



Implementation of Input Cost Standards in Budget Preparation at the Housing Provision Implementation Center of West Nusa Tenggara Province, Ministry of Public Works and Public Housing

Fathiah Rahman

Universitas Mataram

DOI:

<https://doi.org/10.53697/emak.v7i2.3770>

*Correspondence: Fathiah Rahman

Email: fathiahrahman111190@gmail.com

Received: 28-02-2026

Accepted: 28-03-2026

Published: 28-04-2026



Copyright: © 2026 by the authors. Submitted for open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license

(<http://creativecommons.org/licenses/by/4.0/>).

Abstract: This study aims to see to what extent Standard Input Costs (SBM) can streamline costs and act as a controller in budget preparation. The method used in this study is descriptive qualitative with data sourced from secondary data and a brief explanation from one of the employees of the NTB Province Housing Provision Implementation Center, Ministry of PUPR regarding the implementation of SBM as a standard in budget preparation. The results of the study show that Standard Input Costs (SBM) cannot fully be used as a basis for budget preparation because unit costs are sourced from: a. PMK SBM and b. Market prices and those that increase income must be approved by the Minister of Finance.

Keywords: Budget Policy, Performance Based Budget, Input Cost Standards

Introduction

The Ministry of Public Works and Public Housing has a vision of realizing reliable public works and public housing infrastructure to support a sovereign, independent, and culturally grounded Indonesia based on the spirit of mutual cooperation. To achieve this vision and to support the attainment of national development targets, the Ministry has formulated several missions, namely: accelerating the development of water resources infrastructure, including maritime resources, to support water security, food sovereignty, and energy sovereignty, in order to drive strategic domestic economic sectors toward economic independence; accelerating the development of road infrastructure to support connectivity in order to improve productivity, efficiency, and services of the national logistics system, thereby strengthening national competitiveness at the global level with a focus on integrated land and maritime connectivity; accelerating the development of settlement infrastructure and public housing to support adequate basic infrastructure services in order to improve the quality of life of the Indonesian people in line with the principle of infrastructure for all; accelerating the integrated development of public works and public housing infrastructure from peripheral areas, supported by a high-quality

construction industry, to achieve balanced interregional development, particularly in underdeveloped regions, border areas, and rural areas within the framework of the Unitary State of the Republic of Indonesia; and improving organizational resource governance in the field of public works and public housing, which includes human resources, control and supervision, secretariat functions, as well as research and development, to support management functions encompassing integrated planning, efficient organization, appropriate implementation, and strict supervision.

To realize these visions and missions, the Ministry of Public Works and Public Housing established the Housing Provision Implementation Center (Balai Pelaksana Penyediaan Perumahan/BP2P). The task of BP2P is to implement housing development and coordinate land provision and housing development in the regions. Its functions include preparing programs and budgets for the implementation of the construction of apartment buildings, special housing, self-help housing, as well as public infrastructure, facilities, and utilities; preparing programs and budgets for development implementation and technical development plans; carrying out construction, technical supervision, and control; conducting monitoring and evaluation of development; managing data and information related to development implementation; and coordinating and supporting post-disaster mitigation as well as land provision and development.

The establishment of the Housing Provision Implementation Center (BP2P) is also part of the bureaucratic reform carried out by the Directorate General of Housing to encourage housing programs in Indonesia by preparing human resources, office locations, and supporting facilities and infrastructure. The Province of West Nusa Tenggara is one of the regions selected by the Directorate General of Housing as a Housing Provision Implementation Center (BP2P). The Housing Provision Work Unit of West Nusa Tenggara Province was established in 2016 and, in 2020, transitioned into the Housing Provision Implementation Center (BP2P). The work programs of the BP2P of West Nusa Tenggara Province include house renovation programs, special housing, apartment housing, self-help housing, and infrastructure, facilities, and utilities (PSU).

One of the approaches to preparing the Work Plan and Budget of Ministries/Agencies (RKA-K/L), as stipulated in Government Regulation Number 90 of 2010 concerning the Preparation of Work Plans and Budgets of Ministries/Agencies, is performance-based budgeting. Performance-based budgeting is used to demonstrate a clear relationship between budget allocations and outputs or outcomes of activities or programs, as well as clear accountability for performance achievement in accordance with the organizational structure, in order to enhance accountability, transparency, and measurable effectiveness in budget utilization. One of the instruments in the preparation of the RKA-K/L is the cost standard.

