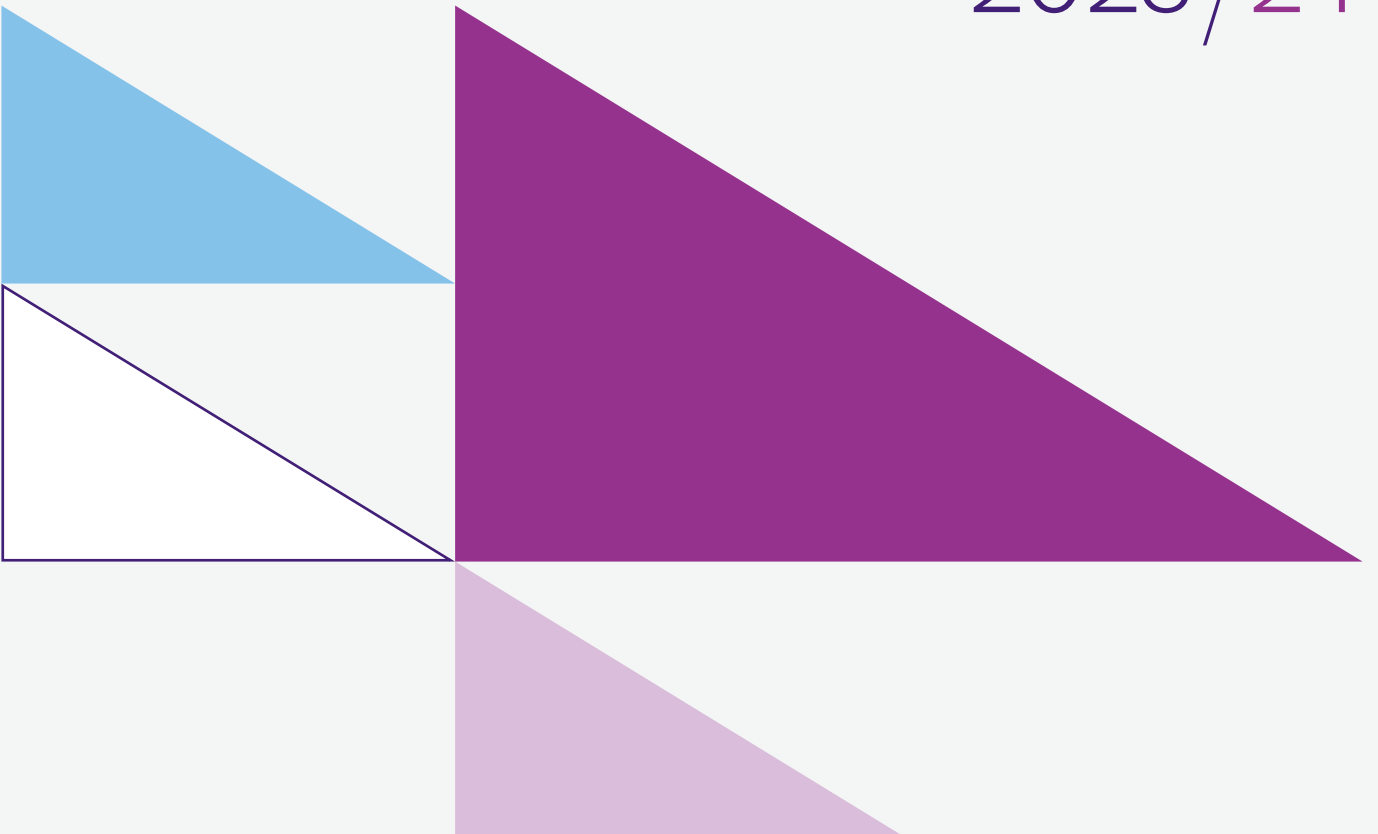

2023 / 24



Acknowledgement

IBAC acknowledges the Traditional Custodians of the lands on which we work and pays respect to Elders past, present and emerging. We recognise and celebrate the diversity of Aboriginal and Torres Strait Islander peoples and their ongoing cultures and connections to the lands and waters of Victoria.

Independent Broad-based Anti-corruption Commission

An accessible version of this document can be found on the IBAC website (www.ibac.vic.gov.au).

**Published by order, or under the authority,
of the Parliament of Victoria**

October 2024

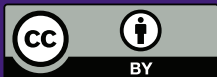
ISSN 2202-7300 (print)

ISSN 2203-028X (digital)

© State of Victoria 2024
(Independent Broad-based
Anti-corruption Commission)

We value your feedback

We welcome feedback on our annual report, particularly about its readability and usefulness. Please send your feedback to communications@ibac.vic.gov.au.



You are welcome to reuse this work under a Creative Commons Attribution 4.0 licence, provided you credit the State of Victoria (Independent Broad-based Anti-corruption Commission) as author, indicate if changes were made and comply with the other licence terms. The licence does not apply to any branding, including government logos.

Responsible body's declaration

In accordance with the *Financial Management Act 1994* (Vic), the *Independent Broad-based Anti-corruption Commission Act 2011* (Vic) and the *Public Interest Disclosures Act 2012* (Vic), I am pleased to present the Independent Broad-based Anti-corruption Commission's annual report for the year ending 30 June 2024.



Victoria Elliott

Commissioner
Independent Broad-based Anti-corruption Commission

18 October 2024

About this report

This Independent Broad-based Anti-corruption Commission (IBAC) annual report describes operational and financial performance, achievements and work undertaken in 2023/24 towards our objectives to:

- identify and expose public sector corruption and police misconduct by undertaking investigations into suspected corrupt conduct and suspected police misconduct
- monitor and oversee the use of police powers as required by relevant legislative frameworks
- educate the public sector, police and community about the harm caused by corruption and police misconduct
- assist the public sector and police in improving capability to prevent corruption and police misconduct.

This report is one way IBAC can report on its activities and results to our stakeholders: the Victorian Parliament, Victoria Police, public sector leaders and employees, and the Victorian community.

We report in accordance with the *Financial Management Act 1994* (Vic) (FM Act), the *Independent Broad-based Anti-corruption Commission Act 2011* (Vic) (IBAC Act) and the *Public Interest Disclosures Act 2012* (Vic) (PID Act).

We have improved the structure of the report for this reporting period by:

- expanding the section on prevention and education to further report on impact
- aligning the structure with our core functions to reduce repetition.

For legal and operational reasons, we cannot report publicly on some activities, including potential criminal prosecutions. Our work can be long term, such as some complex investigations, which affects the timing of our reporting. IBAC's work is shared publicly when appropriate, including on our website and through other media.

We aim to be transparent whenever possible and within the bounds of our legislation. Robust reporting practices and external oversight demonstrate our compliance with the law.

About IBAC

IBAC is Victoria's independent anti-corruption and police oversight agency.

Our vision

A public sector and police that act with integrity for all Victorians.

Our mission

Strengthening Victoria's integrity.

Our work

We do this by:

- assessing complaints and notifications about public sector bodies including Victoria Police
- identifying, investigating and exposing public sector corruption and police misconduct
- educating the public sector, police and community about the harm caused by corruption and police misconduct
- assisting in improving public sector and police capability to prevent corruption and police misconduct.

Victoria's integrity system

Victoria's integrity system exists so that the community can have confidence in the public sector and Victoria Police.

The three principal agencies in Victoria's integrity system are:

- IBAC
- the Victorian Ombudsman
- the Victorian Auditor-General's Office.

Other agencies supporting Victoria's integrity system include the Local Government Inspectorate, Office of the Victorian Information Commissioner (OVIC), the Public Interest Monitor, the Victorian Public Sector Commission (VPSC), the Victorian Equal Opportunity and Human Rights Commission and the Judicial Commission of Victoria.

IBAC's jurisdiction covers the entire Victorian public sector, including state and local government departments and agencies, Victoria Police, schools, hospitals, Victorian Parliament and the judiciary.

Legislation

IBAC's governing legislation is the IBAC Act. We are also responsible for the application of the PID Act and operate in accordance with legislation on a range of matters, including the *Charter of Human Rights and Responsibilities Act 2006 (Vic)*.

Refer to Appendix G for an index of legislation referenced in this report.

Contents

Commissioner's message	4
CEO's message	6
IBAC 2023/24 snapshot	8
Victoria Police 2023/24 snapshot	10
Public sector 2023/24 snapshot	11

Section 1 Year in review **12**

1.1 Performance overview	13
1.2 Financial overview	18

Section 2 Our core work **20**

2.1 Prevention and education	21
2.2 Complaints and assessment	31
2.3 Investigations	38
2.4 Oversight	46

Section 3 Our people and organisation **52**

3.1 People strategy	53
3.2 Enabling IT and data infrastructure program	54
3.3 Organisational structure	55
3.4 Governance and committees	58
3.5 Occupational health and safety	60
3.6 Workforce inclusion policy	61
3.7 Employment and conduct principles	61

Section 4 Financial report **62**

Appendixes

Appendix A Workforce data	104
Appendix B Financial disclosures	110
Appendix C Compliance reporting	115
Appendix D Other disclosures	122
Appendix E Natural justice	125
Appendix F Disclosure index	127
Appendix G Legislation	130
Appendix H Glossary	132

Commissioner's message



It was a pleasure and an honour to return to lead IBAC in December 2023 and continue my longstanding professional involvement with Victoria's integrity system. I previously worked at IBAC in its early years as Victoria's newly created, independent anti-corruption commission and my role included establishing and leading the organisation's then legal and compliance division.

As might be expected, a lot has changed for IBAC – and indeed for the Victorian and national integrity landscape – since that time. What has not changed is the organisation's commitment to its core functions to prevent and expose public sector corruption and police misconduct in Victoria.

I would like to take this opportunity to acknowledge and thank Stephen Farrow for acting in the role of Commissioner for 2023. During Stephen's time in the role, along with the support of our Deputy Commissioners, he continued to provide oversight to IBAC operational matters – from assessments to investigations and prosecutions, and led the delivery of three special reports, including Operation Sandon.

A key part of IBAC's role is to receive complaints and notifications of suspected public sector corruption and police misconduct. Anyone can make a complaint or notification to IBAC, either online, by email, by phone or by mail. In 2023/24 we received 3,155 complaints and notifications.

Thank you to everyone who took the time to make a complaint to IBAC. While not every complaint may progress to an investigation, every complaint tells its own tale, and a series of complaints can expose a systemic issue that leads to an IBAC investigation or informs our prevention work.

The complaints and notifications IBAC received this year, combined with our broader intelligence work, helped us to identify emerging trends and patterns in public sector corruption and police misconduct risks.

Police oversight

IBAC plays an important and significant role in police oversight in Victoria. Broadly, IBAC's oversight role includes receiving and assessing complaints about the conduct of police personnel, conducting investigations into serious or systemic police misconduct, reviewing outcomes of Victoria Police internal investigations and overseeing Victoria Police's compliance with five Acts of Parliament.

Alongside our police oversight function, IBAC works with Victoria Police to build and maintain a strong integrity culture.

In response to the Royal Commission into the Management of Police Informants, the Victorian Government introduced legislation that will require IBAC to establish a new compliance and reporting function in relation to Victoria Police's registration and management of human sources. We have been working with relevant stakeholders and developing internal policies and procedures in preparation for implementing this function.

In recognising the intersection of certain communities and police, from October 2023 to April 2024 IBAC piloted a dedicated team to assess and investigate single incident complaints about police misconduct from community members at a higher risk of experiencing police misconduct. These communities included Aboriginal and Torres Strait Islander peoples, people living with a disability, people who identify as LGBTIQ+, people from culturally and linguistically diverse backgrounds and others.

The objectives of the Pilot were to improve the timeliness of IBAC's complaints assessment, investigation and outcome notifications to increase transparency and complainants' understanding of how IBAC investigates police misconduct and the outcomes of complaints.

As part of this work, IBAC established a dedicated multi-disciplinary team of IBAC officers to work on the Pilot, drawing on experienced employees from IBAC's investigations, legal and policy teams.

Over the six-month period, IBAC assessed 94 complaints and notifications and commenced 24 police personnel misconduct investigations. The median number of days to assess complaints and notifications significantly decreased as did the time taken to complete an investigation; the reduced investigation time can largely be attributed to the single incident nature of the complaints.

The Pilot also resulted in IBAC making 13 formal recommendations to Victoria Police, with some investigations still in progress. We will build on the success of the Pilot in the 2024/25 financial year with the establishment of an ongoing team to continue this important work.

Recommendations are one of IBAC's most powerful tools to address and prevent public sector corruption and police misconduct. As it relates to our police oversight role, IBAC's recommendations are designed to strengthen Victoria Police's integrity culture.

In December 2023 we published a special report that analysed Victoria Police's response to recommendations made by IBAC from January 2016 to March 2022 following investigations, and research and audit reports. It was pleasing to see that Victoria Police had accepted and implemented more than 90 per cent of IBAC's 104 recommendations.

In 2023/24, we made 14 new recommendations to Victoria Police under section 159 of the IBAC Act to improve processes, policies, systems or training, and to address misconduct risks.

Prevention matters

Our prevention and education function relating to Victoria Police has a focus on undertaking research and working with Victoria Police to educate officers and improve systems and practices to assist in the prevention of police misconduct.

In 2023/24, we ran 34 education and training sessions for Victoria Police personnel to reinforce messages about integrity and ethical behaviour. These sessions were attended by over 2,000 Victoria Police personnel and received an average satisfaction rating of more than 95 per cent.

In 2023/24, IBAC tabled two reports in the Victorian Parliament. Operation Sandon was a landmark investigation that exposed corruption vulnerabilities in Victoria's planning decision-making processes at both the state and local government level.

In June 2024, the Victorian Parliament passed the *Local Government Amendment (Governance and Integrity) Act 2024*, which addresses several recommendations in the Operation Sandon report. In particular, the amendment gives effect to IBAC's recommendation to introduce a model councillor code of conduct that must be adopted by all councils. It requires councillors to undertake annual training on governance, leadership and integrity, and provides options to better manage councillor misconduct.

Operation Watts was a joint investigation with the Victorian Ombudsman, looking into branch stacking in the Australian Labor Party and how it resulted in the alleged misuse of public funds for political purposes. The aim of the 2023 progress report was to remind the Victorian Government of the importance of implementing the recommendations made in the special report on Operation Watts.

In May 2024 the Victorian Government introduced the Parliamentary Workplace Standards and Integrity Bill 2024 (Vic). On 20 August 2024, the *Parliamentary Workplace Standards and Integrity Act 2024* (Vic) received royal assent. This Act will implement many of the recommendations from Operation Watts including reforms to establish a parliamentary workplace standards and integrity commission to investigate allegations of misconduct and a parliamentary ethics committee to promote ethical practices by members of the Victorian Parliament.

IBAC is one of three core independent integrity agencies that form the Victorian integrity system. Along with the Victorian Ombudsman and the Victorian Auditor General's Office, we work together to strengthen integrity across the public sector and provide avenues for reporting suspected misconduct and corruption.

The partnerships we have with these and the other integrity agencies in Victoria, as well as around Australia, play a key role in tackling systemic issues in the public sector. I want to thank our integrity partners for the work we have done together this year including the delivery of multiple community and local government forums.

Budget independence

In October 2022, IBAC, released a joint paper with the Victorian Auditor-General's Office and the Victorian Ombudsman, outlining the need for greater budgetary independence for our agencies.

In publishing this paper, we are seeking to establish a more transparent and robust process that is apolitical, and provides the parliament and the community with assurance that their respective offices have the resources they need to do their jobs well.

We made several recommendations to the Victorian Government, including the establishment of an independent commission/tribunal under legislation to support transparent, accountable and evidence-based decision-making in relation to the resourcing arrangements for the three independent offices.

To date, we have not received any commitment from the Victorian Government as it relates to the recommendations. As such, we will continue to seek a commitment from all parties to a reform that must be profoundly in the public interest.

I would like to thank IBAC's executive team and employees for their enthusiasm and dedication to the task of exposing and preventing serious corruption and police misconduct.

On behalf of everyone at IBAC, we look forward to continuing to work with the public sector, other integrity agencies and the community to strengthen Victoria's integrity together.



Victoria Elliott

Commissioner
Independent Broad-based Anti-corruption Commission

CEO's message



This is my first annual report as IBAC's Chief Executive Officer. While new to the role, since joining IBAC in August this year, I have been deeply impressed by the dedication and commitment of the entire team to help realise our strategic intent.

This report highlights the important work of IBAC as it continues to prevent and expose public sector corruption and police misconduct in Victoria. I am honoured to be part of an organisation that puts the interests of Victorians at the centre of all that we do.

This year saw changes in our leadership team. In March this year, after four years as IBAC's CEO, Marlo Baragwanath departed the organisation to take up the role of Victorian Ombudsman. I wish to recognise Marlo's contributions to IBAC, including leading the organisation to deliver many of the strategic initiatives outlined in *The IBAC Plan 2021–25* (the IBAC Plan) and the 2023/24 annual plan.

The successes of this past financial year are also, in no small part, a testament to the guidance and support of Acting CEO, Dr Linda Timothy, and I sincerely thank Linda for her leadership during this time.

Our 2023/24 performance

Preventing public sector corruption and police misconduct is a central objective of IBAC. Our *Corruption Prevention Strategy 2021–2024* continues to guide this work and supports a proactive, integrated and intelligence-led approach to the prevention of corruption and police misconduct.

In 2023/24, we implemented the third and final year of the strategy, delivering a total of 129 prevention initiatives, including the publication of reports and prevention resources, engagements with stakeholders, forums and events, and campaigns, to reach and educate more Victorians about the important work that we do.

During this reporting period we commenced 50 preliminary inquiries and investigations and finalised 48 preliminary inquiries and investigations, with 24 preliminary inquiries and investigations in progress at the end of the financial year. We also made 62 recommendations following our investigations.

Timeliness of assessments improved on 2022/23 results and targets were exceeded for measures of our work to investigate and expose corrupt conduct and police misconduct, and for measures that aim to improve the capacity of Victoria Police to prevent police misconduct and to improve the capacity of the public sector to prevent corrupt conduct.

While the number of complaints and notifications IBAC receives is stabilising, particularly after the COVID-19 pandemic, there was a 15 per cent increase from 2022/23 to 2023/24 in the number rated as 'medium' or 'high' complexity. To better understand our resourcing needs and improve timeliness, we are utilising internal management dashboards developed in this reporting period.

Year three of the IBAC Plan

The strategic initiatives outlined in our IBAC annual plan 2023/24 work towards delivering year three of the IBAC Plan. The IBAC Plan details our strategic direction and priorities for the four years from 2021 to 2025.

It is pleasing to see that performance against our annual plan 2023/24 targets was strong and that we exceeded our prevention of police misconduct and prevention of public sector corrupt conduct targets, including the number of prevention initiatives delivered and the level of satisfaction with IBAC forums and events.

Our frameworks program is an important part of the IBAC Plan and promotes a collaborative and transparent approach to help govern the way we operate.

In 2023/24, we developed an External Communication and Reporting Framework, which outlines how IBAC develops, manages, and delivers public reports. We also began embedding our Intelligence Framework, which will enhance our information sharing internally and with external partners.

We continued implementing our Investigations Framework, designed to standardise internal reporting and integrate our prevention work throughout the lifecycle of an investigation.

This year we also finalised our Public Interest Disclosures Framework, a multi-year program that supports IBAC to perform its responsibilities under the PID Act and supports the public sector, including police.

Enhanced complainant experience

We are committed to improving how we interact and support those who come forward and make a complaint to IBAC.

Our multi-year complainant experience program is designed to improve complainants' understanding of IBAC's functions as well as what to expect when making a complaint to IBAC.

This year we reviewed our key touchpoints for complainants and developed a range of online resources that better explain the complaint process and what IBAC can and cannot investigate.

In 2023/24 IBAC's frontline employees also participated in complainant-centric training, such as trauma informed awareness and managing complex behaviours, to identify and understand strategies to more effectively engage with complainants and people who provide information.

Prevention initiatives

A key part of IBAC's prevention work involves educating the Victorian public sector, police and community about the risks and impacts of corruption and police misconduct and what can be done to prevent it. We are always striving to better reach and engage with our key stakeholders and the Victorian community, so that they understand what we do and how to get in contact with us.

To support IBAC's ongoing work in this area, in 2023/24, we delivered close to one hundred forums and engagements with public sector stakeholders, including audit and risk committees for water corporations, leadership teams, and employees within other Victorian Government departments and agencies.

It is promising to see that the average satisfaction rating for our public sector engagements this year was strong at 95 per cent, with 91 per cent of participants reporting that they intended to apply the learnings from the event.

To further help the Victorian public sector, including local government and police, apply key integrity concepts at work, we developed a series of online learning modules that are available on IBAC's website. These modules are valuable for people in any sector who want to learn more about working with integrity.

As Victoria's independent police oversight agency, we encourage the community to speak out against police misconduct by reporting it to IBAC.

As part of our efforts to build awareness of our police oversight function and empower the Victorian community to report suspected police misconduct or provide information anonymously, in March 2024 we relaunched our police campaign 'You have the right to not remain silent' in metropolitan Melbourne. The campaign reached more than 3.1 million people across Melbourne, appearing on social media and digital radio channels as well as on shopping centre screens.

In line with our commitment to ensuring IBAC is more accessible, the campaign appeared in seven languages, including Arabic, Cantonese, Dari, Hindi, Karen, Mandarin and Vietnamese, and was broadcast on multicultural radio stations.

In August 2023, we released the findings of our 2023 perceptions of corruption surveys. While we have previously undertaken these surveys with employees from the Victorian public sector and Victoria Police, this was the first time we have sought the opinions of members of the Victorian Parliament (MPs) and councillors to better understand their knowledge of corruption, perceptions of its prevalence, and attitudes towards reporting.

Seeking the views of MPs and councillors helps us better target our corruption prevention, detection and education efforts. For IBAC to effectively prevent corruption, it is important that people understand what corruption is, and where and how they can report it.

IBAC's vision is to prevent and expose public sector corruption and police misconduct, and the work that IBAC does to achieve this wouldn't be possible without the dedicated and skilled professionals at IBAC who show up and work towards this vision every day.

I would like to recognise and thank the team for their continued commitment to building a Victorian public sector that resists and exposes corruption.



Alison Byrne

Chief Executive Officer
Independent Broad-based Anti-corruption Commission

IBAC 2023/24 snapshot



Prevention initiatives

129

Prevention initiatives delivered including reports, prevention resources, campaigns, forums and events

4

Special and research reports published exposing corruption and police misconduct and ways they can be prevented

>2,000

Attendees at IBAC events (including both in-person and online events)



Recommendations

62

Recommendations made following investigations

25

Recommendations implemented that were made by IBAC during 2023/24 or prior

112

Recommendations yet to be fully implemented at 30 June 2024



Complaints and notifications^(a)

2,511

Complaints received

644

Notifications received

508

Public interest disclosures (PIDs) and PID notifications^(b) received

3,295

Complaints and notifications assessed



Investigations

50

Preliminary inquiries^(c) and investigations commenced – complaints and notifications

10

Preliminary inquiries and investigations commenced – own motion^(d)

48

Preliminary inquiries and investigations completed^(e)

24

Preliminary inquiries and investigations in progress at 30 June 2024



Reviews

255

Reviews – Victoria Police and public sector



Digital reach

347,000

Unique visitors to the IBAC website^(f)

3,838

Subscribers to *IBAC Insights*, IBAC's quarterly e-newsletter at 30 June 2024)

13,300

Followers on social media

Notes

- (a) Some notification numbers may overlap. A single complaint or notification may contain several separate allegations that are individually assessed to determine an appropriate outcome.
- (b) PID and PID notifications are a subset of complaints and notifications received. See the section in this report titled 'Complaints and assessment' and Appendix C for more information on the PID Act.
- (c) IBAC may conduct a preliminary inquiry to help us determine whether to dismiss, refer or investigate a complaint or notification.
- (d) Own-motion investigations are when we decide to investigate without a complaint from an individual or a notification from a public sector body.
- (e) Completed is defined as when all planned investigation activities have been completed. It does not signal the end of an operation, which may include subsequent activity, such as public reporting or prosecution.
- (f) Estimate based on data for 11 of 12 months in the reporting period.

Victoria Police 2023/24 snapshot



Recommendations

14

Recommendations made to Victoria Police following investigations

14

Recommendations implemented by Victoria Police that were made by IBAC during 2023/24 or prior

28

Recommendations yet to be fully implemented by Victoria Police at 30 June 2024



Complaints and notifications^(a)

1,654

Complaints received

288

Notifications received

303

PIDs and PID notifications received^(b)

1,966

Complaints and notifications assessed about Victoria Police

62%

Proportion of complaints and notifications received by IBAC related to Victoria Police



Investigations

37

Police preliminary inquiries and investigations commenced – complaints and notifications

6

Police preliminary inquiries and investigations commenced – own motion^(c)

29

Police preliminary inquiries and investigations completed^(d)

15

Police preliminary inquiries and investigations in progress at 30 June 2024



Reviews

231

Reviews of Victoria Police investigations

296

Serious incident notifications received from Victoria Police (including any police contact that results in death or serious injury)

Notes

- (a) Some notification numbers may overlap. A single complaint or notification may contain several separate allegations that are individually assessed to determine an appropriate outcome.
- (b) PID and PID notifications are a subset of complaints and notifications received.
- (c) Own-motion investigations are when we decide to investigate without a complaint from an individual or a notification from a public sector body.
- (d) 'Completed' is defined as when all planned investigation activities have been completed. It does not signal the end of an operation, which may include subsequent activity, such as public reporting or prosecution.

Public sector 2023/24 snapshot



Recommendations

48

Recommendations made to public sector agencies following investigations

11

Recommendations implemented by public sector agencies that were made by IBAC during 2023/24 or prior

84

Recommendations yet to be fully implemented by public sector agencies at 30 June 2024



Complaints and notifications^(a)

857

Complaints received

356

Notifications received

205

PIDs and PID notifications received from public sector agencies^(b)

1,329

Complaints and notifications assessed about the public sector

38%

Proportion of complaints and notifications received by IBAC related to the public sector



Investigations

13

Public sector preliminary inquiries and investigations commenced – complaints and notifications

4

Public sector preliminary inquiries and investigations commenced – own motion^(c)

19

Public sector preliminary inquiries and investigations completed^(d)

9

Public sector preliminary inquiries and investigations in progress at 30 June 2024



Reviews

24

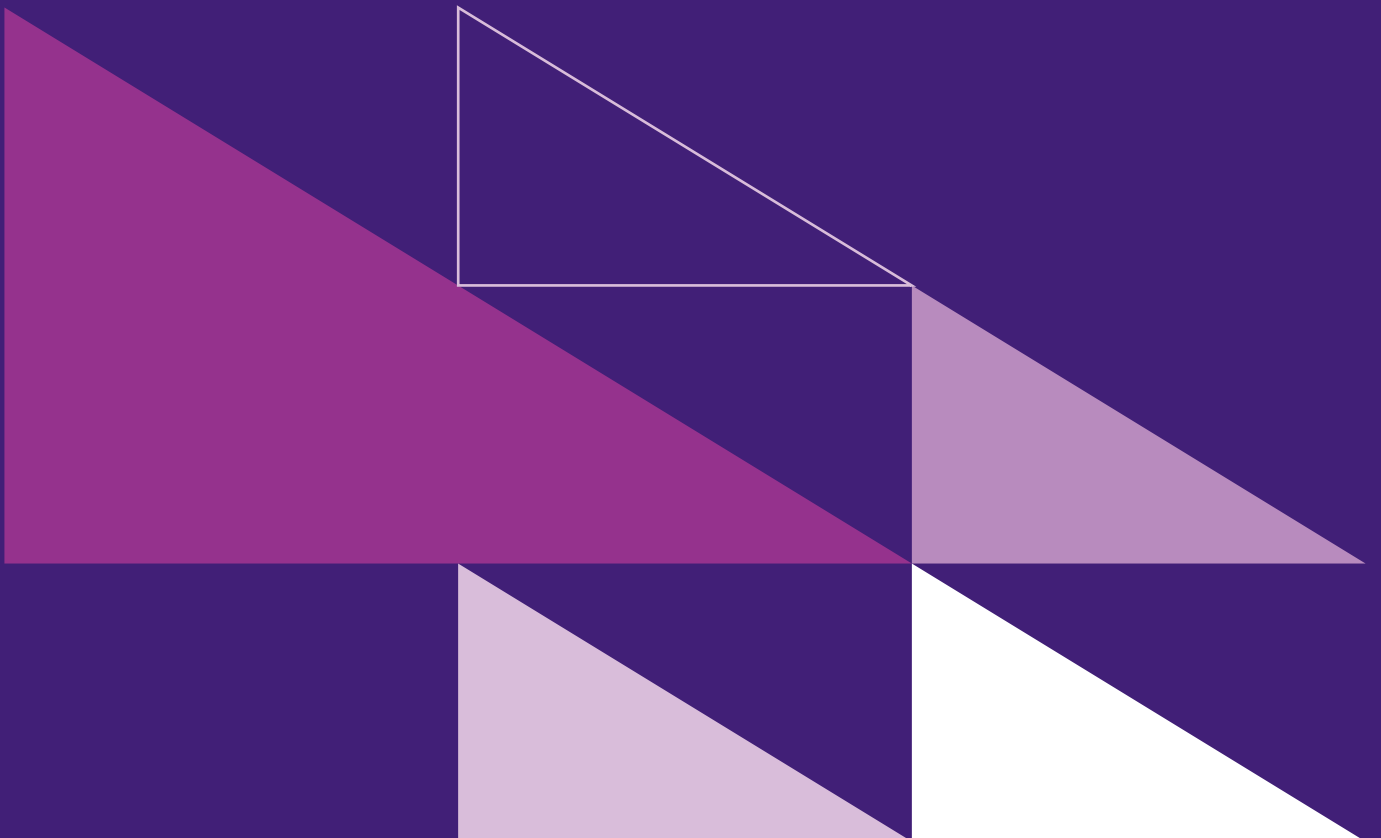
Reviews of public sector investigations

Notes

- (a) Some notification numbers may overlap. A single complaint or notification may contain several separate allegations that are individually assessed to determine an appropriate outcome.
- (b) PID and PID notifications are a subset of complaints and notifications received.
- (c) An own-motion investigation is an investigation that IBAC begins without receiving a complaint from an individual or a notification from a public sector body.
- (d) 'Completed' is defined as when all planned investigation activities have been completed. It does not signal the end of an operation, which may include subsequent activity, such as public reporting or prosecution.

