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SENIOR EXECUTIVE SERVICE CASE STUDY – NORTHERN TERRITORY

By Professor Brian Head (UQ) and A/Prof Linda Colley (CQU)

PREFACE

This ANZSOG Research Insights paper is one of a series of eight case studies which summarise how senior executive arrangements in the public service have evolved since the 1980s in Australia. The series includes the Commonwealth, all six states and the Northern Territory. The papers cover the legislative and policy changes that have influenced the work of each public service over recent decades, and provide a snapshot of recent arrangements for senior public servants in each jurisdiction through to around 2021.

The papers are being published as a resource that may assist students and researchers who want to understand more about the comparative arrangements across jurisdictions.

The papers were compiled by a research team led by Brian Head, Professor of Public Policy at the University of Queensland, and Linda Colley, Professor of Work and Employment at CQUniversity. Valuable research assistance was provided by Shelley Woods, Chris Salisbury and Prue Brown. The research team is grateful to a network of contact officers in each jurisdiction who assisted in checking the accuracy of the materials. They are not responsible for any errors or oversights that remain.

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Glossary

CPE – Commissioner for Public Employment

NTPS – Northern Territory Public Sector

OCPE – Office of the Commissioner for Public Employment

1 NT Governments

1.1 Historical background

The area now known as the Northern Territory was part of the Colony of New South Wales from 1825–1863, after which it was governed by South Australia until 1911 when it was surrendered to the Commonwealth (Horne, 2007). The Commonwealth established the Office of Administrator to administer the Territory on its behalf, a Council of Advice (with up to six members) to advise the Administrator, and the Northern Territory Supreme Court. The first Northern Territory public service was established in 1913.

In 1922, the Commonwealth provided for one NT member of the House of Representatives, albeit with no voting rights. From 1936, the Member for the Northern Territory was enabled to vote on disallowance motions for Territory Ordinances, with full voting rights granted in 1959 and equal privileges in 1968 (Horne, 2007).

For five years between 1926 and 1931, the NT was divided into North Australia and Central Australia, each with a discrete administration, with a North Australia Commission established to progress development (Horne, 2007). This territorial division was repealed in 1931, the previous unified system of administration was restored, and a Deputy Administrator was appointed. After the bombing of Darwin in 1942, the NT was placed under military administration, with civilian administration resuming after the war.

A Legislative Council was established in 1947, comprising the Administrator, seven appointed members and six elected members, and was empowered to make ordinances “for the peace, order and good government of the Territory”, subject to some Commonwealth limitations (Horne, 2007). Five electoral districts were established, with Darwin entitled to two seats, with the inaugural general election held in 1947 and the inaugural sitting of the Council in 1948. The number of elected members was increased to eight in 1959, with the final general election for the Legislative Council held in 1971 – at which time the electoral role had tripled to more than 25,000 since the inaugural 1947 election when enrolment was just 4443 (Horne, 2007).

In 1972, the Commonwealth established a specific Department of the Northern Territory. A dedicated parliamentary committee was set up in 1973 to investigate options for the future administration of the Territory. In 1974, the Commonwealth:

- provided for two Senators to represent the NT
- undertook an electoral redistribution resulting in 19 electoral districts
- established the Northern Territory Legislative Assembly comprised of 19 elected members
- re-composed the Administrator’s Council to include five members of the Legislative Assembly
- Held a general election for the Assembly in October 1974, with the first sitting held in November (Horne, 2007).

Also in November 1974, the parliamentary Joint Committee on the Northern Territory recommended the creation of a new Territory administration comprising the existing NT Public Service, with Commonwealth officers transferred into the Territory executive (Horne, 2007). The following year, the Whitlam Government abolished the Department of the Northern Territory and the Department of Northern Development, replacing them with a new Department of Northern Australia. Prime Minister Malcolm Fraser announced soon after his election in December 1975 that NT statehood would occur within five years. The Department of Northern Australia was abolished and the Department of the Northern Territory was re-established (Horne, 2007). In 1976, the Commonwealth provided for the transfer of certain responsibilities and functions to the Territory, including administration of the public service

and the Department of the Northern Territory from 1 January 1977 (Horne, 2007). A Constitutional amendment (s.128) through a referendum enabled Northern Territory and ACT electors to vote in any subsequent constitutional referenda.

1.2 Self-government

The Government of the Northern Territory was established on 1 July 1978 with the granting of self-government from the Commonwealth, which retained the ability to legislate for the Territory under s. 122 of the Australian Constitution (Horne, 2007). Under the *Northern Territory (Self-Government) Act 1978* (Cwlth), ministerial offices were established, with an Executive Council to advise the Administrator.

Following the granting of self-government in 1978, the Northern Territory was governed for 23 years by the Country Liberal Party (CLP) – formed by merging the Country and Liberal Parties in 1974 for the forthcoming Legislative Assembly elections (in which they won a majority).

The NT Legislative Assembly has 25 members, each representing around 3500 electors. This is generally agreed to result in elected members who are focused on local issues and have a significant ‘incumbent’ advantage.

From 2001, Labor held government for 11 years, with the last three years as a minority government. Since then, government has switched at each election until 2020, when Labor won a second term. First elected in 2016, Chief Minister Michael Gunner was the 11th in four decades. In January 2020, Mr Gunner pledged to take disciplinary action against department heads who failed to run their agencies within budget, citing a number of “serial offenders” in police, corrections and health (Smith, 2019, Jan 16). The Gunner government was re-elected in August 2020 with a reduced majority. Andrew Kirby was appointed Minister for Public Employment as part of broader portfolio responsibilities.

In July 2020, the Australian Electoral Commission (AEC) determined that the NT was only entitled to one Federal Senator (instead of two). NT Labor Senator Malarndirri McCarthy sought to reverse the decision through a Private Members’ Bill that was passed by the Federal Parliament in December 2020 (ABC News, 2020, Dec 10).

Table 1. Summary table – NT governments, public service institutions and commissioners

Assumed Office	Left Office	Chief Minister	Party	Institution	Public Service Commissioner	Balance of power?
7 Sep 2020 (following election of 22 Aug 2020)		Michael Gunner	Labor	Office of the Commissioner for Public Employment (OCPE)	Vicki Telfer (from Sept 2019) David Braines-Mead (Acting May to Aug 2019) Craig Allen – until May 2019	Reduced majority
31 Aug 2016		Michael Gunner	Labor	OCPE	Craig Allen	Majority
14 Mar 2013	30 Aug 2016	Adam Giles	Country Liberal Party (CLP)	OCPE	Craig Allen Ken Simpson	Majority, until July 2015 (after multiple defections)
29 Aug 2012	13 Mar 2013	Terry Mills	CLP	OCPE	Ken Simpson	Majority
26 Nov 2007	28 Aug 2012	Paul Henderson	Labor	OCPE	Ken Simpson	Majority (minority from Aug 2009 – Aug 2012 with support of Independent)
18 Aug 2001	26 Nov 2007	Clare Martin	Labor	OCPE	Ken Simpson John Kirwan Graham Symons David Hawkes	Majority
8 Feb 1999	17 Aug 2001	Denis Burke	CLP	OCPE	David Hawkes	Majority
25 May 1995	7 Feb 1999	Shane Stone	CLP	Office of the Commissioner for Public Employment	David Hawkes (Commissioner for Public Employment)	Majority
13 Jul 1988	24 May 1995	Marshall Perron	CLP	Public Service Commissioner (until 1993)	David Hawkes Syd Saville	Majority
14 May 1986	12 Jul 1988	Stephen Hatton	CLP	Public Service Commissioner	Syd Saville Keith Fleming	Majority

Assumed Office	Left Office	Chief Minister	Party	Institution	Public Service Commissioner	Balance of power?
16 Oct 1984	13 May 1986	Ian Tuxworth	CLP	Public Service Commissioner	Keith Fleming Ken Pope	Majority
1 Jul 1978	15 Oct 1984	Paul Everingham	CLP	Public Service Commissioner	Ken Pope (inaugural, from July 1978)	Majority

2 NT Reform Context

The NT has a uniquely short public service history with new arrangements established in 1974. The role of Public Service Commissioner was established in 1978 as a dedicated, independent statutory role under the *Public Service Act*. Following the *Public Sector Employment and Management Act* in 1993, the position was renamed as the Commissioner for Public Employment. While the Commonwealth did not grant the NT industrial relations power under the Northern Territory (Self Government) Act 1978, it did provide for the NT Government to pass laws with respect to employment in the public sector (see section below).

