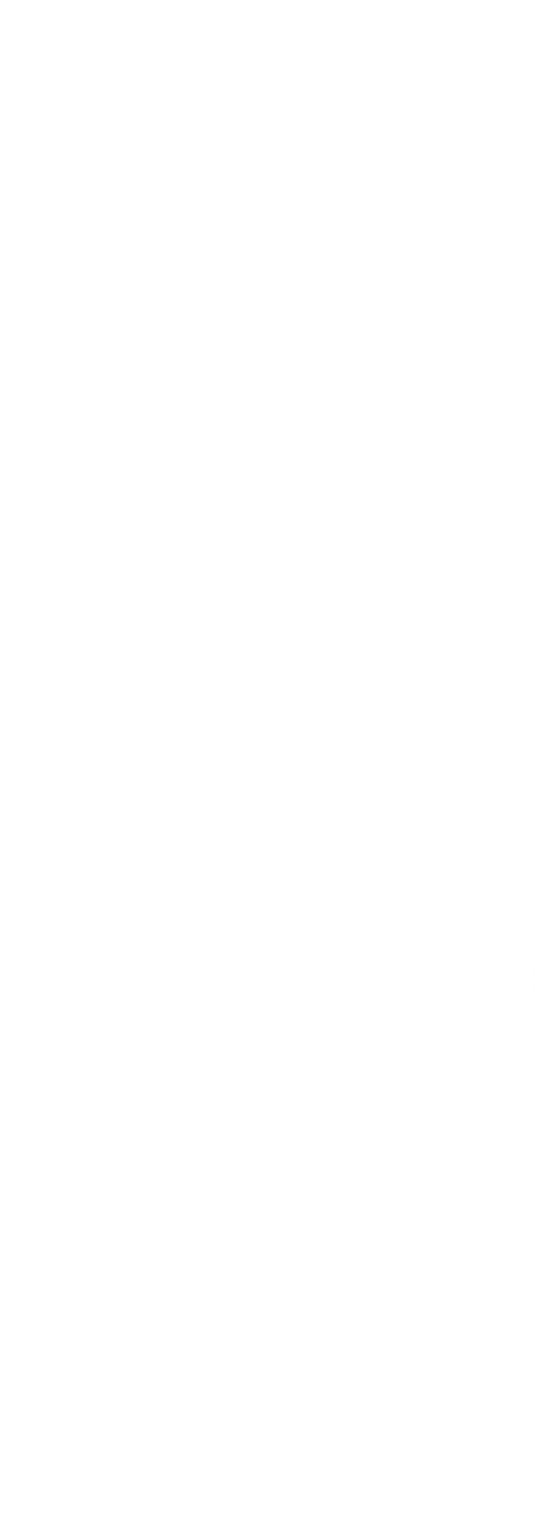
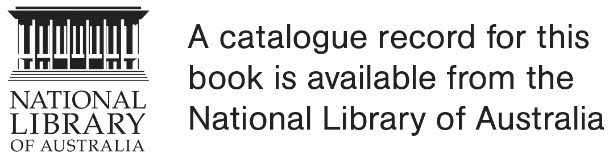
Committee on the Ombudsman, the Law Enforcement Conduct Commission and the Crime Commission



Appropriations for the services of the Law Enforcement Conduct Commission and the Ombudsman's Office for the 2025-26 financial year

### Report 2/58 – September 2025

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The motto of the coat of arms for the state of New South Wales is “Orta recens quam pura nites”. It is written in Latin and means “newly risen, how brightly you shine”.

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Membership

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Chair’s foreword

I am pleased to present the Committee's first report on the annual appropriation for the Law Enforcement Conduct Commission and the Ombudsman's Office. This report is required under the new section 4.14B of the *Government Sector Finance Act 2018* (the Act), which was introduced in September 2024.

Funding for oversighted agencies has been an area of ongoing concern for this Committee and former Committees. In past years, the current Committee and former Committees have commented on the impacts of integrity agencies not receiving enough funding to cover their existing or new statutory functions. We have also followed the NSW Government's recent efforts to increase integrity agency funding and improve the processes through which integrity agencies apply for funding.

Given this ongoing interest, I note that the Committee strongly supports the NSW Government's recent improvements to the funding processes for integrity agencies. This includes supporting a new budget oversight function for this Committee.

In our first report as part of this process, we have made one recommendation and four findings.

Our recommendation is that the Treasurer adds additional detail to the written notice sent to the Committee under section 4.14B of the *Government Sector Finance Act 2018*. Improved transparency of funding decisions for integrity agencies was an important part of the recent reforms introduced by the NSW Government. A key part of this improved transparency is the written notice from the Treasurer that outlines agencies' total appropriation and any reasons for variations from what they requested.

