Implementation of Budget Efficiency in Tourism Programs of Kutai Kartanegara Regency

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SEIKAT
Jurnal Ilmu Sosial, Politik dan Hukum

e-ISSN: 2964-0962

SEIKAT: Jurnal Ilmu Sosial, Politik dan Hukum

https://ejournal.45mataram.ac.id/index.php/seikat

Vol. 5, No. 5, Oktober 2026

Page: 5295 - 5315

Available at:

https://ejournal.45mataram.ac.id/index.php/seikat/article/view/3935

DOI:

https://doi.org/10.55681/seikat.v5i5.3935

Article History:

Received: 07-08-2026
Revised: 30-10-2026
Accepted: 30-10-2026

Abstract *: This study aims to analyze the implementation of the budget efficiency policy in the Tourism Programs of Kutai Kartanegara Regency in 2025 and to identify the supporting and inhibiting factors affecting its implementation. A qualitative descriptive approach was employed. Data were collected through a literature review, interviews, observations, and document analysis, and were analyzed using the interactive model of data reduction, data display, and conclusion drawing. The findings indicate that the budget efficiency policy was implemented effectively through the restriction of non-priority operational expenditures, prioritization of programs and activities, reduction of non-essential spending, optimization of information technology and digital payment systems, and strengthening of accountability, transparency, and compliance with public financial management regulations. These measures contributed to more efficient achievement of program outputs and outcomes. Supporting factors included high-quality budget planning, performance-based budgeting, effective utilization of information technology, productive spending patterns, and policy support from the local government and legislative budget aspirations. The main inhibiting factors were delays in the issuance of Budget Implementation Documents, limited human resource competencies, suboptimal leadership oversight, and the low participation of accommodation businesses in reporting tourist visitation data.*

Keywords *: Budget, Efficiency, Policy, Implementation, Tourism*

Abstrak : Penelitian ini bertujuan untuk menganalisis implementasi kebijakan efisiensi anggaran pada Program Pariwisata Kabupaten Kutai Kartanegara tahun 2025 serta mengidentifikasi faktor pendukung dan penghambat dalam pelaksanaannya. Pendekatan deskriptif kualitatif digunakan dalam penelitian ini. Data dikumpulkan melalui studi pustaka, wawancara, observasi, dan analisis dokumen, kemudian dianalisis menggunakan model interaktif yang mencakup reduksi data, penyajian data, dan penarikan kesimpulan. Hasil penelitian menunjukkan bahwa kebijakan efisiensi anggaran dilaksanakan secara efektif melalui pembatasan belanja operasional non-prioritas, penentuan prioritas program dan kegiatan, pengurangan belanja non-esensial, optimalisasi teknologi informasi dan sistem pembayaran digital, serta penguatan akuntabilitas, transparansi, dan kepatuhan terhadap regulasi pengelolaan keuangan publik. Langkah-langkah tersebut berkontribusi pada pencapaian keluaran (*output*) dan hasil (*outcome*) program secara lebih efisien. Faktor pendukung meliputi perencanaan anggaran yang berkualitas, penganggaran berbasis kinerja, pemanfaatan teknologi informasi yang efektif, pola belanja yang produktif, serta dukungan kebijakan dari pemerintah daerah dan aspirasi anggaran legislatif. Faktor penghambat utama meliputi keterlambatan penerbitan Dokumen Pelaksanaan Anggaran, keterbatasan kompetensi sumber daya manusia, pengawasan kepemimpinan yang belum optimal, serta rendahnya partisipasi pelaku usaha akomodasi dalam pelaporan data kunjungan wisatawan.

Kata Kunci : Anggaran, Efisiensi, Kebijakan, Implementasi, Pariwisata

INTRODUCTION

Regional financial management is a fundamental instrument for achieving effective, efficient, transparent, and accountable governance. Within the framework of New Public Management, the performance of public budgeting is no longer assessed solely by the level of budget absorption but also by the government's ability to generate outputs and outcomes that deliver tangible benefits to society (Antasena,et al., 2023). Consequently, public financial management policies are expected to adopt the Value for Money principle, which emphasizes economy, efficiency, and effectiveness as the foundation of public sector governance (Santoso, et al, 2024) .

The Indonesian government's commitment to improving the quality of public expenditure was further reinforced through the issuance of Presidential Instruction of the Republic of Indonesia Number 1 of 2025 concerning Expenditure Efficiency in the Implementation of the 2025 State Budget and Regional Budget (Murtanto, & Zen, S. A. M., 2023). This policy directs all ministries, government agencies, and regional governments to improve spending efficiency by adjusting programs and activities without compromising the quality of public services or the achievement of development objectives (Lulaj, E., et al, 2024). The budget efficiency policy constitutes part of the government's broader strategy to promote more productive, adaptive, and results-oriented public expenditure (Mars, J. , 2025). .

Effective implementation of budget efficiency requires strategic measures to improve the quality of government expenditure (Kurniansah, R., Hulfa, I., & Minanda, H., 2025). . The Directorate General of Treasury, Ministry of Finance of the Republic of Indonesia (2025), explains that Value for Money–based budget efficiency is implemented through nine strategic measures that are aligned with the provisions of Presidential Instruction Number 1 of 2025. These measures include: (1) limiting low-priority operational expenditures, such as official travel, coordination meetings, and team honoraria; (2) prioritizing programs and activities; (3) reducing non-priority expenditures on ceremonial events, studies, seminars, and similar activities; (4) enhancing the efficiency and effectiveness of program implementation so that performance is measured not merely by budget absorption; (5) minimizing supporting expenditures that do not produce measurable outputs; (6) prioritizing the achievement of program outputs and outcomes; (7) optimizing digital payment systems to strengthen accountability; (8) maximizing the use of information technology in program implementation; and (9) strengthening compliance with public financial management regulations by upholding the principles of accountability and transparency Kushendar, D. H., et al, 2026).

The implementation of these nine strategic measures demonstrates that budget efficiency should not be understood merely as budget reduction, but rather as an effort to optimize the use of public resources in order to generate greater benefits for society. Accordingly, the success of budget efficiency policy implementation should be assessed not only by the magnitude of cost savings achieved but also by the organization's ability to sustain or even improve program performance through higher-quality budget management (Dwiyanto, A., 2020)..

As the regional government agency responsible for tourism affairs, the Tourism Office of Kutai Kartanegara Regency has implemented the budget efficiency policy in accordance with the directives of the central and regional governments. The policy has been translated into practice through adjustments in budget planning and implementation by prioritizing strategic programs, limiting operational expenditures that do not contribute to strategic objectives, optimizing the use of information technology, and strengthening financial accountability. The primary challenge lies in maintaining a balance between budget savings and the achievement of tourism development

targets, while ensuring that the quality of public services and organizational performance is sustained (Rumagit, et al, 2022)..

Although numerous studies have examined budget efficiency in the public sector, most have focused on measuring the level of efficiency or the effectiveness of budget absorption using quantitative approaches, financial ratio analysis, or the Value for Money framework. Other studies have primarily investigated the impact of budget efficiency on organizational performance without providing an in-depth explanation of how the policy is implemented within regional government agencies. Furthermore, studies specifically examining the implementation of the budget efficiency policy following the issuance of Presidential Instruction Number 1 of 2025 remain limited, particularly in the tourism sector, where development programs are diverse and involve multiple stakeholders (Arfiani, M., et al, 2023).