At self-government, many public sector employees were compulsorily transferred from the Commonwealth Government. Twenty years later, these officers still comprised a quarter of all NT public service employees. According to Hawkes (1999), this had led to a lack of trust by Ministers, resulting in a more hands-on ministerial approach. Some suggested that the decision to delineate roles and responsibilities in the PSEM Act in 1993 stemmed from this background. Since self-government, the NT government has been the largest single employer in the NT (up to 25% of the workforce).

Following the establishment of the NTPS in 1978, there were two major periods of reform – 1991 to 1993, when the Public Service Act was changed to the *Public Sector Employment and Management Act* (PSEMA), and then in 2011 following a review of the PSEMA.

The development and enactment of new public sector employment and management legislation is without doubt the most important issue for 1991/92. There is a need to clarify the Commissioner's role and the role of Chief Executive Officers and their respective relationships. There is a need to define accountability in more specific terms and there is an equally urgent need to reform some key areas of personnel practice such as tenure, discipline and poor performance (PSC, 1991, p. 5).

Following an extensive and contentious Estimates Review Process from 1990–1991, work commenced on developing a new approach to public sector employment in the NT. According to a speech by then Public Service Commissioner David Hawkes in 1991, there were two main motivations:

1. The need to remove the “fragmenting of employing power” while still retaining flexibility for individual organisations within the public sector (p.74).
2. The need for clear delineation of the roles, responsibilities and accountabilities between government, Ministers, the Commissioner for Public Employment, and CEOs (as heads of agencies were then known) (Hawkes, 1991, p.75).

The review process was also motivated by the Structural Efficiency Principle, enunciated by the Industrial Relations Commission in 1988 (as part of the 1988 National Wages Case).

According to Hawkes (1991), there were 12 major features of the proposed legislation:

1. The Act applies to all public sector employees (as far as practical). As it turned out, the final legislation only omitted police, tourism and two small statutory authorities (Ombudsman and Auditor General).
2. Includes a set of objectives and principles about general personnel management, ethical issues and a code of behaviour (final Act included the Principles of Public Administration and Management, Principles for Human Resource Management and Principles of Conduct – in the regulations).
3. Replace the Office of the Public Service Commissioner with the Commissioner for Public Employment (CPE) with functions more concerned with principles than with operational matters. The final legislation had the CPE responsible for determining terms and conditions of service and as respondent to all awards, with all other functions as advisory, consultative and assisting. CEOs were responsible and accountable for management of their agencies.
4. The CPE's powers are only to be exercised after consultation with CEOs.
5. Clear delineation of the functions, responsibilities, accountabilities of CEOs.
6. Devolution of management responsibilities wherever possible from CPE to CEOs.
7. Integration of staff number control with budget system (i.e. no numbers of positions but dollars for staffing).
8. Established a management review function which provided the basis for KPIs and performance management. This comprised the CPE and the CEOs of the Department of the Chief Minister (DCM) and Treasury.
9. More flexible employment and tenure arrangements (i.e. contracts).
10. Specific provisions to cover inability and poor performance.
11. Streamlining disciplinary provisions.
12. Less cumbersome appeal provisions (Hawkes, 1991, pp 76-80).

The Public Sector Management and Employment Act 1993 (PSEMA) established general principles relating to the public sector and its administration and established the role of Commissioner for Public Employment.

Some policies that had impacts on public sector employment between 1993 and 2010 included:

- NTPS21 (1997) – a strategy for managing change and the enterprise bargaining process
- Building our Future (2001) – “to ensure the NTPS is capable of delivering the Government’s strategic objectives in an environment of continuous change”
- Working for Outcomes (2001) – new financial and performance management system with a focus on measuring outputs and performance.

In 2014–15, the Northern Territory saw an increase in complaints made by public servants against their employer, with a significant increase in appeals against recruitment selection decisions – which almost doubled (Donaldson, 2016, Jan 20). In response, recruitment and selection processes were reviewed and streamlined, with a new Determination limiting job descriptions to one page and setting clear instructions for selection criteria to make them more open to outside applicants (Allen, 2016, Mar 7). The one-page job descriptions were introduced ahead of a similar federal policy in the Department of Prime Minister and Cabinet (PM&C) which adopted a ‘one-page pitch’ approach to recruitment (Donaldson, 2016, Jan 22).

In 2016, the government of Chief Minister Adam Giles announced two new agencies – a Chief Scientist and a Remote Housing Development Authority (Easton, 2016, May 26). A dedicated

Minister for Public Employment (Gerry McCarthy) joined the Cabinet table. The same year, the NT public service was on track to meet its target of 16% Indigenous employment by 2020 (Easton, 2016, May 26).

In December 2018, NT Treasurer Nicole Manison revealed that, without fiscal reform, the NT was likely to be \$35 billion in debt within a decade – with \$4 million in borrowing a day already needed to cover public sector wages (Smith, 2019, Jun 16). In November 2018, the Gunner Government established a Fiscal Strategy Panel, chaired by former WA Under-Treasurer John Langoulant, to provide an independent assessment of the NT's fiscal outlook and develop a plan for budget repair. The final report, released in April 2019, included recommendations for “reforming the NTPS to deliver a sustainable workforce” (Langoulant et al., 2019). While recognising that the NTPS was the Territory Government's largest asset, it was also its greatest expenditure. The Langoulant Review therefore proposed strategies for reducing employee costs:

- Halt the growth in the NTPS
- Implement staffing cuts
- Introduce a hiring freeze for agencies that exceed their cap/budget
- Adopt a new wages policy
- Review the industrial relations framework
- Establish a whole-of-government strategic workforce board (Langoulant et al., 2019, p. 91).

If these strategies were unsuccessful, then staff reductions would become necessary. Recommendations to avoid staff cuts were:

- Implement a cap on Territory-funded FTE positions for the next three years, with growth in the cap thereafter limited to population growth.
- Implement an immediate recruitment freeze for agencies currently exceeding their expenditure budget.
- Incorporate staffing KPIs into chief executive performance agreements (Langoulant et al., 2019, p. 95).

Langoulant suggested that the 17% of NTPS positions that were externally funded, mainly by the Commonwealth, should be excluded from the cap given they were budget-neutral (p. 16). These positions were spread unevenly across agencies, ranging from 0% to 50% of agency staff.

In April 2019, the Gunner Government announced plans to cut spending by \$11 billion. Savings measures included axing 52 of the highest-paid public service positions and several hundred other full-time positions, freezing the pay of politicians and public sector executives for three years, and capping public service pay increases at \$1000 per year until the next Enterprise Bargaining Agreement (Roberts, 2019, Apr 16). Treasurer Nicole Manison said the public sector reforms were the most significant since the Territory was granted self-government in 1978 (quoted by Roberts, 2019, Apr 16).

In June 2019, the Treasurer announced a three-year freeze on the salaries of public sector executives and politicians that would save the Territory \$25 million (Manison, 2019). The NTPS Bargaining Policy 2021–2024, released in March 2021, proposed a \$1000 “lump sum payment per year for term of agreement” (OCPE, 2021). An NTPS Strategic Workforce Board was established in late 2019 “to drive actions and initiative that maximise NTPS workforce investments as a means to improve workforce sustainability and capability” (OCPE, 2020b: 6)

In November 2020, the Territory Economic Reconstruction Commission, led by former NT Chief Minister Paul Henderson, presented its Final Report (TERC, 2020). The Commission argued that public service capacity was integral to attracting investment to the NT, suggesting that the government engage “a strategic advisor ... to support the cultural shift, to help build capability in the public service” (TERC, 2020: 33). It recommended support for

...rapid public service capability uplift and/or assessing and developing wide-scale commercial understanding, economic and policy analysis and development, up-to-date knowledge of industry and global trends, project management, and agile and active cross-agency collaboration (not only cooperation) (Rec. B1, p. 39).

