ACT Ombudsman

A2576795

24 April 2026

Mr Jeremy Hanson CSC MLA
Speaker
ACT Legislative Assembly

By email: speaker@parliament.act.gov.au

Dear Speaker

ACT Ombudsman proposed funding for 2026-27

In accordance with the Assembly Budget Protocols, I write to provide you with the ACT Ombudsman's funding requirements for 2026–27 for your consideration and consultation with the Standing Committee on the Integrity Commission and Statutory Office Holders (the Committee).

The proposal sets out the level of funding required for the ACT Ombudsman to provide services consistent with the current Services Agreement between the ACT Government and the Office of the Commonwealth Ombudsman, as well as a new function (the Executive Records function) that is not yet covered by the Services Agreement (the Agreement). My Office is in discussions with the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) to update the Agreement to include the new Executive Records function conferred under section 31HA of the *Territory Records Act 2002*.

You will find at **Attachment A** an overview of the funding request, including the costing model, parameters and proposed allocations. **Attachment B** provides an overview of the ACT Ombudsman's functions.

As required by the Assembly Budget Protocols, my Office wrote to Kathy Leigh, Head of Services on 16 March 2026, to consult with CMTEDD and the Justice and Community Safety Directorate in preparing the budget proposal. Ms Leigh provided comments on 20 April 2026. Ms Leigh's comments concerned a request for some additional detail for the

CRM build cost for the Executive Records function, module functionality and operational costs. This information is included in **Annexure A to Attachment A.**

I would be happy to provide any further information that you or the Committee require, or to appear with you before the Expenditure Review Committee, if invited to do so.

You are welcome to contact me to discuss the budget proposal further, on (02) 6243 1659. Alternatively, you may wish to speak to the responsible Senior Assistant Ombudsman, Katrina Dwyer, who can be contacted on (02) 6243 1757 or via email at katrina.dwyer@ombudsman.gov.au.

Yours faithfully

Iain Anderson
ACT Ombudsman and Inspector ACT Integrity Commission

Attachment A

ACT Ombudsman funding proposal 2026-27

The ACT Ombudsman funding proposal for 2026-27 details the funding requirements for ACT Ombudsman services on behalf of the ACT Government and ACT Legislative Assembly, consistent with the Services Agreement 2025–2030 and the ACT Assembly Budget Protocols. In addition, we have included funding for a new function relating to the review of the release of executive records (Executive Records) that while recently legislated has yet to be agreed and included in the Services Agreement.

While the ACT Ombudsman has experienced significant increases in workload across several areas of its work, particularly in the ACT Freedom of Information Scheme and the ACT Reportable Conduct Scheme, we acknowledge the current budgetary constraints facing the ACT Government and we have not sought additional funding or budget rebalancing for the Office's existing functions.

The following table summarises the funding requirements for each ACT Ombudsman function to determine the proposed total funding amount of **$5,733,220** (ex GST) for 2026-27. The increase is due to the addition of the Executive Records function, which comes into effect on 1 July 2026, plus modest increases in base remuneration and standard on-costs due to indexation.

Function	Funded amount for 2025-26	FTE staffing		Estimated direct remuneration for 2026-27	Standard on-costs for 2026-27	Estimated other specific costs for 2026-27	Total costs 2026-27
		2025-26	2026-27				
ACT Strategy ACT Policing	$2,370,512	13.3	13.3	$1,966,488	$487,546	$8,000	$2,462,034
Reportable Conduct	$1,138,027	6.5	6.5	$942,338	$237,798	-	$1,180,136
Judicial Council	$107,318	0.6	0.6	$89,053	$22,003	-	$111,061
ACT FOI	$760,991	4.5	4.5	$625,951	$163,957	$2,000	$791,909
Inspector	$309,695	1.7	1.7	$258,527	$62,500	-	$321,028
ACT NPM	$195,571	1	1	$165,386	$37,103	-	$202,490

Function	Funded amount for	FTE staffing		Estimated direct remuneration	Standard on-costs for 2026-27	Estimated other specific	Total costs 2026-27
Executive Records	-	-	2	$291,358	$72.204	$300,000	$664,563
Total (ex GST)	**$4,882,115**	**27.6**	**29.6**	**$4,339,101**	**$1,010,979**	**$310,000**	**$5,733,221***

*Rounding results in a $1 difference.