Based on this context, the present study offers a novel contribution by examining the implementation of the budget efficiency policy under Presidential Instruction of the Republic of Indonesia Number 1 of 2025 through the perspectives of public policy implementation and the Value for Money principle(Directorate General of Treasury & Ministry of Finance of the Republic of Indonesia, 2025). Unlike previous studies, which have primarily focused on measuring efficiency levels or the effectiveness of budget absorption, this study emphasizes the implementation of strategic budget efficiency measures in the management of tourism sector programs. Specifically, the analysis focuses on nine strategic measures: (1) limiting low-priority operational expenditures; (2) prioritizing programs and activities; (3) reducing non-priority expenditures; (4) improving the efficiency and effectiveness of program implementation; (5) optimizing output-based expenditures; (6) prioritizing the achievement of program outputs and outcomes; (7) digitalizing payment systems; (8) maximizing the utilization of information technology; and (9) strengthening compliance with financial management regulations, accountability, and transparency. In addition, this study examines the factors that facilitate and hinder the implementation of the policy (Dewi, et al, 2023). The findings are expected to contribute to the advancement of public administration scholarship, particularly in the implementation of Value for Money–based regional financial management policies, while also providing practical insights for regional governments in formulating budget efficiency strategies that not only reduce public expenditure but also sustain and enhance the achievement of development outputs and outcomes (Hadiansyah, Y., 2025).

RESEARCH METHOD

This study employed a qualitative descriptive approach to obtain a comprehensive understanding of the implementation of the budget efficiency policy in tourism sector programs. This approach was selected because it enables an in-depth exploration of the policy implementation process, the dynamics of its execution, and the factors influencing both the success and the challenges of implementing the budget efficiency policy (Hardani, Auliya, et al, 2020)..

The study was conducted at the Tourism Office of Kutai Kartanegara Regency, the regional government agency responsible for implementing the budget efficiency policy under Presidential Instruction of the Republic of Indonesia Number 1 of 2025 concerning Expenditure Efficiency in the Implementation of the 2025 State Budget and Regional Budget. Research participants were selected using purposive sampling based on their knowledge, experience, and authority in the processes of planning, budgeting, program implementation, and evaluation. The participants included the Acting Head of the Tourism Office, the Secretary of the Office, Division Heads, the Financial Administration Officer (PPK), Technical Activity Implementation Officers (PPTK), and other government officials involved in budget management.

Data were collected through a literature review, in-depth interviews, observations, and document analysis. The literature review provided the theoretical foundation and regulatory framework related to policy implementation and regional financial management. Semi-structured interviews were conducted to obtain detailed information on the implementation of the budget efficiency policy, including its supporting and inhibiting factors. Observations were undertaken to gain direct insights into the implementation of tourism sector programs, while document analysis involved examining key planning and financial documents, including the Strategic Plan (Renstra), Annual Work Plan (Renja), Budget Implementation Document (DPA), Government Agency Performance Accountability Report (LKjIP), budget realization reports, and other relevant supporting documents.

Data validity was ensured through source triangulation and methodological triangulation. Source triangulation was conducted by comparing information obtained from different participants, while methodological triangulation involved cross-checking findings from interviews, observations, and document analysis to enhance the credibility and trustworthiness of the data.

Data were analyzed using the interactive analysis model developed by Miles and Huberman (Hardani et al., 2020), which consists of three stages: data reduction, data display, and conclusion drawing/verification. The analysis was conducted continuously throughout the data collection process until the completion of the study, enabling an in-depth interpretation of the implementation of the budget efficiency policy and the factors influencing its implementation.

RESULTS AND DISCUSSION

Limiting Low-Priority Operational Expenditures

The findings indicate that the implementation of the budget efficiency policy at the Tourism Office of Kutai Kartanegara Regency began with the restriction of low-priority operational expenditures as a follow-up to Presidential Instruction of the Republic of Indonesia Number 1 of 2025. This policy was implemented through the rationalization of expenditures on official travel, meetings, office supplies, document printing, activity honoraria, and other operational expenses that did not directly contribute to the achievement of the organization's performance targets. In contrast, budget allocations continued to prioritize programs related to tourism destination development, tourism marketing, creative economy development, and human resource capacity building, as these strategic programs play a significant role in achieving regional development objectives.

The restriction of operational expenditures was implemented through a comprehensive evaluation of all expenditure components across programs and activities. This process involved the leadership of the regional government agency, the secretariat, planning officials, and financial management officials to ensure that budget reductions were applied only to expenditures that could be optimized without compromising service quality or organizational performance. Accordingly, budget efficiency was not intended to reduce organizational activities but rather to restructure expenditure composition to achieve greater productivity and stronger results-oriented performance.

From a regulatory perspective, the implementation of this policy is consistent with Presidential Instruction of the Republic of Indonesia Number 1 of 2025 and Government Regulation Number 12 of 2019 on Regional Financial Management, which stipulate that regional financial management must be conducted in an orderly, economical, efficient, effective, transparent, and accountable manner. These regulations demonstrate that budget efficiency is intended to improve

the quality of public spending by controlling less productive expenditures and reallocating resources to activities that generate direct benefits for the community.

These findings are consistent with the Value for Money concept proposed by Mardiasmo (2018), which argues that successful public financial management is determined not only by the ability to reduce expenditures but also by the ability to achieve optimal outputs and outcomes through the economical, efficient, and effective use of public resources. In the present study, the restriction of operational expenditures was not applied indiscriminately; instead, it was targeted at expenditure components that had minimal impact on the achievement of organizational performance indicators. This approach demonstrates that budget efficiency is intended to enhance the quality of public spending while maintaining the quality of public service delivery.

The findings of this study indicate that budget management practices have undergone a transformation in line with the principles of New Public Management (NPM) introduced by Christopher Hood (Kushendar et al., 2026), particularly through an emphasis on efficiency, performance orientation, accountability, and the optimal use of technology in government administration. The organization is no longer primarily oriented toward maximizing budget absorption but rather toward achieving optimal performance targets through more efficient utilization of available resources. This is reflected in the optimization of digital-based administrative processes, the simplification of activity implementation mechanisms, and the integration of activities with similar objectives, thereby reducing operational costs without compromising the substance and quality of the programs.

Based on Van Meter and Van Horn's policy implementation perspective (Agustino, 2016), the successful implementation of operational expenditure restrictions is influenced by the clarity of policy standards and objectives, effective inter-agency communication, and the commitment of implementing organizations. Clear directives provided through Presidential Instruction No. 1 of 2025, supported by technical guidelines from the local government and coordination between the Regional Government Budget Team (TAPD) and regional government agencies, fostered a shared understanding in implementing budget adjustments, thereby enabling the implementation process to proceed effectively.