3 The public service during global crises

This section outlines public service measures in response to the Global Financial Crisis (GFC) and the COVID-19 pandemic.

GFC

The Northern Territory was initially less impacted by the GFC than other jurisdictions, largely attributed to its investment in strategic infrastructure prior to the economic crisis, delaying much of the impact (House of Reps, 2009, p. 73; Treasury, 2011).

In the five years before the onset of the GFC, the Territory had recorded average annual economic growth above other Australian jurisdictions (5.2% compared to the national average of 3%). While economic growth slowed nationally in 2008-09 to 1.4%, the NT maintained growth at 5.1%, slowing to 1.3% in 2009-10 then recovering to 3.2% by 2011–12 (Treasury, 2011, p. 15). Public sector wage growth in 2010 (3.8%) was slightly higher than the private sector (3.4%) following a restructuring of NTPS classifications and the introduction of a new enterprise bargaining agreement (Treasury, 2011, p. 3).

COVID-19

Public sector debt in Australia increased significantly in 2019–20 due to the economic impacts of the pandemic, with the NT becoming burdened with the highest net public sector debt to Gross State Product ratio of Australian jurisdictions (ABS, 2021).

The NT has the highest proportion of public servants of any Australian jurisdiction. A public service staffing cap, introduced in 2019 as a budget repair measure, was lifted twice in 2020 to enable extra frontline staff to deal with the pandemic, with a new cap of 21,437 FTE positions (James, 2020).

In November 2020, in the context of the delayed Territory Budget, the government announced a four-year freeze on public service wage growth, with a \$1000 per annum “retention bonus” for eligible employees – a policy the public service union argued would slow post-pandemic growth (CPSU, 2021). However, the plan to replace the previous 2% annual wages increase had already been flagged pre-pandemic as part of the raft of measures to tackle the Territory’s budget crisis, recommended in 2019 by the Langoulant review.

4 Northern Territory Public Service Legislation

4.1 Background

Under the *Northern Territory (Self-Government) Act 1978* (NTSGA), the Federal Government retained the power “to deal with matters pertaining to the relationship between employers and employees” under the Workplace Relations Act (OCPE, 2009a, p. 3). Under the Act, regulation of Federal Industrial Relations was divided between the following bodies:

- the Australian Industrial Relations Commission (AIRC) – essentially disputes and unfair dismissals;
- the Workplace Authority – registration of agreements and checking them for compliance with the no-disadvantage test, recording of transmission of business arrangements and publication of pay scales;
- the Workplace Ombudsman – inspectoral and prosecutorial services; and
- the Australian Fair Pay Commission – periodic adjustment of the Federal minimum wage.

The NTSGA did however grant the NT Legislative Assembly “powers to make laws in respect to public sector employment, and to the Commissioner for Public Employment to make determinations for establishing terms and conditions of employment for NTPS employees” (OPSCE, 2009a). To address inconsistencies between NT laws and Federal awards, the Act prescribes that the latter shall prevail. It should be noted that successive NT Governments have made policy decisions to pursue collective rather than individual bargaining agreements.

The *Public Sector Employment and Management Act 1993* (PSEMA) established the Commissioner for Public Employment as the statutory employer of NT public servants. Governing the employment, management and administration of NTPS employees, the Act clarified the roles and responsibilities of the Minister for Public Employment, the Commissioner and Chief Executive Officers (OCPE, 2020a). The PSEMA Regulations established the Public Sector Consultative Council and regulates matters such as employee records, resignations and appeals.

The ‘separation of powers’ philosophy is also reflected in the PSEMA, which outlined the obligations of public servants to the government of the day, the requirement for them to be politically neutral, and placed restrictions on the directions that Ministers and their staff may convey to agency CEOs (OCPE, 2009a, pp 5–6):

“• *Obligation to the Government of the Day*

The Principles of Public Administration and Management (Regulation 2) and the Principles of Conduct (Regulation 4), together with the Code of Conduct (Employment Instruction No 13), clearly set out a range of matters concerned with NTPS employees’ obligations to the government of the day. In broad terms, the first priority of employees is to carry out government policy in a manner that withstands the closest public scrutiny. Public sector employees are therefore obliged to serve their Ministers, within the law, with skill, impartiality, professionalism and integrity.

“• *Political Neutrality*

The Regulations require NTPS employees to serve whatever government is in power in the same professional and impartial way. This convention of political neutrality is designed to ensure that NTPS employees provide strong support for the good government of the Northern Territory regardless of the political party in power. NTPS

employees are therefore responsible for providing advice to Ministers that is frank, independent, based on an accurate representation of the facts and which is as comprehensive as possible. However, final decisions on policy are the prerogative of Ministers. Public servants must not withhold relevant information, nor seek to obstruct or delay a decision, nor attempt to undermine, nor improperly influence government policy.

“• Restriction on Ministerial / Ministerial staff Direction to CEOs

The PSEMA sets out the functions of CEOs and states that they are subject to the direction of the portfolio Minister. It must be emphasised this direction is not absolute and there are a number of crucial restrictions on the extent to which a Minister may direct a CEO. While these restrictions are discussed in greater detail below, it is clear that Ministers and their staff are not able to direct CEOs in respect of public employment matters.”

The subordinate legislation under the PSEMA comprises:

- Regulations (principles and machinery matters)
- By-laws to over conditions of service
- Employment instructions (listed below)
- Determinations

The Employment Instructions are:

1. Advertising, Selection, Appointment, Transfer and Promotion
2. Probation
3. Natural Justice
4. Performance Management
5. Medical Incapacity
6. Inability to Discharge Duties
7. Discipline
8. Management of Grievances
9. Omitted
10. Employee Records
11. Equal Employment Opportunity Management Programs
12. Occupational Health and Safety Programs
13. Code of Conduct
14. Part-Time Employment

The By-Laws relate to:

- leave
- entitlement to and payment of allowances
- recruitment and transfer expenses
- conditions applying to employees transferred to the Public Service or a statutory corporation
- conditions applying to employees in remote localities
- leave and other fares, and
- other terms and conditions of employment.

The Anti-Discrimination Act was also passed in 1993, but the CPE retained some responsibility for EEO matters. The Financial Management Act was also amended in 1993 to provide for agency efficiency reviews.

There was a major review of the PSEMA in 2008/09 which resulted in legislative amendments in 2011. The review was in response to a package aimed at reform and revitalisation of the NTPS, including:

- review of the Public Sector Employment and Management Act
- redefinition of 'merit' in the Act to value diversity
- development of a sector-wide HR Strategic Plan and workforce planning framework
- a new Leadership Development Framework
- the Northern Territory Government becoming a financial member of the Australian and New Zealand School of Government (ANZSOG)
- the Department of the Chief Minister establishing and managing a 'think tank' with membership drawn from participants in the NTPS Leadership Program, to consider strategic issues facing the Northern Territory
- reviewing current policies including the Work Life Balance Strategy, Willing and Able Strategy and the Indigenous Employment and Career Development Strategy with the aim of increasing the employment of people with disabilities, Indigenous people and other disadvantaged groups in the community and achieving work life balance for all NTPS employees
- development of a sector-wide Innovation/Recognition and Reward program, and
- undertaking biennial NTPS staff surveys relating to staff satisfaction, agency performance and issues of concern (OCPE, 2009a).

It also appears to be in response to the passage of the Federal Fair Work Act.

Following the review, changes were recommended for:

- moving the principles from regulations into the Act
- defining casual and temporary employment
- amending the definition of merit in PSEMA to include 'the diversity that a person from an EEO target group brings to the workplace' as one further aspect of merit-based selection
- procedures for filling vacancies and making appointments
- delegation by CEOs to 'a person', not just 'an employee'
- procedures for dealing with poor performance and discipline
- major review of the subordinate legislation, particularly the Employment Instructions.

