

ANNEX 6 Immediate consolidation measures, 27.5.2015

EUR million	General government finances						Central government					Municipalities					Social security/employment pension contributions				
	2016	2017	2018	2019	2020	Iti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Education, science and culture	-178	-466	-511	-541	-556	-681	-137	-265	-291	-299	-302	-40	-200	-220	-243	-254	0	0	0	0	0
Social and health services	-71	-181	-281	-361	-451	-451	-22	-34	-47	-56	-66	-38	-135	-222	-294	-374	-11	-11	-11	-11	-11
Service charges, fines, etc.	-243	-322	-322	-322	-322	-322	-83	-98	-98	-98	-98	-160	-224	-224	-224	-224	0	0	0	0	0
Social benefits	-437	-710	-770	-800	-860	-920	-132	-303	-337	-348	-378	-71	-90	-116	-135	-165	-234	-317	-317	-317	-317
Agriculture and forestry	-29	-48	-60	-70	-70	-70	-29	-48	-60	-70	-70	0	0	0	0	0	0	0	0	0	0
Business and industry	-76	-145	-221	-315	-332	-266	-76	-145	-216	-307	-324	0	0	-5	-8	-8	0	0	0	0	0
Housing and the environment	-42	-55	-59	-59	-59	-84	-42	-55	-59	-59	-59	0	0	0	0	0	0	0	0	0	0
Transport	-15	-15	-15	-135	-135	-135	-15	-15	-15	-135	-135	0	0	0	0	0	0	0	0	0	0
Public order and security	48	48	28	3	3	3	48	48	28	3	3	0	0	0	0	0	0	0	0	0	0
Military defence	45	69	92	110	130	135	45	69	92	110	130	0	0	0	0	0	0	0	0	0	0
Foreign Service, development cooperation, etc.	-300	-300	-300	-300	-300	-300	-300	-300	-300	-300	-300	0	0	0	0	0	0	0	0	0	0
Administration and ICT expenses	-43	-81	-133	-176	-179	-179	-43	-81	-133	-176	-179	0	0	0	0	0	0	0	0	0	0
Index freezes	-70	-284	-621	-1.064	-1.094	-1.094	-124	-404	-780	-1227	-1.257	55	124	174	195	195	0	0	0	0	0
TOTAL	-1.409	-2.489	-3.173	-4.030	-4.225	-4.364	-909	-1.631	-2.216	-2.961	-3.035	-255	-525	-614	-708	-829	-245	-328	-328	-328	-328

* Iti = long-term impact

NB: Financial investment expenditure is not included in the calculation, as it included in general government expenditure in the national accounts.

NB2: Some of the savings effects are a rough estimate and their impact assessment will be revised in the course of further preparation.

These are indicated with grey colour. The effects of these measures will be included in the general government fiscal plan as preparations and estimates become more detailed. The overall central government spending limits will be reduced accordingly.

