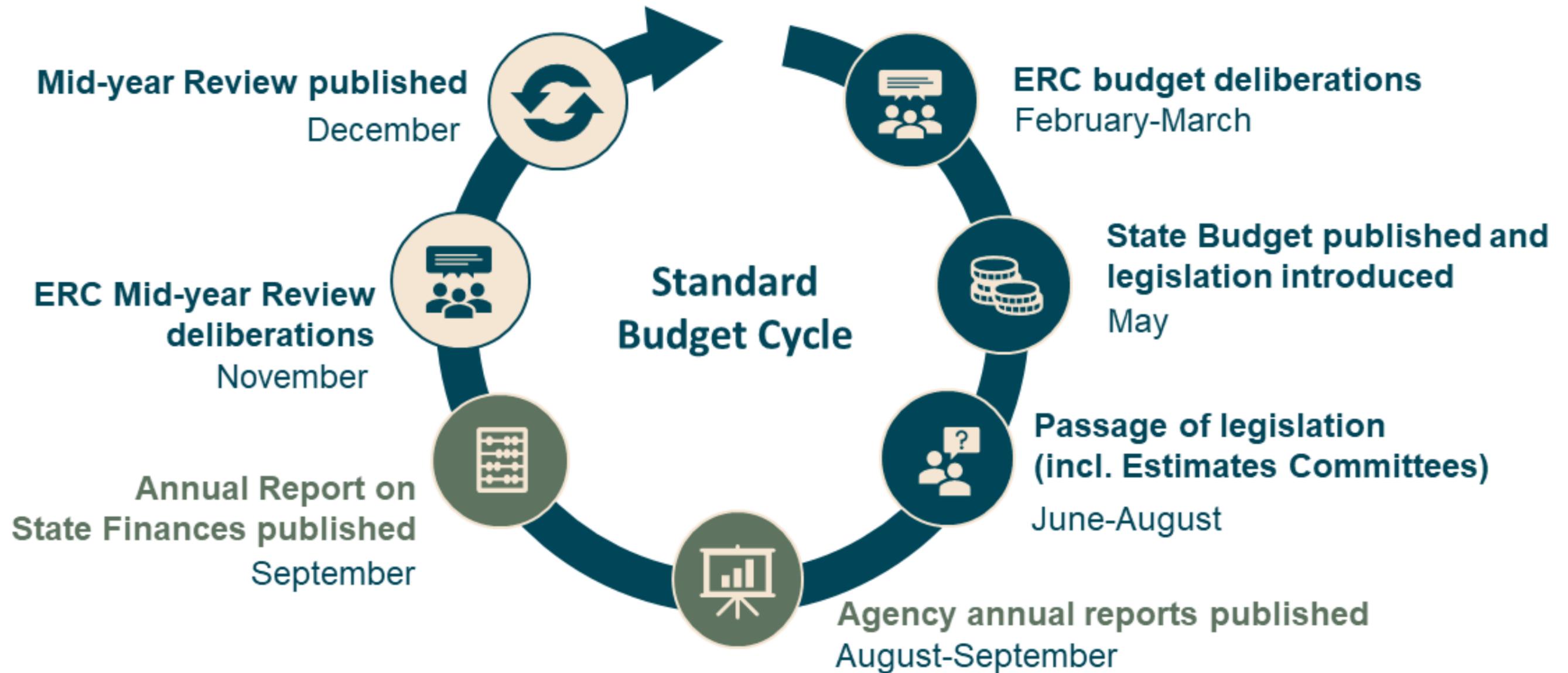




## Annual Budget Cycle



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### 2024-25 BUDGET PROCESS TIMETABLE

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<b>Date</b>	<b>Issue</b>
8 January 2024	Agencies submit draft Budget submission to Minister for approval.
<b>15 January 2024</b>	Ministers submit detailed Budget submissions (with supporting documents) in line with the process determined by the ERC and Strategic Asset Plans (for relevant agencies and/or to accompany Budget submissions with capital proposals).
Late February to late March 2024	<i>Budget deliberations (bilateral meetings)</i> ERC meetings to consider: <ul style="list-style-type: none"><li>• Ministerial Budget proposals, including key risks;</li><li>• Royalties for Regions program; and</li><li>• Asset Investment Program.</li></ul>
9 April 2024 to Early May 2024	<i>Budget Paper Production</i> <ul style="list-style-type: none"><li>• Agencies and Treasury to prepare and produce the 2024-25 Budget Papers.</li></ul>
<b>Early May 2024</b>	<b>Release of the 2024-25 Budget</b>
Late May 2024	Legislative Assembly Budget Estimate Hearings.
June 2024	Legislative Council Budget Estimate Hearings.
No later than end of August 2024 sitting	Appropriation Bills passed by both Houses.

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# Budget Cycle – Supporting Information

The principal function of the Expenditure Review Committee (ERC) is the formulation of the annual State Budget. In October of the preceding year, the Under Treasurer provides written advice to Directors General and Chief Executive Officers, via the **Budget Circular**, informing agencies of the Budget process and key dates for the upcoming budget. The Budget process and key dates are determined by ERC.