The main thrust of the changes was to:

- ensure the PSEMA is "more explicit on the performance obligations and career development of employees"
- provide less prescriptive and complex means for dealing with inability and disciplinary matters (OCPE, 2009, p.4).

The *Public Sector Employment and Management Amendment Act 2011* also provided for the appointment and termination of Chief Executives by the Chief Minister (s. 23(1)).

The *Independent Commissioner Against Corruption Act 2017*, which commenced on 30 November 2018, established the Office of the Independent Commission Against Corruption (ICAC) and an Independent Commissioner to address wrongdoing in public administration.

5 SES Policy

According to former Commission Hawkes, executive contracts for senior officers and CEOs came into play in 1992. They allowed for specific performance reviews, but not performance pay (Hawkes, 1999). Executive Contract Officer (ECO) classifications were developed and implemented in 1992 “predominantly to move more senior/higher paid workers onto fixed term appointments to place the emphasis on performance” (Langoulant et al., 2019, p. 96). The previous permanent executive officer designations (EO1 to EO3) were retained to enable ongoing employees to backfill or act in contract roles (p. 97).

The Langoulant Review (2019, p. 16) identified “clear opportunities to reduce the number of ECOs and associated costs”, recommending:

- A review of ECO classification levels and remuneration structures
- An immediate cap on executive staffing pending the outcome of the review
- Conversion of ECO1 positions to SAO2/SPs positions.

It was reported that salaries for NT executive officers were greater than for similar positions in either New South Wales or Victoria (Roberts, 2019, Apr 16). Langoulant considered that the relationship between the SAO2/SP2 and ECO1 classifications was an “anomaly”, with these roles having “the same work value but substantially different rates of pay” (p. 17). The Budget Repair Advisory Panel suggested demoting more than 300 ECO1 executives down to the highest administrative level, resulting in salary cuts of around \$50,000 a year (Smith, 2019, Jun 16). Implementation of this recommendation would have halved the size of the executive cohort, but the Government – while it accepted the review and the cap – rejected the elimination of existing ECO1 positions. It did, however, agree to reduce ECO numbers by 10% (52 FTE positions) and reduce the ECO salary bands, from six to five.

Terms and conditions of employment for Executive Contract Officers (ECO) had previously been set out in *Determination 13 of 2011* (OCPE, 2011). In 2019, a number of public service executive reforms were announced as contributions to cost savings to address budget repair. First was a 10% cut in the public service executive ranks, amounting to 52 full-time positions (Donaldson, 2019, April 16). This was followed by a three-year wage freeze for contracts entered into after 23 April 2019. In October, a four-year wage freeze was announced for ECOs who did not agree to vary the terms of their existing contracts by August 2019. In both cases, assurances were given on pay rises after the frozen period.

The pay freeze initiative was temporarily in limbo after a union challenge arguing that legal advice suggested that public service executives could not be forced to sign pay-freeze agreements (Gibson, 2019, Jun 3). Former Commissioner for Public Employment Ken Simpson (2006–2014) argued that by law, only the Commissioner could determine pay and conditions, and any changes should occur without government interference:

The independence of the public service has to be protected... Who do they think is going to be attracted to the Northern Territory executive ranks if they start dishonouring contracts? (quoted by Smith, 2019, Jun 16).

In early July 2019, Chief Minister Michael Gunner announced that half the group of more than 600 executives had agreed to the temporary freeze, issuing an ultimatum to the rest:

You have an opportunity to sign a three-year pay freeze now, or at the end of your contract you can sign a four-year pay freeze, or this is your last contract with the Territory government” (quoted by Easton, 2019, Jul 3).

By August, all relevant Treasury staff and 94% of those in the Chief Minister’s Department had agreed to the temporary freeze which also applied to NT politicians – a policy estimated to save \$25 million over three years (Donaldson, 2019, Apr 16; Easton, 2019, Sep 10).

Table 2 below shows that the total remuneration package for NT ECOs actually declined between 2011 and 2019. The additional Tables 3 and 4 summarise the employment terms and conditions of CEOs and Executive Contract Officers in the NT over twenty years.

Table 2. NT public service executive remuneration

Title	Level	2011 remuneration \$	2019 remuneration \$	Notes
Executive Contract Officer	ECO1 to ECO6	222, 971 – 401, 644K	217,533 – 391, 848	Administrative stream
Executive Contract Principal	ECPL2 to ECPL5	197,209 – 238,529	192,399 – 238, 529	Education sector
Executive Contract Manager	One level	\$189,969 – 211,821	185,336 – 206,655	Applies to Power and Water, Jacana Energy and Territory Generation.

Source: OPCE (2020). Executive Contracts. <https://ocpe.nt.gov.au/employment-conditions-appeals-grievances/executive-contracts>

Notes: Remuneration includes salary, superannuation and vehicle.

Table 3. Summary table – Chief Executive Officers – Northern Territory

	1999 position	Interim changes	Current position
Recruitment			
Advertised internally	Sometimes	Generally – CEO roles advertised on NTG Website	Always for longer term vacancies (2 or more years) – appears on the NTG Website. Shorter periods may be filled internally.
Advertised externally	Sometimes	Longer term vacancies (3-4 years) advertised nationally. Shorter periods may be filled internally.	Always for longer term vacancies. Shorter periods may be filled internally.
Executive search agencies	NA	Sometimes	Generally for longer term vacancies
Selection body • Composition • Purpose	Where panel formed, convened by CPE or Sec. Chief Ministers Department. Usually 3 senior CEOs plus external person. Makes recommendations to Chief Minister	Where panel formed, convened by CPE or CEO Department of the Chief Minister. Usually 3 senior CEOs. External person may be used if industry specific skill sets are required.	Where panel formed, convened by CPE or CEO Department of the Chief Minister. Usually 3 senior CEOs. External person may be used if

		Makes recommendations to Chief Minister.	industry specific skill sets are required. Makes recommendations to Chief Minister.
Role of Commissioner	As above. Also, together with other CEO of the Department of the Chief Minister, advises Chief Minister on external appointments/ transfers.	2014 Public Accounts Committee: Report on Termination Payments for CEOs and ECOs, Report Number 42 recommended that govt adopt a process where individual Ministers consult with ERRP before appointing CEOs.	As above. Also, together with other CEO of the Department of the Chief Minister, advises on external appointments/ transfers.
Role of Portfolio Minister	Minister consulted and in turn discusses with Chief Minister.	2011 PSEMA amendments make it clear that the CM appoints and terminates CEOs	Minister is provided with an opportunity to meet the recommended candidate. However, Chief Minister appoints and terminates.
Role of Chief Minister	Makes final decision, takes appointment to Executive Council.	2011 PSEMA amendments make it clear that the CM appoints and terminates CEOs	Makes final decision, takes appointment to Executive Council.
Role of Cabinet	Not involved but usually advised by Chief Minister.	Not involved but usually advised by Chief Minister	Not involved but usually advised by Chief Minister
Employment Conditions			
Contract	Yes	CEOs are appointed under s.19A of PSEMA.	CEOs are appointed under s.19A of PSEMA
Contract timeframe	Up to 4 years.	Up to 4 years.	Up to 4 years.
Contract Extension	No, new contract.	New, consecutive contract offered.	New, consecutive contract offered.
Redundancy/ Termination provisions	Balance of contract up to maximum of 6 months at Total Employment Cost	Balance of contract up to maximum of 6 months at Total Employment Cost. If the CEO was an ongoing employee immediately prior to entering a Contract; four (4) weeks (or five (5) weeks in the case of an Executive Contract Officer over the age of 45 years); and two (2) weeks for each year or part year of continuous service (or deemed continuous service), up to a maximum of 48 weeks.	Balance of contract up to maximum of 6 months at Total Employment Cost. If the CEO was an ongoing employee immediately prior to entering a Contract; four (4) weeks (or five (5) weeks in the case of an Executive Contract Officer over the age of 45 years); and two (2) weeks for each year or part year of continuous service (or deemed continuous service)

