

# Citizen engagement in parliamentary oversight of the executive's budget: Benefits, opportunities and next steps

**Charlotte Lever**

Lead analyst, Legislative Assembly, Parliament of Victoria<sup>1</sup>

---

**Abstract:** Parliamentary oversight of the executive's budget a central mechanisms through which citizens can hold governments to account for their decision making, policy priorities and public spending. Despite this, the intersection between citizen engagement and parliamentary budget oversight has received comparatively little scholarly attention, particularly in Westminster systems. This article addresses this gap by examining why and how parliaments should engage citizens in budget oversight, with a specific focus on Australian parliaments, where such engagement has been largely absent. The article first outlines the democratic importance of budget oversight and citizen engagement as core parliamentary functions, arguing that engagement in budget oversight has been dominated by information and education, while communication, consultation and participation remain underdeveloped in Australia. The article then explores the benefits of integrating citizen engagement into budget oversight, including enhanced accountability, improved scrutiny through lived experience, increased transparency, and greater legitimacy and trust in parliamentary institutions. A case study from the Scottish Parliament illustrates how participatory and deliberative approaches—specifically a citizen's panel—can strengthen pre-budget scrutiny and deliver meaningful outcomes for both participants and parliamentary committees. Finally, the article considers what practical steps might be available for Australian parliaments when it comes to participatory and deliberative forms of citizen engagement in budget oversight.

---

<sup>1</sup>Opinions expressed in the article are the author's own and do not reflect the views of the Departments or the Parliament of Victoria.

---

## INTRODUCTION

A parliament's oversight and approval of the executive's budget is one of its most important activities and a key way in which a parliament checks the power of the executive and holds it to account on behalf of the citizens it represents. Budget oversight by parliament is a long-standing legislative function. More recently, citizen engagement has also become an essential activity for parliament due to several developments over the last three decades. Parliaments are more frequently using citizen engagement to enhance the utility, legitimacy and representation of their oversight and scrutiny activities, recognising engagement as an avenue for confronting the 'contemporary democratic malaise' noted across many Western parliamentary jurisdictions.

This article looks at the intersection between budget oversight and citizen engagement. While it is widely recognised that parliaments should engage the public in its oversight work, engagement in budget oversight has received less attention. Scholarship has predominantly focused on engagement and budget oversight separately, with only a handful of non-government organisations exploring how, where, when and why parliaments engage citizens in budget oversight.<sup>2</sup> This article intends to begin to fill this gap, exploring why parliaments should engage the public in budget oversight activities and how they should do so. It focuses on the parliaments of Australia, as Australian parliaments have largely overlooked citizen engagement in budget oversight.

This article will begin by describing why oversight and engagement are essential to the role of parliament. It will then explore the type of engagement in budget oversight that has traditionally taken place in parliaments and why this has been missing in Australian jurisdictions. Using the Inter-Parliamentary Union's typification of the five key functions of parliamentary engagement, this article will argue that citizen engagement in budget oversight has relied on information and education, while communication, consultation and participation have been lacking in Australia.

---

<sup>2</sup> Susan Tanaka, 'Engaging the Public in National Budgeting: A Non-governmental Perspective'. *OECD Journal on Budgeting* 7(2) 2007, pp. 139-177; OECD, 'Empowering Public Understanding: Citizen Dialogue in Budgeting: Draft for comment'. Accessed at: [https://one.oecd.org/document/GOV/SBO\(2024\)17/en/pdf](https://one.oecd.org/document/GOV/SBO(2024)17/en/pdf); Indicators for Democratic Parliaments, 'Dimension: 6.2.2 Participation in oversight'. Accessed at: <https://www.parliamentaryindicators.org/indicators/participatory/public-participation-parliamentary-processes/participation-oversight>; OECD, *Budgeting and Public Expenditures in OECD Countries 2019*. 2019, OECD Publishing, Paris, pp. 94–103.

This article will outline the benefits of citizen engagement in budget oversight, contending that such activities enhance oversight of the executive by parliament and can deliver the multifaceted benefits associated with citizen engagement. This article will draw on a recent example from the Scottish Parliament to highlight what form budget oversight engagement can take and what benefits can result. Finally, this article will consider how citizen engagement in budget oversight could readily fit into Australian parliaments, ultimately arguing that to best deliver on the benefits of such activities, participatory and deliberative forms of engagement should be used.

## PARLIAMENTARY OVERSIGHT AND THE SEPARATION OF POWERS

One of the core functions of parliament is oversight of the executive. Parliament is responsible for scrutinising the policies and actions of the government of the day. This core function is linked to several basic principles of parliamentary democracy – the separation of powers, responsible government and accountability.<sup>3</sup> Through oversight and scrutiny, parliament ‘checks’ the power of the executive and holds the executive to account on behalf of the citizens it represents. This role is envisioned in the Australian constitution, whereby the powers of the parliament, executive and judiciary are separated, preventing one branch from becoming too powerful or dominating another.<sup>4</sup>

Parliament’s oversight role is vitally important to democratic governance. When parliamentary oversight of executive action operates well and is effective, accountability and transparency are improved. Effective oversight detects corruption and illegal and unconstitutional behaviour, protecting the rights of citizens.<sup>5</sup> The absence of oversight means that the parliament is not fulfilling its function as a check on the executive’s power. Governments can make decisions without fear of contestation. If there is no one to question the government’s authority, there is no need for public debate, consultation or the inclusion of many

---

<sup>3</sup> Tracey Arklay and Neil Laurie, 'Parliaments of Australia', in Nick Barry, Peter Chen, Yvonne Haigh, Sara C. Motta and Diana Perche (eds), *Australian Politics and Policy*. Sydney: UNSW Press, 2023, pp. 66–68; Inter-Parliamentary Union, 'Global Parliamentary Report 2017'. Accessed at: <https://www.ipu.org/impact/democracy-and-strong-parliaments/global-parliamentary-report#:~:text=The%20second%20GPR%2C%20published%20in,focus%20in%20parliaments%20on%20oversight.>, pp. 10–13.