These findings reinforce the study by Rumagit et al. (2022), which concluded that the implementation of the Value for Money principle can improve the efficiency of public financial management without reducing the effectiveness of organizational goal achievement. However, this study offers a distinct empirical contribution by demonstrating that the implementation of the efficiency policy under Presidential Instruction of the Republic of Indonesia No. 1 of 2025 not only generated savings in operational expenditures but also promoted governance transformation through the digitalization of administrative processes, strengthened coordination among organizational units, and improved the quality of budget planning.

Thus, the restriction of low-priority operational expenditures represents a policy implementation that is oriented not only toward budget savings but also toward improving the quality of regional financial management. By controlling less productive expenditures and reallocating resources to priority programs, the Department of Tourism of Kutai Kartanegara Regency successfully applied the Value for Money principle, ensuring that budget efficiency remained aligned with the achievement of the intended outputs and outcomes of tourism sector development.

Prioritization of Activity Implementation

The findings indicate that the Department of Tourism of Kutai Kartanegara Regency established the prioritization of activity implementation as a key strategy in implementing the

budget efficiency policy. Priorities were determined by considering the organization's performance targets, benefits to the community, and the contribution of each program to the development of the tourism and creative economy sectors. This process was carried out through coordination meetings, budget desk discussions, and cross-departmental deliberations involving organizational leaders, the secretariat, planning officials, and Technical Activity Implementation Officers (PPTK). Through this mechanism, programs that supported the achievement of the Key Performance Indicators (IKU), Key Performance Indicators (IKK), tourism destination development, tourism marketing, and the empowerment of creative economy actors remained top priorities, while supporting activities were adjusted according to the available budget capacity.

The implementation of activity prioritization demonstrates that budget efficiency is not interpreted as reducing all organizational activities but rather as a process of selecting programs that have the greatest strategic impact on achieving development objectives. Programs that provide direct benefits to the community were maintained, while activities with lower priority were reduced, postponed, or integrated with other activities. This approach enabled the organization to sustain program implementation despite operating under fiscal constraints.

From a regulatory perspective, these findings are consistent with Presidential Instruction of the Republic of Indonesia No. 1 of 2025, which directs local governments to prioritize budget allocation for strategic programs while reducing expenditures on activities with low urgency. This policy is further supported by Government Regulation No. 12 of 2019 on Regional Financial Management, which stipulates that regional financial management must be conducted in an effective, efficient, economical, transparent, and accountable manner. In addition, Minister of Home Affairs Regulation (Permendagri) No. 15 of 2024 on the Guidelines for Preparing the 2025 Regional Budget (APBD) mandates that budget preparation be aligned with national and regional development priorities by allocating resources to programs that provide tangible benefits to the public. Therefore, the activity prioritization mechanism reflects an effort to improve the quality of spending by concentrating budget allocations on programs with high strategic value.

From the Value for Money perspective, the findings indicate that activity prioritization represents an efficient allocation of resources to achieve optimal outputs and outcomes. As argued by Mardiasmo (2018), efficiency is measured not only by the extent of budget savings but also by an organization's ability to maximize benefits through the targeted use of resources. In this study, activity prioritization was determined based on each program's contribution to the achievement of performance indicators, ensuring that budget constraints did not diminish the effectiveness of development program implementation.

These findings also reflect the planning function proposed by Terry & Rue (2019), which defines planning as the process of selecting the most appropriate course of action to achieve organizational objectives through the optimal use of available resources. The prioritization of activities within the Department of Tourism demonstrates that the planning process is not merely focused on budget preparation but also on identifying the most strategic programs to be implemented in accordance with development needs and the region's fiscal capacity. Furthermore, the use of performance indicators as the basis for determining priorities reflects the application of performance-based budgeting, whereby program success is assessed based on the achievement of outputs and outcomes rather than solely on the level of budget absorption.

When analyzed using Van Meter and Van Horn's policy implementation model (Agustino, 2016), the successful prioritization of activities is influenced by the availability of resources and the characteristics of the implementing organization. Budget constraints encouraged the organization to adopt a more selective approach in determining priority programs, while

coordination involving organizational leaders, the secretariat, planning officials, and all organizational units fostered a shared understanding in establishing those priorities. This synergy enabled the budget efficiency policy to be implemented without compromising the achievement of the organization's performance targets.

The findings of this study reinforce those of Dewi et al. (2023), who argued that budget rationalization is a strategy for optimizing resource utilization by adjusting activity priorities without compromising the quality of public services. The results are also consistent with Kurniansah et al. (2025), who emphasized that efficiency policies in the tourism sector should focus on safeguarding strategic programs that generate significant economic and social impacts. Furthermore, Mars (2025) demonstrated that cost efficiency in tourism management can be achieved through innovative approaches to program implementation and the optimization of available resources without reducing service quality. In contrast to these previous studies, the present research provides empirical evidence on the implementation of the budget efficiency policy under Presidential Instruction of the Republic of Indonesia No. 1 of 2025 at the level of a regional government agency. It demonstrates that activity prioritization can ensure the continuity of strategic programs while maintaining the achievement of organizational performance indicators.

Thus, the prioritization of activity implementation is a key strategy that determines the successful implementation of the budget efficiency policy. The systematic determination of priorities based on urgency, public benefit, and contribution to performance achievement demonstrates that budget efficiency is not merely about reducing expenditures but rather about allocating resources more strategically and effectively. This approach has enabled the Department of Tourism of Kutai Kartanegara Regency to maintain the quality of public services while supporting the sustainable development of the tourism and creative economy sectors despite operating under budget constraints.

Reduction of Non-Priority Expenditures

The findings indicate that the Department of Tourism of Kutai Kartanegara Regency implemented reductions in non-priority expenditures as a follow-up to Presidential Instruction of the Republic of Indonesia No. 1 of 2025. The policy was implemented through the Phase II budget efficiency measures and the Revised Regional Budget (APBD Perubahan) by reducing various expenditure components that did not directly contribute to the achievement of organizational performance targets. These included expenditures on office supplies, printed materials, official travel, honoraria, meetings, vehicle rentals, and ceremonial activities. The resulting budget savings were subsequently reallocated to support priority programs related to tourism destination development, tourism marketing, creative economy development, and human resource capacity building. Despite the budget reductions, the Department of Tourism continued to maintain program performance by adjusting activity implementation methods, optimizing the use of information technology, and strengthening collaboration with various stakeholders.

The implementation of reductions in non-priority expenditures reflects a policy approach that is oriented not only toward budget savings but also toward improving the quality of spending. This is consistent with Presidential Instruction of the Republic of Indonesia No. 1 of 2025, Government Regulation No. 12 of 2019 on Regional Financial Management, and Minister of Home Affairs Regulation No. 15 of 2024, all of which emphasize that regional financial management should be conducted in an efficient, effective, economical, transparent, accountable, and performance-based manner. These regulations direct local governments to reduce less productive expenditures and concentrate budget allocations on programs that provide tangible benefits to the public. Therefore, the reduction of non-priority expenditures should be understood not merely as

a fiscal austerity measure but as a strategic approach to optimizing resource utilization in support of development objectives.

The findings of this study demonstrate the application of the Value for Money principle as proposed by Mardiasmo (2018), particularly with respect to the dimensions of economy and efficiency. The principle of economy is reflected in the organization's efforts to acquire and utilize resources more economically by controlling less productive operational expenditures. Meanwhile, the principle of efficiency is evident in the organization's ability to maintain the achievement of most of its performance indicators despite operating under budget constraints. These findings suggest that efficiency should not be measured solely by the extent of budget reductions but also by the organization's ability to generate optimal outputs and outcomes through the more productive utilization of available resources.