We noted that future notices from the NSW Treasurer would benefit from including more information about agencies' requests for funding. We have recommended additional detail be added to these letters to provide the Committee with details on what agencies have asked for, and what they have received.

The Committee was glad to find that both the Law Enforcement Conduct Commission and the Ombudsman's Office were successful in all proposals they made as part of the 2025-26 budget process. It is critical that integrity agencies receive enough funding to be able to carry out their statutory functions. We were pleased that neither agency raised any issues with the total amount that was appropriated for their services in the 2025-26 financial year.

As noted, this is the first time the Committee has reported on the annual appropriation for two of its oversighted agencies. We are interested to see how this process unfolds in future years.

I thank the Treasurer and NSW Treasury, as well as the Law Enforcement Conduct Commission and the Ombudsman's Office for providing the Committee with timely information. I also thank my fellow Committee members for their contributions to the inquiry, as well as Committee staff for their assistance.

##### Phil Donato MP

Chair

Findings and recommendations

##### Recommendation 1 3

That future written notices from the Treasurer, sent under section 4.14B(3) of the *Government Sector Finance Act 2018*, also include:

* A description of each proposal requested by the agency
* The total funding requested and approved for each proposal, including details on uneliminated impacts
* An explanation of any other line item included in the table of approved proposals.

##### Finding 1 5

The Law Enforcement Conduct Commission did not raise any concerns with its appropriation for the 2025-26 financial year.

##### Finding 2 5

All budget proposals submitted by the Law Enforcement Conduct Commission in the 2025-26 budget process were supported and reflected in the *Appropriation Act 2025*.

##### Finding 3 7

The Ombudsman's Office did not raise any concerns with its appropriation for the 2025-26 financial year.

##### Finding 4 7

All budget proposals submitted by the Ombudsman's Office in the 2025-26 budget process were supported and reflected in the *Appropriation Act 2025*.

# Chapter One – Background to the new budget process

## New budget oversight function

* 1. The *Government Sector Finance Amendment (Integrity Agencies) Act 2024* (the Amendment Act) was passed in late 2024. The Amendment Act sets out a requirement for this Committee to report on the annual appropriation of the Law Enforcement Conduct Commission (LECC) and the Ombudsman's Office.[1](#_bookmark5)
  2. The Amendment Act inserted the new section 4.14B of the *Government Sector Finance Act 2018* (the Act). Under this section, the Treasurer must send the Committee a written notice that outlines how much the Government proposes to appropriate for the services of each agency. This notice is also sent to the head of each integrity agency. Importantly, if the appropriation does not match what an agency has requested in the budget process, the Treasurer's notice must explain why.[2](#_bookmark6)
  3. The notice must be sent within seven days of the date the Appropriation Bill is introduced in Parliament. The Committee must provide its report on the appropriation to Parliament and the Treasurer within three months. The Treasurer must provide a response to the Committee's report within three months of its tabling[.3](#_bookmark7)

**Info box 1: Terms used in this report**

**Annual appropriation:** an amount authorised to be taken from the NSW Consolidated Fund (NSW's public money). This money is used to fund the operations of an agency. Annual appropriations are authorised by an annual Appropriation Bill introduced by the NSW Government and passed by the Parliament[.4](#_bookmark8)

**Budget proposal:** refers to a request submitted by an agency as part of the process that determines how much funding agencies receive each financial year. Successful proposals are included (reflected) in the Appropriation Bill.

**Expenditure Review Committee (ERC):** a committee that examines all funding proposals submitted by agencies. The ERC assists Cabinet and the Treasurer to determine financial strategy and to prepare the annual NSW Budget.

1 [*Government Sector Finance Act 2018*](https://legislation.nsw.gov.au/view/html/inforce/current/act-2018-055#sec.4.14B)(NSW) s 4.14B.

2 [*Government Sector Finance Act 2018*](https://legislation.nsw.gov.au/view/html/inforce/current/act-2018-055#sec.4.14B)(NSW) s 4.14B.

3 [*Government Sector Finance Act 2018*](https://legislation.nsw.gov.au/view/html/inforce/current/act-2018-055#sec.4.14B)(NSW) s 4.14B.

4 NSW Treasury, [*Government Sector Finance Act 2018 (GSF Act) Fact Sheet: Types of government money,*](https://www.nsw.gov.au/sites/default/files/noindex/2025-06/types-of-government-money-appropriations-special-deposit-account.pdf)[*appropriations, and the Special Deposits Account*,](https://www.nsw.gov.au/sites/default/files/noindex/2025-06/types-of-government-money-appropriations-special-deposit-account.pdf) 25 June 2025, viewed 8 September 2025.

**Eliminated figure:** an amount of money listed in the budget that has been adjusted to remove 'intra-governmental transactions' (transactions between government agencies).