1

Year in review



1.1 Performance overview

The strategic initiatives outlined in our *IBAC Annual Plan 2023/24* deliver year three of our four-year plan *The IBAC Plan 2021-25*. Our frameworks program is an important part of this work, providing a robust system that describes how we operate, consistent with our operating model. Our *2021-2024 Corruption Prevention Strategy* underpins all that we do, ensuring IBAC maintains a focus on preventing corruption.

Our strategic focus areas guide our operational work to identify, expose and assist the prevention of public sector corruption and police misconduct. These focus areas are reviewed annually against our intelligence holdings and are updated as required to better direct our available resources.

We use the key performance indicators in our annual plan to monitor and improve outcomes, core service delivery and how we operate.

The following scorecards give an overview of our performance results. More detail is provided in the section of this annual report titled 'Our core work'.

1.1.1 Strategic initiative implementation

Progress against the strategic initiatives in our *IBAC Annual Plan 2023/24* is shown in Table 1. These initiatives are described in the section of this annual report titled 'Our core work'. We delivered all planned actions in full for seven of our nine strategic initiatives. The planned actions for two multi-year projects were delivered in part and will continue in 2024/25.

Table 1. Strategic implementation scorecard

Strategic initiative	Status	% 23/24 actions complete ^(a)	Multi-year
Enhanced complainant experience	✓	100	Yes
PID Framework	✓	100	Yes
Investigations Framework	✓	100	Yes
Intelligence Framework	○	96	Yes
External Communication and Reporting Framework	✓	100	Yes
Corruption Prevention Strategy	○	92	Yes
Human Source Management reform implementation	✓	100	Yes
Police oversight reforms preparation	✓	100	Yes
Focused Police Complaints Pilot	✓	100	No

Key

- ✓ Delivered in full – all planned actions have been delivered to expectation.
- Delivered in part – some planned actions have been delivered to expectation.
- Not delivered – planned actions were not delivered.

Note

- (a) Percentage of actions planned for the reporting period that were completed. In some cases, 100 per cent also corresponds to completion of the entire project. Numbers are rounded.

1.1 Performance overview cont.

Table 2. Strategic focus areas scorecard

Strategic focus area	Status
1. High-risk police units, divisions and regions	○
2. Excessive use of force, including use of force on people at risk	○
3. Police responses to family violence incidents and predatory behaviour	□
4. High-risk public sector agencies, including those managing high-value matters	○
5. Improper influence	○

Key

- ✓ Delivered in full – all planned actions have been delivered to expectation.
- Delivered in part – some planned actions have been delivered to expectation.
- Not delivered – planned actions were not delivered.

1.1.2 Strategic focus areas implementation

Our performance against the strategic focus area actions outlined in our *IBAC Annual Plan 2023/24* is shown in Table 2.

We delivered 14 strategic focus area actions in full and delivered 10 actions in part. These actions are scheduled for completion in 2024/25. One action was not funded and did not proceed.

1.1.3 Annual plan performance results

Performance against our *IBAC Annual Plan 2023/24* performance targets was strong.

We exceeded our prevention of police misconduct and prevention of public sector corrupt conduct targets, including the number of prevention initiatives delivered and satisfaction with IBAC forums and events. Targets were exceeded for measures that aim to improve the capacity of Victoria Police to prevent police misconduct and to improve the capacity of the public sector to prevent corrupt conduct. Overall, timeliness targets for assessments improved on 2022/23 results, and targets were exceeded for measures of our work to investigate and expose corrupt conduct and police misconduct.

Table 3 shows our results against performance targets for police oversight.

Table 4 shows our results against performance targets for public sector oversight.

Table 5 shows our results against performance targets that support our transition to a more connected, inclusive and flexible organisation.

Table 3. Police oversight performance

Objective	Performance measure	2023/24 target	2023/24 actual ^(a)	Result
Prevention of police misconduct	Number of police misconduct prevention initiatives delivered by IBAC, including reports, prevention resources, campaigns, forums and events ^(b)	35-40	41	✓
	Percentage average satisfaction with police misconduct prevention forums and events delivered by IBAC for a police audience	95%	96%	✓
	Percentage average satisfaction with police misconduct prevention forums and events delivered by IBAC for a community audience	70%	-	- ^(d)
Improve the capacity of the police to prevent police misconduct	Percentage of police attendees who intend to apply learnings after attending police misconduct prevention initiatives	Baseline in 2023/24	98%	✓
	Percentage of formal IBAC recommendations made under the IBAC Act to Victoria Police that are accepted ^(c)	85%	100%	✓
Assess police conduct complaints and notifications	PIDs and PID notifications about the police assessed within 30 days	70%	72%	✓
	Complaints and notifications about police misconduct assessed within 45 days	60%	48%	□
Investigate and expose police misconduct	Number of police oversight activities (including preliminary inquiries, investigations, active monitoring and reviews) completed	242	260	✓
	Proportion of investigations into police misconduct completed within 270 days	60%	100%	✓

Key

✓ Met

○ Not met, but within five per cent of the target

□ Not met

Notes

(a) Numbers are rounded.

(b) The sum of police and public sector initiatives delivered is different to the overall total number of corruption prevention initiatives delivered by IBAC as the total measure also counts initiatives that target non-public sector/ police audiences.

(c) There is no legislative requirement for Victoria Police to accept IBAC recommendations or requests.

(d) In 2023/24, IBAC did not deliver any police misconduct prevention forums and events for a community audience.

1.1 Performance overview cont.

Table 4. Public sector oversight performance

Objective	Performance measure	2023/24 target	2023/24 actual ^(a)	Result
Prevention of corrupt conduct	Number of public sector prevention initiatives delivered by IBAC, including reports, prevention resources, campaigns, forums and events ^(b)	35–40	55	✓
	Percentage average satisfaction with corruption prevention forums and events delivered by IBAC for a public sector audience	95%	95%	✓
	Percentage average satisfaction with corruption prevention forums and events delivered by IBAC for a community audience	70%	92%	✓
Improve the capacity of the public sector to prevent corrupt conduct	Percentage of public sector attendees who intend to apply learnings after attending corruption prevention initiatives	Baseline in 2023/24	95%	✓
	Percentage of formal IBAC recommendations made under the IBAC Act to public sector agencies that are accepted	85%	95%	✓
Assess public sector complaints and notifications	PIDs and PID notifications about the public sector assessed within 30 days	70%	65%	□
	Complaints and notifications about the public sector assessed within 45 days	60%	58%	○
Investigate and expose corrupt conduct	Number of public sector oversight activities (including preliminary inquiries, investigations and reviews) completed	32	43	✓
	Proportion of standard investigations into public sector corruption completed within 270 days	60%	100%	✓
	Proportion of complex investigations into public sector corruption completed within 540 days	60%	100%	✓

Key

- ✓ Met
- Not met, but within five per cent of the target
- Not met

Notes

(a) Numbers are rounded.

(b) The sum of police and public sector initiatives delivered is different to the overall total number of corruption prevention initiatives delivered by IBAC as the total measure also counts initiatives that target non-public sector/ police audiences.

Table 5. Organisational enablement performance

Objective	Performance measure	2023/24 target	2023/24 actual ^(a)	Result
Leadership and culture	People Matter Survey 2024 – employee engagement score	66%	66%	✓
	Increase in occupational health and safety (OHS) reporting as a leading indicator of improvement in safety culture	+5%	50% ^(b)	✓
Governance and structures	Expenditure – variance against budget ^(c) (organisation wide)	+/- 5%	0%	✓
	Implementation of annual plan ^(d)	>=75%	76 %	✓
Capabilities	Employee turnover	20%	12.96%	✓
	Gender equity – difference in the median male and female Victorian Public Service (VPS) salary	4.5%	9%	□
Systems and processes	IT system uptime (availability of IBAC-managed systems)	99.95%	99.97%	✓
	Lost Time Injury Frequency Rate	2.7	2.78	○

Key

✓ Met

○ Not met, but within five per cent of the target

□ Not met

Notes

(a) Numbers are rounded.

(b) This includes requests for ergonomic equipment and COVID-19 cases.

(c) IBAC’s 2023/24 budget is \$63.4 million. This includes supplementary funding approved by the Treasurer for a new COVID-19 debt levy of \$0.464 million and reinstatement of a \$0.725 million Treasurer’s Advance for carryovers.

(d) This measure is based on completion of strategic initiative actions.

1.2 Financial overview

The Victorian Government considers the net result from transactions to be the appropriate measure of financial management. This measure excludes matters outside IBAC's control, being the effects of revaluations (holding gains or losses) arising from changes in market prices and other changes in the volume of assets shown under 'other economic flows' on the comprehensive operating statement.

In the 2023/24 financial year, IBAC's net result from transactions was \$0 million. Overall, both income and expenses have steadily increased due to confirmed base review funding. The confirmed funding for 2023/24 was \$63.4 million, which was fully utilised. The confirmed funding included a Treasurer's Advance of \$1.19 million in supplementary funding to meet cost pressures for the year.

1.2.1 Direct costs attributable to machinery of government changes

There were no direct costs attributable to machinery of government changes.

1.2.2 Financial performance

The 2023/24 comprehensive result, a surplus of \$0.2 million, includes gains/(losses) from other economic flows, such as the disposal of assets and the revaluation of leave liabilities due to changes in discount rates and market assumptions.

Through careful resource planning and internal efficiencies, IBAC was able to deliver key annual plan initiatives to address recommendations made by the Integrity and Oversight Committee (IOC) and absorb additional cost pressures beyond IBAC's control, including the impact of higher than funded Victorian Public Service Enterprise Agreement provisions and cumulative Consumer Price Index increases on IBAC contracts.

A summary of IBAC's performance is outlined in Table 6 and shows movement in actual revenues, expenses, balance sheet items and cash flow.

Table 6. Financial summary 2023/24

	2023/24 (\$m)	2022/23 (\$m)
Financial performance		
Total income	63.2	59.0
Total expenditure	63.2	59.0
Net result from transactions	-	-
Comprehensive result	0.2	(0.2)
Financial position		
Total assets	34.8	33.9
Total liabilities	19.8	19.3
Net assets	15.0	14.6
Total equity	15.0	14.6
Cash flow		
Net cash flow from operating activities	4.4	3.9

Output performance

Table 7. Output performance – total output cost

Performance measures	Unit of measure	2023/24 target	2023/24 actual	Variation against target (%)	Result
Cost					
Total output cost	\$ million	63.4 ^(a)	63.2	0	✓

Note

(a) Since finalising the *Budget Paper No. 3 (BP3)* targets at the beginning of the 2023/24 financial year, the Treasurer approved supplementary funding to provide coverage for a new COVID-19 debt levy of \$0.464 million and reinstatement of a \$0.725 million Treasurer's Advance for carryovers. The 2023/24 BP3 target was subsequently updated from \$62.2 million to \$63.4 million.

1.2.3 Income

IBAC receives its annual appropriation directly from the Victorian Parliament for the provision of outputs.

In 2023/24, IBAC received the first full year of funding post IBAC Base Review Steering Committee. This enabled IBAC to better plan and deliver its activities and outputs. The 2023/24 funding increase of \$4.1 million compared to 2022/23 represents full year funding post IBAC base review.

1.2.4 Expenditure

IBAC's total expenditure in 2023/24 increased by \$4.1 million or seven per cent. This is proportionate to the confirmed funding increase. Our employee-related expenses increased by \$5.4 million or 14 per cent compared to the previous year, and accounts for 70 per cent of our total expenditure. The increase in employee-related expenses relates to recruitment for ongoing positions funded from the base review, and salary and superannuation increases during the year in accordance with the Victorian Public Service Enterprise Agreement and statutory superannuation increases.

1.2.5 Current financial position

Net assets increased marginally by \$0.36 million over the year to \$14.99 million, mainly due to an increase in total assets of \$0.9 million, or three per cent. The increase largely relates to increases in receivables, partially offset by reductions in property, plant and equipment.

Total liabilities increased by \$0.51 million to \$19.79 million, largely due to an increase in employee entitlements, partially offset by a reduction in borrowings related to leases.

1.2.6 Looking forward

Similar to other agencies, IBAC is funded for business-as-usual (BAU) activities, so funding for new initiatives and cost pressures resulting from unfunded activities are subject to the Victorian Government budget bid processes.

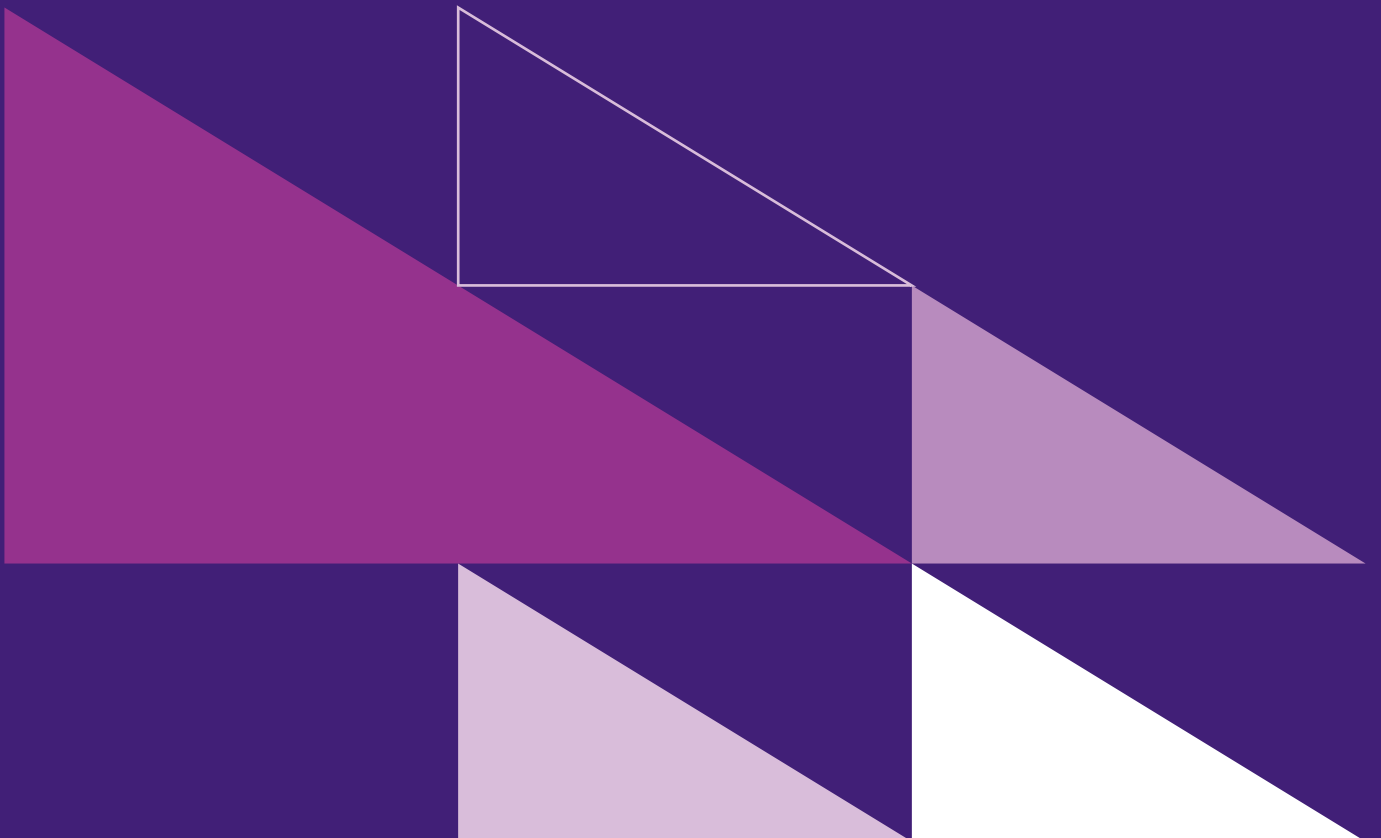
IBAC is committed to achieving efficiencies and working diligently to identify savings to absorb cost pressures to the extent that this is possible. In 2023/24, through careful resource planning and internal savings and efficiencies measures, IBAC was able to absorb the gap between annual funding escalation and the Victorian Public Service Enterprise Agreement provisions and cumulative consumer price index increases on IBAC contracts.

The Victorian Public Service Enterprise Agreement 2024, formally approved by the Fair Work Commission on 12 August 2024, and new legislation (or amendments to existing legislation), including the *Human Source Management Act 2023 (Vic)* (Human Source Management Act) and the *Firearms Act 1996 (Vic)* (Firearms Act), will require funding supplementation to maintain IBAC's sustainable funding model.

IBAC will seek funding supplementation through the existing process to fund these and any other legislative reforms under government consideration. Some legislative reforms will only marginally impact IBAC operations and resourcing requirements. Others will significantly impact resources, affecting IBAC's ability to meet its legislative obligations where the impacts cannot be absorbed under the current funding model.

2

Our core work



2.1 Prevention and education

Preventing public sector corruption and police misconduct is a priority for IBAC and is critical to improving integrity standards across the public sector and police.

A key part of this work involves educating the public sector, police and community about the risks and impacts of corruption and police misconduct and what can be done to prevent and stop it.

We provide insights on corruption and police misconduct issues in several ways. We analyse internal and external data and use the information received in complaints and uncovered by our investigations to identify broader trends and patterns of corruption and misconduct. This information helps us to plan, manage and deliver research projects.

We also develop and publish public reports on the outcomes of IBAC's research and investigations. As a result of investigations, reviews, audits and research reports, we make recommendations for Victoria Police and public sector agencies to strengthen their policies and procedures, improve their internal investigations and prevent similar events happening again.

We develop information and resources for the public sector, police and all Victorians to build their awareness of what public sector corruption and police misconduct are, how to report them and, importantly, how to prevent them.

We actively engage with our key stakeholders:

- the public sector, to improve reporting of corruption and to help build the public sector's capacity to address reports
- organisations, to alert them to the latest information and intelligence to stay ahead of corruption risks
- Victoria Police, to educate and reinforce messages about integrity and ethical behaviour
- the Victorian community, to improve understanding of corruption and its harms, and how to report it.

We use advice we receive from key stakeholders to develop policy responses to corruption and police misconduct risks.

Corruption Prevention Strategy

Our prevention and education work is informed by our *2021–2024 Corruption Prevention Strategy*, which aims to build the corruption prevention capability of Victoria Police and the public sector.

This strategy supports a proactive, integrated and intelligence-led approach to the prevention of corruption and police misconduct. It focuses our efforts on data collection and analysis, and informs our educational materials and targeted engagement activities.

In 2023/24, we implemented the third and final year of this strategy.

External Communication and Reporting Framework

We have developed an *External Communication and Reporting Framework* that sets out how IBAC develops, manages and delivers reports and communication products to expose and prevent corruption and police misconduct in line with our functions under the IBAC Act.

The framework supports IBAC to produce accessible and accurate reports and resources that increase the capacity of the Victorian public sector to prevent police misconduct and public sector corrupt conduct.

2.1 Prevention and education cont.

Intelligence Framework

In 2023/24, we finalised our *Intelligence Framework*, which describes how intelligence is used to enable effective, intelligence-led decision-making. We began implementing the framework, including:

- embedding an organisation-wide culture that values and contributes to intelligence
- enhancing training and professional development opportunities for intelligence practitioners
- standardising intelligence processes and protocols
- enhancing data analytics tools and data management
- improving collaboration and intelligence-sharing with integrity partners.

The framework provides IBAC with a common and consistent approach to intelligence activities, as well as guidance for the development of our intelligence capability. Embedding the framework will maximise the efficiency and effectiveness of IBAC's prevention and exposure work. The framework will enhance our information-sharing internally and with external stakeholders to build better understanding and generate timely intelligence insights. The *Intelligence Framework* will support clearer operational and prevention priorities and outcomes for IBAC.

Output performance

Table 8 shows IBAC's prevention and education *Budget Paper No. 3 (BP3)* outputs for 2023/24.

We delivered 129 corruption prevention initiatives, which included speaking engagements and external forums, as well as special and research reports, resources and campaigns. Key actions are discussed under the following 'Police' and 'Public sector' subsections.

Table 8. Output performance – corruption prevention and education^(a)

Performance measures	Unit of measure	2023/24 target	2023/24 actual	Variation against target (%)	Result
Quantity					
Corruption prevention initiatives delivered by IBAC	Number	115	129 ^(b)	12.2	✓
Quality					
Average satisfaction with corruption prevention forums and events delivered by IBAC for a public sector (including police) audience	Per cent	95	96.3	1.3	✓
Quality					
Average satisfaction with corruption prevention forums and events delivered by IBAC that are open to the public	Per cent	75	92.3	23	✓

Key

- ✓ Delivered in full – all planned actions have been delivered to expectation.
- Delivered in part – some planned actions have been delivered to expectation.
- Not delivered – planned actions were not delivered.

Notes

(a) Numbers are rounded.

(b) The higher than anticipated result has been driven by a continued enhanced focus on delivering engagement forums and producing a broader range of prevention resources.

2.1.1 Police

Our prevention and education function relating to Victoria Police has a focus on undertaking research and working with Victoria Police to educate officers and improve systems and practices to assist in the prevention of police misconduct. We also inform the community about the harmful effects of police misconduct through public reports and strategic communication and engagement.

Campaigns and community engagement

Building on the impact of our 2023 campaign in regional Victoria, in March 2024, we relaunched our campaign ‘You have the right to not remain silent’ in metropolitan Melbourne, to encourage Melburnians to speak out against police misconduct. Using short videos, audio clips and digital banners, the campaign aimed to raise awareness of IBAC’s police oversight role and empower the community to report suspected police misconduct or provide information anonymously. The campaign supports our strategic focus on high-risk police units, divisions and regions, and responds to intelligence that shows it is likely that instances of police misconduct go unreported.

Guided by our understanding of high-risk police units and local government area population data, the campaign targeted parts of Melbourne, including Brimbank, Casey, Frankston, Greater Dandenong, Hume, Melbourne CBD and Wyndham. The campaign was promoted on social media and digital radio channels, as well as on shopping centre screens.

A key objective of the campaign was to ensure it was accessible to Victorians who are part of culturally diverse communities.

The campaign appeared in seven languages, including Arabic, Cantonese, Dari, Hindi, Karen, Mandarin and Vietnamese, and was broadcast on multicultural radio stations.

The campaign appeared more than 11 million times and reached more than 3.1 million people.

Figure 1. Metropolitan Melbourne campaign



2.1 Prevention and education cont.

IBAC has been meeting with Regional Aboriginal Justice Advisory Committees (RAJACs) across metropolitan and regional Victoria to discuss how we can most effectively work with communities to encourage reporting of police misconduct. In 2023/24, IBAC attended the Hume and Gippsland RAJACs meetings to present the findings from IBAC's audit report *Victoria Police handling of complaints made by Aboriginal people*, and to listen to insights from Aboriginal leaders on community concerns about police misconduct.

In January 2024, we held a stall at the Midsumma Festival to:

- promote who IBAC is and what we do
- build trust with the Victorian LGBTIQ+ community
- learn from the LGBTIQ+ community about their needs and concerns with regards to government integrity and police misconduct.

We interacted with over 200 people and discussed how to report police misconduct, what IBAC does, where our funding comes from, the diversity of employees at IBAC and why we were at Midsumma.

Engagement and education activities with Victoria Police

Our Victoria Police education program continued in 2023/24. We ran 34 education and training sessions for Victoria Police personnel to reinforce messages about integrity and ethical behaviour. These included regular presentations to:

- new recruits in the probationary constables training
- personnel in leadership and promotional programs, such as the Police Managers Qualifying Program and Inspectors Development Program
- new detectives and superintendents.

These sessions were attended by over 2,000 Victoria Police personnel.

Attendees at the probationary constable sessions were asked to rate their satisfaction with the training. In 2023/24, the average satisfaction rating was 98 per cent, with 98 per cent also reporting that they intended to apply the learnings from the training.

To support our expanded engagement with Victoria Police, we planned for the implementation of the Taking Charge program at the Victoria Police Academy, which will commence in 2024/25.

We also published the following prevention resources for the police sector:

- a sector profile that summarises misconduct risks and drivers, prevention and detection strategies and insights from IBAC's work
- an infographic that provides a snapshot of our police oversight work in 2023
- a refreshed video and information sheet for Victoria Police personnel that explains IBAC's role and the importance of reporting misconduct.

Intelligence activities

To inform IBAC's future work prioritisation and strategic focus areas, we developed a dashboard of Victoria Police internal complaints. This dashboard provides insights into our allegations data and other data, and assists in identifying the trends, risks and issues occurring across IBAC's jurisdiction. We also published key findings from our *Strategic assessment of Victoria Police 2022-23* to identify emerging and enduring misconduct risks impacting the organisation. Some of the misconduct risks for Victoria Police that informed our work this year include:

- excessive use of force – using more force than is needed in dealing with a person or situation
- predatory behaviour – police personnel misusing their position to begin, or attempt to begin, an emotional or sexual relationship with a person they meet in the course of their duties
- police-perpetrated family violence – police personnel engaging in abuse or violence against their own family members or intimate partners.

In 2023/24 we continued to refine our police risk system to identify geographical areas with a high risk of police misconduct, using a combination of open-source, Victoria Police and IBAC data for internal use to:

- inform our understanding of risk for general duties police stations
- inform IBAC's decision-making processes, particularly those related to the assessment of complaints, notifications and our prevention activities
- prioritise resources
- provide insights for IBAC's strategic focus areas to better understand the drivers of risk.

We review this system regularly and conduct periodic internal performance reviews to ensure it remains an effective, efficient and accurate tool.

Published works

In December 2023, we published a special report that analysed Victoria Police’s response to recommendations made by IBAC from January 2016 to March 2022 following investigations, special reports, research and audit reports. The report aimed to increase transparency and accountability around Victoria Police’s response. The report contained the following key findings:

- Victoria Police accepted and implemented over 90 per cent of IBAC’s recommendations
- 50 per cent of IBAC’s investigations involving Victoria Police led to recommendations to take disciplinary or management action against officers
- 50 per cent of recommendations that related to taking disciplinary or management action against officers were made, in part, because officers concealed or failed to accurately disclose misconduct.

In 2023/24, we made 14 new recommendations to Victoria Police under section 159 of the IBAC Act to improve processes, policies, systems or training, or to address misconduct risks.

Table 9. IBAC Act section 159 recommendations made to Victoria Police

Type of recommendation	Number
Section 159 recommendations	14

IBAC’s recommendations have led to improvements across a wide range of Victoria Police’s activities, including drug testing of officers, access to police information, ensuring individuals are lawfully detained and providing oleoresin capsicum (OC) spray aftercare.

Impact

IBAC’s recommendations¹ have led to improvements across a wide range of Victoria Police’s activities, including drug testing of officers, access to police information, ensuring individuals are lawfully detained and providing oleoresin capsicum (OC) spray aftercare. As a result of recommendations we made (either under section 159 of the IBAC Act or through other means), Victoria Police introduced:

- improvements to how Victoria Police’s Critical Incident Response Team assesses operational risks to remove misconduct vulnerabilities
- a simplified complaint classification system to make it easier for people who make complaints
- a process to ensure that complaints made by people who identify as Aboriginal and/or Torres Strait Islander are contacted by the Professional Standards Command Police Aboriginal Liaison Officer.

Continuing work

In 2023/24, we progressed special reports on the use of force by Victoria Police and/or Victoria Police’s handling of police-perpetrated family violence.

We also intend to report publicly on our Focused Police Complaints Pilot in 2024/25.

¹ Independent Broad-based Anti-corruption Commission, ‘Victoria Police’s responses to IBAC’s recommendations’, 2023, viewed 3 June 2024, www.ibac.vic.gov.au/victoria-polices-responses-to-ibacs-recommendations

2.1 Prevention and education cont.

2.1.2 Public sector

The focus of our public sector work in 2023/24 continued to be on high-risk public sector agencies, major infrastructure projects and improper influence.