				Impact on general government costs, total €m					Impact on central government costs, €m					Estimated impact on municipalities' funding contribution, €m					Estimated impact on social welfare and health care funds, €m						
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	Iti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	
Upper secondary education																									
Structural reforms	We commit to a general government savings level of €190m beginning in 2017. The actions could consist of many different measures. If the upper secondary education reforms produce more savings later on, they will be marked as entries fulfilling the target level of structural reforms in so far as the impacts are identified in the Ministry of Finance estimate. In addition, more substantial long-term structural savings will be sought through reformist restructuring.	It is difficult to divide the €190m savings between the municipalities and the central government before more detailed information about the practical implementation of the structural reforms or immediate savings measures are available. Therefore the very approximate allocation of funding contributions in the table is subject to changes.	From 2017 onwards		-190	-190	-190	-190	-190		-80	-80	-80	-80		-110	-110	-110	-110						
Other measures concerning upper secondary education																									
Apprenticeship (29.20.21, 29.30.32)	The additional funding reserved for support granted to the expansion of apprenticeship for young people will be withdrawn as from 2018. The withdrawal of the additional funding will not influence the basic funding of apprenticeship training.	In the decision on spending limits for 2014–17, additional funding was channelled to strengthen apprenticeship for young people through an initial period for apprenticeship training and by means of trial mechanisms for a flexible changeover from institutional vocational training to apprenticeship training while maintaining the unit price in apprenticeship training at the same level as in an education institution: furthermore, the objective was to diversify on-the-job learning practices in a joint effort by training providers and workplaces. The total value of the grants and transfers to these ends is €18.7m per year.	This does not require legislative amendments. The funding is meant to run for a fixed period of time, but it is included in the spending limits base. In connection with the decision on spending limits for 2014–17, a decision was made to review the continuation of the projects and funding in 2017.			-19	-19	-19	-19		-18,7	-18,7	-18,7												
Vocational upper secondary education (29.20.30, 29.30.31, 29.30.32)	Section 23b of the Act on Education and Culture Funding (1705/2009) will be amended so that the impact on the unit price of the savings decided during the previous electoral term and withdrawal of the guaranteed increase of write-offs concerning vocational education will materialise fully as is stated in the rationale of Government Proposal 304/2014.	The fixed-term guaranteed increase of write-offs concerning vocational education will end in 2015. However, the withdrawal of the increase on the unit price of basic vocational education will not materialise fully because of the reformulation of Section 23 of the Act on Education and Culture Funding that comes into force on 1 January 2016 and which states that the unit price is at least at the 2015 level. The effect of the withdrawal of the guaranteed increase was already included in a government proposal in winter 2015, but was invalidated by oversight through some other government proposal.	This requires an amendment to Section 23 of the Act on Education and Culture Funding. Its entry into force is possible from 2016 onwards.	-39	-39	-39	-39	-39	-39	-16	-16	-16	-16	-16	-22	-22	-22	-22	-22						

				Impact on general government costs, total €m					Impact on central government costs, €m					Estimated impact on municipalities' funding contribution, €m					Estimated impact on social welfare and health care funds, €m						
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	Iti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	
Research																									
Academy of Finland	The budget authority of the Academy of Finland will be cut by EUR 10 million beginning in 2016.				-3	-5	-10	-10	-10		-3	-5	-10	-10											
		* long-term impact	TOTAL	-178	-466	-511	-541	-556	-681		-137	-265	-291	-299	-302	-40	-200	-220	-243	-254	0	0	0	0	0

Social and health services

				Impact on general government costs, total €m					Impact on central government costs, €m					Estimated impact on municipalities' funding contribution, €m					Estimated impact on social welfare and health care funds, €m						
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	Iti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	
Working-age adults																									
AURA rehabilitation	<p>The AURA rehabilitation programme will be abolished as of the beginning of 2016, i.e. before its initiation.</p> <p>The AURA rehabilitation is a new appropriation combining vocational rehabilitation programmes Aslak and TYK that was planned to start as of the beginning of 2016 with an annual budget of €20.6m. It was to be funded from health insurance. The central government's funding contribution was planned to be 44.9% and the share of the insured 55.1%.</p>		GP s2015	-21	-21	-21	-21	-21	-21	-9	-9	-9	-9	-9											

				Impact on general government costs, total €m					Impact on central government costs, €m					Estimated impact on municipalities' funding contribution, €m					Estimated impact on social welfare and health care funds, €m						
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	Iti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	
Older people																									
Adjustment of the staff-client ratio in services to older people	The quality recommendation to guarantee a good quality of life and improved services for older persons published by the Ministry of Social Affairs and Health and the Association of Finnish Local and Regional Authorities in 2013 will be reviewed so that the absolute minimum staffing level would be 0.40-0.50 care workers per client in sheltered housing with 24-hour assistance and in older people's homes (current ratio 0.50). In long-term care in health centre in-patient wards, the recommended ratio would remain at 0.60-0.70 care workers per client. Other quality recommendations relating to certain groups to be included in the staffing levels (persons in apprenticeship training, social and health care sector students and persons without vocational education in the social and health care sector) will be reviewed so that the persons in these groups could be included in the staffing level as care workers on more relaxed grounds than at present.	In sheltered housing with 24-hour assistance and in older people's homes, approximately half of the clients need a particularly high level of care and services, so the lower staffing level could be applied to a maximum of 50% of clients. If the calculated saving gained from a lowering by 0.1 percentage point would be approximately €200m per year, the potential annual saving gained through this measure would be approximately one half, €100m per year. In practice, the adjustment of the staffing level would take place gradually and would probably be slightly less than the highest potential amount.			-25	-50	-70	-70	-70		-6	-13	-19	-19		-19	-37	-51	-51						
Bureaucracy																									
Reduction of planning obligations in social and health care services	The following obligations relating to the drafting of a service plan will be changed so the plan will be drafted only if the service need of a social welfare and health care client so requires it: - plan on supporting the elderly population (Act on Care Services for the Elderly, Section 5) - plan on service, care, rehabilitation or other such social welfare plan (Act on Social Welfare Clients, Section 7) and - plan on examination, care, medical rehabilitation etc. (Act on the Status and Rights of Patients, Section 4a)	Social and health care services have many detailed obligations relating to client or patient rights and services. These take up a considerable amount of the staff's time and involve significant costs. An estimate of municipalities' savings is €5-15m annually. In addition, other corresponding local government planning obligations in different administrative branches should be assessed and obligations diminished.			-10	-10	-10	-10	-10		0	0	0	0	0	-10	-10	-10	-10						