<sup>4</sup> Diana Perche, 'Accountability' in Nick Barry, Peter Chen, Yvonne Haigh, Sara C. Motta and Diana Perche (eds), *Australian Politics and Policy*. Sydney: UNSW Press, 2023, p. 835; *Australian Constitution* chs I-III, ss 44, 61, 64, 71.

<sup>5</sup> Hironori Yamamoto, *Tools for parliamentary oversight: A comparative study of 88 national parliaments*, Switzerland: Inter-Parliamentary Union, 2007, pp. 9–10.

perspectives in society in government decision-making. The result is inefficient policy, less transparency and less accountability regarding government action.<sup>6</sup>

All parliaments exercise their oversight role to varying degrees, in different forms and in different constitutional settings. Predominantly, oversight takes place via debate and procedures of the floor in parliament and through the work of committees. Oversight activity includes members questioning the executive in parliament, scrutinising legislation and undertaking committee inquiries.<sup>7</sup>

## **BUDGET OVERSIGHT BY PARLIAMENT**

A key parliamentary oversight activity is scrutinising the executive's budget, which sets out the executive's proposed spending and revenue, typically for a financial year. Parliament is said to hold the ultimate 'power of the purse' – only parliament can approve the executive's budget. Parliament's review, deliberation, influence and ultimate approval of the budget provides another check on the executive's power and is an essential accountability measure for the use of public money.<sup>8</sup> The strength of this oversight varies between jurisdictions. Some parliaments merely approve the budget, while others have a key role in shaping it each year.<sup>9</sup>

The Australian Constitution sets out what happens to monies raised or received by the executive government, and how monies are appropriated by the government to fund its activities. All monies raised or received by government form one Consolidated Revenue Fund (CRF). Monies cannot be drawn from the CRF without an appropriation Bill that passes through parliament.<sup>10</sup> Each year the government tables the annual appropriation Bills to appropriate monies from the CRF to fund its expenditure (i.e. the annual budget).<sup>11</sup> Each year, the executive's budget is scrutinised in Parliament as part of the appropriation Bill's passage into

---

<sup>6</sup> Inter-Parliamentary Union, 'Global Parliamentary Report 2017', pp.15–16.

<sup>7</sup> Gwynneth Singleton, et al. *Australian Political Institutions*, Pearson Education Australia, 2012, p. 165.

<sup>8</sup> Rick Stapenhurst, 'The Legislature and the Budget' in Rick Stapenhurst, Riccardo Pelizzo, Lisa von Trapp, and David M. Olson (eds), *Legislative Oversight and Budgeting: A World Perspective*, Washington DC, World Bank Publications, 2008, pp. 51, 56–57; Kylie Coulson, 'Budget Scrutiny in Australian Parliaments'. *Australasian Parliamentary Review* 31(2) 2011, pp. 104.

<sup>9</sup> Rick Stapenhurst, 'The Legislature and the Budget', pp. 52, 56.

<sup>10</sup> *Australian Constitution* ss 81, 83; Department of Finance. 'Guide to Appropriations (RMG 100)'. Accessed at: <https://www.finance.gov.au/publications/resource-management-guides/guide-appropriations-rmg-100>.

<sup>11</sup> Department of Finance. 'Guide to Appropriations (RMG 100)'. Accessed at: <https://www.finance.gov.au/publications/resource-management-guides/guide-appropriations-rmg-100>.

law. In theory, this process ensures the government remains accountable to the Parliament for the money it spends. However, Australia's constitutional settings also mean that there are restraints around particular types of financial legislation, which result in restraining the direct input Parliament can have in the executive's budget. The constitution does not allow for appropriation bills to originate in the Australian Parliament's upper house and house of review, the Senate.<sup>12</sup> The Senate cannot amend the annual budget's Appropriation Bill (No. 1), a key element of the budget that details continuing yearly expenditure by government agencies on services for existing policies.<sup>13</sup> The Senate can request the lower house, the House of Representatives, amend Appropriation Bill (No. 1), and can reject any appropriation Bill outright.

These limits on the Senate in relation to the executive's budget make its Senate Estimates process all the more important, because it allows for detailed parliamentary oversight and scrutiny of government expenditure before the appropriation Bills are considered by the Senate.<sup>14</sup> In Australia the executive's budget is introduced in the House of Representatives and debated over several weeks. The budget bills are referred to the Senate, who refer them to the Senate's eight portfolio or legislation committees.<sup>15</sup> They consider the budget in detail through Senate Estimates, where Committees question Ministers and officials on proposed expenditure through public hearings.<sup>16</sup>

---

<sup>12</sup> *Australian Constitution* ss 53.

<sup>13</sup> Parliament of Australia. 'InfoSheet 10 – the budget and financial legislation'. Accessed at: [https://www.aph.gov.au/About\\_Parliament/House\\_of\\_Representatives/Powers\\_practice\\_and\\_procedure/00\\_-\\_Infosheets/Infosheet\\_10\\_-\\_Budget\\_and\\_financial\\_legislation](https://www.aph.gov.au/About_Parliament/House_of_Representatives/Powers_practice_and_procedure/00_-_Infosheets/Infosheet_10_-_Budget_and_financial_legislation); Parliament of Australia. 'Appropriation and supply bills'. Accessed at: [https://www.aph.gov.au/About\\_Parliament/House\\_of\\_Representatives/Powers\\_practice\\_and\\_procedure/Practice7/HTML/Chapter11/Appropriation\\_and\\_supply\\_bills](https://www.aph.gov.au/About_Parliament/House_of_Representatives/Powers_practice_and_procedure/Practice7/HTML/Chapter11/Appropriation_and_supply_bills).

<sup>14</sup> Steph Lum, 'How effective is parliamentary oversight over executive expenditure authorised by standing appropriations?'. *Australasian Parliamentary Review* 39(2) 2024, p. 106.