Investigating allegations of corruption and publishing special reports that outline our findings is a key part of our role in preventing and exposing corruption in the public sector. Engagement with the public sector also remains a key priority.

Engagement and education activities

We held close to 100 forums and engagements with stakeholders in 2023/24, including with:

- the audit and risk committees of various agencies – for example, water corporations
- leadership teams – for example, as part of the Senior Executive Integrity and Ethical Leadership Program and Local Government Professionals Executive Leadership Program
- employees in various agencies – for example, as part of lunch-and-learn sessions and integrity communities of practice.

At the events coordinated by IBAC, we asked attendees to rate their satisfaction. The average satisfaction rating for public sector engagements in 2023/24 was 95 per cent, with 91 per cent of participants reporting that they intended to apply the learnings from the event.

In 2023/24, we developed a series of online learning modules to help Victorians learn about corruption risks, how to minimise them and how to apply key integrity concepts at work. The 20-minute interactive learning sessions are aimed at the Victorian public sector and local government employees, as well as police personnel. They are available on IBAC's website. Some topics, like procurement, are valuable for people in any sector who want to learn more about working with integrity. Topics include:

- conflicts of interest
- introduction to PIDs
- PIDs in practice
- preventing corruption in procurement
- IBAC and the Victorian integrity system
- the Fraud and Corruption Control Standard (AS 8001-2021).

Other activities included hosting the National Anti-Corruption Investigation Network Conference in September 2023 and regional forums on corruption risks in local government (see case study 1).

Public interest disclosures

In 2023/24, we finalised our PID Framework. A key part of the framework is IBAC's engagement and education approach for the public sector, including police. The framework is being implemented through a multi-year program of work that includes publishing refreshed and accessible resources for PID coordinators.

To further support education and learning of PID coordinators and the public sector, in 2023/24, we hosted one metropolitan and two regional PID forums, where we showcased our new and improved resources for PID coordinators and other relevant roles.

Almost 100 people attended the October forum in Ballarat, the June forum in Geelong and the November forum in Melbourne. Representatives joined us from a number of different local government councils and other organisations, including Melton City Council, City of Greater Geelong, Corangamite Shire Council, Murrindindi Shire Council, Macedon Ranges Shire Council, Victoria's Department of Justice and Community Safety (DJCS), Victoria Police and V/Line.

Intelligence activities

In 2023/24, we conducted a strategic assessment of corruption risks and drivers associated with the water sector. This information helps us identify information gaps and address them through our engagement with Victoria's Department of Energy, Environment and Climate Action, statutory water authorities and water corporations.

A report will be released in 2024/25 that summarises our findings from IBAC engagements with the water sector, outlines gaps in integrity capability and identifies prevention opportunities.

We are developing a local government corruption risk system for internal use, which will help inform our prevention and engagement activities with the local government sector. We will continue to regularly refine this system and conduct periodic internal performance reviews to ensure it remains relevant and up to date.

Perceptions of corruption surveys

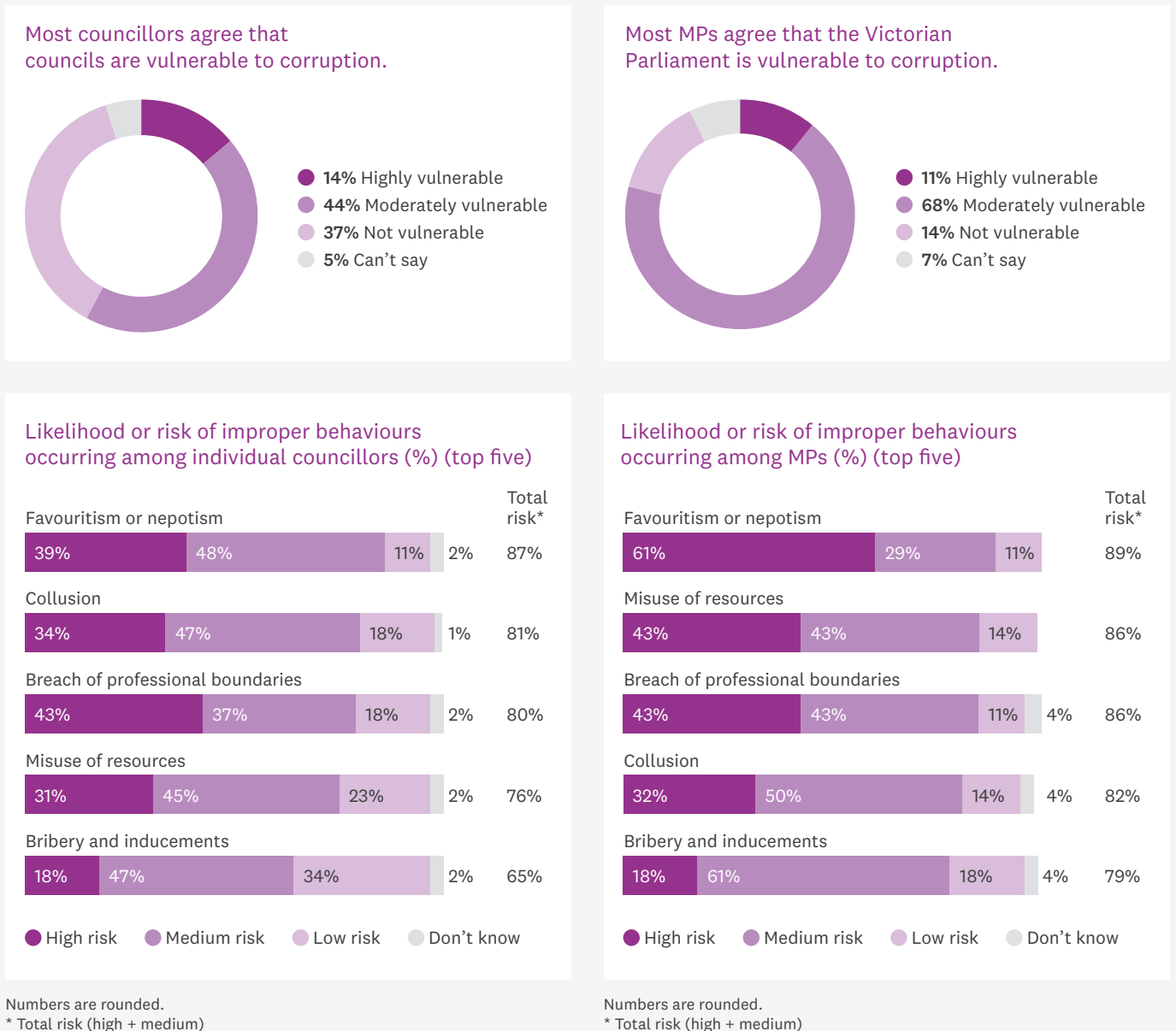
In August 2023, we released the findings of our 2023 perceptions of corruption surveys. This was the first time we have sought the opinions of members of the Victorian Parliament (MPs) and councillors to better understand their knowledge of corruption, perceptions of its prevalence and attitudes towards reporting.

The voluntary survey was sent to all Victorian MPs and councillors in May 2023, and 159 people participated. It builds on the surveys we conducted in 2022 with state and local government employees, Victoria Police employees, business suppliers and the Victorian community.

The survey findings reinforced the importance of several recommendations we made in the Operation Sandon Special report, including the need for better training on governance, leadership and integrity, and the development of a model councillor code of conduct.

In April and May 2024, we conducted the perceptions of corruption survey with Victorian public sector employees, local government employees, Victoria Police employees, business suppliers who have tendered for or been contracted to provide services to the Victorian public sector or local government, and the Victorian community. Results will be published in 2024/25.

Figure 2. Perceptions of corruption 2023 results



2.1 Prevention and education cont.

SPECIAL REPORT

Operation Sandon Special report

Operation Sandon Special report was tabled on 27 July 2023.

Operation Sandon was an investigation into allegations of corrupt conduct involving councillors and property developers in the City of Casey (Casey Council). The report exposes serious corruption vulnerabilities in Victoria's planning decision-making processes at both state and local government levels.

Operation Sandon was the biggest investigation in our history, involving:

- 40 days of public hearings over two years
- seven private examinations
- 450+ exhibits logged
- 47.4 terabytes of data extracted from electronic devices
- 800+ hours of recordings
- seven summonses to produce documents actioned and 29 warrants.

The reforms we proposed are significant and wide-reaching. They will promote transparency in planning decisions, enhance donation and lobbying regulation, improve the accountability of ministerial advisors and electorate officers, and strengthen council governance. They are designed to minimise the risk of the behaviours we exposed from recurring.

PROGRESS REPORT

Operation Watts Progress report

Together with the Victorian Ombudsman, IBAC tabled *Operation Watts Progress report* in September 2023.

The aim of the report was to remind the Victorian Government of the importance of implementing the recommendations made in the special report on Operation Watts, which was tabled one year earlier, in 2022.

Operation Watts looked into branch stacking in the Australian Labor Party and how it resulted in the alleged misuse of public funds for political purposes.

Published works

In 2023/24, IBAC tabled *Operation Sandon Special report* and *Operation Watts Progress report* in Victorian Parliament. These reports identified ongoing corruption risks and made recommendations aimed at addressing them, while also promoting a robust culture of integrity.

In September 2023, we published a suite of sector profiles on the IBAC website to highlight the most prevalent corruption and misconduct risks in each sector and how to prevent them. These profiles of the local government, transport, education and human services sectors draw on data collected from allegations and IBAC investigations. Talks with people in each sector informed the information we included to help people respond better to these risks and vulnerabilities. Work is underway on profiles relating to five different sectors, due to be published in 2024/25.

In 2023/24, we made 48 recommendations to public sector agencies under section 159 of the IBAC Act. These recommendations seek to strengthen integrity in planning decision-making processes, improve governance within local government and enhance central agency oversight of funding arrangements.

Table 10. Recommendations made to the public sector in 2023/24 under section 159 of the IBAC Act

Sector	Recommendations made by IBAC
Public sector agencies	48

Impact

In June 2024, the Victorian Parliament passed the *Local Government Amendment (Governance and Integrity) Act 2024 (Vic)*, which addresses several recommendations in our July 2023 report on Operation Sandon. In particular, the amendment gives effect to IBAC’s recommendation to introduce a model councillor code of conduct that must be adopted by all councils. It requires councillors to undertake annual training on governance, leadership and integrity, and provides options to better manage councillor misconduct.

In May 2024, the Victorian Government introduced the *Parliamentary Workplace Standards and Integrity Bill 2024*.² Upon commencement, this Act will implement many of the recommendations from Operation Watts, including reforms to establish a parliamentary workplace standards and integrity commission to investigate allegations of misconduct, and a parliamentary ethics committee to promote ethical practices by members of Victorian Parliament.

In December 2023, the updated *Ministerial Code of Conduct* came into effect. This code of conduct for Victorian Government ministers and parliamentary secretaries was updated to address recommendations from Operation Watts and Operation Daintree to prevent MPs from employing family members in their offices and to clarify the roles and responsibilities of ministerial officers and departmental staff. This update also implemented recommendations from our October 2022 *Special report on corruption risks associated with donations and lobbying*, which called for the publication of ministerial diaries.

In May 2024, we conducted an audit of all the recommendations that IBAC has made to the Victorian public sector (excluding Victoria Police) from 2014 to 2023. We found that:

- 95 per cent of recommendations not currently in progress have been fully implemented by public sector agencies
- 70 per cent met agreed timeframes when reporting to IBAC on the implementation of recommendations
- most recommendations were fully implemented within two years.

² Royal assent was given to the *Parliamentary Workplace Standards and Integrity Act 2024 (Vic)* on 20 August 2024.

2.1 Prevention and education cont.

Continuing work

A key project in our *2021–2024 Corruption Prevention Strategy* is developing our Organisational Integrity Maturity Framework and rating tool to inform agencies about how to strengthen their corruption resistance and assist them in determining their current and target levels of maturity in key focus areas.

In 2023, we consulted with integrity agencies and state government departments on the development of the framework and rating tool. Our work in 2024 has focused on developing the data collection and rating tool, with a pilot to be undertaken with a select number of public sector agencies in 2024/25.

We continue to explore opportunities to collaborate with other Victorian integrity agencies on data collection and development of performance measures through our Prevention and Education Advisory Committee, which meets quarterly. This forum enables:

- sharing of learnings
- feedback on projects, such as developing performance measures and survey instruments
- collaboration across the agencies on upcoming activities.

We are also exploring prevention and education opportunities to address systemic corruption vulnerabilities relating to the use of public funds in the health sector as relevant open investigations continue.

CASE STUDY 1

IBAC regional forums – corruption risks in local government

In the lead-up to an election period, integrity risks can be heightened. Ahead of the Victorian local government elections (October 2024), IBAC prioritised proactive engagement with local councils across Victoria.

In May 2024, we held two in-person regional forums in Horsham and Warragul. The forums were designed to educate and support local government staff, integrity and governance officers, administrative officers and public sector leaders within the Horsham Rural City Council, Baw Baw Shire and surrounding council areas.

Over 150 people attended these regional forums to learn more about how to identify, prevent and manage corruption risks in local government, including conflicts of interest, misuse of information and resources, improper influence, and vulnerabilities in procurement.

IBAC received positive engagement and feedback from attendees across the two events, with survey satisfaction ratings from each event above our benchmarks.

The overall satisfaction rating from respondents who attended the Horsham Rural City Council forum was 100 per cent, with 92 per cent agreeing that they would apply the learnings from the event to their work.

With the Baw Baw Shire forum, we received an overall satisfaction rating of 96 per cent, with 93 per cent agreeing that they would apply the learnings from the event to their work.

Feedback from the two forums also indicated that in-person events were the preferred format and attendees appreciated the opportunity to network and engage directly with presenters.

More forums on corruption risks in local government are planned for 2024/25.

2.2 Complaints and assessment

Anyone can make a complaint about public sector corruption or police misconduct online, by email, by phone or by mail. People can make complaints and provide information anonymously. People who do not wish to make a formal complaint can provide IBAC with information through our website. The information provided can trigger an investigation, or it can help us find ways to prevent corruption.

Our jurisdiction covers the entire Victorian public sector. This means we can receive complaints or information about:

- state and local government departments and agencies
- schools
- Victorian Parliament
- Victoria Police
- hospitals
- the judiciary.

When we receive a complaint, our first step is to consider the information provided and any related information available to IBAC. If we have enough information, we begin assessing the complaint. If we need more information and the complaint was not made anonymously, we contact the complainant and seek more information to help us better understand the allegations.

We aim to assess the information we receive within 45 days. However, sometimes the volume of the information provided or the complexity of the issues in the complaint mean an assessment takes longer. Delays can occur if we need more information, or if the complaint is being made on behalf of another person, because we need to establish an authority to act before we can progress the assessment.

We may also conduct a 'preliminary inquiry' to determine whether to refer, investigate or dismiss a complaint. Preliminary inquiry data is found in the section of this annual report titled 'Investigations'.

We also assess complaints according to the requirements of the PID Act. The PID Act protects people who report improper conduct and corruption in the Victorian public sector (also known as 'whistleblowers'). If a complaint is a 'public interest complaint', the person who made the complaint has certain confidentiality protections under the PID Act.

Following our assessment, the three main actions we can take are to:

- investigate the complaint
- refer the complaint to another agency to investigate
- dismiss the complaint.

As part of assessing a complaint, we consider whether the allegations raised should be investigated by IBAC, or whether it would be more appropriate for another body to investigate, in which case we refer the complaint to that body.

We handle the information and personal details we receive carefully, in accordance with relevant legislation.

The legislation we operate under does not let us investigate:

- issues arising in other Australian states or territories
- Commonwealth parliamentarians, departments or agencies
- the private sector, unless public officials and/or public authorities are involved or affected. In some circumstances, private contractors and consultants can be considered to be public officers if they are performing public functions.

Sometimes we dismiss a complaint because:

- it does not reach the threshold for further action by IBAC or another body
- the allegations might be about service delivery (for example, rudeness)
- a complaint has already been made to another body
- we are already aware of the issue and are taking steps to investigate or deal with it.

While not all complaints and notifications we receive lead to an IBAC investigation, the information we receive is valuable and can inform other or future IBAC investigations, as well as our broader work to help prevent corruption and police misconduct.

2.2 Complaints and assessment cont.

We monitor notifications from Victoria Police and public sector agencies daily. By law, IBAC must be notified of:

- potential PIDs
- allegations of police misconduct by Victoria Police
- suspected corrupt conduct.

We can take immediate action to request more information, actively monitor ongoing Victoria Police investigations, review a Victoria Police investigation or commence an own-motion IBAC investigation.

Enhanced complainant experience

One of IBAC's guiding principles is to put the interest of Victorians at the centre of all that we do. Our multi-year complainant experience program is an important aspect of this work. The program aims to improve complainants' understanding of IBAC's functions and jurisdiction, as well as what to expect when making a complaint.

In 2023/24, we continued to work on enhancing the complainant experience by improving key touchpoints with complainants. A review of key touchpoints and feedback from complainants showed that it is not always clear what IBAC can and cannot investigate and what the assessment process involves.

The first touchpoint for many complainants is our website. In May and June 2024, we ran a six-week search advertising campaign targeted to Victorians in both metro and regional areas. The aim of this campaign was to direct Victorians to our website to learn more about IBAC, make a complaint or provide information.

The campaign delivered an estimated 8,000 Victorians to IBAC's website.

In 2023/24, we developed several online resources, including information sheets and a video about the complaint process, to help the public better understand IBAC's investigative powers, how to lodge a complaint and what happens after making a complaint.

We also updated IBAC's acknowledgement letters, which we send after a person lodges a complaint, and the pre- and post- assessment letters we send during the assessment process. These letters were revised using clear and accessible language to make it easier to understand IBAC's assessment processes and what to expect after making a complaint to IBAC.

The core objective of our enhanced complainant experience initiative is for complainants to feel heard and to believe that we took their complaint seriously. In 2023/24, IBAC employees participated in training to identify and understand strategies to effectively engage with complainants and people who provide information. Training included:

- trauma informed awareness
- interacting with complainants
- managing complex behaviours
- awareness of family violence
- an understanding of the Charter of Human Rights
- support for receiving complaints over the telephone
- referral procedures.

IBAC is also focused on identifying risks and reducing potential impacts of trauma exposure during interactions with people who have experienced trauma. In 2023/24, IBAC employees undertook training to strengthen workplace safety and identify the indicators and impacts of trauma, with a focus on managing wellbeing and recognising vicarious trauma.

Output performance

Table 11 shows our performance against the 2023/24 BP3 performance measures for complaint assessments.

The assessment of PIDs and PID notifications within 30 days increased from 65 per cent in 2022/23 to 69 per cent in 2023/24. Timeliness targets were exceeded for the assessment of PID and PID notifications in the third and fourth quarters, with 74 per cent of PID notifications assessed within 30 days during the fourth quarter. The assessment of public sector complaints and notifications in 45 days increased from 55 per cent in 2022/23 to 58 per cent in 2023/24. Assessment of police complaints and notifications within 45 days remained at 48 per cent for the whole financial year, but increased to 58 per cent in the fourth quarter. Full-year results were impacted by our focus on finalising the assessment of matters that were more than 45 days old in the first part of the year.

In 2023/24, we developed internal management dashboards to monitor timeliness of our assessments. The improved visibility of which stage complaints are in is enabling us to better understand our resourcing needs to improve timeliness. This improvement is expected to flow on to next financial year.

We also updated our risk and complexity matrix to better quantify the complexity of complaints. This allows us to contextualise our timeliness results. While the number of complaints we receive is stabilising after the COVID-19 pandemic, there was a 15 per cent increase from 2022/23 to 2023/24 in the number of complaints and notifications that we rated as 'medium' or 'high' complexity.

We will continue to focus on quality and continuous improvement in all our performance measures in 2024/25.

Table 11. Output performance – complaint assessments^(a)

Performance measures	Unit of measure	2023/24 target	2023/24 actual	Variation against target (%)	Result
Timeliness					
PIDs and PID notifications assessed within 30 days	Percentage	70	69	-1	○
Complaints and notifications about police personnel conduct and police personnel corrupt conduct assessed by IBAC within 45 days	Percentage	60	48	-20	□
Complaints and notifications about public sector corrupt conduct (excluding police personnel conduct and police personnel corrupt conduct) assessed by IBAC within 45 days	Percentage	60	58	-3	○

Key

- ✓ Delivered in full – all planned actions have been delivered to expectation.
- Delivered in part – some planned actions have been delivered to expectation.
- Not delivered – planned actions were not delivered.

Notes

(a) Numbers are rounded.

2.2 Complaints and assessment cont.

2.2.1 Police

As Figure 3 demonstrates, over the period 2021, 2022 and 2023 there was a marked increase in the number of complaints and notifications IBAC received about Victoria Police.

In 2023/24, we experienced a steady number of complaints and notifications. However, these were often characterised by a higher degree of complexity. In 2023/24, IBAC received 1,942 complaints and notifications related to Victoria Police.

Of the complaints and notifications received about Victoria Police, 85 per cent were complaints and 15 per cent were notifications. Under the PID Act, 303 of the police complaints and notifications received were PID disclosures or notifications. Table 12 shows the number of complaints and notifications received and assessed during 2023/24 that relate to Victoria Police.

In 2023/24, IBAC assessed 1,966 complaints and notifications about Victoria Police. Table 13 provides a breakdown of allegations by issue. In 2023/24, most allegations we assessed about Victoria Police related to 'inaction'. Inaction is defined as failure to:

- obey instructions or policies
- properly investigate
- report misconduct or corruption
- take sufficient or appropriate action
- provide adequate care or supervision.

Figure 3. Complaints and notifications received relating to Victoria Police

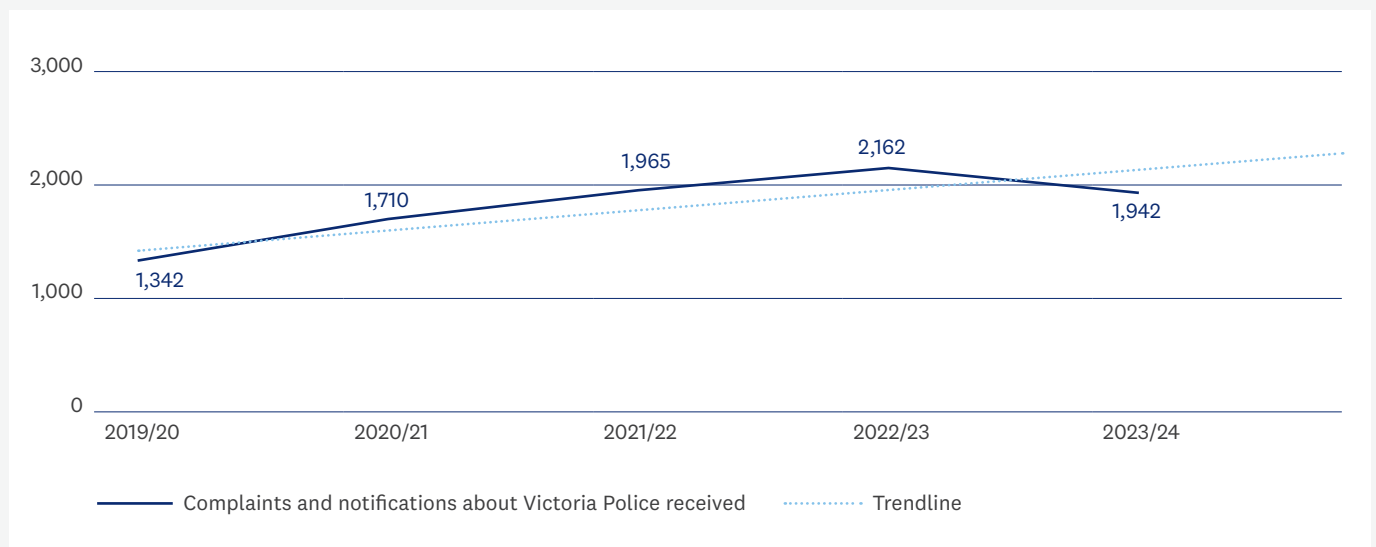


Table 12. Complaints and notifications – Victoria Police^(a)

	2023/24	2022/23	2021/22
Received			
Total complaints and notifications received	1,942	2,162	1,965
• complaints	1,654	1,909	1,756
• notifications	288	253	209
– PIDs and PID notifications ^(b)	303	242	192
Assessed			
Total complaints and notifications assessed	1,966	2,084	1,786
• complaints	1,685	1,840	1,580
• notifications	281	244	206
Warrants further action			
Complaints and notifications assessed by IBAC that warrant investigation or further action ^(c)	406	367	505

Notes

(a) Section 169 notifications are excluded from this data, as they are processed separately.

(b) PID and PID notifications are a subset of complaints and notifications received.

(c) Complaints and notifications that warrant further action are those that we decide to conduct a preliminary inquiry into, investigate or refer to another relevant body.

Table 13. Allegations assessed by issue – Victoria Police

Classification	Proportion of total allegations assessed by IBAC (%) ^(a)
Inaction	40.4
Breach of professional boundaries	24.1
Force	10.2
Criminal behaviour, drugs and minor offences	6.5
Obstruction of justice	5.5
Misuse of resources	4.8
Favouritism	2.6
Not in jurisdiction	2.5
Collusion	1.4
Fraud	1.2
Theft	0.8

Note

(a) Numbers are rounded.

2.2 Complaints and assessment cont.

2.2.2 Public sector

Figure 4 shows the number of complaints and notifications IBAC received relating to Victorian public sector agencies and departments from 2019/20 to 2023/24.

In 2023/24, IBAC received 1,213 complaints and notifications relating to the public sector. Of the complaints and notifications received about the public sector, 71 per cent were complaints and 29 per cent were notifications. Under the PID Act, 205 of these complaints and notifications were assessable disclosures.

IBAC assessed 1,329 complaints and notifications in 2023/24. As mentioned earlier, each part of a complaint is assessed before we make a decision about whether we can investigate the allegation(s). Table 14 shows the number of complaints and notifications received and assessed during 2023/24 that relate to the public sector.

In 2023/24, most allegations we assessed about the public sector related to ‘inaction’ (29 per cent), followed by ‘favouritism’ (16.6 per cent) and ‘breach of professional boundaries’ (13.8 per cent). Favouritism includes failure to manage conflicts of interest, hiding or failing to disclose conflicts of interest and seeking or showing preferential treatment. Breach of professional boundaries includes bullying and harassment, discrimination and exceeding delegated powers. The percentage of allegations relating to each category of behaviour is shown in Table 15.

Figure 4. Complaints and notifications received relating to the public sector

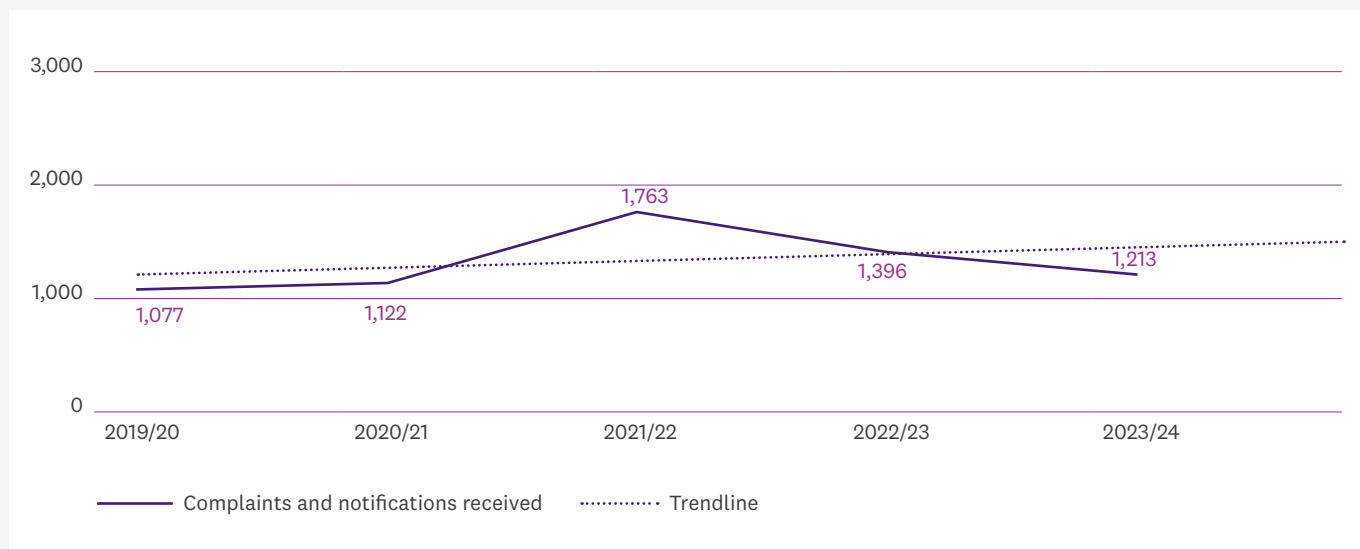


Table 14. Complaints and notifications – public sector^(a)

	2023/24	2022/23	2021/22
Received			
Total complaints and notifications received	1,213	1,396	1,763
• complaints	857	824	1,392
• notifications	356	572	371
– PIDs and PID notifications ^(b)	205	264	197
Assessed			
Total complaints and notifications assessed	1,329	1,417	1,628
• complaints	939	864	1,234
• notifications	390	553	394
Warrants further action			
Complaints and notifications assessed by IBAC that warrant investigation or further action ^(c)	331	351	332

Notes

(a) Section 169 notifications are excluded from this data as they are processed separately.