Cost standards are unit costs determined in the form of input cost standards (SBM) and output cost standards (SBK), which serve as references for calculating budget requirements in the RKA-K/L. In addition to functioning as an efficiency instrument for ministries/agencies in allocating expenditures, cost standards must also be implemented effectively in accordance with the established work plans. In other words, the strategic position of cost standards supports the principles of state financial management as mandated by Law Number 17 of 2003 concerning State Finance. The law states that state

finances must be managed in an orderly manner, in compliance with laws and regulations, efficiently, economically, effectively, transparently, and accountably, while taking into account fairness and propriety.

Input Cost Standards (SBM) are stipulated in the form of Minister of Finance Regulations (PMK) and have become references for ministries/agencies in preparing their activities. In general, the types of SBM that have been regulated are divided into honorarium cost standards, goods and maintenance cost standards, and official travel cost standards. In the PMK on SBM for Fiscal Year 2021, a total of 39 cost units were stipulated in Appendix I and 20 cost units in Appendix II. To avoid errors in implementation, ministries/agencies confirm and consult with the SBM drafting authority, namely the Directorate General of Budget of the Ministry of Finance, regarding the regulated provisions. In addition, ministries/agencies are also involved in providing proposals and input in the preparation of the SBM PMK so that the management of ministry/agency expenditures can be carried out effectively and efficiently (Mahfudin, 2021).

Based on the background described above, the researcher is interested in examining how the regulation of Input Cost Standards (SBM) is applied in budget implementation at the Housing Provision Implementation Center of West Nusa Tenggara Province under the Ministry of Public Works and Public Housing.

Methodology

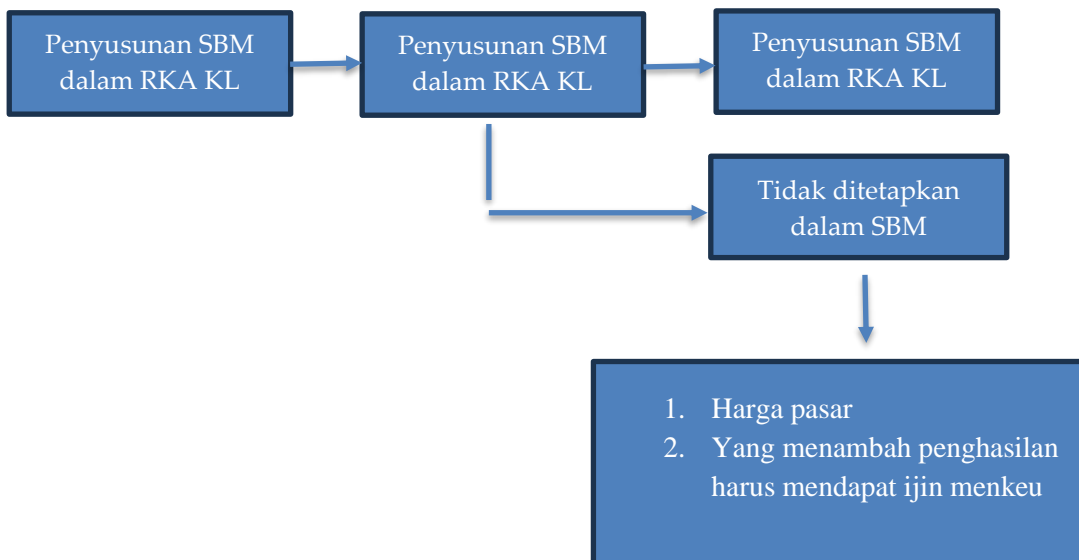
This study adopts a qualitative descriptive approach using secondary data and supporting primary data. Secondary data were collected through document analysis of regulations, planning and budgeting documents, and relevant literature related to Standard Input Costs (SBM). Primary data were obtained through a limited interview with an employee of the Housing Provision Implementation Center of West Nusa Tenggara Province, Ministry of Public Works and Housing. Data were analyzed using descriptive qualitative techniques, including data reduction, data display, and conclusion drawing. Data validity was ensured through source triangulation and the adequacy of references to enhance the credibility and reliability of the research findings.