## Improvements made to the transparency of integrity agency funding

* 1. We are pleased to see that the NSW Government has improved the transparency of the way integrity agencies are funded in NSW, including by introducing oversight by parliamentary committees. We strongly support these changes. We will continue to monitor the effectiveness of these processes through our annual budget reports and our annual reviews.
  2. These changes were made in response to concerns raised in reports of the NSW Auditor General and the Legislative Council Public Accountability Committee[.5](#_bookmark10) These reports emphasised that agencies' independence could be threatened by the NSW Government's involvement in determining agencies' budgets, and by the lack of transparency in the budget process.[6](#_bookmark11)
  3. The NSW Government made the following changes in response to these reports:
     + In September 2023, the NSW Government announced they were increasing the funding for integrity agencies and were removing integrity agencies from the Premier's Department and The Cabinet Office financial management processes.[7](#_bookmark12)
     + In August 2024, the NSW Government established a 'Charter of Independence for Integrity Agencies' via a Treasurer's Direction, which formalised some of the changes announced in 2023[.8](#_bookmark13)
     + In September 2024, the *Government Sector Finance Amendment (Integrity Agencies) Act 2024* was passed by Parliament. It legislated aspects of the August 2024 Treasurer's Direction and created provisions for parliamentary oversight.[9](#_bookmark14)
  4. In the second reading speech, Jo Haylen MP, the then-Minister for Transport, explained that the Amendment Act 'addresses post-budget transparency through a parliamentary process'. It created a 'post-budget obligation on the Government to be transparent if it departed from the budget requested by the agencies'[.10](#_bookmark15)

5 Committee on the Ombudsman, the Law Enforcement Conduct Commission and the Crime Commission, [2023](https://www.parliament.nsw.gov.au/ladocs/inquiries/2995/Report%20-%202023%20review%20of%20annual%20and%20other%20reports%20of%20oversighted%20agencies.PDF) [review of the annual and other reports of oversighted agencies,](https://www.parliament.nsw.gov.au/ladocs/inquiries/2995/Report%20-%202023%20review%20of%20annual%20and%20other%20reports%20of%20oversighted%20agencies.PDF) report 1/58, August 2024, pp 7-8.

6 Legislative Council of NSW, Public Accountability Committee, [*Budget process for independent oversight bodies and*](https://www.parliament.nsw.gov.au/lcdocs/inquiries/2558/Report%20No%205%20-%20First%20report%20-%20PAC%20-%20Budget%20Process.pdf)[*the Parliament of New South Wales – First report*,](https://www.parliament.nsw.gov.au/lcdocs/inquiries/2558/Report%20No%205%20-%20First%20report%20-%20PAC%20-%20Budget%20Process.pdf) 24 March 2020; NSW Auditor General, [*The effectiveness of the*](https://www.parliament.nsw.gov.au/tp/files/78401/Auditor-General%20-%20The%20effectiveness%20of%20the%20financial%20arrangements%20and%20management%20practices%20in%20four%20integrity%20agencies.pdf)[*financial arrangements and management practices in four integrity agencies*,](https://www.parliament.nsw.gov.au/tp/files/78401/Auditor-General%20-%20The%20effectiveness%20of%20the%20financial%20arrangements%20and%20management%20practices%20in%20four%20integrity%20agencies.pdf) 20 October 2020.

7 Special Minister of State, [Putting integrity at the heart of the NSW Government,](https://www.nsw.gov.au/media-releases/putting-integrity-at-heart-of-the-nsw-government) media release, 16 September 2023, viewed 9 September 2025.

8 NSW Treasury, [Treasurer's Direction: TD24-12 Charter of Independence for NSW integrity agencies,](https://arp.nsw.gov.au/assets/ars/attachments/20240806-TD24-12-charter-of-independence-for-nsw-integrity-agencies.pdf) 6 August 2024.

9 [*Government Sector Finance (Integrity Agencies) Amendment Act 2024*](https://legislation.nsw.gov.au/view/pdf/asmade/act-2024-57)(NSW).

10 New South Wales, Legislative Assembly, [*Parliamentary Debates*,](https://www.parliament.nsw.gov.au/Hansard/Pages/HansardResult.aspx%23/docid/%27HANSARD-1323879322-144843%27) 18 September 2024 (Jo Haylen, Minister for Transport).