<sup>15</sup> These eight Committees are: Community Affairs, Economics, Education and Employment, Environment and Communications, Finance and Public Administration, Foreign Affairs, Defence and Trade, Legal and Constitutional Affairs, Rural and Regional Affairs and Transport. Each Committee is allocated specific Government Departments and agencies to oversight. Parliament of Australia, 'Senate brief 05: Consideration of Estimates by the Senate's legislation Committees'. Accessed at: [https://www.aph.gov.au/-/media/05\\_About\\_Parliament/52\\_Sen/523\\_PPP/Senate\\_Briefs/PDFs/brief05.pdf](https://www.aph.gov.au/-/media/05_About_Parliament/52_Sen/523_PPP/Senate_Briefs/PDFs/brief05.pdf), p. 1.

<sup>16</sup> Parliament of Australia, 'Infosheet 10 – the budget and financial legislation'. Accessed at: [https://www.aph.gov.au/About\\_Parliament/House\\_of\\_Representatives/Powers\\_practice\\_and\\_procedure/00\\_-\\_Infosheets/Infosheet\\_10\\_-\\_Budget\\_and\\_financial\\_legislation](https://www.aph.gov.au/About_Parliament/House_of_Representatives/Powers_practice_and_procedure/00_-_Infosheets/Infosheet_10_-_Budget_and_financial_legislation)

---

Senate Standing order 26(5) provides that Committees ‘may ask for explanations from ministers in the Senate, or officers, relating to the items of proposed expenditure’.<sup>17</sup> Questioning by the Committees is often detailed and encompasses areas such as departmental or funding objectives, operational procedures and the efficiency and outcomes of programs. Each Committee reports to the Senate any items of particular concern that arose during hearings. Supplementary hearings are usually held several weeks after the first round of estimates hearings. A second round of hearings also takes place when further appropriation Bills are introduced later in the financial year.<sup>18</sup>

Thomas’ scholarship on the Parliament of Australia’s scrutiny of government performance details the defining features of Senate Estimates.<sup>19</sup> When combined hearings run into the hundreds of hours, with some hearings lasting for 10 hours in one session. Questioning by Senators is wide ranging and diverse and is not limited to financial matters. Questioning reflects the fact that hearings serve a number of purposes, and that Senators approach Estimates with different agendas in mind. This can often result in highly politicised and oftentimes tense hearings, where opposition Senators search for areas of tension, weakness or opacity in spending or policy to press witnesses on. This environment draws significant media attention.<sup>20</sup>

Thomas outlines both the official and unofficial purposes of Senate Estimates. These include to promote value for money in public spending, to ensure economy, efficiency and effectiveness in public programs, to discover waste and mismanagement so they can be eliminated, to hold minister’s accountable for their portfolios, to find out whether government spending, policies and programs are effective or whether they need to be changed, and to allow Senators to represent the needs and concerns of their constituents.<sup>21</sup> While there is less scholarship on how effective Estimates is at delivering these benefits, the process is generally regarded as an

---

<sup>17</sup> Parliament of Australia, ‘Senate brief 05: Consideration of Estimates by the Senate’s legislation Committees’. Accessed at: [https://www.aph.gov.au/-/media/05\\_About\\_Parliament/52\\_Sen/523\\_PPP/Senate\\_Briefs/PDFs/brief05.pdf](https://www.aph.gov.au/-/media/05_About_Parliament/52_Sen/523_PPP/Senate_Briefs/PDFs/brief05.pdf), p. 2.

<sup>18</sup> Parliament of Australia, ‘No. 5 – Consideration of Estimates by the Senate’s Legislation Committees’. Accessed at: [https://www.aph.gov.au/About\\_Parliament/Senate/Practice\\_and\\_Procedure/Senate\\_Briefs/Brief05](https://www.aph.gov.au/About_Parliament/Senate/Practice_and_Procedure/Senate_Briefs/Brief05)

<sup>19</sup> Paul G. Thomas, ‘Parliament Scrutiny of Government Performance in Australia’, *The Australian Journal of Public Administration*, 68(4) 2009, pp. 373–398.

<sup>20</sup> *Ibid.*, pp. 382–385

<sup>21</sup> *Ibid.*, p. 395.

---

effective forum that represents robust scrutiny and provides accountability to the parliament on the government of the day's budget.<sup>22</sup>

## CITIZEN ENGAGEMENT AS AN ESSENTIAL ACTIVITY

More and more frequently parliaments worldwide are engaging the citizens they represent in their oversight and scrutiny work, providing information and education, consulting citizens and interest groups, and to a lesser extent, creating pathways for active participation by citizens in oversight of the executive.<sup>23</sup>

Parliaments are expanding and increasing citizen engagement, which is now an essential activity for all parliaments. Leston-Bandeira outlines why citizen engagement has become an essential part of a parliament's work over the last 30 years. She points to several core changes that explain the need for citizen engagement. These include:

- The decline in trust: levels of trust in political institutions and parliaments have declined over the past few decades.
- The rise of the 'critical citizen: citizens are more educated and better equipped to make their own judgements. Due to this, people are more likely to be critical of their political representatives.
- The rise in expectations in politics: citizens expectations of standards of governance have risen, as have expectations related to transparency and accountability. This is in part due to the internet and digitization making data and information more accessible.
- General trends in political participation: since the 1970s several changes have taken place including a decline in voter turn out, electoral volatility, a more active civil society

---

<sup>22</sup> Kylie Coulson, 'Budget Scrutiny in Australian State Parliaments', *Australasian Parliamentary Review*, 31(2) 2016, pp. 105, 106–107; Graham Bowrey et al., 'Financial Accountability: The Contribution of Senate Estimates', *Australian Journal of Public Administration*, 75(1) 2016, pp. 30, 37.

<sup>23</sup> See for example: Cristina Leston-Bandeira, 'How public engagement has become a must for parliaments in today's democracies', *Australasian Parliamentary Review* 37(2) 2022, pp. 8–16; David Wilson and Amy Brier, 'Engaging the public with Parliament in Aotearoa New Zealand', *Australasian Parliamentary Review* 37(2) 2022, pp. 68–76; Carolyn M Hendriks and Andrian Kay, 'From 'Opening up' to Democratic Renewal: Deepening Public Engagement in Legislative Committees', *Government and Opposition*, 54(1) 2019, pp. 25–51; Inter-Parliamentary Union, 'Global Parliamentary Report 2022: Public engagement in the work of parliament'. Accessed at: <https://www.ipu.org/impact/democracy-and-strong-parliaments/global-parliamentary-report/global-parliamentary-report-2022-public-engagement-in-work-parliament>.