Result and Discussion

The Housing Provision Implementation Center of West Nusa Tenggara Province has implemented Input Cost Standards (Standar Biaya Masukan/SBM) as the standard for budget preparation since 2016, when it was still operating as the Housing Provision Work Unit of West Nusa Tenggara Province, up to the present. The implementation of Input Cost Standards (SBM) is expected to improve the efficiency of expenditures incurred for activities at the Housing Provision Implementation Center of West Nusa Tenggara Province. According to the Ministry of Finance of the Republic of Indonesia, the mechanism for preparing the Work Plan and Budget of Ministries/Agencies (RKA-K/L) using Input Cost Standards (SBM) includes the following approaches:

- a. Integrated budgeting
- b. Performance-based budgeting
- c. Medium-term expenditure framework

- d. Performance indicators
- e. Allocation efficiency
- f. Cost standards
- g. Implementation efficiency
- h. Performance evaluation



Based on the diagram above, it can be explained that budget preparation at the Housing Provision Implementation Center of West Nusa Tenggara Province is not solely based on the cost units stipulated in the Minister of Finance Regulation on Input Cost Standards (PMK SBM), but also on cost units that are not regulated in the SBM. Therefore, public entities are allowed to adjust certain expenditures according to market prices. This indicates that the Input Cost Standards (SBM) have not been fully used as the sole standard in budget preparation at the Housing Provision Implementation Center of West Nusa Tenggara Province, Ministry of Public Works and Public Housing. This is because there are several activities whose budget values must follow market prices, as they are not regulated in the SBM. For example, official travel expenses, particularly transportation costs that are not regulated in the SBM, must refer to market prices, and their accountability must be based on the actual transportation costs incurred during official travel.

Research related to SBM was conducted by Mahfudin in 2021 entitled *Development of Input Cost Standards (SBM) Policy: Consumption Costs for Education and Training Activities*. The results showed that work units prepare cost allocations by referring to meeting consumption cost units as the maximum limit. Work units (satker) consider it necessary to have specific regulations regarding consumption costs for education and training activities. Research related to cost standards was also conducted by Jauhar Rafid Yulianto, Niken Ajeng Lestari, Hartanto, and Andrie Mulya Febrianto in 2020 entitled *Evaluation of the Implementation of Standard Cost Structure Policy: The Use of Main Cost and Supporting Cost Concepts*. The results indicated that the implementation of the Standard Cost Structure (SCS)

in budget allocation within the RKAKL of all work units in the Ministry of Finance environment has not been in accordance with the regulations. Two main problems were identified. First, in the use of the concepts of main costs and supporting costs, there are differences in perceptions among policy users as well as unclear definitional boundaries stated in the related regulations. These differences have led to inconsistent implementation of SCS in the RKAKL. Second, problems were found in the facilitation aspect of policy implementation, particularly regarding the placement of SCS at a component level that is considered too high and does not accommodate the need to differentiate cost characteristics at lower levels. As a result, a component may be classified as a main cost even though it contains supporting costs, or vice versa.

Another study related to cost standards was conducted by Riska Amanda and Dra. Deliza Henny, Ak., MSi., CA in 2022 entitled *Analysis of the Implementation of Unit Price Standards in the Preparation of Regional Revenue and Expenditure Budgets (Case Study of the DKI Jakarta Provincial Government)*. The results showed that the preparation of unit price standards (SHS) is carried out by the Unit Price Standard Management Unit of the Regional Financial and Asset Management Agency (BPKD) of DKI Jakarta Province. The determination of SHS prices is based on market surveys, price quotations from providers, central/regional government regulations, and detailed budget plans (RAB). Constraints faced in implementing SHS in APBD preparation include price changes during the budget implementation year, human resource limitations, weak internal control, the role of the Regional Budget Team (TAPD), and the transition of information system consultants. Based on the analysis and discussion, it was concluded that unit price standards are used as the upper limit in the planning and budgeting of the APBD of the DKI Jakarta Provincial Government.