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Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	Iti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	
Reduction of cost differences in specialised health care	To curb costs in specialised health care, an incentive system will be introduced. This means that hospital districts or other specialised health care providers will be paid incentive support if their per capita operating costs adjusted by region-specific correction parameters (e.g. prevalence of diseases, age structure, population density and role in national centralisation) do not exceed the national average by more than 15%. The more the costs remain under the target level, the bigger the incentive support will be, taking account of that no single provider can be granted more than half of the entire support appropriation. Incentive support will also be granted to specialised health care providers that can significantly improve their cost effectiveness, unless they already receive the support under the 15% rule. Incentive support will amount to €250m annually. The same amount will be cut from central government transfers to local government.				-50	-100	-150	-200	-200							-50	-100	-150	-200						
Improving efficiency in the organisation of regional specialised health care	In specialised health care, municipalities will be given a statutory obligation to transfer certain demanding surgical operations (operations to be prescribed separately, e.g. endoprosthesis, brain, heart, cataract, cancer and abdominal surgery) in their hospital districts or other entities to such health care units that meet certain competence-supporting minimum requirements. Section 4 of the Government Decree on the Organisation and Centralisation of Specialised Health Care (336/2011) on the Centralisation of Specialised Medical Care on a Regional Level, issued under Section 45 of the Health Care Act, will be amended so that it will give more detailed provisions on the content of centralised health care services mentioned above and on the units providing such care.	The aim is that centralised health care services would be offered, for example, in no more than two units in each hospital district. The impact assessment of savings in municipalities' costs would gradually grow and would amount roughly to €50-100m in the early stages. In the longer term, the savings impact could be considerably higher. This will be included in the spending limits, not in the initial stages, but later when the cost impacts are known in more detail.		-50	-75	-100	-110	-150	-150	-13	-19	-25	-28	-38	-38	-56	-75	-83	-113						
			TOTAL	-71	-181	-281	-361	-451	-451	-22	-34	-47	-56	-66	-38	-135	-222	-294	-374	-11	-11	-11	-11	-11	

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Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	Iti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Fines and administrative penalties (12.39.01)	The Act 756/2010 will be amended to double the amount of fixed fines under the Act and raise their maximum amount from €115 to €230 and that of ancillary forfeiture of property from €1,000 to €2,000. The need for an increase will be considered again in 2017.	The euro amounts of fixed fines were last reviewed more than 15 years ago. Even if they were doubled, they would still be low by general European standards. Close to 300,000 fixed fines are imposed every year, most of them for traffic violations.		-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20										
Unit fines (12.39.01)	The Act 808/2007 will be amended so that the amount of a unit fine under the Act is one thirtieth of the average monthly income of the person fined (currently one sixtieth), i.e. the amount of a unit fine would double. The minimum amount of a unit fine will be raised from €6 to €12. In further preparations, the requirement to double the amount may be reduced if part of the desired additional revenue can be obtained by increasing cost-effective camera enforcement, for example.			-48	-63	-63	-63	-63	-63	-63	-48	-63	-63	-63	-63									
Court fees and their scope of application (12.25.10)	Court fees (fees for court hearings and for handling petitionary matters) will be raised and their scope of application extended. As a result of the reform, revenues from court fees will cover at least 20% of the total expenditure of courts. It is estimated that the reform will bring additional revenues of €15 million annually. Most of the additional revenue would be obtained from fees for court hearings (c. €9m).	The legislative amendments will enter into force from the start of 2016 (the working group has already drawn up an amendment proposal for an Act on Court Fees and related provisions).		-15	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15										
TOTAL				-243	-322	-322	-322	-322	-322	-83	-98	-98	-98	-98	-160	-224	-224	-224	-224	0	0	0	0	0