Executive Records resourcing requirements

A new function for the ACT Ombudsman relating to the oversight of the release of Executive records comes into effect on 1 July 2026. The function has not yet been included in the Services Agreement between the ACT Government and the Commonwealth of Australia 2025-2030. The Office is in discussions with the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) to include the new Executive Records function conferred under section 31HA of the *Territory Records Act 2002*.

To establish the Executive Records function, the Office will need to put in place the administrative arrangements required to deliver the function. We will also need to administer requests for extension of time and reviews. These costs **cannot be absorbed**. In the absence of additional funding, it will be necessary to review and reduce the amount of activity within our other existing ACT government functions in order to meet the requirements of the Executive Records function.

The funding proposal includes funding:

- to establish an ICT platform to manage the function (within the Office's Microsoft 365 Dynamics environment (estimate is $300,000)). Given that the function is ongoing and the expected volume of work, the function cannot be managed manually or outside the Office's ICT platform. Additional detail for the CRM platform cost, functionality and ongoing operational costs is set out at **Annexure A**. Noting the function has only recently been legislated, fully detailed costings will be provided to CMTEDD in due course.

- 2 FTE to support the establishment of the function and provide flexibility over the 2026-27 financial year to manage peak and non-peak periods. Work will be undertaken primarily at the APS 5 level, with review decisions taken by EL2 staff. Consistent with the Assembly Budget Protocols, consultation will occur regarding ongoing FTE requirements for the function for budget out years.

More detail about the new function is provided in **Attachment B**.

Description of categories

Estimated Direct Remuneration

Direct remuneration costs reflect the Australian Government Department of Finance (DoF) costing model, which includes APS Remuneration Base Salary, 15.4% superannuation and 2.6% long service leave costs. Base salary costs have increased since last financial year.

Standard On-Costs

Standard on-costs reflect DoF costing model figures. These on-costs have increased this financial year as a result of indexing and consist of the following:

- **Workers' compensation premiums:** Actual premium paid by the agency. The 2026-27 rate is $1,683/FTE (increased from $1577 last year).
- **Staff training and development**: 3 per cent of base salary/full time equivalent (FTE) (unchanged). These costs may increase with the classification of the employee, and this component is expressed as a percentage of base salary rather than as a fixed amount.
- **Human Resources support costs**: $1,630/FTE (increased from $1,597 last year). This cost category includes recruitment (including related marginal costs such as advertising, legal, etc.), induction, orientation, security vetting and payroll services.
- **Organisational services costs:** $8,027/FTE (increased from $7,862 last year). This category includes office consumables, postage and courier services, legal costs such as drafting contracts and other matters related to the agency's day-to-day functions, publishing and printing, management overheads, travel costs such as airfares, taxi, car hire, etc. The amount is set at this level to accommodate other miscellaneous marginal costs.
- **Desktop information and communication technology services (operation and maintenance) costs:** $6,423/FTE (increased from $6,291 last year). This category includes desktop computer rental/lease costs, standard bulk software user licence costs, standard help desk services, routine maintenance costs, and telecommunications costs.
- **Property operating expenses**: $15,135/FTE (increased from $14,824 last year). This category includes rent or lease, related utility service charges, routine maintenance and building security services.

Additional context

- Our joint role as Commonwealth and ACT Ombudsman enables the Office of the Commonwealth Ombudsman to:
    - create efficiencies by avoiding duplication of costs where possible
    - provide quality services which represent value for money for the Territory
    - deliver services at a substantially lower cost compared to establishing a separate agency to perform the ACT Ombudsman function.
- Nearly all ACT Ombudsman functions have seen an increase in demand in 2025-26. We have absorbed this increase within current staffing levels and intend to do so for 2026-27 for all existing functions.
- Including standard on-costs for ACT Ombudsman functions ensures Commonwealth funding is not significantly subsidising services to the Territory.
- Estimated direct remuneration costs comprise all ongoing, non-ongoing and contract non-Senior Executive employees with full or partial responsibilities associated with ACT Ombudsman functions.
- The ACT Ombudsman funding proposal for 2026-27 also includes 0.5 FTE for Senior Assistant Ombudsman (Senior Executive) responsibilities in relation to delivering ACT Ombudsman functions.
- Consistent with current arrangements, direct remuneration costs do not include any allocation to cover the time of the ACT Ombudsman or Deputy Ombudsman. The services of the Ombudsman and Deputy Ombudsman continue to be provided free-of-charge to the Territory. Further information on ACT Ombudsman functions is provided at **Attachment B**.