(b) PID and PID notifications are a subset of complaints and notifications received.

(c) Complaints and notifications that warrant further action are those that we decide to conduct a preliminary inquiry into, investigate or refer to another relevant body.

Table 15. Allegations assessed by issue – public sector

Classification	Proportion of total allegations assessed by IBAC (%) ^(a)
Inaction	29.0
Favouritism	16.6
Breach of professional boundaries	13.8
Collusion	8.6
Not in jurisdiction	6.1
Misuse of resources	6.0
Fraud	5.3
Theft	3.5
Obstruction of justice	3.3
Bribery and inducements	2.7
Force	2.7
Criminal behaviour, drugs and minor offences	2.4

Note

(a) Numbers are rounded.

2.3 Investigations

In deciding which matters to prioritise for investigation, IBAC considers factors such as:

- seriousness of the conduct
- systemic corruption risks
- whether the conduct is still occurring
- our strategic focus areas
- whether the conduct involves someone who is at risk.

We do not need a complaint to start an investigation and can decide to initiate an investigation within our jurisdiction at any time. This is called an own-motion investigation.

Our powers to investigate and prevent public sector corruption and police misconduct are set out in the IBAC Act. Under the IBAC Act and other relevant legislation, when we undertake an investigation, we may:

- issue witness summons compelling people to answer questions, provide documents or other things to IBAC
- hold public or private examinations
- seek and execute search warrants to enter premises and seize documents and other things
- apply for a warrant to arrest people who fail to comply with a witness summons or prevent a person from leaving Australia to avoid an IBAC examination
- make recommendations to prevent police misconduct or corruption
- publish reports and prevention resources
- bring criminal charges as a result of an investigation or refer matters to the Office of Public Prosecutions.

To ensure we use our powers appropriately, we must apply to courts and tribunals before exercising certain powers. The Public Interest Monitor reviews and makes submissions on our applications for surveillance device warrants and telecommunication interception warrants. We are also subject to scrutiny by various bodies, including the Victorian Inspectorate and the Victorian Parliamentary Integrity and Oversight Committee (IOC).

As part of an investigation, we may hold private and/or public examinations. Examinations are not trials and do not determine guilt or innocence. They are used as an investigative tool to gather information and support our efforts to prevent and expose police misconduct.

Investigations Framework

In 2023/24, we continued implementing our *Investigations Framework*, a multi-year strategic initiative to better support and streamline our investigations work.

The *Investigations Framework* describes the way IBAC conducts preliminary inquiries and investigations. It supports stronger governance of investigations, setting out clear timeframes and decision-making points. Over time, the *Investigations Framework* will improve our ability to:

- prioritise our investigations in circumstances where we have multiple investigations in progress at once and resource limitations
- standardise our internal reporting and streamline our work practices across preliminary inquiries and investigations
- identify weaknesses in an organisation's processes that could allow misconduct or corruption to occur by considering prevention issues from the outset of an investigation
- effectively collaborate throughout the lifecycle of an investigation through operations working groups
- improve our efficiency and effectiveness.

To support the implementation of the *Investigations Framework*, in 2023/24 we:

- created reporting templates to standardise internal reporting
- undertook process mapping to streamline work practices
- improved oversight of operations through new business intelligence dashboards
- integrated prevention work throughout the lifecycle of investigations into corruption and police misconduct from the outset to identify systemic weaknesses and improve recommendations.

Output performance

Table 16 shows our strong performance against the 2023/24 BP3 performance measures for investigations. Our timeliness actuals exceeded our targets for both standard and complex investigations.

Table 16. Output performance – investigations^(a)

Performance measures	Unit of measure	2023/24 target	2023/24 actual	Variation against target (%)	Result
Timeliness^(b)					
Proportion of standard IBAC investigations completed within 270 days	Percentage	60	100	67	✓
Proportion of complex IBAC investigations completed within 540 days	Percentage	60	89	48	✓

Key

- ✓ Delivered in full – all planned actions have been delivered to expectation.
- Delivered in part – some planned actions have been delivered to expectation.
- Not delivered – planned actions were not delivered.

Notes

(a) Numbers are rounded.

(b) ‘Completed’ is defined as when all planned investigation activities have been completed. It does not signal the end of an operation, which may include subsequent activity, such as public reporting. IBAC’s performance results should not be impacted by factors outside our control, such as a legal challenge to the release of a report. These factors affect timeliness data and do not accurately reflect our performance. Data that is more representative of our actual performance helps monitor and inform process improvements.

2.3 Investigations cont.

2.3.1 Police

IBAC may investigate police misconduct after receiving a complaint or notification from another public body, or on our own motion.

We are also required to ensure that Victoria Police officers and protective services officers have regard to human rights as set out in the Charter of Human Rights.

Table 17 shows the number of investigations and preliminary inquiries into Victoria Police that IBAC commenced and completed in 2023/24.

We completed 23 investigations into police misconduct, including allegations of racism, retaliatory behaviour, excessive use of force, failure to investigate family violence and human rights breaches.

Table 18 shows the number of examination days and witnesses called in 2023/24.

No prosecutions of Victoria Police personnel were completed during 2023/24.

Table 17. Investigations and preliminary inquiries – Victoria Police

	2023/24	2022/23
Preliminary inquiries commenced	5	10
Investigations commenced	32	7
• Standard	32	2
• Complex	0	5
Preliminary inquiries completed	6	6
Investigations completed ^(a)	23	9
• Standard	20	3
• Complex	3	6
Continuing investigations and preliminary inquiries at 30 June 2024	15	11

Note

(a) 'Completed' is defined as when all planned investigation activities have been completed. It does not signal the end of an operation, which may include subsequent activity such as public reporting. IBAC's performance results should not be impacted by factors outside of our control, such as a legal challenge to the release of a report. These factors affect timeliness data and do not accurately convey our performance. Data that is more representative of our actual performance helps monitor and inform process improvements.

Table 18. Examinations undertaken as part of IBAC investigations – Victoria Police

	2023/24
Private examination days	5
Public examination days	0
Witnesses called	5

CASE STUDY 2

Focused Police Complaints Pilot

From 16 October 2023 to 26 April 2024, IBAC piloted a dedicated, multi-disciplinary team to assess and investigate single-incident complaints about police misconduct received from members of communities at a higher risk of experiencing police misconduct.³ The communities included Aboriginal and Torres Strait Islander people, LGBTIQ+ people, culturally and linguistically diverse people, people aged under 18 years, people experiencing mental illness and people with disability.

Based on consultations with members from these communities, IBAC identified opportunities to improve communication with people who have made a complaint and reduce the length of time it takes to conduct investigations.

The intent of the Focused Police Complaints Pilot (the Pilot) was to:

- reduce barriers to reporting through better engagement with these communities
- reduce response times for people from these communities who make a complaint to IBAC
- improve transparency and complainants' understanding of how IBAC investigates police misconduct.

The types of single-incident complaints that IBAC assessed as part of the Pilot included allegations of:

- an officer using force excessively on a person
- an officer searching without justification
- an officer arresting without justification
- an officer treating someone unfairly based on their race, ethnicity, religion, gender identity, sexual orientation or age
- an officer covering up misconduct or charging a victim of police misconduct with an offence to divert attention from, or justify, the misconduct.

IBAC assessed 94 complaints and notifications and commenced 24 police personnel misconduct investigations as part of the Pilot. Through a dedicated team focusing on single-incident police complaints, the median number of days to assess complaints and notifications decreased to 29 days during the Pilot, which was fewer than the typical median number of assessment days.

When it came to investigations, the median number of days from the start of an investigation to the end of investigation activity was 54.5 days, which is less than a standard IBAC police investigation.

The Pilot provided an opportunity to collaborate and improve engagement with key community groups to understand their respective needs. It also allowed for continuing collaboration across different work areas within IBAC, which strengthened internal working relationships and ensured that a range of perspectives informed the conduct of an investigation.

Going forward, IBAC will embed this targeted and more efficient approach for investigating single-incident complaints about Victoria Police personnel misconduct from people from communities at higher risk of experiencing police misconduct.

³ *Inquiry into the external oversight of police corruption and misconduct in Victoria* (particularly chapter 5) (apo.org.au/node/190261); *Inquiry into Victoria's criminal justice system* (particularly chapter 5) (parliament.vic.gov.au/49c519/contentassets/6961bccea1ac41dd812811ab0312170d/lclsic-59-10-vic-criminal-justice-system.pdf); Yoorrook Justice Commission Public Hearings: 27 April – 15 May 2023, Chief Commissioner Shane Patton's evidence on 8 May 2023 (commencing at p. 499) (yoorrookjusticecommission.org.au/wp-content/uploads/2023/05/WUR.HB5_00004.0249972-Hearing-Block-5-Day-7-8-May.pdf); *Royal Commission into Aboriginal Deaths in Custody* (Chapter 2 'Disproportionate Numbers in Custody') (austlii.edu.au/au/other/IndigLRes/rciadic/regional/nsw-vic-tas/15.html); Monash university's research in Melbourne's south east '*Police are good for some people, but not for us: Community perspectives on young people, policing and belonging in Greater Dandenong and Casey*' (p. 13) (researchmgt.monash.edu/ws/portalfiles/portal/312308789/27291408_oa.pdf); Police Accountability Project submission to the Royal Commission into Victoria's Mental Health System (2019) (section 3) (policeaccountability.org.au/wp-content/uploads/2019/07/Submission-Police-Accountability-Project-RCMH.pdf).

2.3 Investigations cont.

CASE STUDY 3

Operation Corindi

Operation Corindi is an own-motion investigation into police personnel conduct under section 64(1)(c) of the IBAC Act.

Operation Corindi relates to vulnerabilities in Victoria Police's Remote Access Digital Audio Recording System (RADARS) that were notified to IBAC by Victoria Police in 2020 and subsequently reviewed by Victoria Police's Intelligence and Covert Support Command under Operation Magenta.

The deficiencies in the RADARS system allowed Victoria Police members to access information that was subject to legal professional privilege and should have been quarantined. Operation Magenta identified 65 affected operations. A follow-up questionnaire indicated that in 20 of these operations, members recalled listening to conversations or accessing call summaries between targets and lawyers or law firms.

Professional Standards Command then conducted their own enquiries under Operation Ballard, including follow-up interviews with the members in question, concluding that the allegations were unfounded in all instances.

IBAC established Operation Corindi to oversee the progress of Operation Magenta and determine whether Victoria Police members exploited vulnerabilities in the RADARS system to misuse privileged material. Operation Corindi also reviewed actions by Victoria Police to identify and acquit its disclosure obligations in the current and historical prosecutions potentially impacted by the RADARS vulnerabilities.

In 2022, IBAC conducted interviews with 10 members of Victoria Police under section 84 of the IBAC Act and analysed documents relevant to the investigations. Operation Corindi examined the conduct of Victoria Police members to the extent that they may have:

- accessed privileged material by deliberately exploiting vulnerabilities in RADARS
- used privileged material knowingly, without disclosure
- accessed material they assumed was likely to be privileged, then failed to check or disclose whether this was in fact the case.

IBAC did not find any evidence to substantiate the claims of misconduct by members. However, information provided during interviews demonstrated systemic vulnerabilities in Victoria Police's identification and handling of privileged material. As a result of Operation Corindi, IBAC made recommendations to Victoria Police.

2.3.2 Public sector

To start an investigation into public sector corruption, IBAC needs to reasonably suspect ‘corrupt conduct’ has occurred, which is conduct that constitutes a relevant offence. A relevant offence may be:

- an indictable offence against an Act
- bribery of a public official
- perverting (or attempting to pervert) the course of justice
- misconduct in public office.

We must prioritise allegations about serious or systemic corruption for investigation. However, we are not restricted to serious allegations, and we assess and investigate a broad range of allegations. As mentioned earlier, it is not always possible to report on our work immediately, but we will continue to publish information about our investigations as we are able to.

Table 19 shows the number of investigations and preliminary inquiries into the public sector that IBAC commenced and completed in 2023/24.

We completed eight investigations into public sector corruption.

Table 20 shows the number of examination days and witnesses called in 2023/24.

Table 21 shows details of convictions occurring in 2023/24 as a result of IBAC investigations and prosecutions relating to the public sector.

Table 19. Investigations and preliminary inquiries^(a) – public sector

	2023/24	2022/23
Preliminary inquiries commenced	9	8
Investigations commenced	4	4
• Standard investigations commenced	2	3
• Complex investigations commenced	2	1
Preliminary inquiries completed	11	6
Investigations completed ^(b)	8	5
• Standard investigations completed	2	2
• Complex investigations completed	6	3
Continuing investigations and preliminary inquiries at 30 June	9	7

Notes

- (a) The figures in this table include own-motion investigations, where we decide to investigate without a complaint from an individual or a notification from a public sector body.
- (b) ‘Completed’ is defined as when all planned investigation activities have been completed. It does not signal the end of an operation, which may include subsequent activity, such as public reporting. IBAC’s performance results should not be impacted by factors outside of our control, such as a legal challenge to the release of a report. These factors affect timeliness data and do not accurately reflect our performance. Data that is representative of our actual performance helps monitor and inform process improvements.

Table 20. Examinations undertaken as part of IBAC investigations – public sector

	2023/24
Private examination days	50
Public examination days	0
Witnesses called	43

2.3 Investigations cont.

Table 21. Prosecutions resulting from IBAC investigations – public sector

Operation	Date	Who	Result
Sturt	25/10/2023	Northe John, Russell	Convicted and sentenced to total of 21 months' imprisonment, with a non-parole period of 12 months. Appeal against sentence refused by the Court of Appeal on 27 June 2024.
Lansdowne	12/09/2023	Molan, Maurice	Fined \$2,500 without conviction.
Lansdowne	04/12/2023	Taylor, Rebecca	Convicted and sentenced to a combined sentence of eight months' imprisonment, and a community corrections order of four years (comprising supervision and 400 hours of unpaid work).
Lansdowne	04/12/2023	Snelleksz, Heather	Convicted and sentenced to a community corrections order of three years (comprising supervision and 250 hours' unpaid work).
Esperance	16/05/2024	Bollas, Peter	Convicted and sentenced to a community corrections order for three years and six months with the following conditions: <ul style="list-style-type: none"> • 300 hours of unpaid community work • assessment and treatment for mental health • supervision.

CASE STUDY 4

Operation Macalister

Operation Macalister investigated an allegation of a corrupt relationship between an employee at the Department of Jobs, Precincts and Regions (DJPR) and a private media organisation⁴ offering several creative industry services.

In early 2020, DJPR engaged the media organisation to deliver community initiatives. Operation Macalister established that no conflicts of interest were declared, authorisation for these procurements was documented retrospectively, and relied on exemptions to standard procurement rules, given the special circumstances at the time.⁵ Documentation and procurement contracts showed that DJPR paid the media organisation \$2.747 million for these initiatives.

In May 2020, DJPR's Integrity Services team raised conflict of interest concerns, which were reviewed and dismissed internally.⁶ DJPR determined the matter would not go through a formal misconduct process.⁷

IBAC's investigation⁸ found that an employee accepted payments totalling \$10,500 from accounts associated with their contact at the media organisation. No evidence was detected that the payments from the media organisation were bribes or were intended to seek preferential treatment. IBAC investigators established that the payments were loans sought by the employee and that the employee failed to declare a conflict of interest as required by DJPR's relevant policy.⁹

In November 2022, IBAC disclosed the findings of Operation Macalister with DJPR. IBAC considered that the procurement approach taken in these engagements was high risk and highly vulnerable to corruption. The investigation demonstrated the value of procurement rules, which ordinarily apply, and the need for exemptions to be authorised sparingly and with care.

On 1 January 2023, DJPR became the Department of Jobs, Skills, Industry and Regions (DJSIR). To further strengthen the conflict of interest framework, their Integrity Services Unit:

- reviewed and refreshed the conflict of interest policy
- implemented mandatory integrity training (which was not in place when these breaches occurred)
- implemented a Corporate Connect facility to enhance its provision of integrity advice
- continues to raise awareness of conflict of interest obligations through targeted training sessions and regular department-wide communications.

A response from DJSIR is set out in Appendix E, titled 'Natural justice'.

⁴ The media organisation is not the subject of any adverse comment or opinion - IBAC Act section 165(7)(c).

⁵ Evidence reviewed by IBAC included procurement contracts, policies, post-procurement documentation and conflict of interest declarations provided to IBAC by DJPR.

⁶ Evidence reviewed by IBAC included DJPR emails, file notes and Integrity Services briefings.

⁷ Evidence reviewed by IBAC included a letter from People and Culture to the employee.

⁸ Evidence reviewed by IBAC included the employee's financial records, witness statements, an interview with the employee and data from electronic devices.

⁹ DJPR conflict of interest policy, July 2020.

2.4 Oversight

IBAC plays an important and significant role in police and public sector oversight in Victoria. Broadly, our oversight role includes receiving and assessing complaints about the conduct of police and public sector personnel, conducting investigations and monitoring compliance with Victorian legislation.

In our investigations and special reports, we periodically make recommendations for specified administrative actions. Copies of our investigations and special reports can be found in the resource centre on the IBAC website (www.ibac.vic.gov.au/resource-centre).

We also make recommendations for changes to Acts or laws in force in Victoria. These recommendations are listed in Appendix C, titled ‘Compliance reporting’.

When a complaint or notification is referred to another agency to investigate, we can require the agency to provide us with information on an investigation or actions taken in relation to the complaint or notification. We may conduct a review of the information provided.

Over the past year, we implemented an active monitoring function that focuses on Victoria Police personnel conduct and misconduct investigations. Active monitoring allows us to proactively assess the progress and appropriateness of certain investigations as they occur, take action or intervene earlier. This approach aligns with our strong focus on prevention and education by assisting police to improve their processes.

Our review jurisdiction and functions are in keeping with sections 15(6) and (7) of the IBAC Act. We require legislative reform to ensure proper oversight of both Victoria Police and the public sector. In 2023/24, we continued to advocate for legislative reforms that will better enable IBAC to meet its police misconduct and public sector corruption exposure, prevention and oversight objectives.

Reviews and thematic reviews are selected and considered against IBAC’s strategic focus areas and assist in identifying:

- systemic issues
- policy gaps and areas for improvement
- policy and procedure that is being used ineffectively
- misconduct and corruption risks.

Our legislative powers vary between our police oversight and public sector oversight functions. While there are other avenues for reporting public sector corruption, we are Victoria’s peak independent police oversight agency.

Output performance

Table 22 shows our strong performance against the 2023/24 BP3 performance measures for oversight. We exceeded our targets for both police and public sector activities.

Table 22. Output performance – oversight

Performance measures	Unit of measure	2023/24 target	2023/24 actual	Variation against target (%)	Result
Quantity					
Number of police oversight activities (including preliminary inquiries, investigations, active monitoring and reviews) completed	Number	242	260	7	✓
Number of public sector oversight activities (including preliminary inquiries, investigations and reviews) completed	Number	32	43	34	✓

Key

- ✓ Delivered in full – all planned actions have been delivered to expectation.
- Delivered in part – some planned actions have been delivered to expectation.
- Not delivered – planned actions were not delivered.

2.4.1 Police

As Victoria's independent police oversight agency, we have additional responsibilities to prevent and expose police misconduct and corruption. Our jurisdiction covers police personnel conduct, which includes unlawful conduct and conduct that departs from police standards, policies and procedures.

Police misconduct occurs when Victoria Police personnel behave disgracefully or improperly (on or off duty), bring Victoria Police into disrepute, or diminish public confidence in the police. It also occurs when a police officer or protective services officer commits an offence punishable by imprisonment.

In 2023/24, our police oversight work continued to focus on:

- high-risk police units, divisions and regions
- excessive use of force, including use of force on people at risk
- police responses to family violence incidents and predatory behaviour.

Reviews

Our review functions include:

- processing notifications received from Victoria Police under sections 169 and 170 of the *Victoria Police Act 2013* (Vic) to consider if they require review, active monitoring or another response by IBAC
- processing notifications received from Victoria Police about serious incidents or deaths associated with police contact to consider if they require review, active monitoring or another response by IBAC
- managing referrals to Victoria Police made in accordance with section 73 of the IBAC Act, where a decision has been made to review the investigation conducted by Victoria Police when it has been completed or monitor the investigation while it is ongoing.

In April 2024, we published *Investigations into the use of OC spray by Victoria Police*, a summary of our thematic review of 15 internal investigations by Victoria Police into the use of OC spray by police and protective services officers between January 2020 and March 2022.

The review found that nine out of the 15 investigations were not of the expected standard. It also found that some Victoria Police officers consider using OC spray as a 'low level' type of force. This was evident by the actions of officers during incidents, the classification of complaints involving the use of OC spray as 'minor misconduct', and the standard of most internal investigations that examined these incidents.

In 2023/24, we obtained and examined data and information from Victoria Police in relation to civil litigation allegations to increase the transparency and oversight of allegations of police misconduct. This work will continue in 2024/25.

Our thematic review analysing the use by Victoria Police of vehicles as a force option against physically vulnerable people resulting in serious injury or a high risk of serious injury or death will be finalised in 2024/25.

2.4 Oversight cont.

CASE STUDY 5

Review into police use of force at a mental health incident

In February 2022, police responded to reports that a person (P1) was having a mental health episode, damaging property and threatening residents. As officers approached P1, P1 attempted to grab one of the officers by the throat. The officer immediately used two bursts of OC spray to P1's face at short range and took them to the ground. P1 lost consciousness shortly after the OC spray was deployed. P1 was left lying on their stomach with their hands handcuffed behind their back for several minutes while waiting for paramedics.

Victoria Police conducted an oversight investigation and determined that the officers acted appropriately. The file noted that the person did not lodge a complaint.

IBAC's review of the Victoria Police investigation file and body worn camera footage identified conflicts between the restraint techniques used and instructions in the *Victoria Police Manual*, which states: 'When using OC aerosols or handcuffs, prevent the possibility of positional asphyxia by ensuring subjects:

- do not have their face covered
- are not left lying face down with their hands restrained behind their back.¹⁰

IBAC's review identified the following issues with Victoria Police's investigation into the matter:

- the investigation was not timely
- the investigator did not contact the majority of officers involved or any other witnesses to make enquiries
- the investigator's analysis of use of force was insufficient and overly relied on body worn camera footage
- the ethics and professional standards officer who was overseeing the investigation did not identify any of the above issues.

The investigator's report also did not mention important health and safety considerations, such as:

- whether the person lost consciousness due to the use of OC spray
- the increased risk of suffocation when the person was handcuffed while lying on their stomach.

IBAC made a request for further action to Victoria Police.

¹⁰ Victoria Police Manual – Operational safety equipment, Section 6.2 'Restraint techniques and positional asphyxia, June 2020.

External Oversight Unit

The External Oversight Unit (EOU) is responsible for performing IBAC's external oversight functions under relevant legislation.

This includes monitoring compliance by Victoria Police and reviewing certain decisions made under the following legislation:

- *Crimes Act 1958 (Vic)* – IBAC monitors compliance by Victoria Police when taking DNA profile samples, including records of authorisations for taking samples and other recordkeeping and reporting requirements.
- *Drugs, Poisons and Controlled Substances Act 1981 (Vic)* – IBAC inspects the certificates of health and safety destruction or disposal of substances and items found on public or private land.
- *Firearms Act 1996 (Vic)* – IBAC monitors compliance in relation to powers exercised in the use of firearm prohibition orders (FPOs) and reviews FPOs each quarter to determine whether an order should have been made.
- *Sex Offenders Registration Act 2004 (Vic)* – IBAC monitors compliance with requirements in relation to keeping a Sex Offenders Register.
- *Witness Protection Act 1991 (Vic)* – IBAC monitors the keeping of records in relation to managing protected witnesses and exercising powers.

To perform these functions, the EOU conducts inspections, reviews administrative decisions, provides authoritative legal advice, prepares reports, makes recommendations and engages with relevant stakeholders.

In response to the Royal Commission into the Management of Police Informants, the Victorian Government has introduced legislation that will require IBAC to establish a new compliance and reporting function in relation to Victoria Police's registration and management of human sources. The EOU has been working with relevant stakeholders and developing internal policies and procedures in preparation for implementing this function upon commencement of the Human Source Management Act in September 2024.

Crimes Act 1958 (Vic)

In December 2023, IBAC provided the Attorney-General with a report under section 464ZP of the *Crimes Act 1958 (Vic)*. The report was for the period from 1 July 2019 to 31 December 2022. We made 18 recommendations to Victoria Police within the report.

Drugs, Poisons and Controlled Substances Act 1981 (Vic)

In 2023, our officers conducted a desktop inspection of Victoria Police's records relating to the destruction of drugs, poisons, controlled substances, items and equipment. The inspection covered the period from 1 July 2022 to 30 June 2023.

IBAC reported to the Minister for Police on this inspection in May 2024.

2.4 Oversight cont.

Firearms Act 1996 (Vic)

In October 2023, IBAC provided the Minister for Police with the *Firearm Prohibition Order Biennial Ministerial Report* on the Chief Commissioner of Victoria Police's compliance with Parts 4A and 10A of the Firearms Act. The report covered the inspection period from 8 May 2018 to 31 December 2020. Under the Firearms Act, IBAC must make recommendations in private. IBAC made five recommendations to the Chief Commissioner in private. Four recommendations were accepted.

In 2023/24, IBAC officers conducted quarterly reviews of representative samples of FPOs made by Victoria Police in the 2023 and 2024 calendar years. In total, IBAC reviewed the making of 87 FPOs. IBAC determined that Victoria Police should review one FPO to determine whether it should be revoked. Upon review, Victoria Police advised that revocation was not warranted. IBAC made another seven recommendations to the Chief Commissioner of Police that did not pertain to the review and revocation of a specific FPO. These recommendations were accepted by the Chief Commissioner.

In 2023/24, we have matured our reporting process for quarterly review by:

- providing extensive reasoning as to why we consider a FPO should not have been made
- recommending that the Victoria Police review of the FPOs be conducted by delegates who were not part of the original decision to make the orders when IBAC considers that certain FPOs should not have been made
- requiring Victoria Police to provide IBAC with reasons why the FPO should remain in place when Victoria Police decides that an FPO that is challenged by IBAC should remain in place.

Sex Offenders Registration Act 2004 (Vic)

In December 2023 and January 2024, we conducted an inspection of Victoria Police records, reports and access to the Sex Offenders Register to monitor Victoria Police's compliance with Parts 3 and 4 of the *Sex Offenders Registration Act 2004* (Vic) for the period from 1 January 2021 to 31 December 2022.

IBAC will report to the Minister for Police early in 2024/25 regarding our findings from this inspection.

Witness Protection Act 1991 (Vic)

In March 2024, IBAC officers conducted an inspection of Victoria Police's witness protection records pursuant to section 20E of the *Witness Protection Act 1991* (Vic) (Witness Protection Act).

On 3 June 2024, we provided a report to the Minister for Police pursuant to section 20G of the Witness Protection Act outlining the results of this inspection. We made no recommendations to Victoria Police within the report.

2.4.2 Public sector

Our oversight of public sector corrupt conduct includes reviewing investigations conducted by public sector agencies where a decision has been made to refer the completed investigation for review by IBAC. Reviews can help identify corruption risks, including systemic and organisational issues.

Corruption includes a public officer or body dishonestly performing their duties or misusing their public position for personal gain or for the improper gain of others. Examples include public officers taking or offering bribes, awarding contracts to family or friends, and misusing information gained through their position for personal benefit or the benefit of friends or family.

A large part of our public sector work focuses on developing prevention and education initiatives that assist departments and agencies to perform their duties fairly and honestly.

With increased resources, we have been able to invest more in our prevention and education work, which is covered in the section of this annual report titled 'Prevention and education'.