---

and non-party political movements. All have impacted traditional political representation.<sup>24</sup>

Leston-Bandera summarises that these changes mean citizen engagement is now an expectation of politics. Citizens want to be able to have their say outside of the election cycle.<sup>25</sup> Parliaments are responding to this demand to remain relevant and maintain a connection between political representatives and the citizens they serve. Further, Leston-Bandera contends that parliaments are using engagement to address a 'contemporary democratic malaise'. In a time of declining trust in institutions, increasing populist politics and growing misinformation about politics, parliaments are not just responding to demands for more engagement, but also to a growing disconnect between the public, parliament and political representatives.<sup>26</sup>

In this way, engagement is mutually beneficial. When parliament engages with citizens a wider range of views can be heard, allowing for nuanced and comprehensive policy based on a wider perspective. Citizen engagement can draw attention to issues that are not currently on the agenda, allowing parliaments to be more responsive.<sup>27</sup> When citizen engagement is done well, individuals are involved in the political decision-making process and take ownership of those decisions, leading to wider acceptance and understanding of parliament and executive action, and increased trust in public institutions.<sup>28</sup>

The link to parliament's oversight and scrutiny work is clear. When parliament provides information and education about its oversight role and activities to citizens, understanding and trust in the work of parliament grows.<sup>29</sup> When members of parliament use engagement to inform their understanding of the potential impact of legislation, they can better scrutinise that

---

<sup>24</sup> Cristina Leston-Bandeira, 'How public engagement has become a must for parliaments in today's democracies', *Australasian Parliamentary Review* 37(2) 2022, pp. 9-11.

<sup>25</sup> *Ibid.*, p. 11.

<sup>26</sup> *Ibid.*, pp. 10-12.

<sup>27</sup> Inter-Parliamentary Union, 'Global Parliamentary Report 2022: Public engagement in the work of parliament'. Accessed at: <https://www.ipu.org/impact/democracy-and-strong-parliaments/global-parliamentary-report/global-parliamentary-report-2022-public-engagement-in-work-parliament>, pp. 12-16.

<sup>28</sup> *Ibid.*, pp. 16-18; Cristina Leston-Bandeira, 'How public engagement has become a must for parliaments in today's democracies', pp. 11, 15.

<sup>29</sup> Inter-Parliamentary Union, 'Global Parliamentary Report 2022: Public engagement in the work of parliament', p. 16.

legislation. When citizens are consulted during committee inquiries, many voices can be heard on one issue, resulting in better and more representative solutions.<sup>30</sup>

## CITIZEN ENGAGEMENT IN BUDGET OVERSIGHT

The previous sections of this article outlined why budget oversight and citizen engagement are essential roles in the work of parliaments, both of which can bestow several benefits. Often, parliaments use engagement to improve their oversight work. In the same vein, an essential part of budget oversight is citizen engagement. Parliaments should be using citizen engagement to improve their budget oversight activities.

International organisations such as the OECD, World Bank and the IPU support this view.<sup>31</sup> The OECD's *Best Practices for Parliaments in Budgeting* states 'The legislature and its committees should inform civil society and citizens on the budgetary debate and provide opportunities for them to contribute in a meaningful way.'<sup>32</sup> The IPU's *Indicators for Democratic Parliaments*, which allow parliaments worldwide to self-assess their performance and identify areas for strengthening their institutions based on best practice, emphasises that a parliament should have mechanisms for citizen participation in all stages of the budget cycle.<sup>33</sup>

Despite this, citizen engagement in budget oversight has often not received the same attention as engagement in other areas of parliamentary work and has tended to rely heavily on 'traditional' forms of engagement such as providing information or consulting with key stakeholders. The IPU's *Global Parliamentary Report 2022* typifies parliamentary engagement into five key functions:

---

<sup>30</sup> Cristina Leston-Bandeira, 'How public engagement has become a must for parliaments in today's democracies', p. 15.

<sup>31</sup> Indicators for Democratic Parliaments, 'Dimension: 6.2.2 Participation in oversight'. Accessed at: <https://www.parliamentaryindicators.org/indicators/participatory/public-participation-parliamentary-processes/participation-oversight>; OECD, 'OECD best practices for Parliaments in budgeting', *OECD Journal on Budgeting*, 2023(1) 2023, p. 8; OECD, 'Empowering Public Understanding: Citizen Dialogue in Budgeting: Draft for comment'; World Bank Group and Saki Kumagai et al., 'Mainstreaming citizen engagement in public financial management for better results'. Accessed at: <https://openknowledge.worldbank.org/server/api/core/bitstreams/5d5929be-164e-5b0f-8e15-d1982bf1d1d9/content>, pp. 24–27.

<sup>32</sup> OECD, 'OECD best practices for Parliaments in budgeting', p. 8.

<sup>33</sup> Indicators for Democratic Parliaments, 'Dimension: 6.2.2 Participation in oversight'.

---

- Information: telling the public and keeping them updated about the work of parliament. This can include television and online broadcasts, online publications, parliament websites, information materials and social media.
- Education: increasing understanding of parliaments and their work through education programs for the public and specific groups such as students.
- Communication: creating interaction channels to facilitate dialogue with the public. Examples include interaction via Facebook Live and radio question and answer programs.
- Consultation: building collective knowledge to inform parliamentary work. The most established form is committee hearings. Submissions to committee inquiries and meeting with civil society groups are also forms of consultation.
- Participation: actively involving the public in the parliamentary process through setting the parliamentary agenda, making legislative proposals and involvement in decision-making. This includes petitions, citizen juries and assemblies, and other forms of deliberative democracy.<sup>34</sup>

The OECD notes that during budget oversight, parliaments focus on sharing information and promoting greater public understanding of how parliament works on the budget, rather than actively engaging citizens in participatory engagement related to budget oversight. Some parliaments do take evidence from citizens and civil society during budget scrutiny through committee hearings.<sup>35</sup> A small number of parliaments are undertaking novel consultation and participation activities, such as the Dutch Parliament's V-100 process, which sees 100 citizens