**Info box 2: The 'Charter of Independence for Integrity Agencies'**

The Charter of Independence for Integrity Agencies was introduced via Treasurer's Direction TD24-12. Its object was to 'safeguard the independence of integrity agencies when engaging with The Cabinet Office, Premier's Department and [NSW] Treasury concerning their financial arrangements and management practices'.[11](#_bookmark17)

Under the Charter:

* The NSW Ombudsman and the LECC, along with three other integrity agencies, have been removed from the Premier's Department and The Cabinet Office's financial management processes.
* The integrity agencies are not subject to efficiency dividends.
* Integrity agencies' representations for budget and supplementary funding are managed by a special team within NSW Treasury.
* Integrity agencies can review the NSW Treasury's advice to the ERC on their funding bids, and provide their own advice.
* The heads of the five integrity agencies and their respective parliamentary oversight committees are notified of the outcome of agencies' proposals for funding and, if relevant, any reasons for a variation.
* Contingency funding for integrity agencies is included in the annual Appropriation Acts. The Treasurer can approve integrity agencies' use of these funds on request. The outcome must also be provided to the relevant parliamentary oversight committee[.12](#_bookmark18)

## Clarity of the Treasurer's written notice

#### Recommendation 1

**That future written notices from the Treasurer, sent under section 4.14B(3) of the *Government Sector Finance Act 2018*, also include:**

##### A description of each proposal requested by the agency

##### The total funding requested and approved for each proposal, including details on uneliminated impacts

##### An explanation of any other line item included in the table of approved proposals.

11 NSW Treasury, [Treasurer's Direction: TD24-12 Charter of Independence for NSW integrity agencies,](https://arp.nsw.gov.au/assets/ars/attachments/20240806-TD24-12-charter-of-independence-for-nsw-integrity-agencies.pdf) 6 August 2024, p 11.

12 NSW Treasury, [Treasurer's Direction: TD24-12 Charter of Independence for NSW integrity agencies,](https://arp.nsw.gov.au/assets/ars/attachments/20240806-TD24-12-charter-of-independence-for-nsw-integrity-agencies.pdf) 6 August 2024, pp 2, 4.

* 1. The Committee recommends future written notices sent by the Treasurer under section 4.14B of the Act include information on agencies' budget proposals, the total funding requested, reasons for any variation, and details of any funding adjustments made at the request of another party. It is important for the Treasurer's written notice[13](#_bookmark19) to be clear because it plays a critical role in providing 'post-budget transparency' for integrity agencies.[14](#_bookmark20)
  2. The Treasurer's written notice for 2025 did not provide clear or detailed information about each of the agencies' budget proposals. As a result, we had to rely on information from agencies to tell us what they had requested in the 2025- 26 budget process and why[.15](#_bookmark21)
  3. The Treasurer's written notice also only provided details of approved funding for each proposal as an eliminated figure.[16](#_bookmark22) This means we are unable to see what the original amounts requested were.
  4. The Committee believes it would be helpful if the Treasurer provides more details about the other line items in the tables, including who requested them and what they are for. The attachments for both the LECC and the Ombudsman's Office included budget increases related to:
     + PSA Award & Senior Executive wage freeze in 2024-25
     + TMF (Treasury Managed Fund) Insurance Premium Adjustment FY2025-26.
  5. It is not clear from the content of the Treasurer's written notice or the attached tables what these line items are.

13 The Treasurer's written notice is referred to in this report as [Correspondence,](https://www.parliament.nsw.gov.au/ladocs/other/22086/Letter%20-%20from%20NSW%20Treasurer%20-%2030%20June%202025%20-%202025-26%20Budget%20approved%20funding%20for%20the%20Ombudsman%20and%20the%20LECC.pdf) NSW Treasurer, 30 June 2025.

14 New South Wales, Legislative Assembly, [*Parliamentary Debates*,](https://www.parliament.nsw.gov.au/Hansard/Pages/HansardResult.aspx%23/docid/%27HANSARD-1323879322-144843%27) 18 September 2024 (Jo Haylen, Minister for Transport).

15 [Correspondence,](https://www.parliament.nsw.gov.au/ladocs/other/22087/Letter%20-%20from%20Chief%20Commissioner%2C%20LECC%20-%20providing%20information%20re%202025-26%20budget%20allocations%20for%20the%20LECC%20-%204%20August%202025.pdf) Law Enforcement Conduct Commission, 4 August 2025; [Correspondence,](https://www.parliament.nsw.gov.au/ladocs/other/22088/Letter%20-%20from%20NSW%20Ombudsman%20-%20providing%20information%20re%202025-26%20budget%20allocations%20for%20the%20Ombudsmans%20Office%20-%205%20August%202025.pdf) NSW Ombudsman, 5

August 2025.

16 'Eliminated figures' show the total after transactions between government agencies have been removed. [Correspondence,](https://www.parliament.nsw.gov.au/ladocs/other/22086/Letter%20-%20from%20NSW%20Treasurer%20-%2030%20June%202025%20-%202025-26%20Budget%20approved%20funding%20for%20the%20Ombudsman%20and%20the%20LECC.pdf) NSW Treasurer, 30 June 2025, p 1.

# Chapter Two – The Law Enforcement Conduct Commission

## Appropriation for 2025-26

#### Finding 1

##### The Law Enforcement Conduct Commission did not raise any concerns with its appropriation for the 2025-26 financial year.

