in progress with over 70% of systems identified and analysis underway. Anticipate completion mid-2020.

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5.6.4	Develop and maintain a five-year ICT system roadmap outlining priority projects and major system replacement requirements.	To inform 2021 Budget. Requires 5.6.3 and 5.6.2 to be completed.	To be commenced after 5.6.2 and 5.6.3	Requires 5.6.3 to be conducted to inform analysis. Given the number of significant digital transformation programs underway through 2019 to 2021, the roadmap will focus from 2021-23.
5.6.5	Rationalise the number of bespoke/standalone ICT systems across the NTPS.	To inform 2021 Budget. Requires 5.6.3 and 5.6.2 to be completed. Informs 5.6.4 and 5.6.7	To be commenced after 5.6.4	To be progressed as part of the roadmap at 5.6.4 and requires a medium to longer-term planning and investment horizon.
5.6.6	Develop and implement a single integrated budget management system for agencies.	System development to commence immediately. Phased implementation over the 2020 and 2021 Budgets.	Underway	Project progressing and is currently in the System Build stage. The first pilot site is scheduled to 'go live' in Q2 2020-21.
5.6.7	Develop an automation roadmap for Territory Government service delivery.	To inform 2021 Budget. Requires 5.6.3 and 5.6.2 to be completed. Align with 5.6.4.	To be commenced after 5.6.2 and 5.6.4	This links to a number of the above initiatives and will commence when more information is available from the initiatives.
5.7.1	Maintain a competitive taxation environment and revenue raising effort relative to other jurisdictions.	Implement immediately.	Underway	Ongoing.
5.7.2	Reform gambling taxation arrangements for bookmaker and betting exchange taxes.	Stakeholder engagement to commence in 2019. Implement in the 2020 Budget.	Nearly complete	Consultation with industry and other stakeholders undertaken by DTF and DTBI.
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.	Commence implementation through the 2019-20 Statement of Corporate Intent process.	Underway	DTF is working with the Government Owned Corporations to implement the relevant recommendations as part of the 2020-21 Statement of Corporate Intent process.
5.7.4	Develop a commercial asset management framework.	Framework to be developed within 12 months.	Underway	Implementation plan finalised. Development of framework has commenced.
5.7.5	Undertake a review of existing commercial assets in accordance with the commercial asset management framework.	Government will consider efficiency improvements, but has ruled out all commercial asset sales.	Underway	Implementation plan finalised. Review of commercial assets has commenced.

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5.7.6	Develop a government services pricing framework.	Implement in the 2021 Budget.	Underway	Implementation plan being finalised.
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.	Review to commence by December 2019.	Underway	Consultants have been engaged. Review commenced in March 2020 and is underway.
5.7.8	Seek relief of debt inherited from the Commonwealth on self-government.	Implement immediately.	Underway	Correspondence has been sent and meetings held at ministerial and officials level to progress this issue with the Commonwealth.
6.1	Adopt a staged process to budget repair, incorporating phases of reform linked to the annual budget development process.	Adopt a phased approach linked to the budget cycle where relevant over the 2019, 2020 and 2021 Budgets.	Underway	Ongoing.
6.2	Implement the governance model outlined at Figure 13, including the establishment of a Budget Repair Standing Committee and Budget Repair Office.	Governance structure to be established in June 2019, with quarterly reporting to the Budget Review Subcommittee.	Complete	Governance structure is in place and regular performance monitoring and reporting is undertaken.

Summary Table

Agency	Complete	Nearly Complete	Underway	To be Commenced	Total
DTF	16	2	17	1	36
DCM	1	-	6	-	7
DCIS	1	-	3	4	8
OCPE	4	-	8	-	12
DTBI	2	1	4	2	9
DIPL	1	-	-	-	1
DoH	-	-	1	-	1
TOTAL	25	3	39	7	74