---

<sup>34</sup> Deliberative democracy is a political theory that claims political decisions should be made as a result of fair and reasonable discussions among citizens. In practice, deliberative processes involve a representative body of citizens who come together to weigh evidence, deliberate, find common ground and develop recommendations on policy issues for public bodies. Citizens assemblies, juries and panels are examples of deliberative bodies. Deliberative processes can be used to make decisions or recommendations on a range of policy areas for various public bodies, such as the executive or parliament. OECD, 'Innovative citizen participation and new democratic institutions: catching the deliberative wave'. Accessed at: [https://www.oecd.org/en/publications/innovative-citizen-participation-and-new-democratic-institutions\\_339306da-en/full-report.html](https://www.oecd.org/en/publications/innovative-citizen-participation-and-new-democratic-institutions_339306da-en/full-report.html), p. 12; OECD, 'Eight ways to institutionalise deliberative democracy'. Accessed at: [https://www.oecd.org/en/publications/eight-ways-to-institutionalise-deliberative-democracy\\_4fcf1da5-en.html](https://www.oecd.org/en/publications/eight-ways-to-institutionalise-deliberative-democracy_4fcf1da5-en.html), p. 6; Inter-Parliamentary Union, 'Global Parliamentary Report 2022: Public engagement in the work of parliament'. pp. 21-31.

<sup>35</sup> OECD, 'Empowering Public Understanding: Citizen Dialogue in Budgeting: Draft for comment', p. 12

engage in ex-post budget scrutiny, generating questions for relevant committees to ask ministers.<sup>36</sup> These types of practices are still rare, but are evolving.<sup>37</sup>

## CITIZEN ENGAGEMENT IN BUDGET OVERSIGHT IN AUSTRALIAN PARLIAMENTS

Like other jurisdictions, citizen engagement is a significant priority for Australia's national and state parliaments.<sup>38</sup> However, this is yet to translate into citizen engagement in budget oversight work, which is severely lacking in all Australian parliaments. All jurisdictions undertake some form of 'traditional' engagement on budget oversight, predominantly in the areas of information and education. The Australian parliaments broadcast the proceedings in their chambers and from specific budget committee hearings, publish Hansard of budget debates and transcripts from committee hearings and provide information on budget scrutiny through their websites and social media.<sup>39</sup> There are likely also informal engagement practices that Members or political parties undertake with citizen through community, interest and constituent groups and non-government organisations to inform their scrutiny of the budget in parliament. However, no Australian jurisdiction currently undertakes consultation or participation engagement activities as part of its formal budget oversight role, except for the Australian Capital Territory which in 2024 held a one day estimates hearing with community

---

<sup>36</sup> Ibid., pp.13-15.

<sup>37</sup> Ibid., pp. 3, 4, 6.

<sup>38</sup> Parliament of Australia, 'Strategic Framework – The Parliamentary Service'. Accessed at: [https://www.aph.gov.au/About\\_Parliament/Publications/Strategic\\_Framework\\_-\\_The\\_Parliamentary\\_Service](https://www.aph.gov.au/About_Parliament/Publications/Strategic_Framework_-_The_Parliamentary_Service)

<sup>39</sup> For more information see: Parliament of Australia, 'Senate Estimates'. Accessed at: [https://www.aph.gov.au/Parliamentary\\_Business/Senate\\_estimates](https://www.aph.gov.au/Parliamentary_Business/Senate_estimates); Parliament of Victoria, 'Public accounts and estimates committee'. Accessed at: <https://www.parliament.vic.gov.au/paec>; Parliament of New South Wales, 'Budget estimates'. Accessed at: <https://www.parliament.nsw.gov.au/committees/Pages/budget-estimates.aspx>; Queensland Parliament, 'Estimates hearings'. Accessed at: <https://www.parliament.qld.gov.au/Work-of-Committees/Estimates-Hearings>; Parliament of South Australia, 'Estimates Committee information sheet'. Accessed at: <https://www.parliament.sa.gov.au/-/media/Project/Parliament/Documents/Committees/Estimates-Committees-Information-Sheet.pdf>; Legislative Assembly of the Northern Territory, 'Estimates Committee 2024'. Accessed at: <https://parliament.nt.gov.au/committees/previous/estimates-2024>; Parliament of Western Australia, 'Legislative Assembly Estimates 2024'. Accessed at: <https://www.parliament.wa.gov.au/WebCMS/WebCMS.nsf/content/assembly-estimates-2024>; Parliament of Tasmania, 'House of Assembly Estimates Committees 2024'. Accessed at: <https://www.parliament.tas.gov.au/committees/house-of-assembly/select-committees/house-of-assembly-estimates-committees-2024>

and interest groups.<sup>40</sup> During Senate Estimates, no portfolio committee takes submissions, and the only witnesses called to Estimates hearings are senior public servants and Ministers.<sup>41</sup>

Some may argue that the public's interests are considered and fed into the budget through executive-led processes. The Federal Treasury calls for pre-budget submissions each year, asking for views on priorities for the upcoming budget.<sup>42</sup> In Victoria, each department consults with stakeholders to varying degrees of depth.<sup>43</sup> Executive-led budget engagement is a vital part of the budget process, but is not a replacement for parliament-led citizen engagement. This is because executive-led engagement is often opaque and undertaken behind closed doors. There is no guarantee that consulted stakeholders are fully representative, or that engagement is wide ranging or fulsome, or reaches beyond organised interest groups that already have access to parliament and its Members. Parliament-led engagement in budget oversight offers a check on the executive's budget process in an all-political party environment where a range of views can be heard.