#### Finding 2

##### All budget proposals submitted by the Law Enforcement Conduct Commission in the 2025-26 budget process were supported and reflected in the *Appropriation Act 2025*.

* 1. The sum of $31,797,050 was appropriated to the Premier for the services of the Law Enforcement Conduct Commission (the LECC) in the *Appropriation Act 2025-*

*26*[.17](#_bookmark25) This compared to $28,748,435 appropriated for the LECC in 2024-25.[18](#_bookmark26) The appropriation for 2025-26 included additional funding which the LECC had applied for.[19](#_bookmark27)

* 1. We were happy to hear that the LECC did not have any concerns with its funding for 2025-26. The LECC informed us that its recurrent and capital funding is 'consistent with expectations'. The funding will enable the LECC to 'operate in an effective manner'[.20](#_bookmark28)

##### 2025-26 proposals for additional funding

* 1. In 2025-26, the LECC made two proposals for additional ongoing funding. We were advised that both proposals were 'successful and approved in full'. We were pleased to be advised that these proposals directly support the LECC's progress towards its statutory and strategic objectives.[21](#_bookmark29)
  2. The LECC informed us that the two proposals made were for:
     + $13.5m (over ten years) to cover eight full-time employees, and
     + $9.8m (over ten years) to cover IT maintenance and licensing fees.[22](#_bookmark30)

17 [Correspondence,](https://www.parliament.nsw.gov.au/ladocs/other/22086/Letter%20-%20from%20NSW%20Treasurer%20-%2030%20June%202025%20-%202025-26%20Budget%20approved%20funding%20for%20the%20Ombudsman%20and%20the%20LECC.pdf) NSW Treasurer, 30 June 2025, p 1.

18 [*Appropriation Act 2024* (NSW)](https://legislation.nsw.gov.au/view/whole/html/inforce/current/act-2024-036#sec.27) s 27.

19 [Correspondence,](https://www.parliament.nsw.gov.au/ladocs/other/22087/Letter%20-%20from%20Chief%20Commissioner%2C%20LECC%20-%20providing%20information%20re%202025-26%20budget%20allocations%20for%20the%20LECC%20-%204%20August%202025.pdf) Peter Johnson SC, Chief Commissioner of the Law Enforcement Conduct Commission, 4 August 2025, p 1.

20 [Correspondence,](https://www.parliament.nsw.gov.au/ladocs/other/22087/Letter%20-%20from%20Chief%20Commissioner%2C%20LECC%20-%20providing%20information%20re%202025-26%20budget%20allocations%20for%20the%20LECC%20-%204%20August%202025.pdf) Peter Johnson SC, Chief Commissioner of the Law Enforcement Conduct Commission, 4 August 2025, p 1.

21 [Correspondence,](https://www.parliament.nsw.gov.au/ladocs/other/22087/Letter%20-%20from%20Chief%20Commissioner%2C%20LECC%20-%20providing%20information%20re%202025-26%20budget%20allocations%20for%20the%20LECC%20-%204%20August%202025.pdf) Peter Johnson SC, Chief Commissioner of the Law Enforcement Conduct Commission, 4 August 2025, p 1.

22 [Correspondence,](https://www.parliament.nsw.gov.au/ladocs/other/22087/Letter%20-%20from%20Chief%20Commissioner%2C%20LECC%20-%20providing%20information%20re%202025-26%20budget%20allocations%20for%20the%20LECC%20-%204%20August%202025.pdf) Peter Johnson SC, Chief Commissioner of the Law Enforcement Conduct Commission, 4 August 2025, p 1.

* 1. The funding for additional employees will help the LECC manage the increasing number of complaints it is receiving each year. The LECC has also noted that it is creating new roles to deliver its core statutory functions of identifying and reducing officer misconduct in the NSW Police Force and the NSW Crime Commission[.23](#_bookmark31)
  2. The LECC informed us that its IT-related funding request is in order to cover the increasing cost of maintaining and licensing specialised systems and equipment. This includes its case management system. This funding will also support the LECC's implementation and ongoing use of AI, and its migration to cloud-based systems.[24](#_bookmark32)
  3. The Committee notes that these funding proposals were made for an ongoing period of ten years. We will continue to monitor the allocation of this funding in future appropriations.

23 [Correspondence,](https://www.parliament.nsw.gov.au/ladocs/other/22087/Letter%20-%20from%20Chief%20Commissioner%2C%20LECC%20-%20providing%20information%20re%202025-26%20budget%20allocations%20for%20the%20LECC%20-%204%20August%202025.pdf) Peter Johnson SC, Chief Commissioner of the Law Enforcement Conduct Commission, 4 August 2025, p 2.

24 [Correspondence,](https://www.parliament.nsw.gov.au/ladocs/other/22087/Letter%20-%20from%20Chief%20Commissioner%2C%20LECC%20-%20providing%20information%20re%202025-26%20budget%20allocations%20for%20the%20LECC%20-%204%20August%202025.pdf) Peter Johnson SC, Chief Commissioner of the Law Enforcement Conduct Commission, 4 August 2025, pp 3-4.