ACT Ombudsman

Annexure A

From 1 July 2026 the *Territory Records Act 2002* (the Act), confers two functions on the ACT Ombudsman:

- to extend the release period for an accessible executive record (extension of time request), and
- to conduct merits reviews of decisions not to release executive (Cabinet) documents (merit review).

The administration of the function will require development of a new module within the Office's Microsoft Dynamics 365 Customer Relationship Management (CRM) environment to enable the receipt, tracking and administration of extension requests and merit review applications.

Expected build costs include:

Module build	$270,000
'Processing pause' functionality	$30,000
Post-implementation sustainment	$17,000
Process mapping	$50,000
Internal ICT support	$26,000
	$393,000

Annual operational and maintenance costs include:

Support Agreement costs	$10,000
Microsoft Dynamics licence for 2 users	$4,000
Document storage in Dynamics	$4,000
Internal ICT support	$13,000
(System development changes, as required)	$207.50 (ex GST)/hour)
	$31,000

CRM Module Functionality

There are several aspects to the technical costings for establishing the new module. The actual cost of establishing a new module within the Office's CRM environment is expected to exceed the 2026-27 budget proposal ($300,000). This reflects the Office's intention to absorb some early-stage costs (such as initial ICT staffing) where it is possible to do so. The 2026-27 budget proposal does not include ongoing operational and maintenance costs which will also be absorbed.

The CRM module will enable the creation of a trackable file reference number for each application, storage and cross-reference of records, management of workflows, communication with relevant parties, internal clearance requirements and decision points consistent with standard administrative requirements. The module will also enable tracking of extension and review applications against statutory timeframes, including the ability to pause Ombudsman processing timeframes (in accordance with s 31KA(3) of the Act).

Consistent with the Office's existing functions, and to support system integration, system workflows will be managed through the Microsoft Power Automate cloud-based platform and linked to Power BI to produce analytics required for various reporting purposes (with associated costs to be absorbed).

As this is an ongoing function, delivery through the Office's CRM platform is necessary to ensure sustainable and scalable management of the function.

Projected Build Costs

The first expenses will be a release of the specialised module that, based on recent invoices for comparable functions within the Office, will cost approximately $270,000. This stage will include requirements gathering, build configuration and integration with third-party systems (such as Microsoft Teams), development of an integrated smart form to receive applications, internal reporting and dashboards, user acceptance testing, staff training and release of the build into production. This stage includes costs for specialist services including system developers, business analysts, project management costs, development of a testing environment and user testers.

In addition to module development costs, there is a standard post-implementation sustainment cost of approximately $17,000. This covers ongoing operational readiness, maintenance and any enhancements for a 4-week period post Go Live (excludes correction of any errors covered by warranty). There will be a cost of approximately $50,000 for process mapping to map business workflows within the CRM platform for ongoing system management. The Office has not sought funding for process mapping in the budget proposal.

Internal ICT staffing to coordinate and manage the setup and implementation is projected to be 0.25 FTE at Executive Level 1 for 3 months (approximately $12,000) and 0.35 FTE at the APS 6 level for 3 months (approximately $14,000).

Operational and Maintenance Expenses

For application, development services and software engineering, the average hourly rate is $207.50 (ex GST). Expected operational and maintenance expenses include $168 per user per month for a Microsoft Dynamics licence (approximately $4,000 for 2 users). Ongoing ICT support is 0.1 FTE for Help Desk at an APS 4 level (approximately $13,000 per annum + indexation).

Storage of documents in Dynamics is estimated to cost on average $4,000 per year (depending on volume). This does not include the cost to store protected documents within a protected environment (with associated costs to be absorbed).