Citizen engagement in parliamentary budget oversight is lacking in Australia for several reasons, which differ from jurisdiction to jurisdiction. Each parliament has its own rules, procedures and political realities that influence engagement. In a budget committee with a government majority there may be a lack of political will to change current practices and improve oversight of the executive.<sup>44</sup> Structural factors may play a part. Historically, budget oversight in Westminster parliamentary systems has been weak.<sup>45</sup> A vote against the budget is a de-facto vote of no confidence in the executive.<sup>46</sup> Due to constitutional rules and convention

---

<sup>40</sup> The Legislative Assembly of the Australian Capital Territory, 'Schedule of public hearings: Inquiries into ACT Budget 2024-25'. Accessed at: [https://www.parliament.act.gov.au/\\_\\_data/assets/pdf\\_file/0006/2541912/Estimates-2024-2025-Schedule-for-publication-2024-08-01.pdf](https://www.parliament.act.gov.au/__data/assets/pdf_file/0006/2541912/Estimates-2024-2025-Schedule-for-publication-2024-08-01.pdf)

<sup>41</sup> Parliament of Australia, 'No. 5 – Consideration of Estimates by the Senate's Legislation Committees'.

<sup>42</sup> Australian Treasury, 'Pre-Budget Submissions'. Accessed at: <https://consult.treasury.gov.au/pre-budget-submissions>

<sup>43</sup> See question 31 of the Public Accounts and Estimates Committee budget estimates departmental questionnaire. Parliament of Victoria, Public Accounts and Estimates Committee, 'Inquiry into the 2024–25 budget estimates: departmental questionnaires'. Accessed at: <https://www.parliament.vic.gov.au/get-involved/inquiries/inquiry-into-the-2024-25-budget-estimates/questionnaires>

<sup>44</sup> OECD, 'OECD Best Practices for Parliaments in Budgeting', p. 3.

<sup>45</sup> House of Commons Procedure Committee, *Should there be a Commons Budget Committee?*, London: House of Commons, 2019, p. 15.

<sup>46</sup> OECD, 'OECD Best Practices for Parliaments in Budgeting', p. 2.

---

Westminster parliaments are categorized as ‘budget approving’ rather than having direct input into the budget.<sup>47</sup> This is the case in Australia, where there are constitutional limits around introduction of and amendments to appropriation Bills as discussed earlier. Due to these limiting factors around parliaments power in relation to the executive’s budget, there may be a perception that citizen engagement in budget oversight is superficial or does not lead to worthwhile outcomes, both from members of parliament, the impartial parliamentary services and from citizens themselves.

## **WHY CITIZEN ENGAGEMENT SHOULD BE INTEGRATED INTO THE WORK OF AUSTRALIAN PARLIAMENTS**

While there are many reasons why citizen engagement in budget oversight in Australian parliaments should be enhanced, this article will outline three key benefits, while also addressing some of the potential risks associated with this type of engagement.

Done well, citizen engagement in budget oversight can empower citizens, make them active participants in the budget and build consensus around fiscal decision making. When parliaments undertake engagement activities that foster two-way communication – both soliciting the public’s views on the budget while educating the public or select groups on how a state budget and resource allocation works – citizens can build a better understanding of the complexities and inherent trade-offs of budgeting. This type of engagement can create better understanding and acceptance of difficult fiscal realities, and better support for fiscal policy.<sup>48</sup> While this is a clear benefit for the executive, such activities also build trust in the work of the parliament. Further, these activities empower citizens to hold the executive to account in an informed way, making parliament’s oversight more effective.<sup>49</sup>

Citizen engagement in budget oversight also allows for new ideas to be brought to the table based on lived experience. A state’s budget affects the public first and foremost. As such, citizens often hold valuable information about what their communities need and the effectiveness of existing programs and policies. With this information they are also able to evaluate the effectiveness of past budgetary decisions on their lives and their communities, providing valuable insight into what has worked in the past and what should change. Involving citizens during the oversight process can identify areas of need and information on outcomes

---

<sup>47</sup> Ibid.

<sup>48</sup> Susan Tanaka, 'Engaging the Public in National Budgeting: A Non-governmental Perspective', p. 146; OECD, 'Empowering Public Understanding: Citizen Dialogue in Budgeting: Draft for comment', pp. 4-5.

<sup>49</sup> Ibid., p. 5.

---

and impacts both positive and negative of budgetary decisions, leading to an enhanced parliamentary oversight process that delivers better informed results for constituents.<sup>50</sup>

Finally, involving citizens in budget oversight gives further legitimacy and transparency to the budget and budget oversight process. Involving citizens allows parliaments to both demonstrate and act on their commitment to responsiveness and accountability. Empowering citizens to have their say can also engender a sense of inclusion, ownership and trust in parliament.<sup>51</sup> It can also enhance transparency by creating more oversight. Citizen engagement activities may provide incentives for government and Ministers to better articulate their spending, revenue and budget priorities in a way that is detailed and easily understood, rather than relying on the complexity of public finances to obfuscate.

When done well, citizen engagement in budget oversight by parliament can strengthen parliament's oversight of the executive and build trust in the institution of parliament. While budget oversight in Westminster parliaments has been typified as generally weak, citizen engagement can enhance oversight and the overall legitimacy of budget oversight.

When not implemented well, engagement in budget oversight can have inverse effects. It is crucial that such engagement be undertaken with structural and political realities in mind, including that many Australian parliaments are constrained in their ability to change the executive's budget. If engagement activities are undertaken with no real influence, they can feel tokenistic to participants. Engagement activities can also run the risk of continuing to engage with well-resourced interest groups who already have access to parliament and its members and may provide a more familiar, predictable or polished form of engagement. Parliaments must be aware of the risk of not capturing diverse views from different sectors of society, as this can skew engagement activities and make them less representative.<sup>52</sup> These risks are similar across engagement activities. Scholarship and practical examples of such activities are growing and demonstrate that it is possible to mitigate these risks and undertake effective and efficient budget oversight engagement that delivers results.<sup>53</sup>

---

<sup>50</sup> Ibid.

<sup>51</sup> Ibid., pp. 4-5; Susan Tanaka, 'Engaging the Public in National Budgeting: A Non-governmental Perspective', pp. 146, 149.

<sup>52</sup> OECD, 'Empowering Public Understanding: Citizen Dialogue in Budgeting: Draft for comment', pp. 5, 6.

<sup>53</sup> For detailed examples from multiple jurisdictions see OECD, 'Empowering Public Understanding: Citizen Dialogue in Budgeting: Draft for comment'.