			service), up to a maximum of 48 weeks.
Process re extension	No advertising. Extension must be settled no later than 6 months before expiry.	No advertising. At least six months prior to expiry of contract the CPE will inform relevant Minister and seek approval to commence negotiations for contract renewal. Discussion take place between CPE and CEO. CM on advice from ERRP considers the approval of contract renewals.	No advertising. At least six months prior to expiry of contract the CPE will inform relevant Minister and seek approval to commence negotiations for contract renewal. Discussion take place between CPE and CEO. CM on advice from ERRP considers the approval of contract renewals.
Performance Management			
Program in place	Provided in contract.	<i>Determination 13 of 2011 (clause 107): The matter of performance review for Chief Executive Officers will be at the discretion of the Minister or Chief Minister, as appropriate.</i>	Under the provisions of the relevant Determination, the matter of performance review for Chief Executive Officers will be at the discretion of the Minister or Chief Minister, as appropriate.
Frequency of assessment	At least once per annum.	At least once per annum	At least once per annum
Types of measures	Informal with Minister.	<p>2009 – Amended CEO Performance Agreement guidelines and templates to incorporate priorities for Closing the Gap and to align timing of CEO reports on achievements and new performance agreements on 1 August each year.</p> <p>From 2013 – To “plan, monitor and assess CEO performance”, performance agreements to include:</p> <ul style="list-style-type: none"> • Portfolio priorities (as determined by Minister) • Whole of government priorities (as determined by the Department of the Chief Minister) • Financial leadership and governance 	2019 – CEO Performance Agreements to include KPIs for FTE caps.

		<p>outcomes (as determined by Treasury and Finance)</p> <ul style="list-style-type: none"> • People leadership and performance (as determined by OCPE) <p>Professional growth and development.</p>	
Purpose	Continuous improvement and accountability.	Continuous improvement and accountability.	Continuous improvement and accountability.
Who makes assessment	Minister but Commissioner and others may be involved.	Minister, with input from the Executive Remuneration Review Panel (ERRP) who can assist CEO with performance setting indicators and undertake mid-year performance review.	Minister, with input from the Executive Remuneration Review Panel (ERRP) who can assist CEO with performance setting indicators and undertake mid-year performance review.
Remuneration			
	Four broad bands based on CED Job Evaluation System. Adjustments according to NTPS general increases.	Remuneration is based on the CEO's evaluated (using CED JES) level (ECO3-ECO6) Remuneration adjustments in accordance with pay increases under the NTPS General Enterprise Agreement. Remuneration Increases within the level can be approved by the ERRP.	Remuneration is based on the CEO's evaluated (using CED JES) level (ECO4-ECO6) Remuneration adjustments in accordance with pay increases under the NTPS General Enterprise Agreement. Remuneration Increases within the level can be approved by the ERRP.
Performance Pay			
Availability	Yes.	Yes	Yes
Basis	Outstanding performance, exception, not rule.	Outstanding performance, exception not the rule.	Outstanding performance, exception not the rule.
Who makes assessment	CPE and senior CEOs recommend to Chief Minister.	Executive Remuneration Review Panel (ERRP)	ERRP

Table 4. Summary table – Executive Contract Officers – NT

	1999 position	Interim changes	Current position
Recruitment			
Advertised internally	Usually but mobility applies	Usually but mobility applies	Usually but mobility applies
Advertised externally	Sometimes as required.	Generally, for longer term vacancies (2 or more years)	Generally, for longer term vacancies (2 or more years)
Search Agency	Sometimes.	Sometimes.	Sometimes.
Selection body	Panel advice to CEO, may include CEO.	Panel advice to CEO, may include CEO.	Panel advice to CEO, may include CEO.
Role of Portfolio Minister	Must be consulted on more senior positions.	Not involved. CEOs are responsible for agency staffing matters, including for senior executive officers (ECOs).	Not involved. CEOs are responsible for agency staffing matters, including for senior executive officers (ECOs).
Role of Chief Minister	May be consulted on Deputies.	Not involved.	Not involved.
Role of Cabinet	Not involved but usually advised at Deputy level.	Not involved.	Not involved.
Role of Dept. Head (CEO)	Appoints.	<p>2005 changes</p> <p>Review of executive contracts at ECO1 level led to changes in previous policies and procedures for converting EO1/P4 to ECO1 to allow CEOs to do this without referring to ERRP</p> <p>CEOs now able to approve contracts with “standard terms and conditions” (which appear to be standard remuneration package elements and total remuneration at the approved minimum standard package value) for ECO1 to ECO4 (but unclear how this is different to before).</p> <p>Since 2011, under the terms of the contract, the CEO is deemed to be the employer of an ECO.</p>	Appoints. Offers of employment above the base remuneration level must be approved by ERRP.
Employment Conditions			
Contract	Yes, standard.	Conditions of ECO employment are set out in <i>Determination 13 of 2011</i> (OCPE, 2011).	In 2019, Determinations 5, 8 10, 11, 12 and 14 applied three or four-year wage freezes to ECO contracts entered into after 23 April 2019.

	1999 position	Interim changes	Current position
Contract timeframe	Up to 4 years.	<i>Determination 13 of 2011</i> rules that ECO contracts do not exceed 5 years.	Up to 5 years.
Contract Extension	No, new contract.	Since 2011, an ECO contract may be renewed for a further period at the Employer's discretion (OCPE 2011, p. 6). The possibility of extension is to be discussed 6 months prior to expiration of the contract, with the ECO to be advised within 3 months of expiry.	Does not apply to contracts of one year or less.
Process re extension	New contract without advertising		At the CEO's discretion.
Redundancy/ Termination provisions	Balance of contract to a maximum of 6 months at Total Employment Cost	<p>2004</p> <p>Public Accounts Committee Compliance Audit into Early Termination Payments to CEOs and ECOs found that:</p> <ul style="list-style-type: none"> Termination payments and payments additional to contract requirements were being approved and paid without sufficient records of why payments were being made. There were no records of whether the variations were assessed as being "in the public interest". <p>OCPE reported that "procedures were put in place" to address the findings.</p> <p><i>Determination 13 of 2011</i> states that ECO contracts may be terminated at any time in accordance with <i>Employment Instruction 13 – Natural Justice</i>.</p> <p>Since 2011, an ECO may request reconsideration of a termination decision within five working days, with the CEO to provide written advice on the reconsidered decision within two working days (OCPE 2011, p. 6).</p>	<p>Refer termination clauses of relevant <i>Determination</i>: 13 of 2011, 5 of 2019 or 10 of 2019.</p> <p>CEO's may terminate ECO contracts "at any time" and "either with or without pay".</p> <p>Termination payments are subject to the reason for termination e.g. misconduct, illness or "other reasons".</p> <p>If terminated for misconduct or illness, ECOs are only entitled to accrued leave and pro-rata long service leave; reasonable removal and travel expenses; and superannuation benefits.</p> <p>If terminated for "other reasons", entitlement also includes half the total ECO remuneration package or the remainder of the contract, whichever is the lesser.</p> <p>If the ECO was on ongoing employee BEFORE the contract, they are entitled to 4 weeks at previous remuneration (or 5 weeks if over 45) PLUS 2 weeks for each year of service (or part thereof) to a maximum of 48 weeks).</p> <p>Other conditions apply to those under the</p>

