

Request for Costing an Election Commitment

Name of policy proposal:	Increasing digitisation of the ACT Government
Person requesting costing:	Shane Rattenbury MLA
Date of request:	14 September 2016
Summary of proposal:	A one-off investment of \$500,000 in capital across Directorates to enhance/upgrade existing teleconference/videoconference equipment in order to save approximately \$3.5m to reduce costs on travel time, and face-to-face meetings.
Issue the proposal will address:	Proposal will have a positive impact on the Budget sheet and reduce the amount of travel across Directorates.

What are the key assumptions that have been made in the proposal?

Note: The costing will developed on the basis of information and assumptions provided in the costing request. The professional judgment of the Under Treasurer will determine whether these assumptions are adopted in the costing of the proposal.

On the basis that 20,110 FTE Staff currently work in the ACT Government (2016-17 Budget).

Interstate travel

Assuming that one out of every twenty staff (5%, or 1,005 FTE staff) may occasionally travel interstate for meetings (overnight), and that each overnight trip costs at least \$800 (return flights, return taxis, accommodation, meal allowance etc).

Assumption that at least 1 x trip per each travelling staff member, per annum could instead be conducted using digital infrastructure.

Territory travel

Assumption that one out of every ten staff (10%, or 4,022 FTE staff) may occasionally travel for work meetings in Canberra. Assumption that the average cost of a taxi fare would be \$50 return (\$25 each way). Assumption some staff may travel together in a taxi to save on overall costs (60% of travelling staff, fitting up to 4 people in a taxi), and that some might be travelling by themselves (40%).

Assumption that at least 3 x trips per each travelling staff member, per annum, could instead be conducted using digital infrastructure.

Digital infrastructure

A one off capped allowance to purchase basic teleconference and videoconference equipment (webcams, TV Screens with PC/USB inputs, teleconference tools etc) where certain Directorates do not already have this equipment at hand.

What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this proposal and estimated costs each year (if available)?

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue ^(a)	-0	-0	-0	-0	-0
Expenses ^(a)	-0	1,136	1,176	1,217	3,529
Capital	-500	-0	-0	-0	-500
Depreciation		-165	-111	-74	-350

(a) A negative number indicates a decrease in revenue or an increase in expenses. The expenses row does not include depreciation costs.

Has any specific information or data been utilised in generating the proposal?

Online telecommunications catalogues have been reviewed to determine likely costs to purchase and fit equipments.

Where relevant, is funding for the proposal to be demand driven or a capped amount?

Capital is capped, and savings derived from reducing travel are demand.

Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the proposal? Does the proposal provide additional funding to, or redirect, any existing Commonwealth/State or Territory funding arrangements (for example, does an education proposal add to or redirect NERA funding).

No.

Will funding/the cost require indexation?

Savings are indexed.

Who will administer the proposal?

Chief Minister, Treasury and Economic Development Directorate.

How will the proposal be administered?

Directorate to liaise with other Directorates to determine videoconferencing/teleconferencing equipment currently in use, before purchasing equipment.

Is the proposal part of a broader package?

No.

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

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

Relevant government agency to absorb expenses, consulting with Directorates on their individual teleconferencing/videoconferencing needs. Relevant IT areas to assist in initial set-up.

Will the proposal generate savings or offsets?

Yes. Proposal is expected to generate of approximately \$3.5m over the forward estimates.

Has the proposal been previously costed by an external (third) party? Will a copy of this material, including any assumptions, be made available to Treasury?

No.

What are the community impacts associated with the proposal? Who and how many people will be affected?

Improved digitisation, less government spending on travel/accommodation, making full use of technology to facilitate some government meetings (acknowledging that face-to-face meetings are sometimes required – which the costings do take into consideration).

Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?

No.

What is the intended implementation date of the proposal?

1 January 2017 (consultation and purchasing of equipment).

When is the proposal expected to be fully operational? Please provide details such as the start and end dates, the level of commitment during each period etc?

1 July 2017.

Will the proposal cease, and if so, when?

N/A

Is there any additional information relevant to this proposal?

Capital depreciating over a straight line over a 3yr period.