### *Case study: Citizen's panel in the Scottish Parliament – 24-25 Budget*

One such example which highlights how citizen participation in budget oversight can be undertaken comes from the Parliament of Scotland's committees. This example provides a glimpse into how engagement in budget oversight that goes beyond traditional activities can function.

In recent years the Scottish Parliament has increasingly committed to expanding its public engagement, participation and deliberative democracy in its scrutiny functions.<sup>54</sup> Building on this, the Parliament's Equality, Human Rights and Civil Justice sectoral Committee (the Committee) decided to focus its 24-25 pre-budget scrutiny activities on participation. Previously, the pre-budget scrutiny process relied heavily on the 'usual suspects' with little citizen involvement.<sup>55</sup> For the 24-25 budget the Committee aimed to imbed deliberative practices and reach previously ignored groups, with an overall goal of assessing the impact of increased citizen engagement in the scrutiny process.<sup>56</sup>

The Committee ran a survey on the public's understanding of the national budget and convened a citizen's panel.<sup>57</sup> Over three months 12 panel participants met and learned how the budget process works, explored barriers to dialogue, and used their learning to generate and prioritise a set of questions for the Committee to ask the Government during pre-budget hearings, which fed into the Committee's report and recommendations to Government on the

---

<sup>54</sup> The Scottish Parliament, 'Citizen participation and public petitions committee: public participation inquiry'. Accessed at: <https://www.parliament.scot/chamber-and-committees/committees/current-and-previous-committees/session-6-citizen-participation-and-public-petitions-committee/business-items/public-participation-inquiry>; The Scottish Parliament, 'SPICe Spotlight: Turning the lens inward – the Citizen Participation and Petitions Committee's Public Participation Inquiry'. Accessed at: <https://spice-spotlight.scot/2022/10/25/turning-the-lens-inwards-the-citizen-participation-and-petitions-committees-public-participation-inquiry/>.

<sup>55</sup> The Scottish Parliament, 'SPICe Spotlight: Embedding Deliberative Democracy in a Participatory Parliament'. Accessed at: <https://spice-spotlight.scot/2023/11/06/embedding-deliberative-democracy-in-a-participatory-parliament/>

<sup>56</sup> Ibid., OECD, 'Empowering Public Understanding: Citizen Dialogue in Budgeting: Draft for comment', p. 14.

<sup>57</sup> Citizen's panels are a form of deliberative democracy, where groups of people, selected to be broadly representative of the wider population, are invited to consider a topic together and come up with recommendations related to that topic. The Scottish Parliament, Citizen Participation and Public Petitions Committee, 'Embedding public participation in the work of Parliament', 12 September 2023, p. 4

24-25 budget.<sup>58</sup> Afterwards, Parliament staff aimed to ‘close the feedback loop’ by holding feedback sessions with participants.<sup>59</sup>

One participant highlighted the citizens panel’s intention of bringing valuable insights to the Committee, stating:

*We hope that, by sharing our lived experiences, we can encourage meaningful consideration of financial resources utilisation in order to improve the situation with regard to inequality. Our goal is to represent a bridge between the committee and the communities that we serve, facilitating open dialogue and collaboration for the betterment of all.*<sup>60</sup>

There was evidence to suggest that the process may have increased trust in parliament and parliamentarians for participants, with a Member reflecting:

*The citizens felt really empowered and their feedback was excellent. They thought that the Parliament as a whole had taken care of them and listened to them, and they felt very connected. They had not realised that they could see us, speak to us and hear their questions being put directly to the minister and answered.*<sup>61</sup>

In its pre-budget scrutiny letter to the Government which set out its recommendations for the 24-25 Budget, the Committee stated that it had learned a great deal from participation of the citizen’s panel, including gathering information about differing opinions and views. It added that its engagement work highlighted ‘fresh perspectives’ from citizens on specific policies, and

---

<sup>58</sup> OECD, 'Empowering Public Understanding: Citizen Dialogue in Budgeting: Draft for comment', p. 14; International Parliament Engagement Network, 'Seminar: Exploring deliberative approaches in the budget scrutiny process: Scottish Parliament experiences'. 7 February 2024.

<sup>59</sup> International Parliament Engagement Network, 'Seminar: Exploring deliberative approaches in the budget scrutiny process: Scottish Parliament experiences'.

<sup>60</sup> Y. Tsang, The Scottish Parliament—Equalities, Human Rights and Civil Justice Committee, *Session 6*, 24 October 2023, p. 3.

<sup>61</sup> K. Stewart, The Scottish Parliament, *Meeting of Parliament: Embedding Public Participation in the Work of the Parliament*, 26 October 2023.

recommended the Government embed citizen participation more consistently in developing and refreshing policies, because of the value of these new perspectives.<sup>62</sup>

As a result of its work with the citizen panel, the Committee and Parliament also better understood how to best use participation in a budget scrutiny context. Both the Committee and Parliament received valuable information about how citizens interpret and engage with the budget process, while participants increased their knowledge of the budget and were able to meaningfully participate in parliament's scrutiny. Members of the Committee also felt more engaged, which strengthened the pre-budget report and the recommendations made to Government.<sup>63</sup> According to the Parliament, these activities strengthened its budget scrutiny.<sup>64</sup>

## **NEXT STEPS: WHERE AND HOW ENGAGEMENT SHOULD BE INTEGRATED INTO AUSTRALIAN PARLIAMENTS**

What can be learned from this case study when considering the current state of engagement in budget oversight across Australian jurisdictions? A clear benefit in the Scottish Parliament was political buy-in and a commitment to enhancing engagement.<sup>65</sup> Often, without political will or buy-in of members, little can be developed in terms of new activities, especially around oversight of the executive. Clerks and parliamentary staff are already developing engagement activities at pace and are including such activities in their strategic plans.<sup>66</sup> Clerks and parliamentary departments should prioritise engagement in budget oversight, and promote

---

<sup>62</sup> The Scottish Parliament, Equalities, Human Rights and Civil Justice Committee. 'Budget 2024–25: Pre-budget scrutiny.' Accessed at: <https://www.parliament.scot/-/media/files/committees/equalities-human-rights-and-civil-justice-committee/correspondence/2023/pre-budget-scrutiny-2024-25-letter-to-ministeremr-15-november-2023.pdf>, pp. 10–11.