Social benefits

				Impact on general government costs, total €m					Impact on central government costs, €m					Estimated impact on municipalities' funding contribution, €m					Estimated impact on social welfare and health care funds, €m						
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	Iti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	
Financial aid for students (29.70.55)	- Savings target is €70m by 2019 and in the long term €150m. - Level of study grant, housing supplement and loan must be at least €1,100. - Loan refund maintained within framework of financial constraints. - Number of months of financial aid for students will be limited. Financial aid for students may be single- or multi-stage.		Reform will come into force in autumn 2016		-20	-50	-70	-90	-150		-20	-50	-70	-90											
Housing																									
Pensioners' housing allowance	The pensioners' housing allowance will be adjusted to correspond with the general housing allowance, i.e. the systems will be combined.	According to a KELA estimate, changing the pension recipient's housing allowance to the general housing allowance would save €123m (-480m pension recipient's housing allowance, +349m general housing allowance, +8m social assistance).	Entry into force from 2016 as and when allowance decisions are adopted.	-40	-123	-123	-123	-123	-123	-40	-123	-123	-123	-123											
Guaranteed pension	General increase of guaranteed pension €30m		from 2016	30	30	30	30	30	30	30	30	30	30	30											
Adjustment of housing allowance criteria	Savings with budgetary impact in general housing allowance expenditure €25m. (Net effect, incl. growth of social assistance expenditure.)	Changes to allowance will always be done in conjunction with annual adjustment, so less impact in year of implementation. Calculated to be 60%.	Entry into force from 2016	-15	-25	-25	-25	-25	-25	-15	-25	-25	-25	-25											
Unemployment security and restriction of job alternation leave	Saving of €200m from earnings-related unemployment security and €50m from job alternation leave.			-250	-250	-250	-250	-250	-250	-104.2	-104.2	-104.2	-104.2	-104.2	0	0	0	0	0	-145.8	145.8	145.8	145.8	145.8	
Reimbursements																									
Reimbursements payable for costs of consultation with private dentist (33.30.60)	Health insurance reimbursements payable for private dentist fees will be reduced by one fifth. In terms of dental care, the average reimbursement per consultation is currently c. 26% of fees charged.		Entry into force from 2016	-20	-20	-20	-20	-20	-20	-9	-9	-9	-9	-9											
Medicine reimbursements (33.30.60)	A €150m saving in public finances from 2017 will be directed at medicine reimbursements.				-150	-150	-150	-150	-150		-67	-67	-67	-67											
In the same context, revision of pharmacies' pricing system (prescription and non-prescription medicines) will be studied.	The saving may be implemented e.g. by increasing significantly the starting co-payment share or by lowering reimbursement percentages or by changing reimbursement status.																								
Reimbursements payable for costs of consultation with private doctor (33.30.60)	Health insurance reimbursement from doctor's fees will be cut. Average reimbursement of doctor's fees is currently c. 21% of fees charged.	Impact of additional burden on municipal health care has not been assessed (e.g. eye diseases and gynaecological examinations).	Entry into force from 2016	-20	-20	-20	-20	-20	-20	-17	-17	-17	-17	-17						-3	-3	-3	-3	-3	