The findings are also consistent with the concept of efficiency in public administration proposed by Mahmudi (2019), which defines efficiency as an organization's ability to achieve optimal performance while operating with limited resources. In this study, the reduction of non-priority expenditures was accompanied by various adaptive strategies, including the simplification of activity implementation mechanisms, the utilization of digital technology, and enhanced collaboration with Tourism Awareness Groups (Pokdarwis), creative economy communities, and the private sector. These strategies enabled priority programs to continue effectively without compromising the quality of public services.

From the perspective of Herbert A. Simon's decision-making theory (Dwiyanto, 2020), the reduction of non-priority expenditures represents a rational administrative decision in response to fiscal constraints. The concept of bounded rationality explains that policymakers are not always able to select the optimal alternative; rather, they choose the most feasible option for achieving organizational objectives within the limits of available resources. In the context of this study, the decision to reduce supporting expenditures while preserving strategic programs demonstrates that the organization selected the most effective alternative for ensuring the sustainability of tourism sector development.

An analysis based on Van Meter and Van Horn's policy implementation model (Agustino, 2016) indicates that the successful reduction of non-priority expenditures was influenced by two key variables: resources and the disposition of implementers. Budget constraints encouraged the organization to undertake selective expenditure rationalization, while the commitment of organizational leaders and public officials to implementing the efficiency policy became a critical factor in enabling budget adjustments without compromising the achievement of performance targets. The commitment of implementers was reflected in the willingness of all organizational units to adjust their budget allocations and develop various alternative strategies to sustain program implementation.

The findings of this study reinforce those of Dewi et al. (2023) , Rumagit et al. (2022), and Hadiansyah (2025), who concluded that budget efficiency is aimed not only at reducing expenditures but also at optimizing resource utilization through the prioritization of activities and the enhancement of program implementation effectiveness. However, this study makes a distinct empirical contribution by demonstrating the implementation of the budget efficiency policy as a follow-up to Presidential Instruction of the Republic of Indonesia No. 1 of 2025 within a regional government agency in the tourism sector. The findings show that reducing non-priority expenditures can sustain the continuity of strategic programs through strengthened innovation, enhanced collaboration, and results-oriented budget management.

Thus, the reduction of non-priority expenditures represents an adaptive strategy in the implementation of the budget efficiency policy, aimed at improving the quality of government spending. By reallocating resources based on their level of urgency, public benefit, and contribution to the achievement of intended outputs and outcomes, the Department of Tourism of Kutai Kartanegara Regency was able to maintain the effectiveness of program implementation while strengthening accountability and promoting Value for Money–based regional financial governance.

Improving the Efficiency and Effectiveness of Program Implementation

The findings indicate that the implementation of the budget efficiency policy within the Department of Tourism of Kutai Kartanegara Regency was directed not only toward reducing expenditures but also toward improving the efficiency and effectiveness of program implementation. A comprehensive evaluation of programs and budget documents was conducted to assess the relationship between budget utilization and the achievement of the regional government's performance targets. The evaluation revealed that budget adjustments were primarily focused on supporting activities, such as official travel, meetings, and other operational expenditures, while programs that directly contributed to tourism destination development, tourism marketing, creative economy development, and human resource capacity building were retained as priorities. In addition, program implementation was optimized through the digitalization of administrative processes, the use of virtual coordination, the integration of activities with similar objectives, and strengthened collaboration with various stakeholders.

This implementation demonstrates that budget efficiency is not interpreted as reducing organizational activities but rather as an effort to improve the quality of program implementation through the more optimal utilization of available resources. This approach is consistent with Government Regulation No. 12 of 2019 on Regional Financial Management, which stipulates that regional financial management must be conducted in an orderly, economical, efficient, effective, transparent, and accountable manner. This provision is further reinforced by Minister of Home Affairs Regulation (Permendagri) No. 15 of 2024, which directs local governments to prioritize funding for programs that provide tangible benefits to the public, as well as Permendagri No. 86 of 2017, which emphasizes the importance of performance-based planning and performance-based budgeting. Therefore, improvements in the efficiency and effectiveness of program implementation were achieved by adapting implementation methods without compromising the attainment of development objectives.

The findings of this study are consistent with the Value for Money concept proposed by Mardiasmo (2018), which identifies economy, efficiency, and effectiveness as the primary indicators of successful public financial management. The reduction of expenditures on less productive activities, combined with the concentration of budget allocations on priority programs, demonstrates that public resources were utilized to generate more optimal outputs and outcomes. Accordingly, efficiency is measured not only by the extent of budget savings but also by the organization's ability to sustain its performance through the targeted and effective use of available resources.

From the perspective of New Public Management (NPM) as articulated by Christopher Hood (Kushendar et al., 2026), the findings of this study indicate a transformation in budget management practices, from a procedure-oriented administrative approach toward an approach focused on performance, efficiency, effectiveness, and the achievement of results (outputs and outcomes). The success of program implementation is no longer assessed by the level of budget absorption but by the organization's ability to deliver tangible benefits to the public. The optimization of information

technology, the simplification of work processes, and strengthened collaboration among stakeholders demonstrate that budget efficiency can drive governance innovation while simultaneously enhancing the quality of public service delivery.

When analyzed using Van Meter and Van Horn's policy implementation model (Agustino, 2016), the successful improvement of program efficiency and effectiveness was influenced by the clarity of policy objectives, effective inter-agency communication, and the commitment of implementers. Clear directives provided through Presidential Instruction No. 1 of 2025, supported by coordination between regional government agencies and the Regional Government Budget Team (TAPD), fostered a shared understanding in evaluating and adjusting programs. These conditions enabled the budget efficiency policy to be implemented consistently without compromising the achievement of organizational performance indicators.

The findings of this study reinforce those of Rumagit et al. (2022), who concluded that the application of the Value for Money principle can improve the efficiency and effectiveness of budget management without compromising organizational performance. However, this study makes a distinct empirical contribution by demonstrating that the implementation of the budget efficiency policy as a follow-up to Presidential Instruction of the Republic of Indonesia No. 1 of 2025 not only resulted in expenditure savings but also encouraged regional government agencies to conduct more selective program evaluations, optimize the digitalization of work processes, and strengthen collaboration in program implementation. These strategies enabled the development targets of the tourism sector to be achieved despite operating under fiscal constraints.

Thus, improving the efficiency and effectiveness of program implementation represents a key form of budget efficiency policy implementation that is oriented toward enhancing the quality of government spending. Through program evaluation, the optimization of implementation methods, the utilization of information technology, and strengthened collaboration, the Department of Tourism of Kutai Kartanegara Regency was able to maintain a balance between efficient budget utilization and the effective achievement of the intended outputs and outcomes of tourism sector development.