	1999 position	Interim changes	Current position
			Commonwealth Superannuation Scheme (clause 119) and for those who initiate the termination (clauses 120–121).
Performance Management			
Program in place	Yes, contract provision	<i>Determination 13 of 2011</i> outlines that ECO's are expected to meet and display capabilities as advised by the Commissioner, with the Employer (CEO) to review performance annually.	Refer performance review clauses of relevant determination (13 of 2011, 5 of 2019 or 10 of 2019). ECO's are expected to meet and display capabilities as advised by the Commissioner, with the Employer (CEO) to review performance annually.
Frequency of assessment	At least once per annum	At least once per annum.	At least once per annum.
Types of measures	Key results etc. No common scheme.	Participation in performance appraisal process adopted by the employer, including reviewing fulfilment of the express or implied conditions of the contract; specific professional standards relevant to the nature of the duties and fulfilment of any agreed commitments of the ECO and expectations of the CEO.	Participation in performance appraisal process adopted by the employer, including reviewing fulfilment of the express or implied conditions of the contract; specific professional standards relevant to the nature of the duties and fulfilment of any agreed commitments of the ECO and expectations of the CEO.
Purpose	Performance improvement, development, retraining employment.	Performance feedback, development, improvement and, if necessary, re-training.	Performance feedback, development, improvement and, if necessary, re-training.
Who makes assessment	CEO	CEO or delegate.	CEO or delegate.
Remuneration			
	Four broad ranges based on CED Job Evaluation System. Adjusted in line with general NTPS increases.	Remuneration provisions determined by CPE. Remuneration increases adjusted in line with NTPS General Enterprise Agreement increases.	Remuneration provisions determined by CPE. Remuneration increases adjusted in line with NTPS General Enterprise Agreement increases.
Performance Pay			
Availability	Yes, but limited.	ECO remuneration increases on the basis of exceptional performance assessed by the Executive Remuneration Review Panel (ERRP)	Remuneration increases within the pay band are determined by the ERRP.

	1999 position	Interim changes	Current position
		comprising the CPE, CEO of DCM and the Under Treasurer.	
Basis	Exceptional performance.	Exceptional performance, and not within first 12 months.	Exceptional performance and subject to evidence of regular performance plans and reviews.
Who makes assessment	CEO recommends to CPE and 4 senior CEOs.	ERRP	ERRP
Right of Return			
	No right of return.	No right of return.	No right of return.

Sources: 1999 position – provided table, PSEMA and regulation, CPE Determinations, etc

6 Workforce data

The Northern Territory has the largest proportion of public servants of any Australian jurisdiction. In 2019, the NT public service constituted 21,207 out of its 247,940 population, or almost 9% of the NT population (Smith, 2019, Jun 16). Since the early 2000s, the growth of the public service has been greater than both the NT labour force and the population, and by 2019 was 40% larger than in 1983.

Unlike most Australian public servants, whose standard working hours are typically around 9 to 5, Territorian public servants work 8am to 4.21pm – with the extra minute “treated with such reverence that there’s even a local ale named after it” (Vanovac, 2018, Aug 28). About 11,000 of the NT’s public servants are covered by a 36.75 hours per week award, with nurses, teachers, police and others on different agreements (Vanovac, 2018, Aug 28).

Some argue the Northern Territory has the “most bloated” bureaucracy in the country, with administration staff comprising a disproportionate share of the public sector workforce (Donaldson, 2019, Apr 16). In 2018, the NT Opposition committed to “tipping out” the public service and commissioning an independent review as a prelude to “axing unnecessary fat-cat-bureaucrats” (The Australian, 2018, May 3). But, at 9% of the NT population, the public service has significant voting power (Smith, 2019, June 16). And as former Commissioner Ken Simpson pointed out:

Contrary to what some believe in the general community, CEOs certainly don't sit around trying to think up ways of employing more staff — they employ staff to do the task that the Government allocated to them.

If people say there's a problem around the numbers — in my view there isn't — it's around the size and scope of government policies and decisions that it makes, and it's not the size of the public service per se that's the issue (quoted by Smith, 2019, Jun 16).

Under the Giles government (2013–2016), the NT public sector increased by about 800 full-time equivalents, with the Department of the Chief Minister becoming its largest ever (Easton, 2016, May 26).

The Budget Repair Review tracked NTPS staffing levels from 1983 to 2018, noting that between the early 1980s and early 2000s, the size of the NTPS had remained relatively static (Langoulant et al., 2019, p. 92). Since the introduction of the GST and the NT Emergency Response in the 2000s, along with strong population growth, NTPS numbers “rose rapidly and have remained at elevated levels” (p. 92). In addition to growth, the average cost of NTPS employees had increased through ‘classification creep’, which had added an estimated \$24 million per annum to the wages bill in the administrative stream alone (Langoulant et al., 2019, p. 93).

Since 2002, NTPS staffing numbers have been published quarterly in one-page reports. NTPS workforce data has been reported annually in *State of the Service* reports since 2005/06. At 30 September 2019, the NTPS comprised 21,547 FTE positions, including almost 4000 externally funded positions (OCPE, 2020). Consistent with other jurisdictions, the largest agency is Health. Comprising one-third of the workforce, NT Health has more than 7000 FTE positions, more than 2000 of which are externally funded.

In 2018–19, 4742 employees left the NTPS, including 2505 resignations, 142 retirements, 123 retrenchments and 42 dismissals. An additional 1878 temporary positions ceased (OCPE, 2019, p. 76).

In December 2020, the NT public sector employed 22,226 FTE, with 75.1% in ongoing employment contracts and 67% of positions based in Darwin (OCPE, 2020b). Women made up almost two-thirds (64%) of the workforce, but men dominate salary ranges over \$120,000, with women holding less than half the top-bracket positions (OCPE, 2020b: Figure 4).

An analysis by the *NT Independent* found that the Gunner Government spent \$121 million on private consultancies between 2017–18 and 2019–20, with a 65% increase since 2018–19 (Walsh, 2020b). It has been argued that the necessary expertise for many of these consultancy contracts (including the development of a housing policy) ought to be held within the public service.

The key workforce challenges identified in 2020 were “inadequate resources for changing business needs” and recruiting and retaining “appropriately skilled people” (OCPE, 2020b: 24). Recruitment from the private sector and other jurisdictions were the main strategies for addressing capacity gaps (OCPEb, 2020: 25).

6.1 Executive Contract Officers

In December 2018, there were 640 FTE executive officers across the NTPS, representing about 3% of the NTPS workforce (Langoulant et al., 2019, p.96). This figure may have included Executive Contract Principals, e.g. those in the education sector. The Budget Repair Review noted a “a clear gap between actual and perceived growth in executive numbers”, which it found were lower in 2018 than in 2012 – despite a 7% increase in the NTPS in that time – and unchanged in terms of proportion of total staff (Langoulant et al., 2019, p. 97).

By June 2019, the number of Executive Contract Officers (administrative) was 495, 47% of whom were women (OCPE, 2019). As the table below shows, the largest numbers of ECOs are in the lowest ranks, with only 11 ECOs (only 2.2%) in the top salary bracket (ECO6).

NTPS Executive Contract Officers by classification and gender – June 2019

Classification	Women	Men	Total	% female
Executive Officer 1	124	125	249	50
Executive Officer 2	72	87	159	45
Executive Officer 3	15	25	40	37.5
Executive Officer 4	11	13	24	46
Executive Officer 5	6	6	12	50
Executive Officer 6	4	7	11	36
Total	232	263	495	47

Source: OCPE (2019). *State of the Service Report 2018–19*, p. 74

Note: Sums and percentages were calculated from raw numbers.

In 2019, a Fiscal Strategy Panel led by former WA Under-Treasurer John Langoulant recommended a cap on executive staffing pending the outcomes of an executive classification review, and that lowest executive positions be converted to the highest administrative classification, which would have halved the number of ECOs. A recommended

ECO wage freeze was accepted by the government, which also agreed to a 10% reduction in ECOs and a reduction in salary bands from six to five.

A recent analysis of public service executive contracts found the NT had a disproportionately high number of executives (643) compared to Tasmania (164) and the ACT (265) (Walsh, 2020a). Official data from June 2020 shows 450 executive contract officer positions (Executive Officers grade 1 to 6) in the administrative stream (i.e., excluding Education, Police, and Power and Water) of a total 593 (down from 646 in June 2019) (OCPE, 2020b, Figure 9, p. 14). Of the 13 ECOs in the top bracket, 6 were women.