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Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	Iti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020														
Parental allowance	Accrual of holiday leave arising from maternity, paternity and parental leave periods will be restricted to a maximum of 6 months.	Proposal corresponds to the Swedish model. Compensation of leave costs is currently c. €70m per year.	GP 2015, entry into force 1.1.2016.	-28	-28	-28	-28	-28	-28																-28	-28	-28	-28	-28									
	Abolition of 30-day higher component payable for the parental leave period, where the reimbursement rate of parental allowance is currently 75%. Normal 70% reimbursement of imputed earned income will be paid for this period.	The reform will simplify the parental allowance system. When earned income is used as the criterion for the parental allowance, the parental allowance payable increases e.g. at the beginning of the parental leave period (30 working days). The fact that the level of allowance varies during the parental leave period has no significant incentive effect.	GP 2015, entry into force 1.1.2016.	-10	-10	-10	-10	-10	-10																				-10	-10	-10	-10	-10					
Sickness allowance (33.30.60)	The earned income limits and reimbursement rate for the determination of sickness allowance will be changed. The annual earned income limit used in determining the daily allowance and granting entitlement to a 70% reimbursement level will be lowered from the present €36,419 to €30,000 and the reimbursement rate for income exceeding this income limit will be changed to 35%.	The change would have no impact on minimum sickness allowances.	GP 2015, entry into force 1.1.2016.	-24	-24	-24	-24	-24	-24																						-24	-24	-24	-24	-24			
Diet allowance (33.40.60)	The diet allowance, the amount of which is currently €23.60/month, will be abolished.		GP 2015, entry into force 1.1.2016.	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10																								
Travel allowances (33.30.60)	The co-payment share per journey, the annual cost ceiling and the co-payment share of a tax journey ordered from elsewhere than a coordination centre will be increased.	The patient/rehabilitee pays a co-payment share for a journey. KELA reimburses necessary travel costs exceeding this. If the customer has used a taxi and the journey has been ordered from a coordination centre, the co-payment for a one-way journey is now €16.00. If the customer orders a taxi journey from elsewhere than a coordination centre, the co-payment for a one-way journey is €32.00. This higher co-payment is not added to the annual co-payment share. After the annual travel ceiling (€272.00) is reached, journeys are reimbursed in full with respect to necessary costs.	GP 2015, entry into force 1.1.2016.	-20	-20	-20	-20	-20	-20	-20	-8	-8	-8	-8	-8																			-12	-12	-12	-12	-12

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Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	Iti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Child welfare and home assistance for families with children	Increase			10	10	10	25	25	25	10	10	10	25	25										
Home care for the elderly, veterans, and reducing the degree of disability of disabled war veterans	Increase				10	10	10	10	10		10	10	10	10										
Total				-437	-710	-770	-800	-860	-920	-131.9	-303.2	-336.9	-348.2	-378.2	-71.25	-90	-116.3	-135	-165	-233.8	-316.8	-316.8	-316.8	-316.8

Agriculture and forestry

				Impact on general government costs, total €m						Impact on central government costs, €m					Estimated impact on municipalities' funding contribution, €m					Estimated impact on social welfare and health care funds, €m				
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	Iti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Structural changes	Merger of Natural Resources Institute Finland and Finnish Environment Institute, transfer to 3-tier management system for agricultural support, risk-based supervision of payments, abolition of early retirement aid (change in the scheme, significant savings in the 2020s)				-8	-18	-19	-19	-19		-8	-18	-19	-19										
National funding of the Rural Development Programme	Nature management fields, LFA, buffer zones, catch crops, project funds			-5	-16	-16	-23	-23	-23	-5	-16	-16	-23	-23										
Forestry	Forest Biodiversity Programme for Southern Finland Metso €3m, aid for energy use of small-diameter wood €12m (the rest of these funds in the budget item transferred to the financing of sustainable forestry)			-15	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15										
Administration	Ministry, food chain, Finnish Food Safety Authority, Finnish Forestry Centre, cadastral surveys			-9	-9	-11	-13	-13	-13	-9	-9	-11	-13	-13										
TOTAL				-29	-48	-60	-70	-70	-70	-29	-48	-60	-70	-70	0	0	0	0	0	0	0	0	0	0