Output-Based Spending Optimization

The findings indicate that the implementation of the budget efficiency policy within the Department of Tourism of Kutai Kartanegara Regency has adopted the principle of output-based spending optimization. The selection of programs and activities is no longer based solely on the size of the budget allocation but rather on their contribution to the achievement of the Key Performance Indicators (IKU) and the development objectives of the tourism sector. In implementing the budget efficiency policy, expenditure allocations were prioritized for activities that generated measurable outputs, such as tourism destination development, tourism promotion, support for creative economy actors, cultural preservation, and human resource capacity building. Conversely, activities with limited contributions to the achievement of performance indicators were adjusted or rationalized in accordance with the region's fiscal capacity.

These findings demonstrate that the budget efficiency policy is oriented not only toward reducing expenditures but also toward improving the quality of budget allocation by prioritizing programs that generate tangible benefits for the public. This approach reflects a shift in budget management from an input-based approach to an output-based approach, ensuring that every budget allocation is clearly linked to the organization's performance targets.

The implementation of output-based spending optimization is consistent with Government Regulation No. 12 of 2019 on Regional Financial Management, which stipulates that regional financial management must be carried out in an efficient, effective, economical, transparent, and

accountable manner through the application of performance-based budgeting. This provision is further reinforced by Minister of Home Affairs Regulation (Permendagri) No. 15 of 2024 on the Guidelines for Preparing the 2025 Regional Budget (APBD), which mandates that funding be focused on programs supporting national and regional development priorities, as well as Permendagri No. 86 of 2017, which requires every program and activity to have measurable performance indicators as the basis for development planning, implementation, and evaluation.

In practice, the Department of Tourism of Kutai Kartanegara Regency optimized its expenditures by allocating resources to activities that directly contributed to enhancing the competitiveness of the tourism sector. This strategy was implemented through the establishment of priority scales, the adaptation of activity implementation methods, the utilization of information technology, and strengthened collaboration with village governments, tourism communities, creative economy actors, and the private sector. This approach enabled the regional government agency to maintain its performance achievements despite facing budget constraints resulting from the budget efficiency policy.

The findings of this study are consistent with the Value for Money concept proposed by Mardiasmo (2018), which emphasizes that the success of public financial management is measured by an organization's ability to achieve optimal outputs and outcomes through the economical, efficient, and effective use of resources. Output-based spending optimization demonstrates that every budget allocation is directed toward generating measurable benefits, thereby improving the quality of government spending. Accordingly, budget efficiency is reflected not only in the extent of expenditure savings but also in the organization's ability to maintain—and even enhance—its performance through more productive budget management.

The findings of this study also support the New Public Management (NPM) paradigm as articulated by Christopher Hood (Kushendar et al., 2026), which positions performance as the primary measure of success for public-sector organizations. In the context of this study, the success of policy implementation is no longer assessed by the level of budget absorption but by the regional government's ability to deliver outputs that enhance the competitiveness of tourism destinations, promote the development of the creative economy, and improve the quality of public services. These findings indicate a shift in budget management toward a more results-oriented approach to governance.

When analyzed using Van Meter and Van Horn's policy implementation model (Agustino, 2016), the successful implementation of output-based spending optimization was influenced by the clarity of policy objectives, effective coordination among organizational units, and the commitment of implementers to aligning programs with the organization's performance targets. Effective coordination among organizational leaders, technical divisions, the planning unit, financial management personnel, and the Regional Government Budget Team (TAPD) enabled budget adjustments to be carried out selectively, ensuring that priority programs continued to receive adequate financial support.

These findings reinforce the study by Rumagit et al. (2022), which concluded that the application of the Value for Money principle can enhance the effectiveness of budget management by achieving optimal outputs and outcomes. The results are also consistent with Arfiani et al. (2023), who argued that the effectiveness of budget management should be measured not only by the level of budget absorption but also by an organization's ability to produce outputs that meet established performance targets. Furthermore, Lulaj et al. (2024) demonstrated that the sustainability of tourism development is strongly influenced by public financial management that is transparent, efficient, and performance-oriented. In contrast to these previous studies, the

present research provides empirical evidence on the implementation of the budget efficiency policy under Presidential Instruction of the Republic of Indonesia No. 1 of 2025 at the level of a regional government agency. The findings demonstrate that output-based spending optimization not only helps control regional government expenditures but also ensures the continuity of priority programs through more selective, adaptive, and results-oriented budget allocation.

Thus, output-based spending optimization represents one of the principal strategies in implementing the budget efficiency policy within the Department of Tourism of Kutai Kartanegara Regency. By allocating budget resources based on each program's contribution to the achievement of performance indicators, the regional government agency was able to improve the quality of government spending, maintain the effectiveness of program implementation, and support the realization of accountable, efficient, and results-oriented regional financial governance in accordance with the Value for Money principle.

Focus on the Achievement of Outputs and Outcomes

The findings indicate that the implementation of the budget efficiency policy within the Department of Tourism of Kutai Kartanegara Regency remained focused on achieving the development outputs and outcomes established in the Regional Medium-Term Development Plan (RPJMD) and the Regional Government Work Plan (RKPD) of Kutai Kartanegara Regency. Although budget adjustments were made as a follow-up to Presidential Instruction of the Republic of Indonesia No. 1 of 2025, programs that directly contributed to tourism destination development, tourism promotion, cultural preservation, the strengthening of the creative economy, and human resource development continued to be prioritized. The success of the budget efficiency policy was measured not by the extent of budget savings but by the regional government agency's ability to sustain the achievement of its performance indicators through more effective and productive budget utilization.

These findings demonstrate that the budget efficiency policy was implemented while ensuring the continuity of strategic programs that provide tangible benefits to the public. Budget adjustments were made primarily to lower-priority activities, whereas programs that directly contributed to the achievement of regional development objectives continued to receive adequate financial support. This approach reflects a commitment to improving the quality of spending, ensuring that every budget allocation generates optimal outputs and outcomes.

The implementation of this policy is consistent with Government Regulation No. 12 of 2019 on Regional Financial Management, which mandates the application of performance-based budgeting, whereby budget allocations are directly linked to performance targets and the desired outputs and outcomes. Accordingly, the success of budget management is no longer measured by the level of budget absorption but by the regional government agency's ability to generate meaningful benefits that contribute to the achievement of development objectives.

The findings of this study are consistent with the Value for Money concept proposed by Mardiasmo (2018), particularly the dimension of effectiveness. Mardiasmo explains that effectiveness reflects the extent to which an organization successfully achieves its predetermined objectives. In this study, the implementation of the budget efficiency policy was able to sustain the achievement of performance indicators by allocating resources to programs that made direct contributions to the development of the tourism and creative economy sectors. Accordingly, budget efficiency not only generated cost savings but also ensured that every unit of public expenditure delivered optimal benefits to the community.

The findings of this study also reflect the New Public Management (NPM) paradigm as articulated by Christopher Hood (Kushendar et al., 2026), which views results-oriented

performance (outputs and outcomes) as the primary measure of success for public sector organizations. The success of program implementation is no longer assessed by the amount of budget expended but rather by the organization's ability to deliver outputs and outcomes that contribute to improving the quality of public services and regional development. This orientation is evident in the Department of Tourism's efforts to sustain strategic programs despite operating under fiscal constraints.