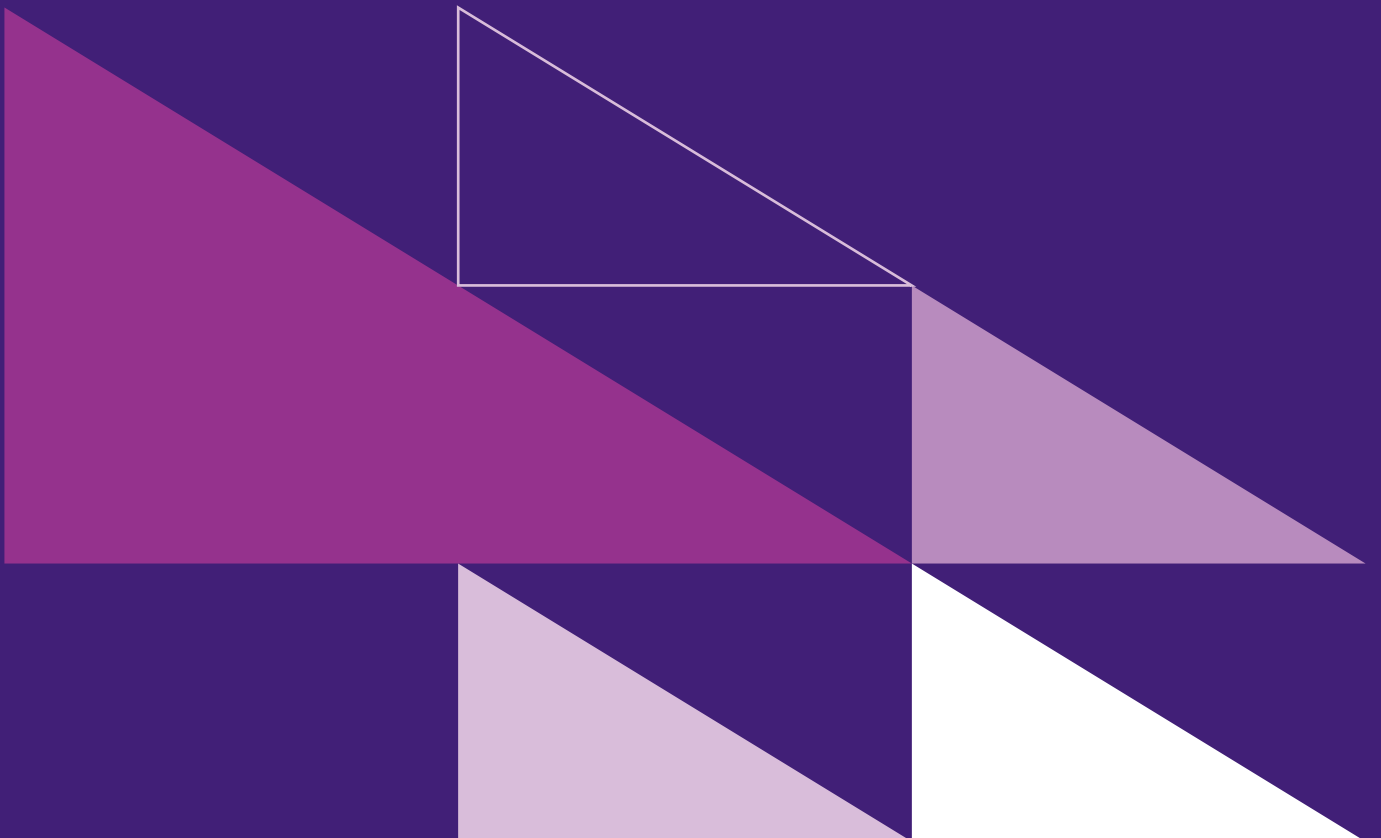
Reviews

In 2023/24, we completed 24 reviews of public sector investigations. Topics covered included:

- falsification of documents by private entities to obtain money under government grant schemes
- misuse of public resources (equipment and property) for personal gain
- falsification of timesheets or improper claims for food and travel expenses resulting in payments staff were not entitled to (V/Line only)
- excessive use of force by specialist emergency response teams on prisoners and young people in youth justice facilities
- poor record keeping (in particular at Port Phillip Prison) and possible obscuring of behaviour through inaccurate incident reporting.

3

Our people and organisation



3.1 People strategy

We are a connected, inclusive and flexible organisation. We encourage a safe environment that empowers our people to be and do their best. We do this by investing in training, systems, processes, data and IT infrastructure that are fit for purpose, and supporting our people to be leaders and pursue interesting career pathways.

In 2023/24, we continued to work towards our strategic objective of building a progressive and connected workplace through the implementation of our People Strategy. Our People Strategy aims to deliver contemporary services and value to the Victorian community across three streams.

People

- Having the right people in the right roles at the right time.

Culture

- Building a more inclusive and connected workplace.

Capability

- Strengthening individual and organisational skills.

3.1.1 People

As part of the 'People' stream, we completed a review of our payroll systems and processes and began implementing a new payroll system and human resources information system. These new systems will provide consistent and regular workforce data reporting, which will help us to better understand and meet our developing requirements.

To support the recruitment and onboarding of employees, we embedded a new model of business partnering. This model implements our policies and processes to ensure fair and inclusive hiring practices. Our business partners bring expertise and support to our people leaders so they can focus on finding and keeping the best people for the job.

3.1.2 Culture

In 2023/24, IBAC launched our *Reflect Reconciliation Action Plan* (RAP), after it was formally endorsed by Reconciliation Australia, and our RAP ambassadors completed RAP ambassador training.

Continuing our commitment to a gender-inclusive and connected workplace, we completed our first gender impact assessment of key IBAC policies and assisted policy owners to update their policies to be gender-neutral.

Our senior leadership team developed an action plan to address the 2023 People Matter Survey results. Key actions coming out of the plan included introducing a quarterly people leaders' forum and delivering training across our organisation that explores the mindsets and behaviours that contribute to a healthy workplace culture while maintaining alignment with our values.

We also acknowledged several important events:

- Harmony Week
- International Day Against LGBTIQ+ Discrimination
- International Women's Day
- Men's Health Week
- National NAIDOC Week
- National Reconciliation Week
- Wear It Purple Day.

3.1.3 Capability

Over the past year, we embedded the *Victorian Public Service Capability Framework* into all IBAC position descriptions and offered new training opportunities to our people leaders to provide them with leadership tools.

The most significant of these is the leadership development program, a continuing training opportunity designed to further develop the skills of our people leaders. Through a 360-degree feedback process, our leaders are learning how to better use their individual and collective skills to communicate with their team members and the IBAC community more broadly.

3.2 Enabling IT and data infrastructure program

In 2023/24, we delivered several information and communication technology (ICT) and data infrastructure initiatives to support the work that we do.

We rolled out a new service management tool that centralises service offerings across the organisation, continued our cloud migration, and upgraded our Policy Centre and underlying infrastructure to improve functionality and user experience. Both systems support automated custom reporting and document approval workflows, increasing efficiency and flexibility.

We also developed a data governance framework and data maturity policies to better support the ways we manage and interpret information.

We continue to focus on enhancing our capability in cyber security through ongoing reviews of our systems and controls and regular cyber security awareness training for all employees.

We continue to focus on enhancing our capability in cyber security through ongoing reviews of our systems and controls and regular cyber security awareness training for all employees.

3.3 Organisational structure

3.3.1 Ministers

The Attorney-General of Victoria is the responsible Minister for IBAC and is supported by DJCS.

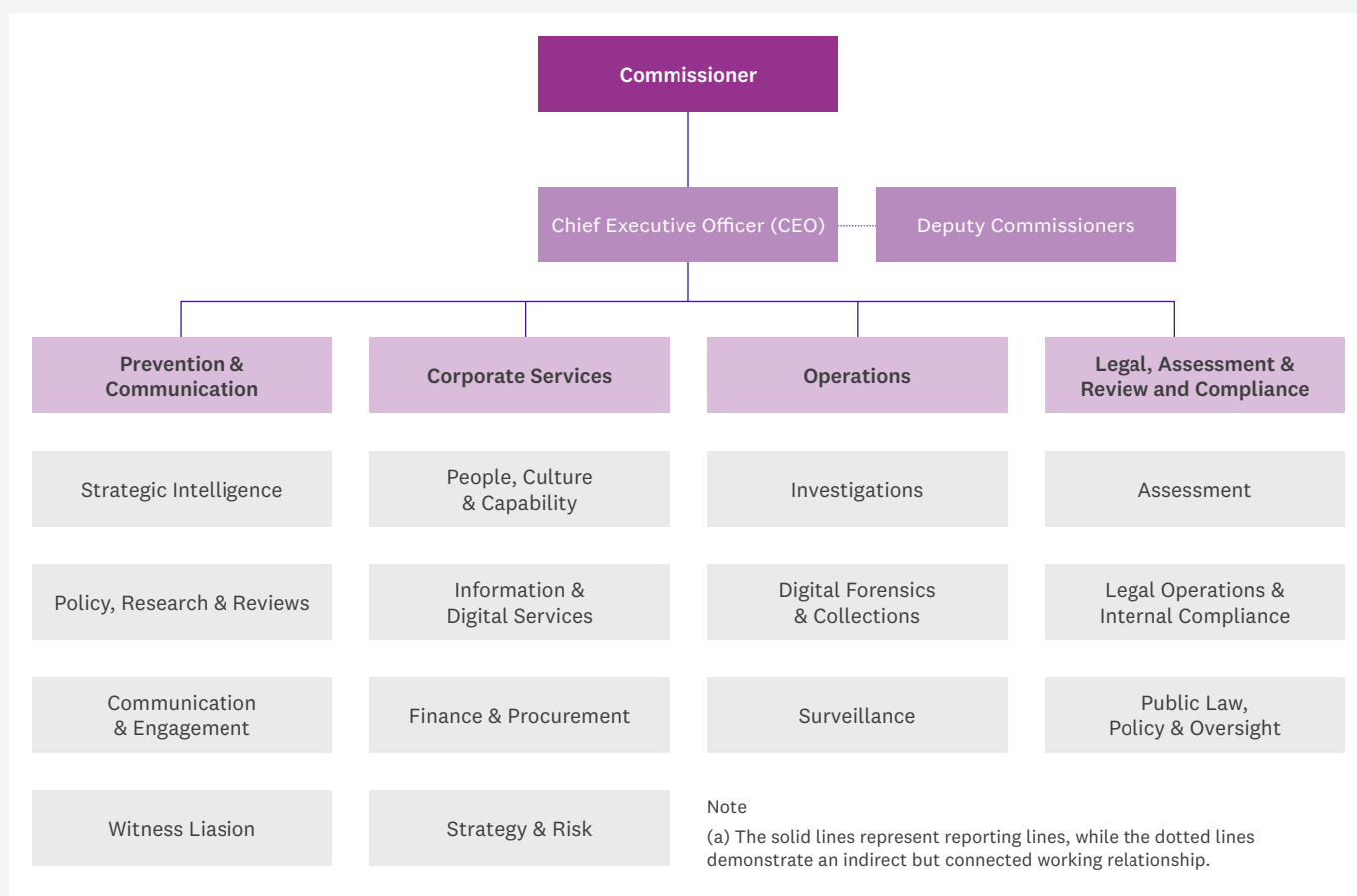
However, IBAC is not subject to the direction or control of the Attorney-General in the performance of our duties and functions or the exercise of our powers.

The Attorney-General receives reports on IBAC's:

- telecommunications interception warrants
- surveillance device warrants
- assumed identities.

The Honourable Jaclyn Symes MP was the Attorney-General during the reporting period.

Figure 5. Organisational structure^(a) at 30 June 2024



3.3 Organisational structure cont.

3.3.2 Executive team

IBAC's executive team provides leadership and strategic direction to IBAC and makes sure that we meet our goals and legislative responsibilities in an accountable and responsible way.

IBAC Commissioner

IBAC's Commissioner is an independent officer of Victorian Parliament and drives our strategic leadership.

Victoria Elliott rejoined IBAC in December 2023. She is an integrity specialist and lawyer with more than 25 years' experience in the management of legal, investigations, compliance and integrity frameworks. From 2016 to 2023, she was the Deputy Public Interest Monitor, representing the public interest in terrorism and witness protection matters, and applications for specialist covert warrants and orders. Prior to this, she established IBAC's legal and compliance division. She also led the legal and compliance team at the former Office of Police Integrity, pioneering the agency's first public hearings. Among other roles, Ms Elliott worked at the Royal Commission into the Building and Construction Industry and the former National Crime Authority.

Stephen Farrow was Acting Commissioner from December 2022 to December 2023.

Chief Executive Officer

IBAC's CEO is responsible for the general conduct and the effective, efficient and economical management of IBAC's functions and activities.

Alison Byrne joined IBAC in August 2024 with 25 years' experience in criminal law and regulation. She has considerable experience leading regulatory agencies across diverse policy areas, including building and trades regulation and approvals, elections and campaign finance, and professional standards for police and veterinarians. An experienced leader of large-scale operations across a range of disciplines – including legal services, customer experience, program management, compliance, risk and policy – Ms Byrne holds a Master of Business Administration, Bachelor of Laws and Bachelor of Social Science majoring in criminology.

Marlo Baragwanath was IBAC's CEO from January 2020 to March 2024.

Linda Timothy was IBAC's Acting CEO throughout the remainder of 2023/24.

Deputy Commissioners

IBAC's Deputy Commissioners assist the Commissioner, performing duties and functions under the IBAC Act.

Stephen Farrow joined IBAC in July 2021 as a Deputy Commissioner and was Acting Commissioner from December 2022 to December 2023. Beginning his career as a solicitor, Deputy Commissioner Farrow has extensive experience in public law and policy. Mr Farrow was previously the full-time Deputy Chairperson of the Adult Parole Board, the first non-judicial officer appointed to that role in the board's 64-year history. He was CEO of the Sentencing Advisory Council from 2008 and has held several roles in DJCS focusing on terrorism and criminal law reform.

David Wolf joined IBAC in January 2020, bringing a broad range of skills, expertise and a deep understanding of regulatory, integrity, communication, public sector and council administration matters. Prior to joining IBAC, Mr Wolf was Victoria's inaugural Chief Municipal Inspector and head of the Local Government Inspectorate. He has also held positions as Director at the Victorian Building Authority and Deputy Director of Communications at the former Department of Planning and Community Development in Victoria.

Kylie Kilgour was Deputy Commissioner from January 2021 to February 2024.

Executive directors

Prevention & Communication

Linda Timothy joined IBAC in February 2022 as Executive Director, Prevention & Communication, and was Acting CEO from March 2024 to August 2024. Dr Timothy leads IBAC's Strategic Intelligence, Prevention Policy & Research, Communication and Engagement teams as Executive Director, Prevention & Communication. She is an experienced leader with significant experience in public policy, stakeholder engagement, marketing and communications, and organisational and legislative reform. Dr Timothy holds a Bachelor of Science and a PhD in Life Sciences, and has completed the prestigious Williamson Community Leadership Program.

Corporate Services

Anna Higgs started with IBAC in September 2023. She currently leads IBAC's Finance & Procurement, Information & Digital Services, Strategy & Risk (including corporate strategic planning), and People, Culture & Capability teams. She has experience across a broad range of functions and disciplines, including finance and procurement, project management, governance, strategy, and audit. Ms Higgs worked as an executive at the Labour Hire Authority, DJCS and the Victorian Auditor-General's Office prior to joining IBAC.

Glenn Ockerby was the Executive Director Corporate Services from January 2020 to September 2023.

Operations

Peter Morris joined IBAC in October 2021 and led the Digital Forensics & Collections, Investigations and Surveillance teams until July 2024. Before commencing at IBAC, Mr Morris was a partner in the forensic practice of Deloitte, where he specialised in fraud and corruption risk management. He began his career as a sworn member of the Australian Federal Police, where he worked in a range of divisions, including criminal intelligence, fraud and general crime. Mr Morris is an experienced leader with significant experience in law enforcement and professional services firms.

Legal, Assessment & Review, and Compliance

Stacey Killackey joined IBAC in May 2021. Ms Killackey leads IBAC's Legal, Assessment & Review, and Compliance teams. Her previous roles include Director, Workplace and Education Law at the former Department of Education and Training in Victoria. She is an experienced lawyer who began practising in 2000, primarily in workplace relations and litigation. Prior to working in government, Ms Killackey was at Corrs Chambers Westgarth.

3.4 Governance and committees

Governance refers to the ways in which IBAC is directed, controlled and held to account, both internally and externally. IBAC's internal governance includes:

- internal accountability structures (organisational structure and committees)
- delegations and authorisations
- policies and procedures
- risk and compliance management
- strategy and performance management
- culture (leadership and behaviours)
- assurance mechanisms.

External governance includes the roles, relationships and distribution of powers, accountabilities and responsibilities between Victorian Parliament, the IOC, the Victorian Inspectorate, the Attorney-General, DJCS, OVIC and the Victorian public sector.

Table 23 outlines the functions of bodies that have oversight of IBAC, including the Attorney-General of Victoria, the Public Interest Monitor, the Supreme Court of Victoria and the Magistrates' Court of Victoria.

IBAC's governance arrangements are described in detail in our *Governance Charter*, which is available on the IBAC website (www.ibac.vic.gov.au/governance-charter).

Table 23. Bodies and their roles in overseeing IBAC

Body	Role
Victorian Parliamentary IOC	<ul style="list-style-type: none"> • Monitors and reviews the performance of IBAC • Examines published IBAC reports
Victorian Inspectorate	<ul style="list-style-type: none"> • Monitors IBAC compliance with the IBAC Act and other laws • Oversees IBAC's performance of its functions under the PID Act • Receives and investigates complaints about IBAC
Attorney-General of Victoria	Receives IBAC reports on: <ul style="list-style-type: none"> • telecommunications interception warrants • surveillance device warrants • assumed identities
Victorian Public Interest Monitor	Reviews IBAC applications for surveillance device and telecommunications interception warrants
Supreme Court of Victoria and Magistrates' Court of Victoria (issuing judge or magistrate)	Receives IBAC reports on surveillance device warrants
Commonwealth Ombudsman	Inspects IBAC's use of stored communications warrants and telecommunications data authorisations
Australian Government Department of Home Affairs	Receives IBAC reports on: <ul style="list-style-type: none"> • telecommunications interception warrants • telecommunications data authorisations • stored communications warrants

Audit and Risk Management Committee

The Audit and Risk Management Committee provides independent assurance and advice on the effectiveness of IBAC's internal controls, risk management and compliance frameworks, and its financial statement responsibilities.

The committee met four times in 2023/24 and provided advice to the IBAC Commissioner and CEO on:

- the effectiveness of our systems and controls for financial and organisational risk management
- our annual financial statements
- our internal audit function
- recommendations made by internal and external auditors
- actions in response to the audit effectiveness of our compliance-management processes and remedial actions to remedy deficiencies in compliance
- compliance with the FM Act and *Standing Directions 2018* (Standing Directions).

Membership

In 2023/24, the Audit and Risk Management Committee comprised four external, independent members, with one member appointed as Chair.

Sara Watts (Chair until September 2023)

Ms Watts is a non-executive director and was the Chair until September 2023. She has worked in sectors including information technology, higher education, the arts and disability, and has experience in financial management, technology deployment and governance. Ms Watts holds a Bachelor of Science and a Master of Business Administration, is a Fellow of CPA Australia and a Fellow of the Australian Institute of Company Directors.

Geoff Harry (Chair from November 2023)

Mr Harry is a non-executive director and commenced as Chair in November 2023. He has extensive skills in financial reporting, assurance, governance, risk management and control frameworks at state and local government levels, as well as in the corporate sector. Mr Harry has a Bachelor of Commerce and is a Fellow of Chartered Accountants Australia and New Zealand, a Fellow of CPA Australia and a Graduate Member of the Australian Institute of Company Directors.

Jennifer Johanson

Ms Johanson is an experienced non-executive director in financial services, education and the not-for-profit sector. Her deep capability in governance and risk management is supported by strong communication and negotiation skills, and a background in audit, risk and information technology. Ms Johanson is a chartered accountant and a certified information systems auditor with a Bachelor of Commerce and is a Graduate Member of the Australian Institute of Company Directors.

Chris Sheehan

Mr Sheehan is a senior executive at the National Australia Bank with almost 30 years' international and domestic law enforcement experience in national security, organised crime and crisis management. Mr Sheehan has deep knowledge of investigative management. He specialises in financial management, corporate governance and formulating policy, building trust with all stakeholders to make sure information flows freely.

Marcia Doheny

Ms Doheny is an experienced non-executive director and audit and risk committee chair. She has extensive skills in law, governance and public administration, having worked as a senior executive in state and local government and as a lawyer in private legal practice. Ms Doheny has degrees in Arts and Law and is a Graduate Member of the Australian Institute of Company Directors.

3.5 Occupational health and safety

In 2023/24, we continued to build a strong health and safety culture at IBAC.

We are developing a mental health and wellbeing framework to align our approach with the *Mental Health and Wellbeing Charter for the Victorian Public Sector* and *Leading the Way*, the Victorian Government's governance framework to drive organisational health, safety and wellbeing improvement across Victorian government workplaces. Our framework focuses on prevention and lays out the organised and preventive measures we can use to better support mental health and wellbeing at the organisational, team and individual levels.

In October 2023, we delivered onsite training to managers on neurodiversity in the public sector. We also conducted five Leading Mental Health for Managers training sessions in October and November 2023 to equip people leaders with practical tools and strategies to promote their own mental health and that of their team members.

Our people participated in a broad range of health and safety training throughout the year. This included health and safety representatives (HSRs) completing HSR training and ensuring first aiders maintained their first aid qualifications.

In addition to periodic reviews of our policies, procedures and risk registers, we provided a range of health and wellbeing services throughout the year, including:

- skin checks
- flu vaccinations
- onsite health checks
- encouraging employees to become more active.

Our framework focuses on prevention and lays out the organised and preventive measures we can use to better support mental health and wellbeing at the organisational, team and individual levels.

3.6 Workforce inclusion policy

We are committed to continuing to provide an inclusive workplace that values diversity. In line with our corporate values, we strive to lead by example in providing equal opportunities and respect. Refer to the section in this annual report titled 'People strategy' for activities completed in 2023/24 to support this commitment.

In line with our corporate values, we strive to lead by example in providing equal opportunities and respect.

3.7 Employment and conduct principles

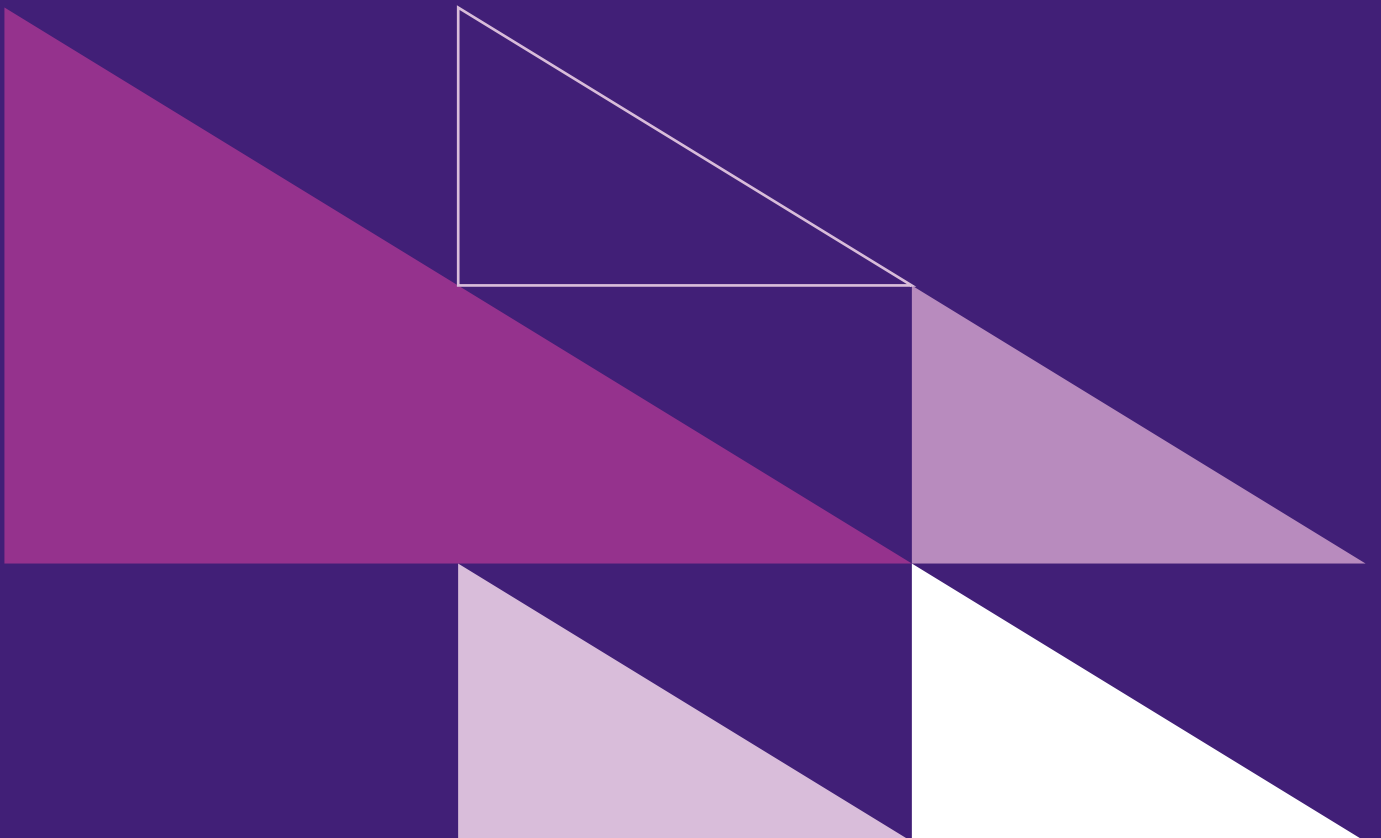
Our policies and practices are consistent with the VPSC's employment standards, and provide for fair treatment, career opportunities and the early resolution of workplace issues.

We are committed to applying merit and equity principles when appointing employees. The selection processes make sure that applicants are assessed and evaluated fairly and equitably on key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections. See Appendix A, titled 'Workforce data' for details.

We advise employees on how to avoid conflicts of interest, how to respond to offers of gifts and how we deal with misconduct.

4

Financial report



Contents

Independent auditor's report	64
Declaration in the financial statements	66

Financial statements **67**

Comprehensive operating statement	67
Balance sheet	68
Cash flow statement	69
Statement of changes in equity	70

Notes to the financial statements **71**

1. About this report	71
2. Funding delivery for our services	72
3. The cost of delivering services	73
4. Key assets available to support output delivery	77
5. Other assets and liabilities	84
6. Financing our operations	86
7. Risks, contingencies and valuation judgements	90
8. Other disclosures	96
9. Glossary of technical terms	101
10. Style conventions	103

Independent auditor's report



Victorian Auditor-General's Office

Independent Auditor's Report

To the Commissioner of the Independent Broad-based Anti-corruption Commission

Opinion	<p>I have audited the financial report of the Independent Broad-based Anti-corruption Commission (the commission) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2024• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including material accounting policy information• declaration in the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the commission as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the commission in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Commissioner's responsibilities for the financial report	<p>The Commissioner of the commission is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Commissioner determines necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Commissioner is responsible for assessing the commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the commission's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner
- conclude on the appropriateness of the Commissioner's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the commission to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Commissioner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
10 September 2024



Roberta Skliros
as delegate for the Auditor-General of Victoria

Declaration in the financial statements

The attached financial statements for the Independent Broad-based Anti-corruption Commission have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes presents fairly the financial transactions during the year ended 30 June 2024 and financial position of IBAC at 30 June 2024.

At the time of signing, we are not aware of any circumstance that would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 9 September 2024.



Victoria Elliott

Commissioner
IBAC

Melbourne
9 September 2024



Alison Byrne

Chief Executive Officer
IBAC

Melbourne
9 September 2024



Prem Sharma

Director Finance and Procurement
IBAC

Melbourne
9 September 2024

Financial statements

Comprehensive operating statement

For the financial year ended 30 June 2024^a

	Notes	2024 (\$'000)	2023 (\$'000)
Income from transactions			
Output appropriation	2.1	63,161	59,027
Total income from transactions		63,161	59,027
Expenses from transactions			
Employee expenses	3.1.1	44,324	38,837
Depreciation and amortisation	4.1.2	4,778	5,087
Interest expense	6.1.3, 7.1.1	327	349
Other operating expenses	3.2	13,732	14,754
Total expenses from transactions		63,161	59,027
Net result from transactions (net operating balance)		-	-
Other economic flows included in net result			
Other gains/(losses) from other economic flows	8.2	195	(176)
Total other economic flows included in net result		195	(176)
Net result		195	(176)
Comprehensive result		195	(176)

The accompanying notes form part of these financial statements.

Note

(a) The format of this statement is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting* (AASB 1049).

Financial statements cont.

Balance sheet

As at 30 June 2024^a

	Notes	2024 (\$'000)	2023 (\$'000)
Assets			
Financial assets			
Cash and cash equivalents	6.2	386	316
Receivables	5.1	20,046	18,969
Total financial assets		20,432	19,285
Non-financial assets			
Non-financial physical assets held for sale	8.7	71	60
Property, plant and equipment	4.1	11,740	12,152
Intangible assets	4.2	-	102
Other non-financial assets	5.3	2,532	2,300
Total non-financial assets		14,343	14,614
Total assets		34,775	33,899
Liabilities			
Payables	5.2	1,912	1,778
Borrowings	6.1	8,500	9,169
Employee-related provisions	3.1.2	9,257	8,210
Other provisions	5.4	121	121
Total liabilities		19,790	19,278
Net assets		14,985	14,622
Equity			
Accumulated surplus		8,265	8,070
Contributed capital		6,720	6,552
Net worth		14,985	14,622

The accompanying notes form part of these financial statements.