Business and industry

				Impact on general government costs, total €m					Impact on central government costs, €m					Estimated impact on municipalities' funding contribution, €m					Estimated impact on social welfare and health care funds, €m					
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	Iti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Grants and loans from the Finnish Funding Agency for Innovation Tekes (32.20.40)	Research and development funding granted by the Finnish Funding Agency for Innovation Tekes will be cut by €95m.	Funding will be increasingly directed to growth-oriented businesses and radical innovations.	Budget proposal 2016	-10	-40	-60	-95	-95	-95	-10	-40	-60	-95	-95										
Tekes Strategic Centres for Science, Technology and Innovation (SHOKs)	Tekes SHOKs will be gradually phased out. Grants €-35m. Loan authorisations may be transferred to Tekes's other loan authorisations.		Budget proposal 2016	-10	-20	-30	-35	-35	-35	-10	-20	-30	-35	-35										
Innovative Cities Programme INKA	The Innovative Cities Programme INKA will be stopped.	The programme is currently scheduled to run for the Structural Funds programming period.		-3	-5	-8	-8	-8	0	-3	-5	-8	-8	-8										
Restricting the wind power quota in the feed-in tariff system (32.60.44)	The wind tariff quota subject to feed-in tariff will be restricted. The wind power plants that are currently part of the feed-in tariff system and wind power plants that have applied for a quota decision will be included in the feed-in tariff system. The Government will issue as soon as possible a proposal on the quota restriction (from 2,500 MVA to approximately 2,000 MVA). Cost-effective ways to promote wind power will be explored during the government term.	The savings potential will depend on the issuing of the related government proposal.	A government proposal for the amendment of the Production Subsidy Act will be issued as soon as possible.	0	0	-12	-42	-59	0	0	0	-12	-42	-59										
Investment and development subsidies to businesses (32.30.45)	Support for companies' investment and development projects will be reduced. The said appropriation includes ordinary business subsidies, the reduction of which has been generally demanded. If necessary, funds from the European Regional Development Fund may be directed to this purpose.	Permanent saving €10m (annual budget authority)	Budget proposal 2016	-1	-5	-8	-9	-9	-10	-1	-5	-8	-9	-9										
Employment policy appropriations (32.30.51)	Employment policy funding will be gradually directed to more effective actions, and employment services opened for private actors.		Budget proposal 2016	-50	-70	-90	-110	-110	-110	-50	-70	-90	-110	-110										
Subsidies for internationalisation	The funding scheme for internationalisation will be reformed. New subsidies will not be granted from 2016.			-2	-5	-8	-8	-8	-8	-2	-5	-8	-8	-8										
Business support services	An overall assessment will be made of business services within central and local government (costs and different services). At the same time, an assessment will be made to estimate how much of the demand for business services results from various kinds of regulation. The provisions that generate the greatest need for advice will be identified.	Necessary amendments will be implemented on the basis of the study. If the need for advice services could be cut, for example, by 1 person-year in every second municipality, it could generate a saving of almost €10m in local government finances.				-5	-8	-8	-8								-5	-8	-8					
TOTAL				-76	-145	-221	-315	-332	-266	-76	-145	-216	-307	-324	0	0	-5	-8	-8	0	0	0	0	0

Housing and the environment

				Impact on general government costs, total €m					Impact on central government costs, €m					Estimated impact on municipalities' funding contribution, €m					Estimated impact on social welfare and health care funds, €m					
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	Iti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Cutting acquisition and compensation expenditure for nature conservation areas (35.10.63)	If possible, more decisions on mire conservation and other decisions on nature conservation areas will be made on land managed by Metsähallitus, and protection measures (land surveys, management plans) concerning the sites already allocated for nature conservation will be completed with a single appropriation of €8m. With respect to further measures carried out on state lands, acquisition and compensation appropriations for nature conservation areas will be reduced. A reward system that could be applied to valuable sites in terms of nature conservation will be created for land owners who are ready to commit voluntarily to nature protection on a permanent basis.	The measure will reduce funding needs for private nature conservation areas. More conservation decisions under the Forest Biodiversity Programme will be made on sites outside the forestry activities managed by Metsähallitus. Net effect in the table.	GP 2015, entry into force 1.1.2016.	-12	-20	-20	-20	-20	-20	-12	-20	-20	-20	-20										
Investment grants	Activities, i.e. normal housing for students, young people and the elderly, targeted at population groups who are in good health will be excluded from the scope of high investment grants for special groups. Accessibility requirements in construction will be eased in housing for young people and students. The remaining grants will be used to safeguard housing for those in poor health and the homeless.		GP 2015, entry into force 1.1.2016.	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15										
Authorisations for right-of-occupancy housing	Authorisations for right-of-occupancy housing will be reduced by one third.	The value of the authorisations is currently €320m. The growth in the outstanding amount of state-guaranteed loans and interest expenditure will be curbed. Particularly in the long term, this measure is expected to reduce central government costs relating to rising interest expenditure and possible risks materialising from renovations. There is no resident selection in this form of grant. This is the potential saving, which has been calculated on the assumption that the interest rate is 4%.	GP 2015, entry into force 1.1.2016.						-25															