When analyzed using Van Meter and Van Horn's policy implementation model (Agustino, 2016), the successful achievement of outputs and outcomes was influenced by the clarity of policy objectives, effective inter-agency communication, and a supportive policy environment. The alignment between the national policy established through Presidential Instruction of the Republic of Indonesia No. 1 of 2025 and regional development priorities, supported by close coordination among the Department of Tourism, the Regional Development Planning Agency (Bappeda), the Regional Government Budget Team (TAPD), and the regional government, enabled budget adjustments to be implemented without compromising the achievement of development targets. This effective communication was a key factor in ensuring the consistent implementation of the budget efficiency policy.

The findings of this study reinforce those of Rumagit et al. (2022), who argued that the application of the Value for Money principle should integrate the dimensions of economy, efficiency, and effectiveness. The results are also consistent with Murtanto & Zen (2023), who found that the effective use of budget resources has a positive impact on organizational performance, as well as Lulaj et al. (2024), who emphasized that the sustainability of tourism development requires public financial management that is results-oriented, focusing on both outputs and outcomes. In contrast to these previous studies, the present research provides empirical evidence on the implementation of the budget efficiency policy under Presidential Instruction of the Republic of Indonesia No. 1 of 2025 at the level of a regional government agency. The findings demonstrate that expenditure control can be implemented without compromising the achievement of development objectives by strengthening a results-oriented approach to public financial management.

Digitalization of the Payment System

The findings indicate that the Department of Tourism of Kutai Kartanegara Regency implemented the digitalization of the payment system as one of the strategies for implementing the budget efficiency policy in Fiscal Year 2025. This initiative was realized through the utilization of the SIPD Financial Administration System (SIPD Penatausahaan) for regional financial management, the adoption of cashless transactions through bank transfers and QRIS, and the development of a point-of-sale (POS) application for tourism destinations, which began to be implemented under the Revised Regional Budget (APBD-P) 2025. The use of digital payment systems accelerated transaction processes, improved the accuracy of financial records, simplified financial reporting, and strengthened transparency and accountability in the management of tourism sector revenues.

These findings demonstrate that the budget efficiency policy is directed not only toward controlling expenditures but also toward modernizing financial governance through digital transformation. The digitalization of the payment system has streamlined administrative processes, reduced the use of physical documents, minimized the potential for recording errors, and improved the speed and accuracy of financial services. Accordingly, budget efficiency has been implemented through governance innovation that adds value to the quality of public service delivery.

The implementation of the digitalization of the payment system is consistent with Government Regulation No. 12 of 2019 on Regional Financial Management, which mandates that regional financial management be conducted in an effective, efficient, transparent, and accountable manner. Furthermore, Presidential Instruction of the Republic of Indonesia No. 1 of 2025 encourages local governments to optimize the use of technology in financial management and public service delivery as part of a broader strategy to improve the quality of government spending. Therefore, the digitalization of payment systems has become an important instrument for enhancing administrative efficiency while strengthening regional financial governance.

The findings of this study are consistent with the Value for Money concept proposed by Mardiasmo (2018), which emphasizes that public financial management should adhere to the principles of economy, efficiency, and effectiveness. The implementation of a digital payment system enables transactions to be processed more quickly, accurately, and in an integrated manner, thereby improving the efficiency of resource utilization compared with conventional administrative systems. These findings demonstrate that digital innovation can enhance the quality of financial management without compromising the effectiveness of service delivery.

From the perspective of New Public Management (NPM), as articulated by Christopher Hood (Kushendar et al., 2026), the digitization of payment systems reflects the transformation of public sector organizations through the use of technology to improve performance, productivity, and the quality of public services. The development of a point-of-sale (POS) application for tourism destinations and the implementation of cashless transactions demonstrate a shift toward a more modern, adaptive, and results-oriented system of governance. These innovations not only improve operational efficiency but also strengthen public trust through more transparent and accountable financial management.

When analyzed using Van Meter and Van Horn's policy implementation model (Agustino, 2016), the successful implementation of the digital payment system was influenced by the clarity of policy objectives, the availability of resources, effective communication among organizational units, and the commitment of organizational leaders to promoting innovation. Coordination among technical divisions, financial management personnel, and the regional government enabled the digital payment system to be implemented effectively, thereby supporting the achievement of the objectives of the budget efficiency policy.

The findings of this study reinforce those of Lulaj et al. (2024), who argued that transparency, digitalization, and innovation in public financial management are essential factors for improving organizational efficiency and supporting the sustainable development of the tourism sector. However, this study makes a distinct empirical contribution by demonstrating that the implementation of the budget efficiency policy under Presidential Instruction of the Republic of Indonesia No. 1 of 2025 not only resulted in savings in operational expenditures but also accelerated the digital transformation of the tourism sector's revenue management system through the utilization of the SIPD Financial Administration System (SIPD Penatausahaan), cashless transactions, QRIS, and a point-of-sale (POS) application for tourism destinations.

Thus, the digitalization of the payment system represents one of the principal strategies in implementing the budget efficiency policy within the Department of Tourism of Kutai Kartanegara Regency. The adoption of digital technologies has not only improved the efficiency of financial administration but also strengthened transparency, accountability, and the quality of public service delivery, thereby supporting the realization of modern, adaptive, and performance-oriented regional financial governance.

Optimization of Information Technology Utilization

The findings indicate that the Department of Tourism of Kutai Kartanegara Regency optimized the utilization of information technology as one of the key strategies for implementing the Fiscal Year 2025 budget efficiency policy. This strategy was realized through the digitalization of official correspondence using the SRIKANDI application, the utilization of the SIPD Financial System (SIPD Keuangan) and the SIPD Financial Administration System (SIPD Penatausahaan) for regional financial management, the use of the E-Pantau application for program monitoring and evaluation, the development of a point-of-sale (POS) application (e-ticketing) for tourism destinations, the implementation of online training programs, and the optimization of digital media and social media for tourism promotion. These innovations significantly improved the efficiency of work processes, accelerated administrative services, strengthened program monitoring and evaluation, and expanded the reach of tourism promotion without increasing operational expenditures.

These findings demonstrate that the budget efficiency policy is implemented not only through expenditure control but also through digital transformation that enhances organizational productivity. The utilization of information technology enables the simplification of administrative processes, reduces the use of physical documents, accelerates coordination, and improves the quality of data-driven decision-making. Accordingly, budget efficiency is directed toward strengthening the quality of public governance and service delivery rather than merely reducing organizational activities.

The implementation of information technology optimization is consistent with Government Regulation No. 12 of 2019 on Regional Financial Management, which mandates that regional financial management be conducted in an effective, efficient, transparent, and accountable manner. Furthermore, Presidential Instruction of the Republic of Indonesia No. 1 of 2025 encourages local governments to leverage digital technology to improve the quality of government spending and reduce less productive operational costs. In this context, the use of SIPD, SRIKANDI, E-Pantau, and digital media has become an important instrument for supporting the planning, implementation, monitoring, and evaluation of government programs in a more integrated manner.

The findings of this study are consistent with the Value for Money concept proposed by Mardiasmo (2018), which emphasizes that public financial management should adhere to the principles of economy, efficiency, and effectiveness. The utilization of information technology reduces administrative costs, accelerates service delivery, and enhances the quality of program management, thereby ensuring that every budget allocation generates greater public value. In this study, efficiency is reflected not only in budget savings but also in the creation of added value through improvements in organizational work processes.