# Chapter Three – The Ombudsman's Office

## Appropriation for 2025-26

#### Finding 3

##### The Ombudsman's Office did not raise any concerns with its appropriation for the 2025-26 financial year.

#### Finding 4

##### All budget proposals submitted by the Ombudsman's Office in the 2025-26 budget process were supported and reflected in the *Appropriation Act 2025*.

* 1. The sum of $57,916,890 was appropriated to the Premier for the services of the Ombudsman's Office in the *Appropriation Act 2025*[.25](#_bookmark35) This compared to

$54,571,245 appropriated for the Ombudsman's Office in 2024-25[.26](#_bookmark36)

* 1. The funding allocation for the Ombudsman's Office in 2025-26 included funding carried forward from 2024-25, which we discuss below. We were also advised that the appropriation for 2025-26 included 'technical accounting adjustments' worked out between the Ombudsman's Office and the NSW Treasury. These related to its new office accommodation lease and recent wage decisions.[27](#_bookmark37)
  2. We were pleased to note that the Ombudsman's Office did not raise any concerns with its appropriation for 2025-26.

##### 2025-26 proposals for additional funding

* 1. The NSW Ombudsman advised us that his office did not apply for any additional funding as part of the 2025-26 budget process.[28](#_bookmark38) However, it had submitted two successful proposals to carry forward expenditure from the 2024-25 financial year. Both proposals were supported by the NSW Treasury.[29](#_bookmark39)
  2. The NSW Ombudsman said the funding request related to office accommodation was because it is working with Property and Development NSW to manage the expiry of its current lease and entry into a new lease in the same building[.30](#_bookmark40)
  3. The funding for a new case management system will enable the Ombudsman's Office to replace 'outdated legacy systems'. We were informed by the NSW Ombudsman that the new case management system will:
     + encompass all of the NSW Ombudsman's statutory functions

25 [Correspondence,](https://www.parliament.nsw.gov.au/ladocs/other/22086/Letter%20-%20from%20NSW%20Treasurer%20-%2030%20June%202025%20-%202025-26%20Budget%20approved%20funding%20for%20the%20Ombudsman%20and%20the%20LECC.pdf) NSW Treasurer, 30 June 2025, p 1; [*Appropriation Act 2025*](https://legislation.nsw.gov.au/view/html/inforce/current/act-2025-035)(NSW).

26 [*Appropriation Act 2024*](https://legislation.nsw.gov.au/view/whole/html/inforce/current/act-2024-036)(NSW) s 31.

27 [Correspondence,](https://www.parliament.nsw.gov.au/ladocs/other/22088/Letter%20-%20from%20NSW%20Ombudsman%20-%20providing%20information%20re%202025-26%20budget%20allocations%20for%20the%20Ombudsmans%20Office%20-%205%20August%202025.pdf) Paul Miller, NSW Ombudsman, 5 August 2025, p 2.

28 [Correspondence,](https://www.parliament.nsw.gov.au/ladocs/other/22088/Letter%20-%20from%20NSW%20Ombudsman%20-%20providing%20information%20re%202025-26%20budget%20allocations%20for%20the%20Ombudsmans%20Office%20-%205%20August%202025.pdf) Paul Miller, NSW Ombudsman, 5 August 2025, p 1.

29 [Correspondence,](https://www.parliament.nsw.gov.au/ladocs/other/22088/Letter%20-%20from%20NSW%20Ombudsman%20-%20providing%20information%20re%202025-26%20budget%20allocations%20for%20the%20Ombudsmans%20Office%20-%205%20August%202025.pdf) Paul Miller, NSW Ombudsman, 5 August 2025, p 1.

30 [Correspondence,](https://www.parliament.nsw.gov.au/ladocs/other/22088/Letter%20-%20from%20NSW%20Ombudsman%20-%20providing%20information%20re%202025-26%20budget%20allocations%20for%20the%20Ombudsmans%20Office%20-%205%20August%202025.pdf) Paul Miller, NSW Ombudsman, 5 August 2025, p 1.

* + - allow for more data and insights
    - improve the experience of complainants engaging with the NSW Ombudsman[.31](#_bookmark41)
  1. The Treasurer's written notice indicates approximately $1.9m capital expenditure for 'office fit out' was carried forward into the 2025-26 financial year.[32](#_bookmark42) A second amount of recurrent funding of approximately $800,000 was also carried forward. The Treasurer's written notice did not provide any information about the purpose of this second amount carried forward.