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8 SUMMARY TABLE

Year	Annual Reports	Legislation	Policy
1985		<i>Public Service Act 1985</i>	
1991	<p>Annual Report 1990/91 – Public Service Commissioner and the Department of Labour and Administrative Services. http://www.territorystories.nt.gov.au/jspui/bitstream/10070/292672/1/Annual_Reports_Public_Service_Commissioner_and_the_Department_of_Labour_and_Administrative_Services_1990-91.PDF</p> <ul style="list-style-type: none"> Provides some information on the lead up to PSEMA: <i>In October 1990 I circulated a discussion paper on the role of the Commissioner's Office and on the question of role relationships which led to considerable useful and positive discussion with senior managers in agencies. This paper formed the base of a subsequent proposal for a new Public Sector Employment and Management Act, as it is quite clear that the structural issues associated with the identification of roles and role relationships need to be clarified in legislation in the first instance.</i> (p. 2) 	<p>In a speech to the Industrial Relations Society of the Northern Territory, then Public Service Commissioner David Hawkes (1991) outlined the rationale for the development of what was to become the <i>Public Sector Employment and Management Act 1993</i> (PSEMA).</p>	
1993		<p><i>Anti-Discrimination Act 1993</i> <i>Public Sector Employment and Management Act 1993</i> <i>Public Sector Employment and Management Act – Regulations 1993</i></p>	
1995		<p>In an article published in the <i>Australian Journal of Public Administration</i>, David Hawkes (1995) – then Commissioner for Public Employment – outlined the rationale and major features of PSEMA and its subordinate legislation.</p>	

Year	Annual Reports	Legislation	Policy
1997			<p>In an article published in the <i>Australian Journal of Public Administration</i>, the Commissioner for Public Employment provides some historical background on the NTPS and public sector reform, including the strengths and weaknesses of PSEMA three years into its operation. (Hawkes & Moir, 1997).</p>
1999			<p>In an article published in the <i>Australian Journal of Public Administration</i>, the Commissioner for Public Employment claims the NTPS has not been politicised through the introduction of contracts for senior executives:</p> <p><i>“There is no evidence to suggest that today’s CEOs are any less reluctant to offer ‘frank and fearless’ advice simply because, over time, some of their colleagues have lost their jobs through unsatisfactory performance or some of them are regularly moved to other positions. Nor are there any suggestions that an individual’s party political inclinations (of they are known as distinct from surmised) has ever influenced a promotion or appointment. In fact, the contrary is the case”</i> (Hawkes, 1999, p.85).</p>
2000	<p>Office of the Commissioner for Public Employment – <i>Annual Report 1999-00</i></p> <ul style="list-style-type: none"> • Executive Development Program (EDP) was deferred to 2001 <p>Succession management was reviewed:</p> <ul style="list-style-type: none"> • Most ECO1 (about 280) were interviewed in April/May 1999 • 75% believed they were in the right job and were positive about career prospects 		

Year	Annual Reports	Legislation	Policy
	<ul style="list-style-type: none"> • Some were “clearly identified” as having the potential to advance • Most could identify their personal development needs • Further discussion with CEOs planned 		
2001	<p>Office of the Commissioner for Public Employment – Annual Report 2000-2001</p> <ul style="list-style-type: none"> • ECO terms and conditions were reviewed and a new determination issued • Executive Development Strategy – a new Leadership Development Program launched • Employment Instruction 1 amended so that voluntary redundancies cannot be reemployed for 2 years 	<p>PSEMA amended in December 2001 “to facilitate implementation of the New Public Sector Arrangements” (PCPE 2002: 46) – mostly relating the amalgamations into mega-departments</p>	
2002	<p>Office of the Commissioner for Public Employment – Annual Report 2001-2002</p> <p>Auditor General looked into Early Termination Payments to CEOs and ECOs found that:</p> <ul style="list-style-type: none"> • Termination payments and payments additional to contract requirements were being approved and paid without sufficient records of why payments were being made. • There were no records of whether the variations were assessed as being “in the public interest”. <p>OCPE reported that “procedures were put in place” to address the findings,</p>	<p>PSEMA Bill tabled June 2002 to remove compulsory retirement age (passed Aug 2003)</p>	
2003	<p>Office of the Commissioner for Public Employment – <i>Annual Report 2002-2003</i></p> <ul style="list-style-type: none"> • Developed draft sector wide policy for CEOs and employees to complete a declaration of financial and other interests where those interests may, or may appear to, conflict with the employee’s official duties • Noted that as a result of a review in 2002 by the Executive Remuneration Review Panel (ERRP) 		

Year	Annual Reports	Legislation	Policy
	<p>implemented formal procedures for determining variations and for creating ECO1 positions</p> <ul style="list-style-type: none"> • Standard set of terms and conditions for ECO1-ECO4, principals and executive managers appointed by CEOs • Provided advice to Department of Health and Community Services on job design and classification issues for executive level management • Conflict of interest declarations “introduced” but not finalised 		
2004	<p>Office of the Commissioner for Public Employment – <i>Annual Report 2003-2004</i></p> <ul style="list-style-type: none"> • Executive Leadership Capabilities updated and implemented on 1 Jan 2004 (p80). These were an update of previous executive officer competencies • Review of PSEMA foreshadowed, including CEO delegations • Draft executive management development framework circulated for comment. Aim was to identify and develop a “nucleus of leaders” (p 133) • Salary packaging introduced April 2004 • ECO packages restructured to allow change in notional salary from 65% to 50% to allow for salary packaging 		<p>Public Accounts Committee: Report on Termination Payments for CEOs and ECOs, Report Number 42</p> <ul style="list-style-type: none"> • Found that the process is now well managed by OCPE, but that good documentation needs to be maintained • Adopt a process where individual Ministers consult with ERRP before appointing CEOs • Questioned level of transparency of contracts
2005	<p>Office of the Commissioner for Public Employment – <i>Annual Report 2004-2005</i></p> <ul style="list-style-type: none"> • Notice of review of PSEMA to enhance CEO flexibility in using legislation and greater delegation (with matched accountability) to occur in 2005/06 • Finalisation of implementation of conflict of interest provision “will” occur, even though this is also flagged as a future priority (and it didn’t until 2006/07) • Review of executive contracts at ECO1 level led to changes in previous policies and procedures for converting EO1/P4 to ECO1 to allow CEOs to do this without referring to ERRP 		

Year	Annual Reports	Legislation	Policy
	<ul style="list-style-type: none"> CEOs now able to approve contracts with “standard terms and conditions” (which appear to be standard remuneration package elements and total remuneration at the approved minimum standard package value) for ECO1 to ECO4 (but unclear how this is different to before) ERRP approval still needed to variations up to ECO4 		
2006	<p>Office of the Commissioner for Public Employment – <i>Annual Report 2005-2006</i></p> <ul style="list-style-type: none"> Cabinet agreed that CEOs must report conflicts of interest but can decide which employees need to. Guidelines and draft declaration still not finalised 		
2007	<p>Office of the Commissioner for Public Employment – <i>Annual Report 2006-2007</i></p> <ul style="list-style-type: none"> Conflict of interest policy finally introduced Executive Leadership Development Strategy 2007-11 endorsed by Co-ord (the Chief Executives Coordination Committee). To go to Cabinet in 2007/08 Office of the NT Workplace Advocate established within OCPE 		
2008	<p>Office of the Commissioner for Public Employment – <i>Annual Report 2007-2008</i></p> <ul style="list-style-type: none"> Late 2007, government agreed to ‘NTPS Reform and Revitalisation Agenda’ (unable to locate a copy) Review of the PSEMA foreshadowed again The Executive Leadership Development Strategy 2008-12 was approved by Cabinet and implementation commenced Foreshadowed a review of ECO terms and conditions ANZSOG took over the Executive Development Program 		
2009	<p>Office of the Commissioner for Public Employment – <i>Annual Report 2008-2009</i></p>	<p>A review of the Northern Territory Public Sector Employment and Management Act, July 2009</p>	<ul style="list-style-type: none"> As well as OCPE (2009a) – Attachment

