

5.3 SAVINGS INITIATIVES

The 2013-14 Budget introduces a range of savings initiatives totalling \$142.6 million over four years. These initiatives focus on reducing costs to facilitate a redirection of expenditure to higher priority areas of Government including the Labor election commitments and items in the Parliamentary Agreement.

The redirection of resources is sought through savings across most ACT Government agencies in a range of areas including ceasing of initiatives, seeking out ways to reduce input costs and generate efficiencies, the reprioritisation of government services and whole of government procurement savings.

None of these savings result in the total FTE for the ACT Public services falling below 2012-13 levels.

Table 5.3.1
2013-14 Budget Savings Initiatives

	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	Total \$'000
Ceasing Initiatives	988	1,678	1,704	1,731	6,101
General Savings	14,993	14,695	17,102	19,586	66,376
Service Reprofiting	5,778	8,220	12,198	13,882	40,078
Total Agency Savings	21,759	24,593	31,004	35,199	112,555
Procurement Whole of Government Savings	0	5,000	10,000	15,000	30,000
Total 2013-14 Budget Savings	21,759	29,593	41,004	50,199	142,555

Ceasing initiatives

The Government will be ceasing some initiatives previously funded which do not accord with ongoing Government priorities. This includes withdrawing from memberships the Territory is a member of and reducing grant programs.

General savings

Continuing the Government's established track record of seeking out ways to reduce input costs and generate efficiencies. Some areas of focus include reduced consultancy expenses, better utilising Worksafe Funds, energy savings measures, outsourcing vehicles efficiently, reducing corporate overheads, organisational restructure of the CIT, implementing various demand management measures, increasing sponsorships for venues and events and reprioritising youth programs.

Service reprofiling

Reprioritisation of government services, generating \$40.078 million over four years, achieved through the redirection of lower priority programs and ceasing initiatives from past budgets, providing opportunities to invest in higher priority activities and service delivery. Activities include reprofiling some court services, refining the ACTSmart program to gain efficiencies, increasing electronic processing of invoices, consolidating out of home care providers and savings from red tape reductions.

Procurement Whole of Government Savings

Enhanced goods and services procurement processes will be developed and pursued to achieve better value for money and reduce spending across agencies, including opportunities to increase the number of whole of government contracts, bundling of goods across agencies, and better examination of current spending patterns and demand analysis. Savings of \$5 million for 2014-15, rising to \$15 million by 2016-17 have been targeted.