31 [Correspondence,](https://www.parliament.nsw.gov.au/ladocs/other/22088/Letter%20-%20from%20NSW%20Ombudsman%20-%20providing%20information%20re%202025-26%20budget%20allocations%20for%20the%20Ombudsmans%20Office%20-%205%20August%202025.pdf) Paul Miller, NSW Ombudsman, 5 August 2025, p 2.

32 [Correspondence,](https://www.parliament.nsw.gov.au/ladocs/other/22086/Letter%20-%20from%20NSW%20Treasurer%20-%2030%20June%202025%20-%202025-26%20Budget%20approved%20funding%20for%20the%20Ombudsman%20and%20the%20LECC.pdf) NSW Treasurer, 30 June 2025, p 1.

# Appendix One – Terms of reference

###### Government Sector Finance Act 2018

##### 4.14A Definitions

In this division—

***integrity agency*** means the following—

1. the Audit Office,
2. the Independent Commission Against Corruption,
3. the Law Enforcement Conduct Commission,
4. the New South Wales Electoral Commission,
5. the Ombudsman’s Office.

***relevant parliamentary oversight committee*** means the following—

1. for the Audit Office—the Public Accounts Committee,
2. for the Independent Commission Against Corruption—the Committee on the Independent Commission Against Corruption,
3. for the Law Enforcement Conduct Commission or the Ombudsman’s Office—the Committee on the Ombudsman, the Law Enforcement Conduct Commission and the Crime Commission,
4. for the New South Wales Electoral Commission—the Joint Standing Committee on Electoral Matters or a committee of Parliament designated by the Parliament for this division.

##### 4.14B Notification of proposed budget allocation

1. The Treasurer must give written notice to the head of an integrity agency of the amount proposed to be appropriated for the services of the agency in the next annual Appropriation Act.
2. If the amount is different from the amount sought for the integrity agency in a budget proposal, the notice must include reasons for the variation.
3. The Treasurer must also give a copy of the notice to the relevant parliamentary oversight committee.
4. The Treasurer must give the notice under subsection (1) and the copy of the notice under subsection (3) within 7 days after the Bill for the annual Appropriation Act is introduced into the Legislative Assembly.
5. The relevant parliamentary oversight committee must, within 3 months after receiving the notice under subsection (4), examine and report on the appropriation to—
   1. either—
      1. the Legislative Assembly, if the report is prepared by the Public Accounts Committee, or
      2. both Houses of Parliament, if the report is prepared by another parliamentary oversight committee, and
   2. the Treasurer.
6. The Treasurer must respond in writing to the relevant parliamentary oversight committee within 3 months after receiving the report.

##### 4.14C Application for contingency funding

1. The Treasurer must consider the following before deciding an application for funding to an integrity agency from a sum appropriated to the Treasurer for contingencies in relation to integrity agencies (the ***contingency fund***)—
   1. the independence of the integrity agency from the direction or control of the executive government,
   2. whether the expenditure or reduction in revenue to which the contingency relates is urgent and unforeseen,
   3. whether refusing the application would cause the integrity agency to be unable to fulfil a statutory function,
   4. the availability of the funding from the contingency fund.
2. The Treasurer must decide the application as soon as reasonably practicable after receiving the application.
3. The Treasurer must give written notice of the decision on the application to—
   1. the head of an integrity agency, and
   2. the relevant parliamentary oversight committee.

# Appendix Two – Conduct of inquiry

##### Adoption of the inquiry

On 30 June 2025, the Committee resolved to conduct an inquiry into the appropriations for the Law Enforcement Conduct Commission and the Ombudsman's Office for the 2025-26 financial year. This inquiry is required under section 4.14B of the *Government Sector Finance Act 2018*.

##### Receipt of the Treasurer's written notice

On 30 June 2025, the Committee received a written notice from the Treasurer outlining the proposed appropriation for the Law Enforcement Conduct Commission and the Ombudsman's Office for the 2025-26 financial year. As is required under section 4.14B of the *Government Sector Finance Act 2018*, this notice was received within 7 days of Bill for the annual Appropriation Act being introduced into the Legislative Assembly.

The Committee was required to report by 30 September 2025, three months after receiving the Treasurer's written notice.

The Treasurer's written notice is available on the [Committee's website.](https://www.parliament.nsw.gov.au/committees/inquiries/Pages/inquiry-details.aspx?pk=3125&tab-otherdocuments)

##### Correspondence with oversighted agencies

On 23 July 2025, the Committee sent letters to the Chief Commissioner of the Law Enforcement Conduct Commission and the NSW Ombudsman, asking for their feedback on the proposed appropriation for the 2025-26 financial year.

The Committee received feedback from both agencies. Their letters are available on the [Committee's website](https://www.parliament.nsw.gov.au/committees/inquiries/Pages/inquiry-details.aspx?pk=3125&tab-otherdocuments).