Year	Annual Reports	Legislation	Policy
	<ul style="list-style-type: none"> • Provided recommendations for the review of the PSEMA to Minister (45 submissions were received) • Completed the review of CPE delegations to CEOs • Introduced the Executive Leadership Development Strategy. 72 nominations of future executives who underwent 360-degree feedback. Next stage to identify skill gaps • Established Future Leaders Group – 26 executives across the NTPS and two from the APS to consider the future direction of NTPS • Amended CEO Performance Agreement guidelines and templates to incorporate priorities for Closing the Gap and to align timing of CEO reports on achievements and new performance agreements on 1 August each year • Whistleblower legislation (the Public Interest Disclosure Act 2009) commenced 31 July 2009 • Review of ECO terms and conditions expected in 2009/10 	<p><i>Public Sector Employment and Management Act 1993 amended</i></p>	
2010	<p>Office of the Commissioner for Public Employment – <i>Annual Report 2009-2010</i></p> <ul style="list-style-type: none"> • Review of ECO terms and conditions nearing completion • Biennial staff surveys commenced July-August 2009 (25% participation rate) • Executive Leadership Development Strategy – work commenced to develop options to address leadership capability gaps 	<p>Amendments of PSEMA relevant to the Commissioner of Public Employment were made in 2010 and 2011 (minor)</p> <p>Review of PSEMA complete and Bill being prepared for early 2011 (including changes on how merit is defined)</p>	
2011	<p>Office of the Commissioner for Public Employment – <i>Annual Report 2010-2011</i></p> <ul style="list-style-type: none"> • Tool tested to assess the overall “health” of agencies • Apparently just about finished implementing the ‘NPTS Reform and Revitalisation Agenda’ which started in late 2007 • Started work on a reward and recognition framework • Introduced Future Leaders (for AO7 to SAO2) and Executive Leadership (for SAO2 and above) programs 	<p>Public Sector Employment and Management Act – Regulations 2011</p>	<p><i>Determination 13 of 2011</i> ECO terms and conditions for contracts [now applies only to those entered into before 23 April 2019]</p>

Year	Annual Reports	Legislation	Policy
	<ul style="list-style-type: none"> • Review of ECO terms and conditions finally completed – as a result: <ul style="list-style-type: none"> ○ various determinations were consolidated ○ Incorporation of minimum employment requirements (as required by the <i>Fair Work Act</i> (Cth)) ○ Incorporation of a range of common enterprise agreement provisions ○ New Executive Contract Principal Level structure introduced to provide flexibility for high calibre applicants and support career progression and mobility into ECO scheme 		
2012	<p>Office of the Commissioner for Public Employment – <i>Annual Report 2011-2012</i></p> <ul style="list-style-type: none"> • Public Sector Development Board introduced from November 2001 to “provide assistance and advice to the CPE” and “to lead strategic reforms”. Comprises central agency CEOs and the VC of CDU • Note that all other annual reports had a section on ECOs – was dropped in this annual report only 		
2013	<p>Office of the Commissioner for Public Employment – <i>Annual Report 2012-2013</i></p> <ul style="list-style-type: none"> • Change of government – too many staff in NTPS, especially ECOs, so staffing freeze for other than frontline staff • But 11 new agencies so 11 new CEOs • Executive mobility program developed for implementation in 2013/14 • New arrangements to assess performance of CEOs put in place. They need to demonstrate fulfilment of their responsibilities under 24(3) of PSEMA – ie ensure that employee performance management systems are developed and implemented • To “plan, monitor and assess CEO performance”, performance agreements to include: 		

Year	Annual Reports	Legislation	Policy
	<ul style="list-style-type: none"> ○ Portfolio priorities (as determined by Minister presumably) ○ Whole of government priorities (as determined by the Department of the Chief Minister) ○ Financial leadership and governance outcomes (as determined by Treasury and Finance) ○ People leadership and performance (as determined by OCPE) ○ Professional growth and development (as a result of the Capability and Leadership Framework and 360 degree feedback) 		
2014	<p>Office of the Commissioner for Public Employment – <i>Annual Report 2013-2014</i></p> <ul style="list-style-type: none"> • Reviewed powers delegated to CEOs for recruitment • Human Resources Capability Framework 2015-20 launched • Started review of ECO employment framework 		
2015	<p>Office of the Commissioner for Public Employment – <i>Annual Report 2014-2015</i></p> <ul style="list-style-type: none"> • ECO profiles for agencies introduced – any changes need to be approved by the ERRP • Review of ECO terms and conditions still ongoing 		Human Resources Capability Framework 2015-20
2016	<p>Office of the Commissioner for Public Employment – <i>Annual Report 2015-2016</i></p> <ul style="list-style-type: none"> • Changes made to ECO motor vehicle contributions to recognise private use • Review of ECO terms and conditions still ongoing 		Streamlining recruitment and selection processes
2017	<p>Office of the Commissioner for Public Employment – <i>Annual Report 2016-2017</i></p> <ul style="list-style-type: none"> • Review of ECO terms and conditions still ongoing • Achieved 50% women in senior positions (executive contracts) 		<p><i>OCPE Strategic Plan</i></p> <p>Plan on a page – purpose is to “have a capable and diverse workforce to deliver government services with skill and integrity”.</p> <p>Two strategic priorities:</p> <ul style="list-style-type: none"> • Positioning the NTPS as a model employer of choice

Year	Annual Reports	Legislation	Policy
			<p>Embed public service principles across the NTPS</p> <p><i>Executive Remuneration Review Panel Framework</i> developed for release to CEOs. The Framework provides: clear guidance to agencies on the membership and authority of the ERRP; outlines key policies for the establishment and evaluation of ECO and CEO positions; and oversight to performance management and remuneration increases.</p>
2018	<p>Office of the Commissioner for Public Employment – <i>Annual Report 2017-2018</i></p> <ul style="list-style-type: none"> Review of ECO terms and conditions still ongoing 		
2019		<p><i>Budget Repair Final Report</i> recommended expanding 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.</p> <p>The Government accepted this recommendation, which is being progressed through OCPE.</p>	<p><i>Budget Repair Final Report</i></p> <p>As well as government response</p> <p>Contains a section on workforce which recommends:</p> <ul style="list-style-type: none"> Review ECO levels and their associated remuneration structures Implement a cap in executive staffing (including SA02 /SP2 positions) with immediate effect, pending the outcome of the executive classification review Convert ECO1 to SA02/SP2 positions as soon as practicable (this would halve ECO positions in NTPS) Also suggested considering extending this to ECMs who have similar remuneration to ECO1s. Implement a wage freeze for ECOs. <p>The Government agreed to reduce ECO numbers by 10% (52 FTE); reduce ECO salary bands from 6 to 5; and implement a wage freeze for ECOs.</p>

Year	Annual Reports	Legislation	Policy
			<p><i>Determinations 5 and 8 of 2019</i> set out terms and conditions for ECO contracts entered into after 23 April 2019, which are subject to three-year wage freeze conditions.</p> <p><i>Determination 14 of 2019</i> sets out wage increase assurance provisions for ECOs subject to the three-year wage freeze.</p> <p><i>Determinations 10 and 11 of 2019</i> set terms and conditions for ECOs subject to a four-year wage freeze with wage increase assurances provided in <i>Determination 12 of 2019</i>.</p>
2020			<p><i>OCPE Strategic Plan 2020–2024</i> Plan on a Page:</p> <p>Purpose is to lead, support and collaborate with agencies to build an agile, capable, engaged and diverse workforce that delivers government's priorities and provides high quality service to Territorians. Focus areas include: Deliver a five year strategic workforce plan; Grow Aboriginal employment; strengthen leadership; increase focus on performance; identify and nurture talent; and enable contemporary and sustainable NTPS working arrangements.</p>

Amendments of PSEMA relevant to the Chief Executive Officers: made in 1993, 1995, 1998, 2001, 2011 (the most significant with respect to employment relates to the 2011 change that the Chief Minister appoints and terminates all CEOs)

Amendments of PSEMA relevant to EEO: made in 1995, 2011 (amending the merit principle to recognise diversity)