The Input Cost Standards (SBM) cannot yet be fully used as the basis for allocating budget costs in public entities, particularly at the Housing Provision Implementation Center of West Nusa Tenggara Province. This is because, as shown in the SBM implementation framework in RKA-K/L preparation, there are several activities that are not regulated in the PMK SBM, such as official travel transportation costs and consumption costs for meetings or training. Therefore, the government, especially the Ministry of Finance, should review the existing SBM and include activities that were previously not regulated so that they can become part of the Input Cost Standards. This is important to minimize the potential for budget overestimation or underestimation during the budget preparation process.

This discussion focuses on the implementation of Standard Input Costs (SIC) in budget preparation at the Housing Provision Implementation Center of West Nusa Tenggara Province (BP2P NTB). The analysis is based on secondary data derived from regulations, budgeting documents, and relevant literature, and is supported by brief explanations obtained from one BP2P NTB employee.

Conceptually, standard costs are predetermined costs established as benchmarks for cost control and as references for operational activities (Mulyadi, 1991, 2011; Carter & Usry, 2009; Halim, 1998). Standard costs are regarded as the appropriate benchmark when deviations occur between planned and actual costs, with such deviations recorded as

variances (Anthony & Hermanson, 1993). Accordingly, the determination of standard costs prior to budget formulation is a critical prerequisite for reducing uncertainty and preventing price inconsistencies during the budgeting process.

The results of document analysis indicate that the preparation of the Budget Work Plan (RKA-K/L) at BP2P NTB has adhered to the Minister of Finance Regulation on Standard Input Costs, whereby SIC is applied either as an upper expenditure limit or as a cost estimate, depending on its classification. This practice is consistent with the role of SIC as a budgetary control instrument designed to ensure economic efficiency, effectiveness, and value for money (Mahfudin, 2021). Insights from the interviewed employee further confirm that SIC serves as the primary reference for assessing cost reasonableness and minimizing price interpretation discrepancies during activity planning.

Data processing in this study employed descriptive qualitative analysis, comprising data reduction through the selection of information relevant to SIC implementation, narrative data presentation, and conclusion drawing based on the interrelationships among theory, regulation, and empirical practice at BP2P NTB. Data validity was ensured through source triangulation by comparing regulatory documents, academic literature, and informant explanations, thereby enhancing the credibility of the research findings.

From a performance-based budgeting perspective, the implementation of SIC at BP2P NTB aligns with the principles of performance-based budgeting, which emphasize the linkage between inputs, outputs, and outcomes (Bastian, 2006; Mahmudi, 2011; Halim & Kusufi, 2014). The mandatory use of cost standards and performance indicators, as stipulated in Government Regulation No. 21 of 2004, underscores the role of SIC as a supporting instrument for organizational performance achievement. This is further reinforced by the budget formulation stages involving strategic setting, objective formulation, activity determination, and evaluation (Nordiawan, 2007).

The findings of this study are consistent with Romanova et al. (2017), who argue that cost efficiency in public entities is highly dependent on the clarity of budget cost standards, the integration of strategic planning and budgeting, and enhanced budget transparency. In addition, Johantri (2019) demonstrates that clearly defined standard input costs facilitate cost analysis and improve efficiency in public sector activities. The empirical evidence provided by Qi and Mensah (2012) further supports the effectiveness of performance-based budgeting in reshaping government expenditure priorities, while highlighting that its success is strongly influenced by the quality of the cost standards applied.

Overall, the results indicate that the implementation of Standard Input Costs at BP2P NTB functions as a fundamental guideline in performance-based budget preparation, strengthens cost control mechanisms, and enhances budget consistency and efficiency. The existence of clear and standardized SIC is therefore a crucial factor in achieving accountable and performance-oriented budgeting practices within BP2P NTB.

Conclusion

This study concludes that Standard Input Costs (SIC) cannot yet be fully applied as the sole basis for budget preparation at the Housing Provision Implementation Center of West Nusa Tenggara Province (BP2P NTB). This limitation arises from the continued use of market-based prices for certain expenditure components, particularly those subject to price fluctuations, such as meeting consumption and official travel costs, especially transportation tickets. In this context, SIC primarily functions as an upper expenditure limit rather than a fixed cost reference, making adjustments to prevailing market conditions necessary to ensure realistic and operational budget planning.