Note

(a) The format of this statement is aligned to AASB 1049.

Cash flow statement

For the financial year ended 30 June 2024^a

	Notes	2024 (\$'000)	2023 (\$'000)
Cash flows from operating activities			
Receipts and payments			
Receipts from government		62,085	58,889
Goods and services tax (GST) from the Australian Taxation Office (ATO) ^b		1,705	2,133
Total receipts		63,789	61,022
Payments to suppliers and employees		(59,100)	(56,822)
Interest paid		(327)	(349)
Total payments		(59,427)	(57,171)
Net cash flows from/(used in) operating activities	6.2	4,363	3,851
Cash flows from investing activities			
Purchases of non-financial assets		(1,392)	(1,626)
Proceeds from disposal of leased assets		485	298
Net cash flows from/(used in) investing activities		(908)	(1,328)
Cash flows from financing activities			
Repayment of principal portion of lease liabilities		(3,553)	(3,360)
Owner contributions by state government appropriation for capital expenditure purposes		168	1,105
Net cash flows from/(used in) financing activities		(3,385)	(2,255)
Net increase/(decrease) in cash and cash equivalents		70	268
Cash and cash equivalents at beginning of financial year		316	48
Cash and cash equivalents at end of financial year	6.2	386	316

The accompanying notes form part of these financial statements.

Notes

(a) The format of this statement is aligned to AASB 1049.

(b) GST recovered from the ATO is presented on a net basis.

Financial statements cont.

Statement of changes in equity

For the financial year ended 30 June 2024^a

	Accumulated surplus (\$'000)	Contributed capital (\$'000)	Total (\$'000)
Balance at 30 June 2022	8,246	5,447	13,693
Net result for the year	(176)	-	(176)
Capital appropriations	-	1,105	1,105
Balance at 30 June 2023	8,070	6,552	14,622
Net result for the year	195	-	195
Capital appropriations	-	168	168
Balance at 30 June 2024	8,265	6,720	14,985

The accompanying notes form part of these financial statements.

Note

(a) The format of this statement is aligned to AASB 1049.

Notes to the financial statements

1. About this report

This annual financial report represents the audited general-purpose financial report for IBAC for the year ended 30 June 2024. The purpose of this report is to provide users with information about IBAC's stewardship of resources entrusted to it.

The financial report covers the controlled operations of IBAC as a reporting entity.

IBAC is constituted by the IBAC Act. Our principal address is Level 1, North Tower, 459 Collins Street, Melbourne VIC 3000.

A description of the nature of IBAC's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

1.1 Basis of preparation

These financial statements:

- are presented in Australian dollars
- are rounded to the nearest \$1,000 unless otherwise stated
- are prepared in accordance with the historical cost convention unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis
- apply accrual basis of accounting, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of the Australian Accounting Standards Board (AASB) 1004 *Contributions* (AASB 1004):

- contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of IBAC
- additions to net assets that have been designated as contributions by owners are recognised as contributed capital
- other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes, where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying the Australian Accounting Standards (AASs) that have significant effects on the financial statements and estimates are disclosed in the notes under the heading 'Significant judgement or estimates'.

1.2 Compliance information

This general-purpose financial report has been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable AASs, which include interpretations issued by AASB. In particular, it is presented in a manner consistent with the requirements of AASB 1049.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Notes to the financial statements cont.

2. Funding delivery for our services

The primary purpose of IBAC is to strengthen the integrity of the Victorian public sector and police, and to enhance community confidence in public sector accountability and police conduct.

2.1 Appropriation

	2024 (\$'000)	2023 (\$'000)
Output appropriation	63,161	59,027
Total income from transactions	63,161	59,027

Once annual parliamentary appropriations are applied by the Treasurer, they become controlled by IBAC and are recognised as income when applied for the purposes defined under the relevant appropriation Act.

Output appropriations: Income from the output appropriation is recognised when the outputs have been delivered and the Assistant Treasurer or the Treasurer has certified delivery of the outputs in accordance with specified performance criteria, as outlined in the Department of Treasury and Finance budget papers.

2.2 Summary of compliance with annual parliamentary and special appropriations

	Appropriations Act			Financial Management Act			
	Annual appropriation (\$'000)	Advance from Treasurer (\$'000)	Section 30 (\$'000)	Section 32 (\$'000)	Total Parliamentary Authority (\$'000)	Appropriations applied (\$'000)	Variance ^(a) (\$'000)
2024							
Controlled							
Provision of outputs	61,672	1,177	312	-	63,161	63,161	-
Additions to net asset base	-	-	(312)	480	168	168	-
Total	61,672	1,177	-	480	63,329	63,329	-
2023							
Controlled							
Provision of outputs	54,895	4,732	(600)	-	59,027	59,027	-
Additions to net asset base	-	1,105	600	70	1,775	1,105	670
Total	54,895	5,837	-	70	60,802	60,132	670

Note

(a) The 2022/23 variance relates to Treasurer's approval of a transfer of \$600,000 from operating to capital funding over two years under sections 30 and 32 of the FMA. The total additions to net asset base for 2022/23 include \$120,000 approved for 2022/23 and the remaining \$480,000 applied in 2023/24.

3. The cost of delivering services

This section provides an account of the expenses incurred by IBAC in delivering services and outputs. In Note 2, the funds that enable the provision of services were disclosed and, in this note, the costs associated with provision of services are recorded.

3.1 Expenses incurred in the delivery of services

	Notes	2024 (\$'000)	2023 (\$'000)
Employee expenses	3.1.1	44,324	38,837
Other operating expenses	3.2	13,732	14,754
Total employee expenses		58,056	53,591

3.1.1 Employee benefits in the comprehensive operating statement

	2024 (\$'000)	2023 (\$'000)
Salaries, wages and leave expenses	40,399	35,496
Defined contribution superannuation expense	3,823	3,271
Termination benefits	86	54
Defined benefit superannuation expense	17	16
Total employee expenses	44,324	38,837

Employee expenses include all costs related to employment, including wages and salaries, superannuation, fringe benefits and payroll tax, leave entitlements, termination payments and WorkCover premiums. Employee expenses are recognised in the period in which the employee expenses are incurred.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when IBAC is either demonstrably committed to terminating the employment of current employees according to a detailed formal plan that has no possibility of withdrawal, or providing termination benefits because of an offer made to encourage voluntary redundancy.

3.1.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered. Assumptions for employee benefit provisions are made based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates.

Notes to the financial statements cont.

	2024 (\$'000)	2023 (\$'000)
Current provisions		
Current employee benefits - annual leave		
Unconditional and expected to settle within 12 months	2,104	1,929
Unconditional and expected to settle after 12 months	540	617
Current employee benefits - LSL		
Unconditional and expected to settle within 12 months	565	456
Unconditional and expected to settle after 12 months	3,304	3,089
Total current employee benefits	6,513	6,090
Current provisions for on-costs		
Unconditional and expected to settle within 12 months	511	411
Unconditional and expected to settle after 12 months	744	645
Total current on-costs	1,255	1,055
Total current provisions	7,768	7,146
Non-current provisions		
Employee benefits	1,248	912
On-costs	242	152
Total non-current provisions	1,489	1,064
Total provisions	9,257	8,210

Reconciliation of movement in on-cost provision

	2024 (\$'000)	2023 (\$'000)
Opening balance	1,208	1,117
Additional provisions recognised	1,468	572
Increase/(reduction) resulting from remeasurement	5	46
Reductions arising from payments/other sacrifices of future economic benefits	(1,183)	(527)
Closing balance	1,498	1,208
Current	1,255	1,055
Non-current	242	152
Total	1,498	1,208

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities and measured at undiscounted rates because IBAC does not have an unconditional right to defer settlements of these liabilities and expects these liabilities to be wholly settled within 12 months of the reporting date.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid as IBAC does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting, and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

Employment on-costs, such as payroll tax, workers compensation and superannuation, are not employee benefits. They are disclosed separately as components of the provision for employee benefits when the employment to which they relate has occurred.

Long service leave

Unconditional LSL is disclosed as a current liability, even where IBAC does not expect to settle the liability within 12 months, because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value – if IBAC expects to wholly settle within 12 months
- present value – if IBAC does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates, for which it is then recognised as an 'other economic flow' in the net result.

Notes to the financial statements cont.

3.1.3 Superannuation contributions

Employees of IBAC are entitled to receive superannuation benefits, and IBAC contributes to both defined benefit and defined contribution plans for its employees. The defined benefit plan provides benefits based on years of service and final average salary, while the defined contribution plan provides benefits based on the amount contributed into the fund by IBAC based on a fixed percentage of the employees' salaries.

Superannuation contributions paid or payable for the reporting period are included as part of employee benefits in IBAC's comprehensive operating statement.

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by IBAC are shown in the following table.

Fund	Paid contribution for the year	
	2024 (\$'000)	2023 (\$'000)
Defined benefit plan		
State Superannuation Fund – revised and new	17	16
Defined contribution plans		
Aware Super (formerly VicSuper)	1,904	1,575
AustralianSuper	513	414
Employer superannuation	444	391
Hostplus Super	149	153
Other	812	738
Total	3,840	3,287

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

IBAC does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance discloses in its annual financial report the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the state as the sponsoring employer).

There are no outstanding superannuation contributions for the reporting period.

3.2 Other operating expenses

	2024 (\$'000)	2023 (\$'000)
Contractors and professional services	5,242	6,022
Technology service	3,934	3,566
Accommodation and property	1,840	2,031
Other	1,003	1,561
Training and development	835	638
Communications and office related	288	271
Travel and transport	365	393
Preparation, publication and communication of IBAC reports	226	272
Total other operating expenses	13,732	14,754

Other operating expenses, which generally represent the day-to-day running costs incurred in normal operations, are recognised as an expense in the reporting period in which they are incurred.

4. Key assets available to support output delivery

IBAC controls assets that are used to fulfil its objectives and conduct its activities. They represent the key resources that have been entrusted to IBAC to be used for the delivery of those outputs.

4.1 Total key assets

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2024 (\$'000)	2023 (\$'000)	2024 (\$'000)	2023 (\$'000)	2024 (\$'000)	2023 (\$'000)
Buildings at fair value	20,837	18,324	14,656	11,673	6,182	6,651
Leasehold improvements at fair value	12,103	12,082	11,451	11,083	652	999
Capital work in progress at cost	630	84	-	-	630	84
Computer and communication equipment at fair value	7,358	8,178	5,083	5,249	2,276	2,929
Plant and equipment at fair value	3,700	3,108	3,034	2,880	666	228
Motor vehicles at fair value	1,844	1,811	509	549	1,336	1,262
Total	46,472	43,588	34,732	31,434	11,740	12,152

4.1.1 Total right-of-use assets: buildings and motor vehicles

The following table is a subset of total key assets by right-of-use assets.

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2024 (\$'000)	2023 (\$'000)	2024 (\$'000)	2023 (\$'000)	2024 (\$'000)	2023 (\$'000)
Buildings at fair value	20,837	18,324	14,656	11,673	6,182	6,651
Motor vehicles at fair value	1,799	1,766	463	504	1,336	1,262
Total	22,636	20,090	15,119	12,177	7,517	7,913

	Buildings at fair value (\$'000)	Motor vehicles at fair value (\$'000)
Opening balance - 1 July 2023	6,651	1,262
Additions	2,513	723
Disposals	-	(295)
Depreciation	(2,983)	(283)
Transfers to asset held for sale	-	(71)
Closing balance - 30 June 2024	6,182	1,336
Opening balance - 1 July 2022	9,569	1,274
Additions	-	459
Disposals	-	(148)
Depreciation	(2,918)	(263)
Transfers to asset held for sale	-	(60)
Closing balance - 30 June 2023	6,651	1,262

Notes to the financial statements cont.

Initial recognition

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

Right-of-use asset acquired as lessee

IBAC recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received
- any initial direct costs incurred.

Subsequent measurement

Property, plant and equipment, as well as right-of-use assets under leases, are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, and public announcements or commitments made in relation to the intended use of the asset) and is summarised in the following paragraphs by asset category. Additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

Right-of-use asset as lessee

IBAC depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Right-of-use assets are also subject to revaluation.

In addition, right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Leasehold improvements

Leasehold improvements are valued using the current replacement cost method, which is a reasonable approximation of fair value as the asset is depreciated over the term of the lease, reflecting the consumption of economic resources over the period of the agreement.

Computer, communication equipment, and plant and equipment

Computer, communication equipment, and plant and equipment are held at fair value. As these assets are specialised in use and rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method.

Motor vehicles

Motor vehicles are valued using the current replacement cost method. IBAC acquires new vehicles and, at times, disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers who set the relevant depreciation rates to reflect vehicle use.

Impairment

Non-financial physical assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as other economic flow, except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for the continued use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 does not apply to assets that are regularly revalued.

4.1.2 Depreciation and amortisation

Charge for the period

	2024 (\$'000)	2023 (\$'000)
Buildings – right of use	2,983	2,918
Leasehold improvements	368	368
Computer and communication equipment	878	696
Plant and equipment	163	120
Motor vehicles	283	263
Intangible assets	103	721
Total depreciation and amortisation	4,778	5,087

All property, plant and equipment, and other non-financial physical assets that have finite useful lives are depreciated.

Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. The following are typical estimated useful lives of the different asset classes for current and prior years.

Useful life of assets

Asset	Useful life
Buildings – right of use	3–13 years
Leasehold improvements	3–13 years
Computer and communication equipment	3–5 years
Plant and equipment	3–10 years
Motor vehicles (including right of use)	2–5 years
Intangible assets	3–6 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period and adjustments made where appropriate.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where IBAC obtains ownership of the underlying leased asset, or if the cost of the right-of-use asset reflects that IBAC will exercise a purchase option, IBAC depreciates the right-of-use asset over its useful life.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Notes to the financial statements cont.

4.1.3 Reconciliation of movements in carrying values of key assets

	Buildings – right of use		Leasehold improvements		Capital work in Progress at cost	
	2024 (\$'000)	2023 (\$'000)	2024 (\$'000)	2023 (\$'000)	2024 (\$'000)	2023 (\$'000)
Opening balance	6,650	9,568	999	1,133	84	373
Additions	2,513	-	-	-	1,393	1,681
Disposals	-	-	-	-	-	-
Capitalisation from capital work in progress	-	-	20	233	(848)	(1,970)
Depreciation	(2,983)	(2,918)	(368)	(368)	-	-
Transfers to asset held for sale	-	-	-	-	-	-
Closing balance	6,181	6,650	652	999	629	84

Computer and communication equipment at fair value		Plant and equipment at fair value		Motor vehicles at fair value		Total	
2024 (\$'000)	2023 (\$'000)	2024 (\$'000)	2023 (\$'000)	2024 (\$'000)	2023 (\$'000)	2024 (\$'000)	2023 (\$'000)
2,930	1,968	228	271	1,262	1,274	12,152	14,586
-	-	-	-	723	459	4,629	2,140
-	-	-	-	(295)	(148)	(295)	(148)
226	1,657	601	80	-	-	-	-
(878)	(696)	(163)	(120)	(283)	(263)	(4,675)	(4,366)
-	-	-	-	(71)	(60)	(71)	(60)
2,278	2,930	665	228	1,336	1,262	11,740	12,152

Notes to the financial statements cont.

4.2 Intangible assets

	Intangible assets		Capital work in progress at cost		Total	
	2024 (\$'000)	2023 (\$'000)	2024 (\$'000)	2023 (\$'000)	2024 (\$'000)	2023 (\$'000)
Gross carrying amount						
Opening balance	1,938	1,920	-	72	1,938	1,992
Additions	-	-	-	-	-	-
Adjustment/reclassification ^a	-	-	-	(54)	-	(54)
Capitalisation from capital work in progress	-	18	-	(18)	-	-
Closing balance	1,938	1,938	-	-	1,938	1,938
Accumulated depreciation, amortisation and impairment						
Opening balance	(1,835)	(1,114)	-	-	(1,835)	(1,114)
Amortisation	(103)	(721)	-	-	(103)	(721)
Closing balance	1,938	(1,835)	-	-	(1,938)	(1,835)
Net book value at end of financial year	-	102	-	-	-	102

Note

(a) In 2023, a total of \$54,998 was reclassified as operating expenditure. This was recognised as capital expenditure in 2022.

Initial recognition

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* are met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begin when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent measurement

Intangible produced assets with finite useful lives are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of three to six years.

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a straight-line basis over their useful lives. The amortisation period is three to six years.

Impairment of intangible assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

Significant intangible assets

During the year, in August 2023, IBAC has fully amortised the capitalised software development expenditure for the development of its Case Management System (CMS). The carrying amount of the CMS was \$102,525 in 2023.

5. Other assets and liabilities

This section sets out the assets and liabilities that arose from IBAC's controlled operations.

5.1 Receivables

	2024 (\$'000)	2023 (\$'000)
Contractual		
Other receivables	19	6
Statutory		
Amount owing from government	20,027	18,963
Total receivables	20,046	18,969
Represented by:		
Current receivables	18,557	17,905
Non-current receivables	1,489	1,064

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, they are measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. IBAC applies AASB 9 *Financial Instruments* (AASB 9) for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction costs. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

5.2 Payables

	2024 (\$'000)	2023 (\$'000)
Contractual		
Supplies and services	1,888	1,753
Statutory		
Fringe benefits tax (FBT) payable	24	25
Total payables	1,912	1,778

All payables are current.

Contractual receivables are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to IBAC prior to the end of the financial year that are unpaid.

Statutory payables are recognised and measured similarly to contractual payables but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days and are paid within credit terms. IBAC is required to pay invoices with a contract value of less than three million in 10 business days as per the Victorian Government Fair Payments Policy from 1 January 2021. There are no material payables that are determined to be impaired.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements, and, as they are not legislative payables, they are not classified as financial instruments.

Maturity analysis of contractual payables

	Carrying amount (\$'000)	Nominal amount (\$'000)	Maturity dates			
			Less than 1 month (\$'000)	1-3 months (\$'000)	3 months to 1 year (\$'000)	1-5 years (\$'000)
2024						
Contractual						
Supplies and services	1,888	1,888	1,888	-	-	-
Statutory						
FBT payable	24	24	24	-	-	-
Total	1,912	1,912	1,912	-	-	-
2023						
Contractual						
Supplies and services	1,753	1,753	1,753	-	-	-
Statutory						
FBT payable	25	25	25	-	-	-
Total	1,778	1,778	1,778	-	-	-

5.3 Other non-financial assets

	2024 (\$'000)	2023 (\$'000)
Current other assets		
Prepayments	1,887	1,488
Total current other assets	1,887	1,488
Non-current other assets		
Prepayments	645	812
Total non-current other assets	645	812
Total other non-financial assets	2,532	2,300

Other non-financial assets include prepayments for rental, hardware and software maintenance, and licences. Prepayments represent payments in advance of receipt of goods or services, or that form part of expenditure made in one accounting period covering a term extending beyond that period.

5.4 Other provisions

Other provisions consist of a make good provision relating to IBAC-specific building modification. Management has made a judgment that it is almost certain that IBAC will be required to make good for this modification, therefore, a provision has been raised. At 30 June 2024, the make good provision classified as non-current is \$121,000 (2023: \$121,000).

Other provisions are recognised when IBAC has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using discount rates that reflect the time, value of money and risks specific to the provision.

Notes to the financial statements cont.

6. Financing our operations

This section provides information on the sources of finance used by IBAC during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of IBAC.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

6.1 Borrowings

	2024 (\$'000)	2023 (\$'000)
Current borrowings		
Lease liabilities ^a	2,667	2,798
Total current borrowings	2,667	2,798
Non-current borrowings		
Lease liabilities ^a	5,833	6,371
Total non-current borrowings	5,833	6,371
Total borrowings	8,500	9,169

Note

(a) These are secured by assets leased. Lease liabilities are effectively secured, as the rights to the leased assets revert to the lessor in the event of default.

IBAC's borrowings consist of leases. Borrowings are classified as financial instruments, and interest-bearing liabilities are measured at amortised cost.

6.1.1 Maturity analysis of borrowings

	Carrying amount (\$'000)	Nominal amount (\$'000)	Maturity dates			
			Less than 1 month (\$'000)	1-3 months (\$'000)	3 months to 1 year (\$'000)	1-5 years (\$'000)
2024						
Lease liabilities	8,500	9,069	620	670	3,003	4,777
Total	8,500	9,069	620	670	3,003	4,777
2023						
Lease liabilities	9,169	9,631	566	618	2,814	5,633
Total	9,169	9,631	566	618	2,814	5,633

Leases

Information about leases for which IBAC is a lessee is presented below.

IBAC's leasing activities

IBAC leases its office premises and motor vehicles. The lease contracts are typically made for fixed periods of three to 13 years with an option to renew the lease after that date. Lease payments for premises are renegotiated every five years to reflect market rentals.

6.1.2 Right-of-use assets

Right-of-use assets are presented in Note 4.1.1.

6.1.3 Amounts recognised in the comprehensive operating statement

The following table shows the amounts that are recognised in the comprehensive operating statement as relating to leases.

	2024 (\$'000)	2023 (\$'000)
Interest expense on lease liabilities	327	349
Total amount recognised in the comprehensive statement	327	349

6.1.4 Amounts recognised in the statement of cash flows

The following table shows the amounts that are recognised in the statement of cash flows for the year ending 30 June 2024 relating to leases.

	2024 (\$'000)	2023 (\$'000)
Interest expense on lease liabilities	327	349
Repayment of principal portion of lease liabilities	3,553	3,360
Total amount recognised in the cash outflow statement for leases	3,880	3,709

For any new contracts entered into, IBAC considers whether the contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, IBAC assesses whether the contract meets three key evaluations:

- whether the contract contains an identified asset that is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to IBAC, and for which the supplier does not have substantive substitution rights
- whether IBAC has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract, and IBAC has the right to direct the use of the identified asset throughout the period of use
- whether IBAC has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

From 1 July 2019, all leases except short-term and low-value leases are recognised in the balance sheet.

Notes to the financial statements cont.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and measurement of lease liability as a lessee

Lease liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or IBAC's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate at the commencement date
- amounts expected to be payable under a residual value guarantee
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use is reduced to zero.

Presentation of right-of-use assets and lease liabilities

IBAC presents right-of-use assets as 'property plant and equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

6.2 Cash flow information and balances

Cash and cash equivalents comprise cash on hand and cash at bank

	2024 (\$'000)	2023 (\$'000)
Cash and cash equivalents	386	316
Balance as per cash flow statement	386	316

Reconciliation of net results for the period to cash flow from operating activities

	2024 (\$'000)	2023 (\$'000)
Net result for the period	195	(176)
Non-cash movements		
Depreciation of non-current assets	4,778	5,087
Other non-cash movements	(485)	(298)
Movements in assets and liabilities		
Decrease/(Increase) in receivables	(1,076)	(139)
Decrease/(Increase) in other non-financial assets	(232)	(376)
(Decrease)/Increase in payables	135	(971)
(Decrease)/Increase in provisions	1,048	724
Net cash flows from operating activities	4,363	3,851

6.3 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and exclusive of the GST payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

Total commitments payable

	Less than 1 year (\$'000)	1–5 years (\$'000)	More than 5 years (\$'000)	Total (\$'000)
2024				
Other commitments				
Other commitments	1,889	1,305	101	3,295
Total commitments	1,889	1,305	101	3,295
2023				
Capital expenditure commitments				
IT systems and hardware	512	-	-	512
Total capital expenditure commitments	512	-	-	512
Other commitments				
Other contractual	2,258	2,963	-	5,221
Total other commitments	2,258	2,963	-	5,221
Total commitments	2,771	2,963	-	5,733

7. Risks, contingencies and valuation judgements

IBAC is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements.

This section sets out financial instrument specific information (including exposures to financial risks), as well as those items that are contingent in nature or require a higher level of judgement to be applied, which, for IBAC, related mainly to fair value determination.

7.1 Financial instruments specific disclosures

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of IBAC's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Categories of financial instruments

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by IBAC to collect the contractual cash flows
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method, less any impairment.

IBAC recognises the following assets in this category:

- cash and cash equivalents
- receivables (excluding statutory receivables).

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised on the date they originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost, with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest method.

IBAC recognises the following liabilities in this category:

- payables (excluding statutory payables)
- borrowings (including lease liabilities).

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- IBAC has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where IBAC has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of IBAC's continuing involvement in the asset.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

7.1.1 Financial instruments: Net holding gain/(loss) on financial instruments by category

	Total interest income/ (expense) (\$'000)	Total (\$'000)
2024		
Contractual financial liabilities		
Financial liabilities at amortised cost	(327)	(327)
Total contractual financial liabilities	(327)	(327)
2023		
Contractual financial liabilities		
Financial liabilities at amortised cost	(349)	(349)
Total contractual financial liabilities	(349)	(349)

The net holding gains or losses disclosed above are determined as follows:

- for financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost.

7.1.2 Financial risk management objectives and policies

As a whole, IBAC's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 7.1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage IBAC's financial risks within the government policy parameters.

IBAC's main financial risks include credit risk, liquidity risk and interest rate risk. IBAC manages these financial risks in accordance with its financial risk management policy.

IBAC uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Chief Financial Officer.

Financial instruments: credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. IBAC's exposure to credit risk arises from the potential default of a counter party on their contractual obligations, resulting in financial loss to IBAC. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with IBAC's contractual financial assets is minimal because the main debtor is the Victorian Government.

In addition, IBAC does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, IBAC's policy is to only deal with banks with high credit ratings.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

There has been no material change to IBAC's credit risk profile in 2023/24.

Notes to the financial statements cont.

Impairment of financial assets under AASB 9

IBAC records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's expected credit loss approach. IBAC's contractual receivables and statutory receivables are subject to impairment under AASB 9, but any impairment loss would be immaterial.

Contractual receivables at amortised cost

IBAC applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates.

Financial instruments: liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. IBAC operates under the Victorian Government Fair Payments Policy of settling financial obligations within 30 days and, in the event of a dispute, making payments within 30 days from the date of resolution.

IBAC is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet. IBAC's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Financial instruments: interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. IBAC does not hold any interest-bearing financial instruments that are measured at fair value, and, therefore, has no exposure to fair value interest rate risk. IBAC manages this risk by mainly undertaking fixed rate or non-interest-bearing financial instruments with relatively even maturity profiles.

The carrying amounts of financial assets and financial liabilities exposed to interest rates are set out in the following table.

Interest rate exposure of financial instruments

	Weighted average interest rate (%)	Carrying amount ^(a) (\$'000)	Interest rate exposure	
			Fixed interest rate (\$'000)	Non-interest-bearing (\$'000)
2024				
Financial assets				
Cash and cash equivalents	4.75	386	306	80
Receivables	-	19	-	19
Total financial assets	-	405	306	99
<i>Payables</i>				
Supplies and services	-	1,888	-	1,888
<i>Borrowings</i>				
Lease liabilities	2.35	8,500	8,500	-
Total financial liabilities		10,388	8,500	1,888
2023				
Financial assets				
Cash and cash equivalents	-	316	-	316
Receivables	-	6	-	6
Total financial assets	-	322	-	322
<i>Payables</i>				
Supplies and services	-	1,753	-	1,753
<i>Borrowings</i>				
Finance lease liabilities	1.81	9,169	9,169	-
Total financial liabilities	-	10,922	9,169	1,753

Note

(a) The carrying amounts disclosed here exclude statutory amounts.

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

During 2023/24, IBAC was awarded legal costs related to seven proceedings. All seven proceedings are subject to agreement, and it is not possible to reliably measure the legal cost owed to IBAC (2023: \$15,933).

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity
- present obligations that arise from past events, but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations
 - the amount of the obligations cannot be measured with sufficient reliability.

Quantifiable contingent liabilities

	2024 (\$'000)	2023 (\$'000)
Make good, leased premises ^a	740	685
Total contingent liabilities	740	685

Note

(a) The make good leased premises contingent liability relates to IBAC's current office accommodation. Under the terms, if IBAC vacates the current premises, IBAC may be required to make good for the non-structural office modifications. The liability is contingent on lease extension options and subject to negotiation with the landlord on the extent of the make good requirement.

Non-quantifiable contingent liabilities

A party successful in a legal action may be compensated for their legal costs through a court order against the opposing party. The outcome of legal proceedings may result in potential payments to, or potential cost recoveries from, opposing litigants.

For the reporting period 2023/24, IBAC was involved in a legal proceeding that is ongoing and may, depending upon the outcome, result in IBAC having to pay the other party's legal costs. Due to the uncertainty over the outcome and the legal costs of the opposing party, IBAC is unable to reliably estimate any potential liabilities.

7.3 Fair value determination

How this section is structured

For assets and liabilities for which fair values are determined, the disclosures that are provided are:

- the carrying amount and the fair value (which would be the same for those assets measured at fair value).
- in respect of those assets and liabilities subject to fair value determination using level 3 (refer to Fair value hierarchy) inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end
 - details of significant unobservable inputs used in the fair value determination.