The findings of this study also reflect the New Public Management (NPM) paradigm as articulated by Christopher Hood (Kushendar et al., 2026), which identifies innovation, digitization, and a results-oriented approach as the key characteristics of modern public sector organizations. The digital transformation undertaken by the Department of Tourism demonstrates a shift toward a more adaptive, responsive, and technology-driven system of governance. The use of digital media for tourism promotion, the implementation of online training, and the adoption of integrated information systems represent innovations that have enhanced organizational performance while improving the quality of public service delivery.

When analyzed using Van Meter and Van Horn's policy implementation model (Agustino, 2016), the successful optimization of information technology utilization was influenced by the availability of resources, effective communication among organizational units, and the

commitment of implementers to adopting digital innovation. Leadership support, coordination among organizational units, and the capacity of public officials to operate various government applications were key factors that enabled the budget efficiency policy to be implemented effectively.

The findings of this study reinforce those of Rumagit et al. (2022), who argued that the utilization of information technology can improve the efficiency and effectiveness of public sector budget management. The results are also consistent with Murtanto & Zen (2023), who found that the digitalization of work processes contributes to improved organizational performance, as well as Lulaj et al. (2024), who emphasized that digital transformation in the public sector enhances transparency, service quality, and the sustainability of development. In contrast to these previous studies, the present research provides empirical evidence that the implementation of the budget efficiency policy under Presidential Instruction of the Republic of Indonesia No. 1 of 2025 served as a catalyst for accelerating digital transformation within regional government agencies—not only in financial management but also in public administration, tourism promotion, performance monitoring, civil servant training, and the management of tourism destinations.

Thus, the optimization of information technology utilization represents a key strategy in implementing the budget efficiency policy within the Department of Tourism of Kutai Kartanegara Regency. The digital transformation undertaken demonstrates that budget efficiency is not synonymous with reducing organizational activities; rather, it serves as an opportunity to enhance innovation, improve program effectiveness, strengthen transparency and accountability, and elevate the quality of public service delivery through more modern and performance-oriented public governance.

Strengthening Regulatory Compliance, Accountability, and Budget Transparency

The findings indicate that the implementation of the budget efficiency policy within the Department of Tourism of Kutai Kartanegara Regency was carried out while maintaining a strong commitment to regulatory compliance, accountability, and transparency throughout every stage of financial management. The implementation of the efficiency policy was guided by the directives and guidelines issued by the Regional Financial and Asset Management Agency (BPKAD), which were subsequently followed through socialization sessions for all organizational units, intensive coordination during the budget adjustment process, and verification of the efficiency measures by the Regional Government Budget Team (TAPD). In addition, the utilization of the Regional Government Information System (SIPD) supported the planning, financial administration, reporting, and accountability processes in a more integrated manner. These mechanisms demonstrate that the budget efficiency policy is oriented not only toward expenditure control but also toward strengthening orderly, transparent, and accountable public financial governance.

The implementation of this policy is consistent with Government Regulation No. 12 of 2019 on Regional Financial Management, which mandates that regional financial management be conducted in an orderly, efficient, economical, effective, transparent, and accountable manner. In the context of this study, regulatory compliance was demonstrated through the adjustment of programs and activities in accordance with applicable regulations, while accountability and transparency were strengthened through electronic reporting systems, periodic monitoring and evaluation, and close coordination with the Regional Financial and Asset Management Agency (BPKAD), the Regional Government Budget Team (TAPD), the Regional Development Planning Agency (Bappeda), and the Inspectorate. This approach ensured that every budget adjustment was supported by a clear legal basis, properly documented, and fully accountable in accordance with the principles of good governance.

The findings of this study are consistent with the Value for Money concept proposed by Mardiasmo (2018), which identifies transparency and accountability as essential prerequisites for achieving public financial management that is economical, efficient, and effective. The strengthening of coordination, reporting, and oversight mechanisms in the implementation of the budget efficiency policy demonstrates that successful public financial management is determined not only by the extent of budget savings but also by the quality of governance that ensures public resources are managed responsibly.

From the perspective of public administration, these findings reflect the application of the good governance principles proposed by Nurhayati et al. (2025), namely transparency, accountability, effectiveness, efficiency, and responsiveness in public administration. Budget management functions not only as an administrative process but also as an instrument for strengthening public trust through the implementation of policies that are compliant with regulations, transparent, and oriented toward the public interest.

When analyzed using Van Meter and Van Horn's policy implementation model (Agustino, 2016), the successful strengthening of regulatory compliance, accountability, and transparency was influenced by the clarity of policy standards, effective inter-agency communication, and the commitment of implementers. Technical guidance provided by the Regional Financial and Asset Management Agency (BPKAD), continuous coordination with the Regional Government Budget Team (TAPD), and the establishment of a shared understanding across all organizational units demonstrate that inter-organizational communication functioned effectively, enabling the budget efficiency policy to be implemented consistently and in accordance with applicable regulations.

The findings of this study reinforce those of Antasena et al. (2023), who argued that regulatory compliance and internal control systems are critical factors in enhancing the effectiveness of regional financial management. The results are also consistent with Santoso et al. (2024), who emphasized the importance of coordination and reporting accountability in improving the quality of budget management, as well as Lulaj et al. (2024), who explained that transparency and sound financial governance are essential prerequisites for the sustainable development of the tourism sector. In contrast to these previous studies, the present research demonstrates that the implementation of the budget efficiency policy under Presidential Instruction of the Republic of Indonesia No. 1 of 2025 not only resulted in expenditure control but also strengthened regulatory compliance, accountability, and transparency through the integration of information systems, enhanced inter-agency coordination, and the adoption of performance-based reporting mechanisms.

Thus, strengthening regulatory compliance, accountability, and budget transparency constitutes a fundamental element in implementing the budget efficiency policy within the Department of Tourism of Kutai Kartanegara Regency. This approach not only supports the establishment of accountable and transparent financial governance but also ensures that the budget efficiency policy enhances the quality of government spending while contributing to the sustainable achievement of development objectives in the tourism sector.

Supporting Factors for the Implementation of Budget Efficiency

The findings indicate that the successful implementation of the budget efficiency policy within the Department of Tourism of Kutai Kartanegara Regency was supported by several key factors, namely the quality of budget planning, the implementation of performance-based budgeting, the utilization of information technology, and the support of leadership and inter-agency collaboration.

The first supporting factor was the quality of budget planning. A systematic planning process enabled the regional government agency to adjust its programs based on priority scales without compromising the achievement of performance targets. Adjustments in response to Presidential Instruction No. 1 of 2025 were carried out through needs assessments, expenditure rationalization, and the determination of priority programs that continued to support regional development objectives. These findings demonstrate that budget efficiency is oriented not only toward reducing expenditures but also toward improving the quality of the planning process. This is consistent with the concept of efficiency proposed by Mardiasmo (2018), which emphasizes the optimal utilization of resources to maximize outputs, and supports the policy standards and objectives variable in Van Meter and Van Horn's policy implementation model (Agustino, 2016).

