

Annual Public Accounts and Estimates Committee Budget Estimates inquiry

Background

Each year around May, the Government tables the budget papers and the Appropriation Bills in the Parliament.¹ The budget papers include estimated projections of government revenue over the forward estimates (three years) and expenditure for the next financial year. They also outline the fiscal outlook for the State's economy and the Government's proposed major initiatives.²

The appropriation bills reflect the spending proposals contained in the budget papers and the Parliament must pass the bills to authorise the expenditure of public money. The budget papers and the appropriation bills form the basis of accountability for financial and performance management for each government department.³

On behalf of the Parliament, the Committee conducts detailed scrutiny of the Government's annual spending and revenue (the budget estimates).⁴

Objectives

The Committee's budget estimates inquiry aims to benefit the Parliament and the community by:

- promoting the accountability, transparency and integrity of the executive and the public sector
- encouraging effective and efficient delivery of public services and assets

¹ Department of Treasury and Finance, *Budget process in Victoria*, <https://www.dtf.vic.gov.au/state-budget/budget-process-victoria> (accessed 8 December 2022).

² The budget papers are published on the Department of Treasury and Finance's website <https://www.dtf.vic.gov.au/state-budget>.

³ Department of Treasury and Finance, *Planning, Budgeting and Financial Reporting Frameworks*, updated September 2021, <https://www.dtf.vic.gov.au/financial-management-government/planning-budgeting-and-financial-reporting-frameworks>.

⁴ The *Parliamentary Committees Act 2003* (Vic), subsection 14(a) requires the Committee to inquire into, consider and report to the Parliament on any proposal, matter or thing concerned with public administration or public sector finances and the annual budget estimates.

- enhancing the understanding of the budget estimates and the wider economic environment and
- assisting members of Parliament in their deliberation on the appropriation bills.

The process

The Budget's journey through Parliament and the role of the Committee is illustrated over the page.



Outcomes can include increased transparency of spending and changes to the presentation of the Budget papers



The Victorian Parliament grants the State Government the authority to spend money on services and infrastructure



The Government must table a response to PAEC's recommendations within six months.



The Budget papers must form part of the Appropriation Bills in order to have legal standing



At the public hearings, PAEC asks Ministers questions about spending, revenue, funding, performance measures, resource management and public administration



Once the Bills are passed, they are presented to the Governor for Royal Assent and become law

