


Request for Costing an Election Commitment

Name of election commitment:	<i>Re-Modelling the approach to the use of contractors and consultants in Shared Services</i>					
Person and party requesting costing:	Meredith Hunter, ACT Greens Parliamentary Leader					
Date of public release of election commitment, including source:	11 October 2012 http://act.greens.org.au/content/government-savings					
Summary of election commitment:	Shared Services savings over \$3.15M over four years by reducing its reliance on contractors and consultants.					
Intention of election commitment:	<p>The 2010-11 Audited Financial Statements for ACT Shared Services identified that \$26.9M was spent on contractors and consultants.. Significant reliance on contractors and consultants to support Shared Services as an enabling service is not considered cost effective. Given the size of the current spend, savings could be generated by converting contract resources to full time staffing positions. It is considered that by re-engineering a more efficient and effective approach to the staffing resources for the delivery of enabling services that Shared Services should be able to save \$750,000 in the 2013-14 financial year and 2.5% in each subsequent year based on its 2010-11 spend.</p> <p>It is acknowledged that the Government has committed to achieve savings in 2012-13 by converting contractors and consultants to full time staffing positions. However, it is believed that these required saving levels do not go far enough.</p>					
Signature of person requesting costing:						
Date of request for costing:	12/10/12					
What are the key assumptions that have been made in the election commitment?						
<p>Note: that where the request to cost an election commitment differs from the public announcement, the costing will be on the basis of information provided in the costing request.</p> <p>Note: it will be up to the professional judgment of the Director-General as to whether these assumptions are adopted in the costing of the election commitment.</p>						
Where relevant, is the funding for the policy to be demand driven or a capped amount?						
It is a capped amount. If the savings are not achieved they will be removed from the recurrent expenditure budget for each financial year from 2013-14.						
Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the election commitment?						
No.						
Will funding/the cost require indexation?						
No.						
What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this election commitment and estimated costs each year (if available)?						
	2012-13	2013-14	2014-15	2015-16	2016-17	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Revenue ^(a)						
Expenses ^(a)		750	750	750	750	3000
Capital						

(a) A negative number indicates a decrease in revenue or an increase in expenses.

What is the likely take up?

N/A

Any other assumptions?

- Implementation of more efficient and effective business practices in shared services to reduce reliance on contractors and consultants is expected to achieve a one of saving of \$750,000 and continued through across the forward estimates.

Administration of the election commitment

How will the election commitment be administered?

It will be the responsibility of Treasury Directorate to administer this election commitment.

Who will administer the election commitment?

It will be the responsibility of Treasury Directorate to administer this election commitment.

Has an allowance been made for expenses necessary to support the implementation of this election commitment?

- If no, will the government agency be expected to absorb expenses associated with this election commitment?
- If yes, please specify the key assumptions.

N/A

What is the intended implementation date of the election commitment?

From the commencement of the 2013-14 financial year.

Are there transitional arrangements associated with election commitment implementation?

No.

Are there any other assumptions that need to be considered?

No.

When is the election commitment expected to be fully operational?

Please provide further details i.e. start and end dates, the level of commitment during each period etc?

From the 2013-14 financial year.

Will the election commitment cease and if so when?

N/A