This section is divided according to disclosures in connection with fair value determination for financial instruments (Note 7.3.1) and non-financial physical assets (Note 7.3.2).

Significant judgement: fair value measurement of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of IBAC.

This section sets out information on how IBAC determines fair value for financial reporting purposes. Fair value is the price that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The assets and liabilities carried at fair value are:

- financial assets and liabilities at fair value through profit and loss
- property, plant and equipment.

In addition, the fair values of other assets and liabilities that are carried at amortised cost also need to be determined for disclosure purposes.

IBAC determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value hierarchy

In determining fair values, a number of inputs are used.

The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

IBAC only uses Level 3 unobservable inputs for all assets, with the exception of right-of-use assets. Significant unobservable inputs have remained unchanged for 2023/24.

7.3.1 Fair value determination: financial assets and liabilities

The carrying amounts of financial assets and financial liabilities recognised in the balance sheet, which consist of cash and cash equivalents (Note 6.2), receivables (Note 5.1), payables (Note 5.2) and borrowings (Note 6.1), are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full.

7.3.2 Fair value determination: non-financial physical assets

The fair value of non-financial physical assets (plant, equipment and vehicles) is normally determined by reference to the asset's current replacement cost. Existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

IBAC applies only Level 3 valuation techniques using significant unobservable inputs, such as useful life, depreciation method and cost per unit, to determine the fair value of its non-financial physical assets. There have been no transfers between levels and no changes in significant unobservable inputs during the period.

The fair value of right-of-use assets is linked to the lease payments. IBAC assesses the current lease payments under the lease contract to approximate current market rentals in comparison to equivalent properties that would be paid in the current market. The fair value of the leased assets is determined with reference to the amounts that will have to be paid to replace the current service capacity of the asset.

8. Other disclosures

This section includes additional material disclosures required by accounting standards or otherwise for the understanding of this financial report.

8.1 Ex gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefits (for example, a write-off) that are not made to acquire goods, services or other benefits for the entity or to meet a legal liability or settle or resolve a possible legal liability of or claim against the entity.

There were no ex gratia expenses for the reporting period.

8.2 Other economic flows included in net result

Other economic flows are changes in volume or value of assets or liabilities that do not result from transactions. Other gains or losses from other economic flows include gains or losses from:

- the revaluation of the present value of LSL liability due to changes in discount rates (bond interest rates)
- disposal of property, plant and equipment.

Other gains/(losses) from other economic flows

	2024 (\$'000)	2023 (\$'000)
Net gain/(loss) arising from revaluation of annual leave and LSL liability	29	(308)
Net gain/(loss) from disposal of property, plant and equipment	167	133
Total other gains/(losses) from other economic flows	196	(176)

8.3 Remuneration of executives and other personnel

The number of executive officers other than ministers, responsible persons and accountable officers and their total remuneration during the reporting period are shown in table below. Total annualised employee equivalents (AEE) provide a measure of full-time equivalent (FTE) executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Remuneration is determined on an accruals basis and is disclosed in the following categories:

- **Short-term employee benefits** include wages, salaries, annual leave and sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits, such as allowances and free or subsidised goods or services.
- **Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- **Other long-term benefits** include LSL, other long-service benefits and deferred compensation.
- **Termination benefits** include termination of employment payments, such as severance packages.

	2024 (\$'000)	2023 (\$'000)
Short-term employee benefits	3,576	3,605
Post-employment benefits	374	366
Other long-term benefits	90	85
Termination benefits	69	-
Total remuneration	4,109	4,056
Total number of executives^a	20	19
Total AEE^b	15.7	15.8

Notes

(a) The total number of executives includes all executives other than ministers, responsible persons and accountable officers employed during the year, including those who have left during the year.

(b) AEE is based on paid working hours of 38 ordinary hours per week over 52 weeks for a reporting period.

8.4 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the FM Act, the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of Minister, responsible person and accountable officer in IBAC are as follows:

Position title	Name	Start date	End date
Attorney-General	The Hon Jaclyn Symes, MP	1 July 2023	30 June 2024
Acting Attorney-General	The Hon Anthony Carbines, MP	1 July 2023	21 July 2023
	The Hon Anthony Carbines, MP	22 March 2024	31 March 2024
	The Hon Enver Erdogan, MLC	1 April 2024	13 April 2024
Commissioner	Victoria Elliott	16 December 2023	30 June 2024
Acting Commissioner	Stephen Farrow	1 July 2023	15 December 2023
CEO	Marlo Baragwanath	1 July 2023	29 March 2024
Acting CEO	Linda Timothy	28 September 2023	6 October 2023
	Linda Timothy	11 March 2024	30 June 2024

Remuneration of responsible persons

Income band	2024	2023
\$110,000-\$119,999	1	-
\$130,000-\$139,999	-	1
\$230,000-\$239,999	1	-
\$260,000-\$269,999	-	1
\$280,000-\$289,999	1	-
\$340,000-\$349,999	1	-
\$460,000-\$469,999	-	1
Total number of responsible persons^a	4	3

Notes

- (a) The total number of responsible persons includes the IBAC Commissioner, CEO and acting officers during the financial year. The number and amount received or receivable by the responsible person and accountable officer is based on FRD 21 *Disclosures of responsible persons and executive officers in the financial report*. The total number of responsible persons includes persons who meet the definition of key management personnel of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Note 8.6).

Refer to Note 8.8 for appointment of new CEO.

8.5 Remuneration of auditors

	2024 (\$'000)	2023 (\$'000)
Victorian Auditor-General's Office		
Audit of the financial statements	47	45
Total remuneration of auditors	47	45

8.6 Related parties

IBAC is a wholly owned and controlled entity of the state of Victoria. Related parties of IBAC include all:

- key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over)
- Cabinet ministers and their close family members
- departments and public sector entities that are controlled and consolidated into the whole-of-state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

IBAC received output appropriation funding from the Department of Treasury and Finance of \$63.161 million (2023: \$59.027 million).

Key management personnel of IBAC includes the Attorney-General, the Commissioner and the CEO. The compensation detailed in the following table excludes the salaries and benefits the Attorney-General receives. The Attorney-General's remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* (Vic) and information is reported within the state's annual financial report.

Compensation of key management personnel

	2024 (\$'000)	2023 (\$'000)
Short-term employee benefits	914	814
Post-employment benefits	40	39
Other long-term benefits	20	15
Termination benefits	-	-
Total remuneration	974	867

Transactions with key management personnel and other related parties

Given the breadth and depth of state government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public (for example, by paying stamp duty and other government fees and charges).

Further employment processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* (Vic) and codes of conduct and standards issued by the VPSC. Procurement processes occur on terms and conditions consistent with the Victorian Government Purchasing Board requirements.

Outside of normal citizen-type transactions with IBAC, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

8.7 Non-financial physical assets held for sale

	2024 (\$'000)	2023 (\$'000)
Motor vehicles under finance leases held for sale	71	60
Total non-financial physical assets held for sale	71	60

Non-financial physical assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when:

- the asset is available for immediate use in its current condition
- the sale is highly probable, and the asset's sale is expected to be completed in 12 months from the date of classification.

These non-financial physical assets, related liabilities and financial assets are measured at the lower of carrying amount and fair value less costs of disposal and are not subject to depreciation or amortisation.

8.8 Subsequent events

New enterprise agreement covering Victorian public service (VPS) employees

In 2023/24, the Victorian Government and the Community and Public Sector Union reached in-principle agreement on the core terms and conditions that will form part of a new enterprise agreement covering VPS employees. The new agreement was subject to a ballot from all VPS employees and approved by the Fair Work Commission in accordance with the requirements of the *Fair Work Act 2009 (Cth)* post the reporting period ended 30 June 2024. The agreement has been subsequently approved by the Fair Work Commission, and the expense and liability will be recognised in 2024/25 financial period.

Appointment of Chief Executive Officer

In July 2024, Alison Byrne was appointed as the new CEO of IBAC. She commenced in the role in August 2024.

8.9 Other accounting policies

Consistent with the requirements of AASB 1004, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of IBAC.

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions by owners have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Notes to the financial statements cont.

8.10 Australian accounting standards issued that are not yet effective

IBAC has assessed the impact of all of the standards that became effective for reporting periods after 30 June 2024. IBAC has not included any standards, as we believe the financial statements will not be significantly impacted.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 17 <i>Insurance Contracts (AASB 17)</i>	AASB 17 replaces AASB 4 <i>Insurance Contracts</i> , AASB 1023 <i>General Insurance Contracts</i> and AASB 1038 <i>Life Insurance Contracts</i> for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.	1 July 2026	This standard is not expected to have a significant impact.
AASB 2022-8 <i>Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments (AASB 2022-8)</i>	AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026		
AASB 2022-9 <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector (AASB 2022-9)</i>	AASB 2022-9 amends AASB 17 to make public sector related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026.		

In addition to the new standards and amendments above, the AASB has issued a number of other amending standards that are not effective for the 2023/24 reporting period. These standards are not expected to have any significant impact on public sector entities and thus have not been included in the table.

9. Glossary of technical terms

Borrowings

Borrowings refer to interest-bearing liabilities raised from lease liabilities.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result

The comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a transaction and so reduces the net result from transaction.

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, where appropriate, a shorter period.

Employee benefits expenses

Employee benefits expenses include all costs related to employment, including wages and salaries, fringe benefits and payroll tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Financial asset

A financial asset is any asset that is:

- cash; or
- a contractual or statutory right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability

A financial liability is any liability that is:

- a contractual obligation:
 - to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Notes to the financial statements cont.

Financial report

A complete set of financial reports comprises:

- a balance sheet at the end of the period
- a comprehensive operating statement for the period
- a statement of changes in equity for the period
- a cash flow statement for the period
- notes, comprising a summary of significant accounting policies and other explanatory information
- comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements* (AASB 101)
- a balance sheet at the beginning of the preceding period when an entity applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial report, or reclassifies items in its financial report in accordance with paragraph 41 of AASB 101.

Grants

Grants are transactions in which one unit provides goods, services, assets or labour to another unit (or extinguishes a liability) without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits in the form of goods or services to particular taxpayers in return for their taxes.

Grants can be paid as general-purpose grants, which are not subject to conditions regarding their use. Alternatively, they may be paid as specific-purpose grants, which are paid for a particular purpose or have conditions attached regarding their use.

Interest expense

Interest expense refers to costs incurred in connection with borrowings. It includes the interest component of finance lease repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Leases

Leases are rights conveyed in a contract, or part of a contract, with the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows – other comprehensive income'.

Net worth

Net worth is assets less liabilities, which is an economic measure of net assets.

Non-financial assets

Non-financial assets are all assets that are not financial assets. They include prepayments, rental security deposits, leasehold improvement, motor vehicles, computer and communication equipment, plant and equipment, and intangible assets.

Other economic flows included in net result

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. They include:

- gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets
- fair value changes of financial instruments.

Payables

Payables include short- and long-term trade debt and accounts payable, grants, taxes and interest payable.

Receivables

Receivables include amounts owing from government through appropriation receivable, short- and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of IBAC.

Transactions

Transactions are economic flows that are considered to arise as a result of policy decisions and are usually interactions between two entities by mutual agreement. They also include flows in an entity, such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers.

Transactions can be in kind (for example, assets provided or given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

10. Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

- zero, or rounded to zero

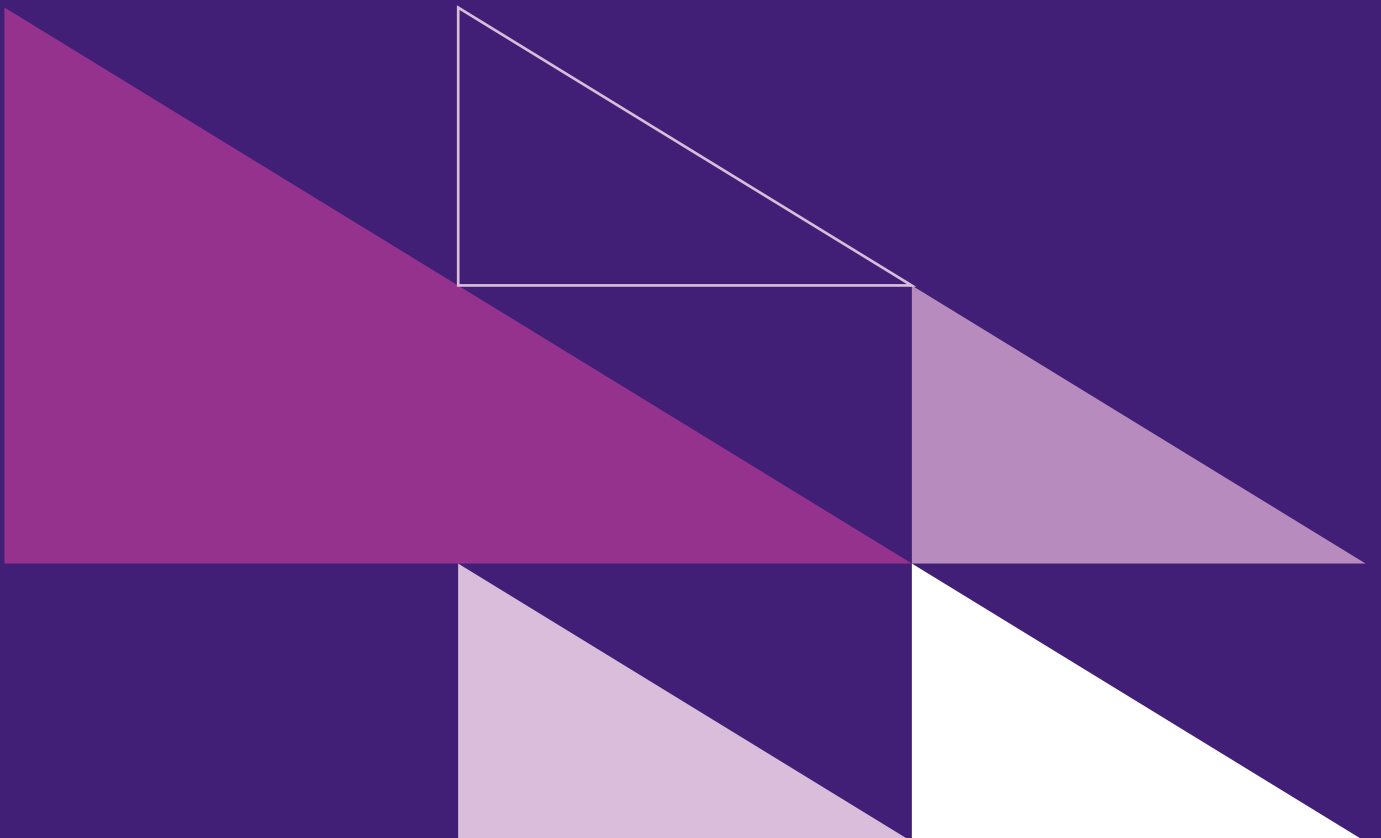
(xxx.xx) negative numbers

20xx year period

20xx/xx year period

A

Workforce data



Appendix A

A.1 Occupational health and safety

Table 24. Performance against OHS management measures

		2023/24 ^(a)	2022/23	2021/22
Incidents	Number of incidents	35	64	27
	Rate per 100 full-time equivalent (FTE)	12.2%	22.5%	11.7%
	Number of incidents requiring first aid and/or further medical treatment	8	1	1
Claims ^(b)	Standard claims	2	2	2
	Rate per 100 FTE	0.7%	0.7%	0.8%
	Number of lost time claims	3	1	-
	Rate per 100 FTE	1.0%	0.4%	-
	Number of claims exceeding 13 weeks	2	1	-
	Rate per 100 FTE	0.7%	0.4%	-
Fatalities	Fatality claims	-	-	-
Claim costs ^(c)	Average cost per standard claim	\$157,224.00	\$60,015.50	\$360.00
Return to work (RTW)	Percentage of claims with RTW plan < 30 days	100%	50.0%	-
Management commitment	Evidence of OHS policy statement, OHS objectives, regular reporting to senior management of OHS	Completed	Completed	Completed
	Evidence of OHS criteria in purchasing guidelines (including goods, services and personnel)	Completed	Completed	Completed
Consultation and participation	Evidence of agreed structure of designated workgroups, HSRs and issue resolution procedures (IRPs)	Completed	Completed	Completed
	Compliance with agreed structure on designated workgroups, HSRs and IRPs	Completed	Completed	Completed
	Number of quarterly OHS committee meetings	4	4	4
Risk management	Percentage of internal audits/inspections conducted as planned	75%	40.0%	50.0%
	Number of improvement notices issued by WorkSafe inspector	-	-	-
	Percentage of issues identified and actioned arising from			
	• internal audits	100%	100.0%	100.0%
	• HSR provisional improvement notices	-	-	-
• WorkSafe Victoria notices	100%	-	-	
Training	Percentage of managers and employees who have received OHS training			
	• employee training	88.2%	68.5%	83.0%
	• management training	100%	78.0%	100.0%
	• contractors and temporary employees	-	-	-
	Percentage of HSRs trained			
	• on acceptance of role (initial training)	100%	-	-
• retraining (annual refresher)	25%	100.0%	-	

Notes

(a) Numbers are rounded.

(b) Data sourced from IBAC's WorkSafe Victoria agent. Data for standard claims, claims for time lost and fatality claims is at 30 June for the year shown.

Standard claims are those that have exceeded the employer excess (for medical and like expenses) threshold and/or liability of 10 working days of time lost.

(c) The average cost per claim is reported based on actual costs and excludes estimated future costs that contribute to IBAC's premium.

A.2 Comparative workforce data

Table 25. Details of employment levels in June 2024 and 2023

	June 2024 ^(a)							
	All employees				Ongoing		Fixed term/casual	
	Number/ headcount	FTE	Full-time headcount	Part-time headcount	FTE	Headcount	FTE	
Gender								
Male	126	125.7	117	1	117.8	8	7.9	
Female	143	137.0	113	23	130.5	7	6.5	
Self-described	1	1	1	-	1	-	-	
Age								
15-24	2	2	2	-	2	-	-	
25-34	81	79.5	73	3	75.1	5	4.4	
35-44	85	81.5	67	14	77.5	4	4	
45-54	70	69.1	60	6	65.1	4	4	
55-64	30	29.7	27	1	27.7	2	2	
65+	2	2	2	-	2	-	-	
Classification								
VPS 2	-	-	-	-	-	-	-	
VPS 3	41	39.9	35	5	38.9	1	1	
VPS 4	70	69.2	63	3	65.2	4	4	
VPS 5	96	92.6	80	11	88.2	5	4.4	
VPS 6	60	59.0	51	5	55.0	4	4	
STS	3	3	2	-	2	1	1	
Total	270	263.7	231	24	249.3	15	14.4	

Note

(a) Numbers are rounded.

June 2023

Number/ headcount	All employees			Ongoing		Fixed term/casual	
	FTE	Full-time headcount	Part-time headcount	FTE	Headcount	FTE	
117	116.2	109	2	110.4	6	5.8	
139	132.7	106	22	122.4	11	10.3	
2	2	2	-	2	-	-	
3	3	3	-	3	-	-	
81	78.2	69	8	74.4	4	3.8	
86	83.4	71	8	76.8	7	6.6	
59	57.7	47	7	53	5	4.7	
27	26.7	25	1	25.7	1	1	
2	2	2	-	2	-	-	
-	-	-	-	-	-	-	
45	43.4	37	6	41.4	2	2	
61	60.2	55	3	57	3	3	
94	90.7	74	10	81.6	10	9.1	
56	54.7	48	5	52.7	2	2	
2	2	2	-	2	-	-	
258	250.9	217	24	234.8	17	16.1	

Appendix A cont.

Table 26. Annualised total salary, by \$20,000 bands, for executives and other senior non-executive employees

Income band (salary)	Executives	STs	Principal scientists	Senior medical advisors	Senior regulatory analysts	Other (statutory appointments)
< \$160,000	1					
\$160,000-\$179,000		1				
\$180,000-\$199,000	4	1				
\$200,000-\$219,000	8	1				
\$220,000-\$239,000						
\$240,000-\$259,000						
\$260,000-\$279,000						
\$280,000-\$299,000	2					
\$300,000-\$319,000	1					1
\$320,000-\$339,000						1
\$340,000-\$359,000	1					
\$360,000-\$379,000						
\$380,000-\$399,000						
\$400,000-\$419,000						
\$420,000-\$439,000						
\$440,000-\$459,000						
\$460,000-\$479,000						
\$480,000-\$499,000						1
Total	17	3	-	-	-	3

A.3 Executive data

Table 27. Total number of Senior Executive Service (SES) for IBAC, by gender

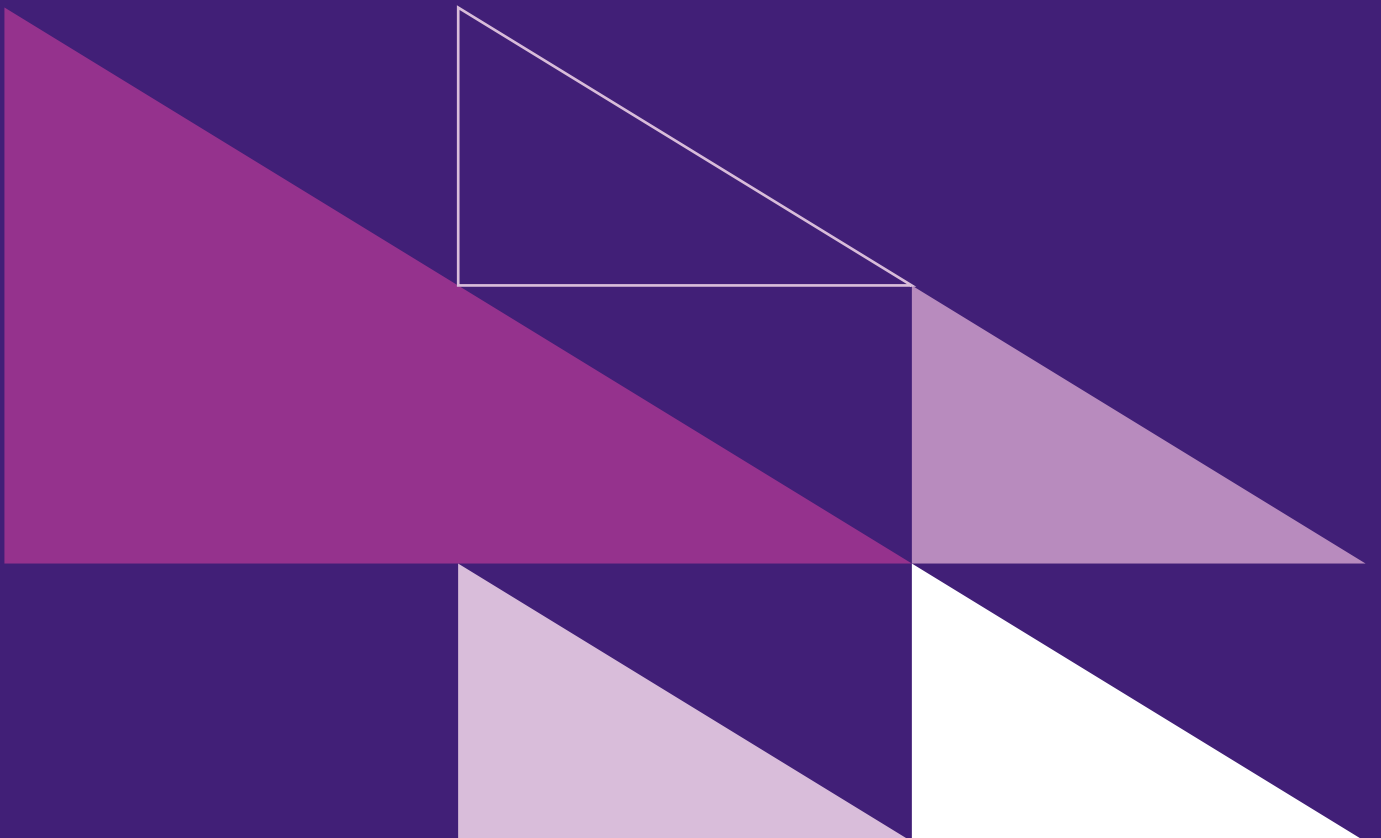
Class	All		Women		Men		Self-described	
	Var.	No.	Var.	No.	Var.	No.	Var.	
SES-3	-	-1	-	-1	-	-	-	-
SES-2	4	-	3	-	1	-	-	-
SES-1	13	-	7	-	6	-	-	-
Total	17	-1	10	-1	7	-	-	-

Table 28. Reconciliation of executive numbers

		2023/24	2022/23
	Executives (Financial statement Note 8.4)	17	17
	Accountable Officer (Secretary)	-	1
<i>Less</i>	Separations	2	2
<i>Add</i>	Recruitment	1	2
	Total executive numbers at 30 June	17	18

B

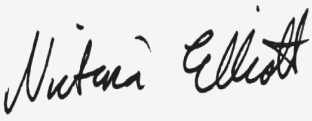
Financial disclosures



Appendix B

B.1 Attestation for financial management compliance with Standing Direction 5.1.4

I, Victoria Elliott, on behalf of Independent Broad-based Anti-Corruption Commission (IBAC), certify that IBAC has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* (Vic) and Instructions.



Victoria Elliott
 Commissioner
 Independent Broad-based Anti-corruption Commission
 9 September 2024

B.2 Asset Management Accountability Framework (AMAF) maturity assessment

IBAC has a relatively low fixed asset base. Excluding the leasehold improvements, the right-of-use building and motor vehicles, remaining assets have a net book value of \$2.941 million. Most of this value relates to information technology systems with a value of \$2.275 million and surveillance assets with a value of \$0.474 million. The remaining assets are all relatively inexpensive.

IBAC has adequate asset management practices in place.

In 2024/25, all assets above and below \$5,000 will be migrated to the same system to further improve and streamline asset management processes.

Figure 6. AMAF compliance

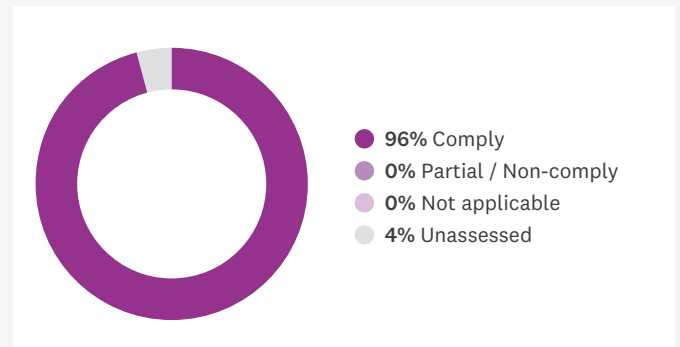
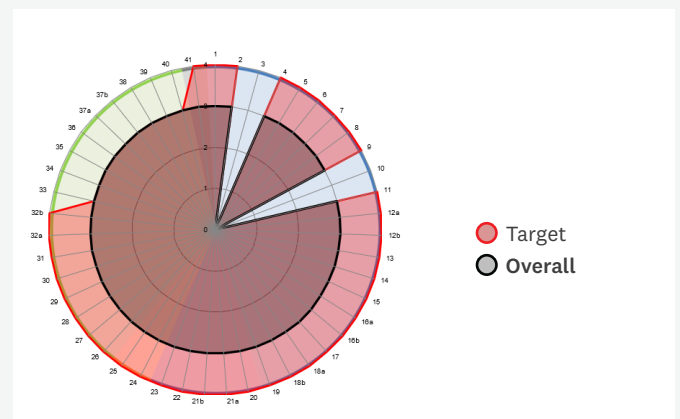


Figure 7. Asset management maturity



B.3 Expenditures

Government advertising expenditure

IBAC ran advertising campaigns with a total media spend of \$129,612 (excluding GST) during 2023/24.

Table 29. IBAC advertising expenditure

Name of campaign	Campaign summary	Start and end date	Advertising (media) expenditure (excl.GST)	Creative and campaign development expenditure (excl. GST)	Research and evaluation expenditure (excl. GST)	Print and collateral expenditure (excl. GST)	Other campaign expenditure (excl. GST)	Total
OMD Media Plan – ‘You have the right’ campaign – police oversight campaign	Encourage Victorians to speak out against police misconduct. Using short videos, audio clips and digital banners, the campaign raised awareness of our police oversight role and aimed to empower the community to report suspected police misconduct or provide information anonymously.	01 March 24–30 April 24	95,215	–	–	–	–	95,215
OMD Media Plan - Always-on search engine marketing	Use search advertising to reach more Victorians, providing information about our role and encouraging reporting of public sector corruption and police misconduct.	15 May 24–30 June 24	34,397	–	–	–	–	34,397
			129,612	–	–	–	–	129,612

Consultancy expenditure

Consultancies over \$10,000

IBAC contracted eight consultancies at a total expenditure of \$569,484 (excluding GST). Details of individual consultancies over \$10,000 are provided in Table 30.