				Impact on general government costs, total €m					Impact on central government costs, €m					Estimated impact on municipalities' funding contribution, €m					Estimated impact on social welfare and health care funds, €m						
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	Iti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	
	To reduce incentive traps, those difficult to employ will be given priority in rental dwellings funded by the state. If in a municipality there is a vacant state-funded dwelling which is lower-priced than a privately financed one, housing expenses will be reimbursed only in accordance with the rent of the state-funded dwelling.	This should be implemented together with the proposal for the selection of residents in ARA dwellings (priority given to people receiving social assistance and housing allowance). The potential saving may be marginal and difficult to calculate (there is no information about the reimbursement of current housing expenses of the target group and impact of the change is difficult to estimate); the greatest potential lies in the reduction of incentive traps. It is also estimated that this would mean extra work for Kela.																							
TOTAL				-42	-55	-59	-59	-59	-84	-42	-55	-59	-59	-59	0	0	0	0	0	0	0	0	0	0	0

Transport

				Impact on general government costs, total €m					Impact on central government costs, €m					Estimated impact on municipalities' funding contribution, €m					Estimated impact on social welfare and health care funds, €m						
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	Iti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	
Basic transport infrastructure management (31.10.20)	An increase in the repair debt will be prevented by reallocating the financing of new projects to basic transport infrastructure management and basic improvement of private roads.		as of 2017	0	114	150	100	100	100	0	114	150	100	100											
Transport projects (31.10.77, 78, 79)	The provision for unnamed projects under transport infrastructure items will be reduced	The technical spending limits are scaled to €544m annually, which corresponds to the average level of appropriations allocated in 2012–2015. The spending limits will now allow unnamed projects as follows: 2016: €0m, 2017: €113.8m, 2018: €257m, 2019: €358.7m. A total of €729.5m for 2017–2019 is reserved for transport infrastructure projects under item 31.10.77 for new, unattached projects.		0	-114	-150	-220	-220	-220	0	-114	-150	-220	-220											
Public transport subsidies	Public transport subsidies will be reduced by €15m.		as of 2016	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15											
TOTAL				-15	-15	-15	-135	-135	-135	-15	-15	-15	-135	-135	0	0	0	0	0	0	0	0	0	0	0

