

POLICY STATEMENT

Budget Repair: Holding Chief Executives to Account

After years of poor economic management, the Labor Government established the Fiscal Strategy Panel and commissioned a report from the Chair, Mr John Langoulant. The report, A Plan for Budget Repair, was released in April 2019.

The report outlines recommended reforms across the economic, fiscal and whole of government structural focus areas, stressing the importance of increasing the level of accountability with clearly defined and understood repercussions for the key decision makers and advisors of agency financial performance. A strong emphasis within the report is to implement cultural change.

Of the 76 recommendations, there are 10 in respect of accountability and transparency. A key recommendation is *Recommendation 5.1.7 - Strengthen the processes and level of ministerial and executive accountability for agency financial performance.*

It is very clear that increased accountability is essential to achieve spending within budgets. Unless Chief Executives and in the larger agencies, some senior executives, are made more accountable for the fiscal activities of the agency for which they are responsible, expenditure will continue to escalate beyond parameters within set budgets.

A Country Liberal Government will aim to appoint Chief Executives who demonstrate a commitment to delivering optimum service to Territorians whilst operating within an environment of fiscal restraint with tightly set budget targets.

We will ensure increased accountability and transparency through a range of measures as suggested in the Langoulant report. Where it is clear an agency is not remaining within budget, tightened controls on expenditure followed by formal notice from the Minister and if necessary, closely-monitored expenditure reduction plans would be implemented.

A Country Liberal Government will terminate the contract of any Chief Executive who is found to have failed to remain within budget, despite the above mentioned measures, with the exception of any overspends that are approved by Cabinet. A clause stipulating the consequences of fiscal non-compliance will be included in Chief Executive employment contracts.

This policy aims to achieve accountability within the executive ranks of the Public Service and ultimately to lead the way back to a balanced budget and to reduce debt levels.