These findings imply that the effectiveness of performance-based budgeting is influenced not only by the availability of cost standards but also by the existence of control mechanisms capable of integrating SIC with market price dynamics in an accountable manner. Accordingly, it is recommended that BP2P NTB develop internal guidelines governing the use of market prices in budget formulation to maintain consistency, efficiency, and fiscal accountability. Future research is encouraged to examine the impact of market-based pricing outside SIC on budget efficiency and to conduct comparative analyses across government institutions in order to generate more comprehensive insights into the implementation of SIC in the public sector.

References

- Amanda, R. & Henny, D. (2022). Analisis Penerapan Standar Harga Satuan Pada Penyusunan Anggaran Pendapatan Dan Belanja Daerah (Studi Kasus Pada Pemerintah Provinsi DKI Jakarta). *Jurnal Ekonomi Trisakti*. Vol. 2 No. 2. hal : 1629-1640.
- Anthony, R. N., & Hermanson, R. H. (1993). *Management accounting* (5th ed.). Homewood, IL: Richard D. Irwin.
- Bastian, I. (2006). *Akuntansi sektor publik: Suatu pengantar*. Jakarta: Erlangga.
- Carter, W. K., & Usry, M. F. (2009). *Akuntansi biaya* (Cost accounting) (Edisi ke-13). Jakarta: Salemba Empat.
- Halim, A. (1998). *Akuntansi biaya*. Yogyakarta: BPFEE.
- Halim, A., & Kusufi, M. S. (2014). *Akuntansi sektor publik: Teori, konsep, dan aplikasi*. Jakarta: Salemba Empat.
- Herlianto, D. (2011), *Buku Teknik Penyusunan Anggaran Operasi* (Edisi Pertama), Penerbit Gosyen Publishing, Yogyakarta
- Herlianto, D. (2011). *Teknik penyusunan anggaran operasi*. Yogyakarta: Gosyen Publishing. Infopublik.id/kategori/nasional-ekonomi-bisnis/476796/kementrian-pupr-bentuk-ig-bp2p
- Johantri, B. (2019). Analisis break even point terhadap biaya standar input kegiatan uji berbantuan komputer badan pelayanan publik (Studi kasus Politeknik XXX Tahun 2019). *Journal of Applied Business Administration*, 3(2), 150–160.
- Kementerian Keuangan Republik Indonesia. (2014). *Penganggaran berbasis kinerja*. Jakarta: Direktorat Jenderal Anggaran.

- Mahfudin. (2021). Pengembangan Kebijakan Standar Biaya Masukan (SBM): Biaya Konsumsi Kegiatan Pendidikan Dan Pelatihan. *Jurnal Anggaran dan Keuangan Negara Indonesia (AKURASI)*. Vol. 3 No.2. Hal 74-91.
- Mulyadi. (1991). *Akuntansi biaya* (Edisi ke-3). Yogyakarta: STIE YKPN.
- Mulyadi. (2001). *Balanced scorecard: Alat manajemen kontemporer untuk pelipatganda kinerja keuangan perusahaan*. Jakarta: Salemba Empat.
- Mulyadi. (2011). *Akuntansi biaya* (Edisi ke-5). Yogyakarta: UPP STIM YKPN.
- Nordiawan, D. (2007). *Akuntansi sektor publik*. Jakarta: Salemba Empat.
- Nordiawan, D. (2012). *Anggaran di sektor publik*. Jakarta: Salemba Empat.
- Peraturan Menteri Keuangan No.83/PMK.02/2022/tentang SBM TA 2023
- Qi, Y. Mensah, Y. M. (2012). An Empirical Analysis of the Effect of Performance-Based Budgeting on State Government Expenditures. *Journal Of Economic Literature (JEL)*. JEL Classification.
- Romanova, T. F., Andreeva, O. V., Meliksetyan, S. N. & Otrishko, M. O. (2017). Increasing of Cost Efficiency as a Trend of Public Law Entities' Activity Intensification in a Public Administration Sector. *European Research Studies*. Volume XX, Issue 1. 155-161.
- www.pu.go.id
- Yulianto, J. R., Lestari, N. A., Hartanto. & Febrianto, A. M. (2020). Evaluasi Penerapan Kebijakan Standar Struktur Biaya: Penggunaan Konsep Biaya Utama Dan Biaya Pendukung. *Jurnal Anggaran dan Keuangan Negara Indonesia (AKURASI)*. Vol. 2 No. 1. Hal 22-42.