Military defence

				Impact on general government costs, total €m					Impact on central government costs, €m					Estimated impact on municipalities' funding contribution, €m					Estimated impact on social welfare and health care funds, €m						
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	Iti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	
Finnish Defence Forces catering services	Catering services for the Defence Forces will be opened up for competition in 2017.	In line with Section 6 of the Act on the Incorporation of Catering Services in the Defence Forces (16.12.2011/1287), there is a four-year protection period for staff (terminates at the end of 2015). The 2014 turnover was €66.2m and profit €3.5m. In order to create genuine competition, the call for tenders should be in parts, e.g. tenders are invited for one-third of the catering services in the DF on a yearly basis. Cost effect 0, -1, -3, -5, -5	2017	0	-1	-3	-5	-5		0	-1	-3	-5	-5											
Procurement of defence materiel (27.10.18)	The procurement process of defence materiel will be improved by making use of competitive opportunities and increasing joint procurement with other countries to achieve cost savings. The Defence Forces will benefit from the gain made through the said improvement.	As large procurement projects are spread over many years, it may take a long time before the impact of international cooperation can be seen on cash flows. Good opportunities for efficiency will be generated by the FDF Logistics Command, which became operational as of 1 January 2015. It is composed of the materiel commands of the Army, the Navy and the Air Force, the Centre for Military Medicine, the Häme Regiment's Logistics School and the Joint Systems Centre.			0	0	0	0	0		0	0	0	0											
Military crisis management (24.10.20 and 27.30.20)	Participation in military crisis-management operations will be cut down and more focus will be placed on crisis-management operations that are more meaningful and impactful from Finland's perspective. Sufficient funding will be secured (e.g. 5 to 10% of the budget item) under the so-called funds in reserve. The military crisis management expenditure allocated for the Ministry for Foreign Affairs will be merged with the deferrable appropriation of the Ministry of Defence.	According to current plans, as of 2017 Finland will take part in 9 operations with a total of 90 soldiers. The current spending limit would allow for an increase of 1 to 2 operations and 20 to 30 staff. In the future, Finland will take part at the most in 5-7+1 military operations.	The savings sum is smaller in 2016 and will grow from 2017. The number of planned operations will decline from 2017. In spring 2016, for example, Finland will have a leadership role in operations in Lebanon.	-5	-10	-15	-15	-15	-15		-5	-10	-15	-15	-15										
Supplementary appropriation of the Defence Forces	The final report of the parliamentary working group refers to a financing method introduced in the security and defence policy report. According to it, the defence administration has estimated that a further €50m will be needed in 2016 particularly to maintain military capability and, by year 2020, progressively €150m in addition to index increments.			50	80	110	130	150	150		50	80	110	130	150										
TOTAL				45	69	92	110	130	135		45	69	92	110	130	0	0	0	0	0	0	0	0	0	0

				Impact on general government costs, total €m					Impact on central government costs, €m					Estimated impact on municipalities' funding contribution, €m					Estimated impact on social welfare and health care funds, €m					
Item	Measures that will be carried out (in brief)	Other (e.g. other key effects)	Timing (submission, entry into force etc. of Government proposal (GP))	2016	2017	2018	2019	2020	Iti*	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Implementation of the financial management development project "purchase to pay" in all accounting units (operating expenditure items)	Implementation of the State Treasury's development project "purchase to pay" in all accounting units by the State Treasury, Palkeet and HAUS Finnish Institute of Public Management.	As a rule, all necessary order and expenditure processing systems and operating methods exist, but their use is minimal. The State Budget Act will be reviewed in terms of public procurement centralisation and, if necessary, the Budget Decree in terms of approval of expenditure in 2016. According to the State Treasury's development project, a transfer from "manual" to electronic orders and expenditure processing as well as best practices will bring productivity potential as follows: order management system and order planning 40–80 pys, agreement allocation 80–160 pys, posting code 15–45 pys, expenditure account statements 5–7 pys. Total 140–293 pys. Resources to be freed up from the Kieku project can be used in implementing the changes in the accounting units. Decision on the continuation of the Tilha agreement in 2017.	Amendments to the State Budget Act and, if necessary, to the Decree in 2016. Gradual implementation as of 2016.	-3	-5	-10	-12	-15	-15	-3	-5	-10	-12	-15										
Reduction in central government premises expenditure	The investment authorisation of Senate Properties will be limited so that a permanent reduction of €30m be applied to rents. The measure will immediately reduce Senate Properties' expenditure. In the first phase, the profit accrued to Senate Properties will be entered as central government revenue. The profit accrued to the agencies in lower rents will be cut from the appropriations in 2019 ahead of schedule as a lump sum reduction.	Attempts will be made to reduce excess quality, but at the same time ensuring that the property maintains its utility value.			-5	-20	-30	-30	-30	0	-5	-20	-30	-30										
Subsidies to organisations and associations				-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5										
Savings in operating expenditure	Savings will be achieved in administrative expenditure by deregulating and cutting functions, giving up premises, and making use of the retirement attrition. The level of digitalisation will be increased and structures reformed. The saving targets apply to all administrative branches.			-30	-60	-90	-120	-120	-120	-30	-60	-90	-120	-120										
Political activities	Pay and operating expenses of ministers, state secretaries, special advisers and administrative assistants, support for political activities, other political activities.			-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5										
TOTAL				-43	-81	-133	-176	-179	-179	-43	-81	-133	-176	-179	0	0	0	0	0	0	0	0	0	0