## Budget Submissions

**Budget Submissions** (with supporting documents) must align to the Budget process determined by ERC. An ERC Budget submission should be prepared in accordance with the ERC template, any additional documentation relevant to the submission should be provided as attachments to the ERC submission (i.e., supporting business cases, Regulatory Impact Statements or more detailed reports).

Agencies are responsible for ensuring that the detail in an ERC submission is sufficient to enable sound judgements to be made on the proposal's merit and whether resources, such as additional funding, should be allocated to it. Further detail can be found in the ERC Handbook. Treasury prepares written advice to ERC, on each Budget submission, in the form of a 'minute'.

Prior to commencement of the Budget process agencies may choose to opt-in to the Streamlined Budget Process (available to agencies with under \$100 million of service appropriation in the previous financial year).

## State Budget Deliberations (February – March)

Budget **bilateral meetings** are scheduled for each Ministerial portfolio, where ERC considers the Minister's request, and Treasury's minute and proposed recommendations relevant to the Budget Submission.

With the State's resources being finite, the setting of the State Budget is very competitive. The goal of the deliberations is to enable ERC to make decisions which achieve the best allocation of State funds.

At the bilateral meetings, ERC will endorse, modify or reject Treasury's recommendations. In addition to the ERC Ministers, these meetings are usually attended by the relevant Minister and their Chief of Staff, agency heads and Treasury Executive.

ERC provides its recommendations to Cabinet.

Agencies are advised of bilateral meeting outcomes by their Minister and via their Treasury analyst.

**Budget Cut-Off** occurs during early April and no further decisions are included as part of Budget after this date. Following Cabinet's approval of the overall budget parameters, the Budget paper production phase begins.

# State Budget Published and Legislation Introduced (May)

## Budget Paper Production

Treasury compiles and produces the following key Budget products:

Budget Paper No. 1 – Budget Speech

Budget Paper No. 2 – Agency Budget Statements

Budget Paper No. 3 – Economic and Fiscal Outlook

The Budget Papers present Government's policy and spending initiatives for the budget year and the following three out years and include an update to the estimated actual for the current financial year. Once completed, the Budget is then presented to Parliament in early/mid-May.

## Budget Day

The Treasurer introduces the Appropriation (Recurrent) Bill and Appropriation (Capital) Bill to Parliament and tables the Treasurer's Speech – Budget Paper No. 1, Budget Paper No. 2 – Agency Budget Statements, and the Economic and Fiscal Outlook – Budget Paper No. 3.

## Passage of Legislation (June – August)

**Estimate Committee Hearings** occur in the weeks following the tabling of the Budget. Estimate hearings are held to allow Members of Parliament (both the Legislative Assembly and Council) to question aspects of the Budget Papers.

**Appropriation Bills** are read and passed. Appropriation Bills provide parliamentary authorisation for recurrent and capital appropriation for services of agencies in the coming financial year. The Bills reflect the Cabinet approved Budget position.

## Annual Report on State Finances (ARSF)

Under Section 64 of the *Financial Management Act 2006* (FMA), an agency head is required to prepare an annual report on the agency's operations, financial and performance outcomes, after the end of the financial year.

After 30 June each year, agencies submit actual unaudited financial data to Treasury. ARSF alignment is required for two reasons:

- to capture incorporate the impact of the latest actuals for the Mid-year Review; and
- the actual comparator that matches agency annual reports is included in Budget Paper No. 2 statements in the following Budget.

To finalise the Budget cycle, the State's public sector financial results for the financial year are published in the ARSF. This report is required by the *Government Financial Responsibility Act 2000* to be released within 90 days of the financial year-end. ARSF is required to be tabled in Parliament by 30 September.

## Mid-year Review (MYR) (November – December)

The Under Treasurer provides a **Mid-Year Review (MYR) Circular** to Directors General and Chief Executive Officers to communicate information on the process and key dates for the Mid-year Financial Projections Statement.

As agencies are accountable for managing their expenditure within limits approved by ERC at the Budget, MYR deliberations are not intended to duplicate the deliberations undertaken in the Budget process.

The purpose of the MYR is to outline developments in the State's financial position and economic outlook since publication of the Budget. The MYR publication is certified by the Under Treasurer and includes:

- financial projections for the Budget year and the three following financial years;
- an account of the economic and other assumptions that underpin the financial projections;
- a breakdown of the major spending decisions that affect general government expenses and total public sector capital spending since Budget;
- an assessment of the financial projections against the financial targets set out in the Budget; and
- a Statement of Risks, which provides an overview of the known issues that have the potential to materially affect the financial projections.

Unlike Budget, the Government Mid-year Financial Projections Statement is the only publication generated by the MYR process and it is to be tabled by the Treasurer in Parliament by 31 December each year in accordance with the *Government Financial Responsibility Act 2000*.