

Report on a page

Queensland Treasury and the Department of the Premier and Cabinet play an important role in providing economic and financial advice to the government and in managing the state budget.

This report examines how these agencies design and manage the state budget process to support the government's fiscal principles and objectives. We focused on the 2023–24 budget and 2023–24 budget update, and stand-alone submissions to the Cabinet Budget Review Committee (CBRC) leading up to the 2023–24 budget update. Our audit does not form any view of whether the government's community objectives, fiscal objectives, or economic plans are appropriate. Additionally, our audit does not provide assurance that financial estimates will be achieved or on the sustainability of the budget, as this is not within the scope of the report. We also did not audit the budgeting processes at public sector entities.

Strengthening budget submissions

The CBRC has a complex and challenging task in approving the budget strategy and making budget decisions that distribute funding to different social programs, service delivery, and infrastructure needs. Queensland Treasury and the Department of the Premier and Cabinet help by reviewing submissions and providing advice to the CBRC. Queensland Treasury uses various models for estimating future revenue, which inform the budget process and its capacity for future expenditures.

The current budget process guides new submissions towards the government's priorities. However, agencies' submissions vary, making it difficult to compare or, in some instances, understand their costings, staffing needs, and consultation. Queensland Treasury could improve this by providing enhanced guidelines for agencies preparing submissions and instructions for Queensland Treasury staff reviewing them. This would help make submissions more consistent and of higher quality, enhancing the information used to make budget decisions. Queensland Treasury could also further assist the CBRC by clearly indicating whether it has reviewed and agrees with the agencies' costings.

The Queensland budget uses an incremental approach, making adjustments to existing budgets by adding new income and spending without reassessing previously approved budgets. Targeted reviews for existing government programs and services, which are not regularly reassessed in the budget process, would help ensure continued alignment with government objectives.

Queensland Treasury developed BudgetPlus to assist agencies in preparing budget submissions. However, stand-alone submissions, which occur outside the regular budget and budget update cycles and make up around one-third of all submissions, do not use this system. As a result, these submissions miss out on BudgetPlus' functionality for ensuring consistency, security, and monitoring.

Queensland Treasury plans the budget process well and sets clear timelines for submissions. Early engagement by agencies on budget submissions is not always possible. But, where agencies can, they should consult early with Queensland Treasury and the Department of the Premier and Cabinet to reduce pressure on the review process and provide opportunities to enhance the quality of submissions.

Improving budget monitoring capabilities

Queensland Treasury monitors the state budget through regular updates on key economic and budget issues, including market trends, labour conditions, and financial outlooks. While it effectively tracks revenue collections and conducts quarterly reviews of agency budgets, its ability to monitor performance against agency submissions or expected outcomes is limited.

The current budget management system, TriData, has aided in delivering the budget for over 25 years. While functional, feedback from agencies highlighted issues with TriData's efficiency and ease of use. Queensland Treasury recognises that it needs further capabilities to enhance TriData's efficiency and functionality. It is implementing the Financial Reporting and Management Enhanced Systems (FRAMES) project to replace TriData with a more modern system in 2027.