The second supporting factor was the implementation of a performance-based budgeting system. Budget allocations were focused on programs with clearly defined output and outcome indicators, ensuring that public expenditures remained directed toward activities that generated the greatest benefits for the development of the tourism sector. This approach enabled the organization to maintain the achievement of its performance indicators despite budget adjustments. These findings reinforce the Value for Money principle in regional financial management, whereby efficiency is achieved through a clear linkage between budget allocations and the results attained.

The third supporting factor was the utilization of information technology through the implementation of the SIPD Financial System (SIPD Keuangan), SIPD Financial Administration System (SIPD Penatausahaan), SRIKANDI, and E-Pantau. The digitalization of planning, financial administration, reporting, and monitoring processes enhanced administrative efficiency, accelerated coordination, and reduced operational costs. In addition to promoting transparency and accountability, the use of information technology strengthened the organization's capacity to implement the budget efficiency policy more effectively. These findings demonstrate that digital transformation has become a critical instrument for maintaining the quality of regional financial governance amid fiscal constraints.

The fourth supporting factor was leadership support and inter-agency collaboration. The commitment of the regional head to maintaining the tourism sector as a development priority, complemented by budgetary support through the Regional House of Representatives' (DPRD) Budgetary Recommendations (Pokok-Pokok Pikiran/Pokir), enabled various strategic programs to continue despite budget reductions. The synergy between the regional government and the Regional House of Representatives (DPRD) demonstrates that the successful implementation of the budget efficiency policy depends not only on internal organizational factors but also on political support and effective coordination among stakeholders. These findings contribute to the existing body of knowledge by demonstrating that leadership and institutional collaboration are important factors that strengthen the implementation of budget efficiency policies, although they have received limited attention in Mardiasmo's theory of budget efficiency.

Overall, the findings indicate that the successful implementation of the budget efficiency policy is determined not merely by expenditure reductions but also by the quality of budget planning, a performance-oriented approach, the utilization of information technology, and the support of leadership and inter-agency collaboration. The combination of these factors enabled the Department of Tourism of Kutai Kartanegara Regency to sustain the achievement of its priority programs despite the implementation of the 2025 budget efficiency policy.

Inhibiting Factors in the Implementation of Budget Efficiency

The findings indicate that the implementation of the budget efficiency policy within the Department of Tourism of Kutai Kartanegara Regency continued to face several constraints that

affected the effectiveness of program implementation. The identified inhibiting factors include the timeliness of budget implementation, the competence of human resources, the effectiveness of organizational leadership, and the low level of participation among tourism business operators in providing data.

The first inhibiting factor was discipline and the timeliness of budget implementation. Delays in the issuance of the Budget Implementation Document (DPA) prevented several programs from commencing as scheduled, resulting in procurement processes, program implementation, and budget realization being concentrated toward the end of the fiscal year. This situation reduced the effective time available for program implementation and had the potential to compromise the quality of program outcomes. These findings are consistent with Mardiasmo (2018) concept of efficiency, which emphasizes that efficiency is concerned not only with cost savings but also with the optimal utilization of time and resources. From the perspective of Van Meter and Van Horn's policy implementation model, these constraints indicate that the resource and inter-organizational coordination dimensions have not yet been fully optimized to support effective policy implementation.

The second inhibiting factor was the competence of human resources in planning and financial management. The study found that the limited number of personnel possessing technical expertise in planning, budgeting, and financial management slowed the process of adjusting programs in response to the budget efficiency policy. In addition, the capacity of public officials to innovate and adapt to policy changes still requires further improvement. These findings indicate that the successful implementation of budget efficiency depends not only on the availability of financial resources but also on the capacity of human resources to establish program priorities, manage organizational change, and ensure the achievement of performance targets. The findings reinforce Mardiasmo (2018) view that the quality of public officials is one of the fundamental prerequisites for achieving efficient and accountable regional financial management.

The third inhibiting factor was the effectiveness of organizational leadership in overseeing program implementation. The absence of a definitive Head of the Department and the fact that the Acting Head (Plt.) concurrently held a position in another regional government agency resulted in coordination, supervision, and decision-making functions not being carried out optimally. Consequently, coordination among organizational units, monitoring processes, and the resolution of various technical issues during program implementation were delayed. These findings indicate that the successful implementation of the budget efficiency policy is influenced not only by administrative and technical factors but also by the effectiveness of organizational leadership. Within Van Meter and Van Horn's policy implementation model, this condition is associated with the characteristics of the implementing organization and the disposition of implementers, while from the perspective of public leadership, it underscores the critical role of leaders in ensuring the consistent implementation of public policy.

The fourth inhibiting factor was the low level of participation among tourism business operators in reporting tourist visitation data. Some accommodation providers did not regularly submit data on occupancy rates and length of stay due to concerns about potential tax implications, limited awareness of the importance of reporting, and the perception that relatively low visitor numbers did not warrant reporting. As a result, tourism statistics did not fully reflect actual conditions in the field, thereby limiting the extent to which planning, evaluation, and program prioritization could be based on reliable evidence (evidence-based policy). These findings represent an important contribution of this study, demonstrating that the successful implementation of the budget efficiency policy in the tourism sector depends not only on internal organizational factors

but also on the quality of collaboration with external stakeholders. Accordingly, strengthening partnerships between the regional government and tourism business operators is essential for improving the quality of planning and enhancing the effectiveness of public expenditure.

Overall, the findings indicate that the implementation of the budget efficiency policy faces administrative, institutional, human resource, and collaborative challenges. Therefore, the successful implementation of the policy cannot be achieved solely through expenditure reductions; it also requires the acceleration of administrative processes, the enhancement of public officials' competencies, the strengthening of organizational leadership, and greater stakeholder participation in data provision and program implementation. These findings underscore that the effectiveness of the budget efficiency policy depends on the synergy between the organization's internal capacity and the support of the external environment in fostering more effective, efficient, and accountable public governance.

CONCLUSION

The implementation of the 2025 budget efficiency policy within the Department of Tourism of Kutai Kartanegara Regency has been carried out in accordance with the policy direction set forth in Presidential Instruction No. 1 of 2025 through the establishment of priority scales, the control of non-priority expenditures, the optimization of information technology utilization, and the strengthening of accountability and transparency in budget management. The efficiency measures implemented were not solely oriented toward budget savings but also ensured the achievement of program targets through more effective implementation strategies that were results-oriented, with a focus on both outputs and outcomes.

The successful implementation of the budget efficiency policy was supported by the quality of budget planning, the adoption of performance-based budgeting, the utilization of information technology, productive spending patterns, support from the regional government, and budgetary support through the Regional House of Representatives' (DPRD) Budgetary Recommendations (Pokok-Pokok Pikiran/Pokir). Nevertheless, its effective implementation continued to face several challenges, including suboptimal discipline in budget execution, limited human resource competencies, less-than-optimal organizational leadership, and the low level of participation among accommodation providers in reporting tourist visitation data. Therefore, strengthening the capacity of public officials, improving the quality of governance, and enhancing collaboration with stakeholders are essential steps toward achieving sustainable budget efficiency while supporting improved development performance in the tourism sector of Kutai Kartanegara Regency.

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