<sup>63</sup> International Parliament Engagement Network, 'Seminar: Exploring deliberative approaches in the budget scrutiny process: Scottish Parliament experiences'.

<sup>64</sup> International Parliament Engagement Network, 'Seminar: Exploring deliberative approaches in the budget scrutiny process: Scottish Parliament experiences'; OECD, 'Empowering Public Understanding: Citizen Dialogue in Budgeting: Draft for comment', pp. 13-14; The Scottish Parliament, 'SPICe Spotlight: Embedding Deliberative Democracy in a Participatory Parliament'; The Scottish Parliament, 'Meeting of the Parliament: 26 October 2023'. Accessed at: <https://www.parliament.scot/chamber-and-committees/official-report/search-what-was-said-in-parliament/meeting-of-parliament-26-10-2023?meeting=15499&iob=132295>

<sup>65</sup> The Scottish Parliament, 'SPICe Spotlight: Embedding Deliberative Democracy in a Participatory Parliament'.

<sup>66</sup> See for example the Parliament of Australia's strategic framework. Parliament of Australia, 'Strategic Framework – The Parliamentary Service'. Accessed at: [https://www.aph.gov.au/About\\_Parliament/Publications/Strategic\\_Framework\\_-\\_The\\_Parliamentary\\_Service](https://www.aph.gov.au/About_Parliament/Publications/Strategic_Framework_-_The_Parliamentary_Service)

this to members where possible, emphasising the benefits citizen engagement can have for their budget oversight work.

Where then should enhanced engagement in parliament's budget oversight take place and what form should it take, considering the Australian context? To take the national Parliament as an example, Committees are currently the strongest form of executive oversight and are best placed to develop engagement activities that are representative, legitimate and deliver results. The Senate Estimates process has the added benefit of being conducted through portfolio-specific Committees, who can use their expertise to determine what engagement activities are most appropriate and what groups should be represented in such activities. Considering the Parliament of Australia's Committees already have a wealth of experience in engaging the public, citizen engagement in budget oversight would be a natural next step for portfolio committees.

Finally, what form should enhanced engagement in budget oversight take in Australian parliaments? All jurisdictions are already delivering some form of information and education engagement on budget oversight activities, especially regarding budget estimates inquiries and associated hearings. Consultative forms of engagement including submissions and evidence-giving by the public are already used for most other committee inquiries and can readily be introduced into the budget estimates process.

However, previous discussion in this article demonstrates that engagement in budget oversight should develop to include participatory forms. These activities should include deliberative forms of participation such as citizen's panels or assemblies, where carefully selected representative groups of citizens gather to learn about and discuss the budget, and make considered recommendations to inform or direct the work of the relevant budget committee. There are two key reasons why participatory forms of engagement should be developed as part of budget oversight work in the Australian context. First, parliaments are currently using such activities in recognition of the changing dynamics of democracy; they have the potential to build trust in public institutions, meet demands for increased participation in politics and public life, and confront the disconnect between parliament and the people it represents.<sup>67</sup>

Second, there is evidence to demonstrate that participatory forms of engagement that are also deliberative are better placed to deliver the benefits of citizen engagement in budget oversight

---

<sup>67</sup> OECD, 'Empowering Public Understanding: Citizen Dialogue in Budgeting: Draft for comment', pp. 3, 18-19; OECD, 'Innovative citizen participation and new democratic institutions: catching the deliberative wave'. Accessed at: [https://www.oecd.org/en/publications/innovative-citizen-participation-and-new-democratic-institutions\\_339306da-en/full-report.html](https://www.oecd.org/en/publications/innovative-citizen-participation-and-new-democratic-institutions_339306da-en/full-report.html), pp. 3, 20, 24-26.

as outlined in this article. This is because participatory and deliberative engagement activities can educate and build consensus, increase the legitimacy of decision making and involve more representative groups of people.<sup>68</sup> As such, these activities can empower, educate and build consensus on the budget, increasing the legitimacy of the budget and parliament's oversight process and bringing informed ideas to the table.<sup>69</sup> Such processes are likely better equipped to deliver these benefits when compared to traditional forms of citizen engagement. Scholarship on participatory and deliberative citizen participation in the context of parliament's budget oversight activities is currently limited, and deserves further exploration to inform the use and benefits of such activities both in Australian parliaments, and worldwide.

## CONCLUSION

While budget oversight has always been a crucial part of parliament's role in holding the executive to account, in recent decades citizen engagement has also become an essential part of the work of parliament. Given these roles, parliament's budget oversight activities should include engaging with those ultimately impacted by the executive's budget – the public that it represents.

Citizen engagement in budget oversight has received less attention than other forms of engagement by parliaments. This is certainly the case in Australia. The Australian national, state and territory parliaments are not currently undertaking many traditional forms of engagement when it comes to budget oversight. These parliaments should begin to implement this engagement, as it can bring several benefits. These include building trust and legitimacy in parliament as an institution, building consensus and legitimacy around the executive's budget and fiscal policy and improving parliament's oversight work by considering feedback and a wider range of views from the public. Without such engagement, budget oversight in Australian parliaments is not as effective, legitimate or representative as it could be.

Australian jurisdictions can readily integrate citizen engagement in budget oversight by starting with consultative activities through budget committees. However, to fully realise the benefits associated with citizen engagement in budget oversight, Australian parliaments should develop participatory and deliberative engagement activities. Without consultative and participatory engagement activities, budget committees in Australia are not adequately considering the public's views when overseeing the executive's budget.

---

<sup>68</sup> OECD, 'Innovative citizen participation and new democratic institutions: catching the deliberative wave', pp. 25-27; OECD, 'Empowering Public Understanding: Citizen Dialogue in Budgeting: Draft for comment', pp. 3, 5, 12, 18.

<sup>69</sup> OECD, 'Empowering Public Understanding: Citizen Dialogue in Budgeting: Draft for comment', p. 19.