# Appendix Three – Extracts from minutes

##### Meeting no 12

10:00 am, 30 June 2025

Room 1254/videoconference

##### Members present

Phil Donato MP (Chair) (by videoconference), the Hon Cameron Murphy MLC (Deputy Chair) (in person), the Hon Rachel Merton MLC, Karen McKeown MP, and Mark Taylor MP (all by videoconference).

##### Apologies

Sue Higginson MLC and Tri Vo MP.

##### Officers in attendance

Kieran Lewis, Naomi Parkinson, Ilana Chaffey, and Mohini Mehta.

##### Confirmation of minutes

Resolved, on the motion of Mr Murphy, seconded by Mr Taylor: That the minutes of the meeting of 14 May 2025 be confirmed.

1. **\*\*\***
2. **\*\*\***
3. **\*\*\***

##### Implementation of the new budget oversight function

\*\*\*

##### Allocations for the Ombudsman and the Law Enforcement Conduct Commission in the 2025-26 NSW Budget

Resolved, on the motion of Mr Taylor, seconded by Mr Murphy: That the Committee:

* + - Conducts an inquiry into the proposed budget allocation for the Law Enforcement Conduct Commission and for the Ombudsman's Office, in accordance with Division 4.2A of the *Government Sector Finance Act 2018*.
    - Upon receipt of written notice from the Treasurer of the amount proposed to be appropriated to the Law Enforcement Conduct Commission and to the Ombudsman's Office:
      * writes to the Law Enforcement Conduct Commission and to the Ombudsman's Office to seek further information on their budget, and
      * publishes information about the inquiry on the Committee's webpage.

##### Proposed inquiry timeline

The Committee discussed the proposed timeline for the 2025-26 budget appropriations inquiry, noting the timeframes set out in the *Government Sector Finance Act 2018*.

1. **\*\*\***

##### Next meeting

The meeting adjourned at 10.14 am until a date and time to be confirmed.

##### Meeting no 13

2:00pm, 11 August 2025 Room 1254/videoconference

##### Members present

Phil Donato MP (Chair) (by videoconference), the Hon Cameron Murphy MLC (Deputy Chair) (in person), Sue Higginson MLC, the Hon Rachel Merton MLC, Karen McKeown MP, and Tri Vo MP (all by videoconference).

##### Apologies

Mark Taylor MP.

##### Officers in attendance

Kieran Lewis, Ashley Kim, Ilana Chaffey, Naomi Parkinson, and Hugh Duffield.

##### Confirmation of minutes

Resolved, on the motion of Mr Murphy, seconded by Ms Higginson: That the minutes of the meeting of 30 June 2025 be confirmed.

1. **\*\*\***
2. **\*\*\***

##### Inquiry into the allocations for the Ombudsman and the Law Enforcement Conduct Commission in the 2025-26 NSW Budget

##### Letter from the Treasurer

Resolved, on the motion of Ms Higginson, seconded by Ms McKeown: That the Committee publish the letter received from the Treasurer on 30 June 2025 relating to the appropriations to the Law Enforcement Conduct Commission and the Ombudsman's Office.

1. \*\*\*
2. **\*\*\***

##### Next meeting

The meeting adjourned at 2.12pm until 2.00pm, 15 September 2025.

##### Meeting no 14

2:01pm, 15 September 2025 Room 1043/videoconference

##### Members present

Mr Donato MP (Chair), Mr Murphy MLC (Deputy Chair), Ms Higginson (in person), Ms McKeown, Ms Merton, Mr Taylor and Mr Vo (all by videoconference)

##### Officers in attendance

Kieran Lewis, Ashley Kim, Ilana Chaffey, Mohini Mehta, and Hugh Duffield.

##### Confirmation of minutes

Resolved, on the motion of Mr Murphy, seconded by Ms Higginson: That the minutes of the meeting of 11 August 2025 be confirmed.

1. **\*\*\***

##### Appropriations for the services of the Law Enforcement Conduct Commission and the Ombudsman's Office for the 2025-26 financial year

##### Consideration of Chair's draft report

Resolved, on the motion of Mr Murphy, seconded by Ms McKeown: That the Committee consider the draft report in globo.

Resolved, on the motion of Mr Taylor, seconded by Ms McKeown:

* + 1. That the draft report be the report of the Committee and that it be signed by the Chair and presented to the House.
    2. That the Committee authorise the Chair and Committee staff to make appropriate final editing and stylistic changes as required.
    3. That, once tabled, the report be posted on the Committee's webpage.
    4. That, once tabled, according to section 4.14B(5)(b) of the *Government Sector Finance Act 2018*, the Chair provide a copy of the report to the Treasurer.
    5. That, once received, the Treasurer's response be published on the Committee's webpage as the 'Government Response'.

The Chair advised members that the report must be tabled by 30 September 2025, and that the secretariat will advise members of tabling arrangements.

##### Next meeting

The meeting adjourned at 2.06 pm until 13 October 2025.