Table 30. Consultancies over \$10,000

Name of campaign	Summary	Start date	End date	Total approved project fee for 2023/24 (excl. GST) \$	Expenditure in 2023/24 (excl. GST) \$	Future expenditure (excl. GST) \$
Ernst & Young	Development of an organisational Integrity Maturity rating system that objectively and consistently measures the integrity of Victorian public sector agencies	May 23	Jul 23	179,935	26,989	-
Granulis	Development of system requirements for enhancement and modifications to IBAC's case management system	Feb 24	Jun 24	76,760	76,760	-
Weir Consulting (National)	Review of workplace culture and identification of opportunities to improve systems, processes and relationships	Nov 23	Mar 24	80,080	80,080	-
JWS Research	Research to identify suitable definitions, performance indicators and methodology to measure levels of trust in IBAC, with particular emphasis on trust relating to integrity and fairness	Aug 23	Dec 23	49,900	49,900	-
Nous Group	Fifth strategic assessment of the Victorian public sector and local government (excluding police) including identifying the emerging and enduring corruption risks in the sector	Feb 24	Oct 24	370,000	233,818	136,182
The LOTE Agency	Development of a community engagement strategy with input and engagement with IBAC internal and external stakeholders	Apr 24	Jun 24	57,470	34,482	22,988
Cube Group management consulting	Development of reporting framework for effective decision making that aligns with the IBAC strategic plan	May 23	Jun 24	45,455	45,455	-
Logicalis Australia	Review of governance framework and recommendation for streamline decision making	Nov 23	Dec 23	22,000	22,000	-

Appendix B cont.

Consultancies under \$10,000

IBAC engaged two consultants in 2023/24 where the total fees payable to the individual consultancy was less than \$10,000.

Reviews and studies expenditure

During 2023/24, there were no reviews or studies undertaken.

ICT expenditure

In 2023/24, IBAC's total ICT expenditure was \$10.2 million, a decrease of \$0.930 million or eight per cent compared to 2022/23.

Table 31. ICT expenditure

	\$m
Business-as-usual (BAU) ICT expenditure	8.3
Total non-BAU ICT expenditure	1.9
Operational non-BAU expenditure	0.5
Capital non-BAU expenditure	1.4

Disclosure of major contracts

IBAC did not award any major contracts greater than \$10 million during 2023/24.

Disclosure of emergency procurement

In 2023/24, no new contracts were awarded in connection with an emergency.

Disclosure of procurement complaints

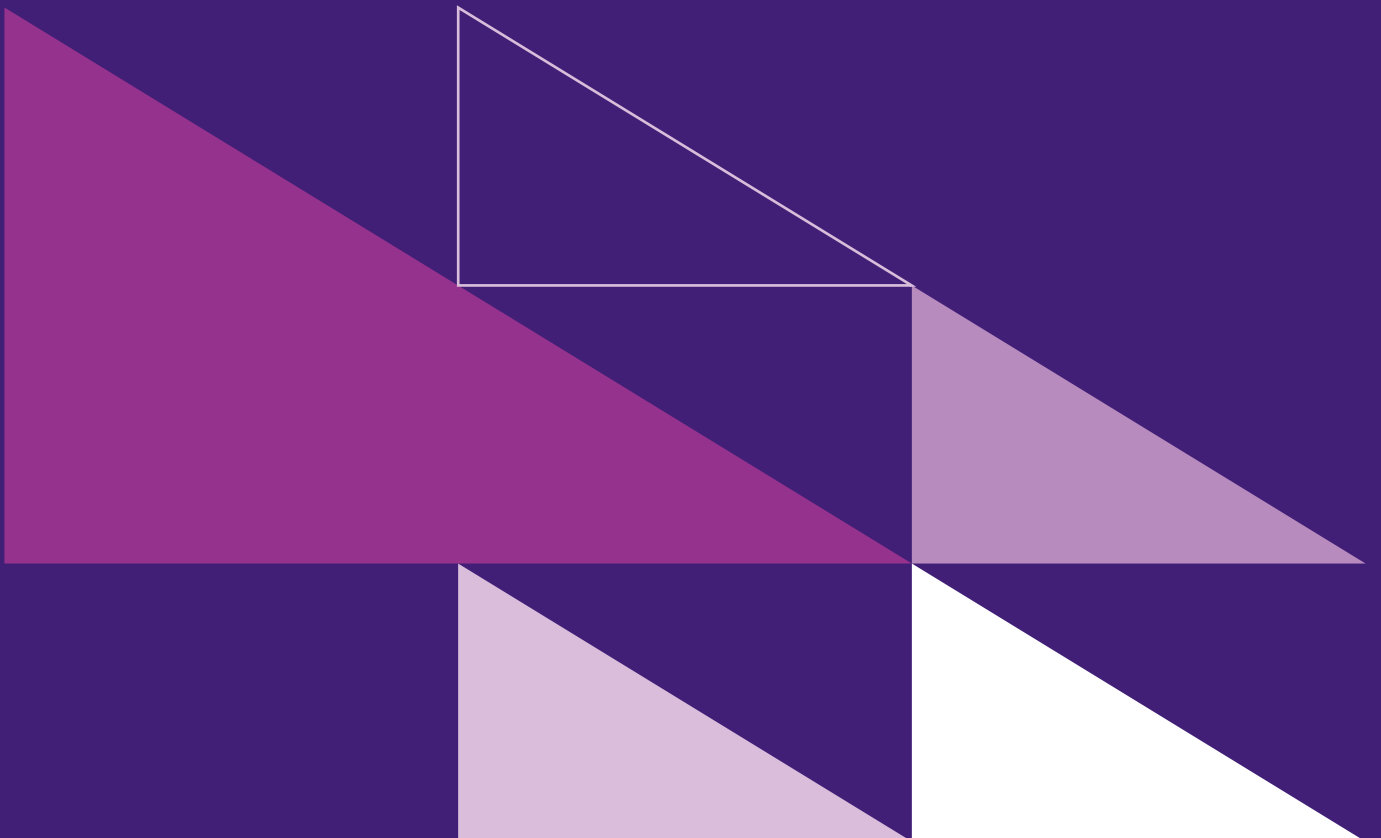
IBAC received no formal complaints through its procurement complaints management system in 2023/24.

B.4 Local jobs first

IBAC did not commence or complete any projects in 2023/24 in which a Victorian Industry Participation Policy plan, Local Industry Development Plan or Major Projects Skills Guarantee were required.

C

Compliance reporting



Appendix C

Competitive neutrality policy

IBAC is compliant with the National Competition Policy, including the requirements of the Department of Treasury and Finance's Competitive Neutrality Policy.

Compliance with the *Public Interest Disclosures Act 2012 (Vic)*

The PID Act provides a framework to protect people who make disclosures of improper conduct and detrimental action by public officers and public bodies. The PID Act also establishes a system for the matters disclosed to be investigated and regulates how certain information can be used.

IBAC is responsible for assessing most PIDs to determine whether they meet the requirements for a PID or a public interest complaint under the PID Act. IBAC also stewards Victoria's PID Scheme and publishes guidelines and procedures relating to the scheme. Among other things, IBAC is responsible for:

- educating the broader public sector on the operation of the PID Scheme
- promoting the purposes of the PID Act
- reviewing the PID procedures established by public sector bodies.

Information about reporting disclosures of improper conduct or detrimental action to IBAC, including the guidelines issued and procedures established by IBAC in relation to the PID Scheme, is available on the IBAC website (www.ibac.vic.gov.au).

Disclosures of improper conduct or detrimental action by IBAC or any of our employees may be made to:

Victorian Inspectorate
PO Box 617, Collins Street West, Melbourne VIC 8007
Phone: (03) 8614 3225
Email: info@vicinspectorate.vic.gov.au
Website: www.vicinspectorate.vic.gov.au

Information about assessable disclosures made to the Victorian Inspectorate can be found on the Victorian Inspectorate website and in its annual report.

Table 32 sets out the data that IBAC is required to report under section 67 of the PID Act.

Table 32. IBAC’s reporting requirements under the PID Act

Reporting requirement	Data for 2023/24
Number and types of assessable disclosures made directly to IBAC	505 made under Pt 2, Div 2 of the PID Act
Number and types of disclosures notified to IBAC under sections 21 and 22	Section 21: 263 disclosures (Victoria Police: 87; public sector: 176) Section 22: 191 disclosures
Number and type of allegation assessments made by IBAC under section 26 to determine whether a disclosure is a public interest complaint	Public interest complaints: 483 (Victoria Police: 319; public sector: 164) Non-public interest complaints: 2,878 (Victoria Police: 1,692; public sector: 1,186)
Number and type of public interest complaints that, under the IBAC Act, have been decided for:	
• investigation by IBAC	14 investigated (Victoria Police: 13; public sector: 1) 7 preliminary inquiries (Victoria Police: 0; public sector: 7)
• referred by IBAC to another investigating entity	430 referrals (Victoria Police: 287; public sector: 143)
• dismissed by IBAC	2 dismissals (Victoria Police: 1 public sector: 1)
Recommendations made by IBAC under section 61 during the financial year	0
For each of those recommendations, actions taken by the entity in relation to the recommendation	0
Number of applications for an injunction made by IBAC under section 50 during the financial year	0

Compliance with the Carers Recognition Act 2012 (Vic)

IBAC operates a hybrid working model and continues to offer a range of work and flexible leave options to help our employees balance the demands of work with personal and carer commitments.

Compliance with the Disability Act 2006 (Vic)

IBAC has complied with its obligations under the *Disability Act 2006 (Vic)* to prepare a disability action plan for the purpose of reducing barriers to access goods, services and facilities, reducing barriers to a person with a disability obtaining and maintaining employment, and promoting inclusion and participation in the community and achieving tangible changes in attitudes and practices that discriminate against people with a disability. Also see the sections in this annual report titled ‘Occupational health and safety’ and ‘Workforce inclusion policy’.

Compliance with the IBAC Act, section 165

Section 165(1)(b) of the IBAC Act requires IBAC to include in this report any recommendations for changes to any Act or law in force in Victoria, or for specified administrative actions to be taken that IBAC considers necessary as a result of the performance of its duties and functions.

In our investigations and special reports, we periodically make recommendations for specified administrative actions. Copies of our investigations and special reports can be found in the Resource Centre on the IBAC website (www.ibac.vic.gov.au/resource-centre).

During 2023/24, IBAC made 13 recommendations for changes to Acts or laws in force in Victoria. These recommendations are listed in Table 33.

Table 33. IBAC’s reporting requirements under the IBAC Act, section 165

Report	Recommendation
Operation Sandon	<p>Recommendation 3</p> <p>IBAC recommends that the Minister for Planning develops and introduces to Parliament amendments to the <i>Planning and Environment Act 1987</i> (Vic) so that authorisation of a planning scheme amendment operates as a transparent and accountable gateway process by:</p> <ul style="list-style-type: none"> (a) amending section 8A(7) to facilitate proper consideration of the strategic justification and timely authorisation of planning scheme amendments (b) setting clear criteria that the Minister for Planning must consider in exercising their discretion to authorise progression of an amendment, including satisfaction of strategic justification (c) specifying a presumption against amendment for an appropriate period, noting that the reasons for any exemptions should be clear and details made publicly available.
Operation Sandon	<p>Recommendation 4</p> <p>IBAC recommends that the Premier ensures that the Taskforce considers and recommends amendments to the <i>Planning and Environment Act 1987</i> (Vic) to ensure that the number of possible outcomes that could be considered ‘correct’ decisions in response to a given proposal at the adoption and approval stages of a planning scheme amendment is narrowed by specifying criteria that must be addressed to the satisfaction of:</p> <ul style="list-style-type: none"> (a) the planning authority to adopt an amendment (b) the Minister for Planning to approve an amendment.
Operation Sandon	<p>Recommendation 6</p> <p>IBAC recommends that the Minister for Planning develops and introduces to Parliament amendments to the <i>Planning and Environment Act 1987</i> (Vic) to require the decision-maker to record the reasons for decisions at relevant points in the planning scheme amendment process.</p>
Operation Sandon	<p>Recommendation 7</p> <p>IBAC recommends that the Minister for Planning develops and introduces to Parliament amendments to the <i>Planning and Environment Act 1987</i> (Vic) and/or amends ministerial guidance to require every applicant and person making submissions to a council, the Minister for Planning or Planning Panels Victoria to disclose reportable donations and other financial arrangements that parties have made or have with relevant decision-makers in relation to that planning matter (with reference to the New South Wales provisions)</p>
Operation Sandon	<p>Recommendation 9</p> <p>IBAC recommends that the Premier ensures that the Taskforce considers and recommends amendments to the <i>Planning and Environment Act 1987</i> (Vic) to deter submitters from attempting to improperly influence a council, the Minister for Planning or Planning Panels Victoria in their role in the planning scheme amendment process, including, but not limited to, specifying relevant offences together with appropriate penalties.</p>
Operation Sandon	<p>Recommendation 11</p> <p>IBAC recommends that the Minister for Planning develops and introduces to Parliament amendments to the <i>Planning and Environment Act 1987</i> (Vic) to:</p> <ul style="list-style-type: none"> (a) remove statutory planning responsibilities from councillors (b) introduce determinative planning panels for statutory planning matters, where a local council is currently the responsible authority. <p>This is to give effect to the model developed by the Taskforce in response to Recommendation 10.</p>

Report	Recommendation
Operation Sandon	<p>Recommendation 12</p> <p>IBAC recommends that the Premier ensures that the Taskforce engages subject matter experts and consults with key stakeholders to assess the operation of Part 4AA of the <i>Planning and Environment Act 1987 (Vic)</i> and recommends whether further amendments are required to give full effect to independent panels as the decision-makers for all statutory planning matters, including those where the Minister for Planning is the responsible authority.</p>
Operation Sandon	<p>Recommendation 17</p> <p>IBAC recommends that the Minister for Local Government:</p> <ul style="list-style-type: none"> (a) ensures that Local Government Victoria develops and maintains a Model Councillor Code of Conduct that includes better practice provisions that will apply to all councils, noting that councils can adopt additional provisions to the extent that they are consistent with the minimum standards specified in the Model Councillor Code of Conduct (b) develops and introduces to Parliament amendments to the <i>Local Government Act 2020 (Vic)</i>, or amends relevant regulations to amend the <i>Local Government Act 2020 (Vic)</i>, or amends relevant regulations to specify that councils must adopt the Model Councillor Code of Conduct.
Operation Sandon	<p>Recommendation 18</p> <p>IBAC recommends that the Minister for Local Government uses an appropriate mechanism, such as amendments to the <i>Local Government Act 2020 (Vic)</i> or relevant regulations, to require that councillors undertake mid-term refresher training on governance, leadership and integrity.</p>
Operation Sandon	<p>Recommendation 19</p> <p>IBAC recommends that the Minister for Local Government:</p> <ul style="list-style-type: none"> (a) ensures that Local Government Victoria develops and publishes Model Governance Rules to operate as the minimum standards for council meeting procedures (b) develops and introduces to Parliament amendments to the <i>Local Government Act 2020 (Vic)</i>, or amends relevant regulations to specify that councils must adopt the Model Governance Rules (c) ensures that Local Government Victoria maintains the Model Governance Rules in a way that promotes better practices that apply to all councils, noting that councils can adopt additional rules to the extent that they are consistent with the minimum standards specified in the Model Governance Rules.
Operation Sandon	<p>Recommendation 29</p> <p>IBAC recommends that the Minister for Local Government develops and introduces to Parliament amendments to the <i>Local Government Act 2020 (Vic)</i> to:</p> <ul style="list-style-type: none"> (a) expressly prohibit councillors with a conflict of interest from attempting to influence other councillors (with reference to the Queensland provisions) (b) specify an appropriate penalty for councillors who contravene this provision.

Appendix C cont.

Report	Recommendation
Operation Sandon	<p>Recommendation 32</p> <p>IBAC recommends that the Minister for Local Government develops and introduces to Parliament amendments to the <i>Local Government Act 2020</i> (Vic) to require that the Principal Councillor Conduct Registrar collate and publish data annually on:</p> <p>(a) the internal arbitration process, including:</p> <ul style="list-style-type: none"> i) the number of applications received ii) the number of applications withdrawn iii) the nature of the issues raised iv) the outcome of completed arbitration processes v) the cost to the council of dealing with arbitrated matters, including staff costs <p>(b) councillor conduct panels, including:</p> <ul style="list-style-type: none"> i) the number of applications received ii) the number of applications withdrawn iii) the nature of the issues raised iv) the outcome of completed panel processes v) the cost to the council of dealing with panel matters, including staff costs.
Operation Sandon	<p>Recommendation 34</p> <p>IBAC recommends that the Minister for Local Government develops and introduces to Parliament amendments to the <i>Local Government Act 2020</i> (Vic), or amends relevant regulations, and institutes related enabling processes, to promote greater consistency and independent oversight of recruitment and employment of council CEOs by:</p> <p>a) mandating that councils use a standard employment contract for CEOs that:</p> <ul style="list-style-type: none"> i) covers, among other things, the role of the CEO, performance review and management, and termination payment (including limits on such payments) ii) bans non-disclosure agreements between councils and CEOs or former CEOs <p>(b) amending section 45 to require each council to establish a committee to determine matters relevant to the recruitment, employment and remuneration of the CEO. The committee must be chaired by an independent professional with executive experience in local or state government, and most of its members must be external to the council.</p>

Compliance with the *Firearms Act 1996* (Vic), section 172(2)

Under section 172(2) of the *Firearms Act*, IBAC is required to include in this annual report:

- the number of FPOs, the making of which IBAC has reviewed
- the number of review cases for which IBAC has made recommendations and the number of those recommendations that the Chief Commissioner of Victoria Police has accepted.

IBAC's acquittal of its reporting obligations under section 172(2) of the *Firearms Act* can be found in the section of this annual report titled 'Our core work'.

Compliance with the *Building Act 1993* (Vic)

IBAC does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993* (Vic).

Office-based environmental impacts

IBAC minimises our use of electricity and water by:

- washing IBAC fleet vehicles on an as-needed basis only
- using efficient office equipment, such as printers and photocopiers
- implementing pool printing and power-saving measures on all computers
- using highly energy efficient lighting with motion detection to automatically switch off in unstaffed areas.

Additionally, IBAC uses 100 per cent recycled paper produced from sustainable sources in all photocopiers. We provide paper recycling bins throughout office areas, and we recycle all ink cartridges.

IBAC is a Tier 4 entity under the FRD 24. Inclusion of indicators was determined by and aligned with the requirements for this tier as per the updated directive. Indicator T2 is excluded due to the nature of IBAC operations.

Table 34. Energy use data^(a)

Indicator	2023/24	2022/23	2021/22
EL1. Total electricity consumption segmented by source (MWh)	598	607	683
Electricity (MJ) – excluding green power	2,151,513	2,186,682	2,459,968
Natural gas (MJ)	-	-	-
Green power (MJ)	-	-	-
LPG (MJ)	-	-	-
EL4. Total electricity offsets segmented by offset type	-	-	-

Note

(a) Numbers are rounded.

As shown in Table 35, IBAC's NABERS water rating was five stars for the 2022/23 financial year. The data for 2023/24 was not available in time to be included in this report, so it is reported in arrears.

Table 35. NABERS energy ratings^(a)

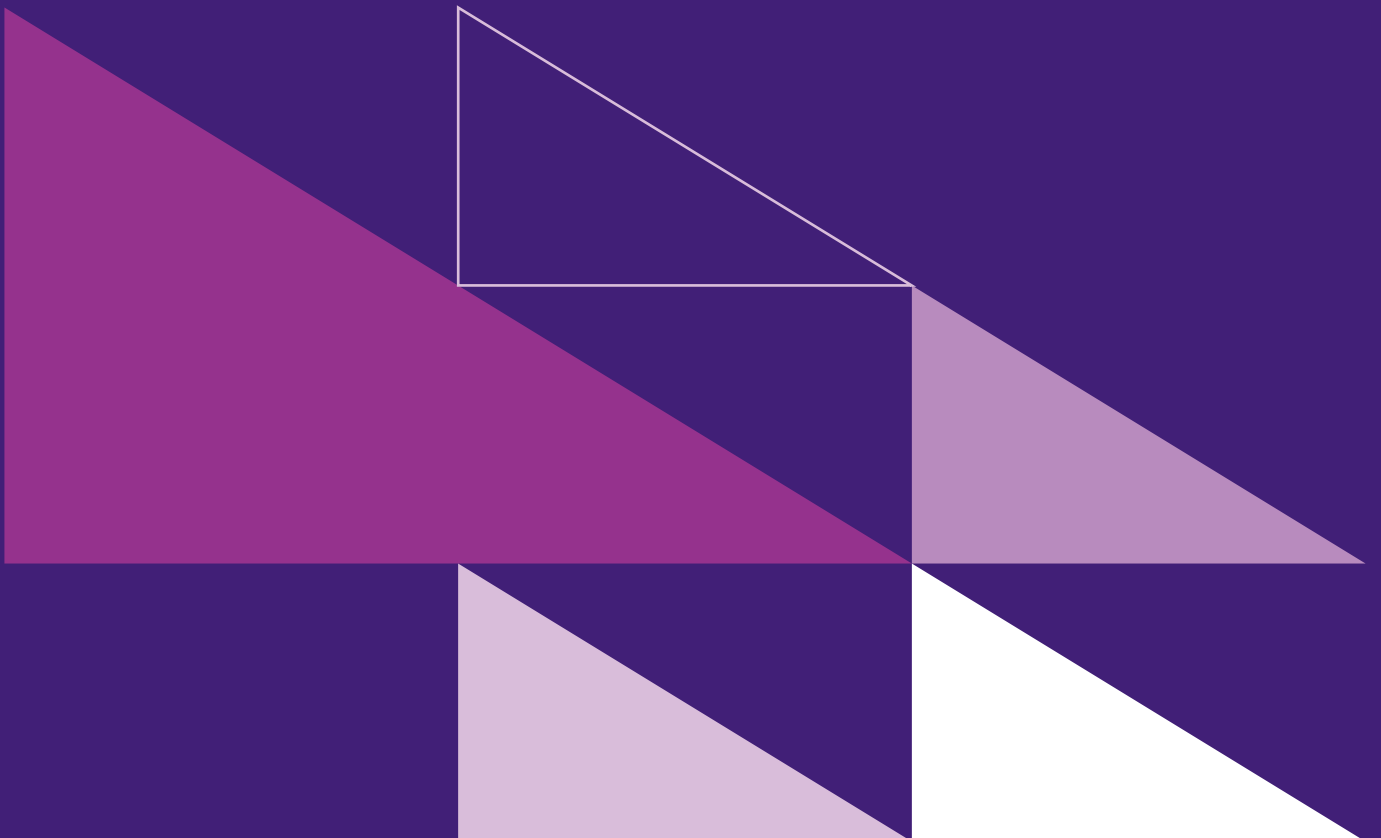
Indicator	2022/23	2021/22
Total water consumption	5,684.0 kL	9,540.0 kL
Water consumption per m ²	0.195 kL/m ²	0.346 kL/m ²
Normalised water consumption	0.195 kL/m ²	0.346 kL/m ²

Note

(a) Numbers are rounded.

D

Other disclosures



Appendix D

D.1 Freedom of information

The *Freedom of Information Act 1982 (Vic)* (FOI Act) creates a right of the public to access certain documents held by public sector agencies, including IBAC.

Section 194 of the IBAC Act exempts certain classes of documents held by IBAC from access through the FOI Act. Specifically, the FOI Act does not apply to a document held by IBAC to the extent to which the document discloses information that relates to any of the following:

- a recommendation made by IBAC under the IBAC Act
- an investigation conducted under the IBAC Act
- a report, including a draft report, on an investigation conducted under the IBAC Act
- a complaint made to IBAC
- information received by IBAC under section 56 of the IBAC Act
- a notification made to IBAC under a mandatory notification provision; or
- a preliminary inquiry.

In 2023/24, IBAC received nine requests for access to documents under the FOI Act. All nine of these requests were from members of the public. No requests were from the media. IBAC also finalised its response to a further three requests for access to documents under the FOI Act that were received but not finalised in 2022/23. One of these three requests was received from a member of the media.

Due to the operation of section 194 of the IBAC Act, the FOI Act did not apply to 11 of these requests. IBAC provided documents outside of the FOI Act in response to two of these requests. IBAC made one substantive FOI decision in 2023/24, which was finalised within the statutory timeframe.

Table 36. FOI applications

	2023/24
Total number of applications finalised in 2023/24^(a)	12
Applications excluded by section 194	11
Applications granted in part	0
Applications granted in full	1
Applications resulting in disclosures outside the FOI Act	2
Applications deemed invalid	0
Applications withdrawn	0
Applications awaiting determination	0
Applications reviewed	0
Applications appealed	0
Complaints to OVIC	0

Note

(a) This figure includes three applications received in 2022/23 and finalised in 2023/24.

Further information

Further information regarding the operation and scope of FOI can be obtained from the FOI Act, regulations made under the FOI Act and from the OVIC website (ovic.vic.gov.au).

D.2 Additional information available on request

Subject to the provisions of the FOI Act, information that shall be retained by the Accountable Officer shall include:

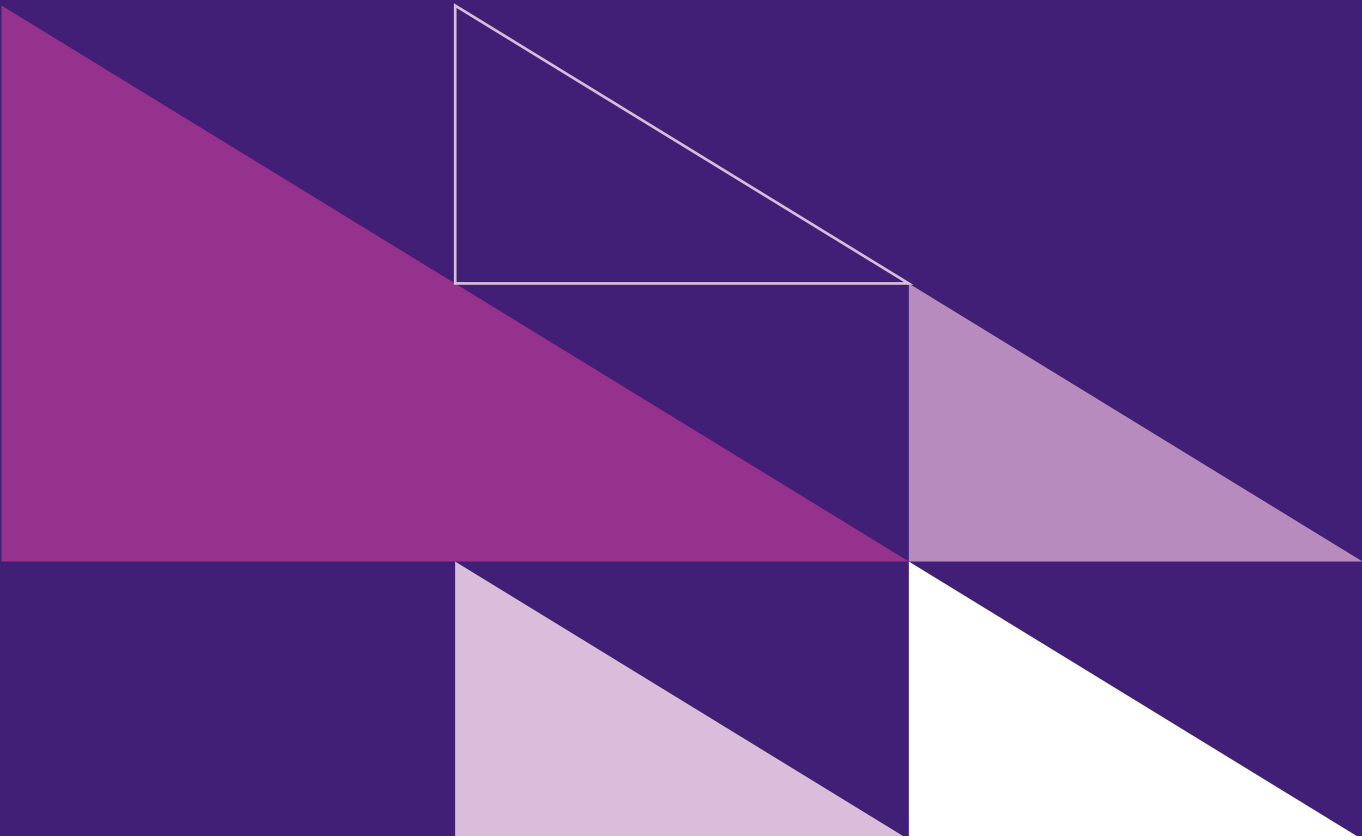
- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by the entity about itself and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the entity
- details of any major external reviews carried out on the entity
- details of major research and development activities undertaken by the entity
- details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services
- details of assessments and measures undertaken to improve the OHS of employees
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved
- details of all consultancies and contractors including:
 - consultants/contractors engaged
 - services provided
 - expenditure committed to for each engagement.

The information is available on request from:

Executive Director, Corporate Services
Independent Broad-based Anti-corruption Commission
GPO Box 24234, Melbourne VIC 3001

E

Natural justice



Appendix E

Where an adverse comment or opinion has been made about any person or public body identified in this report, that person or public body has been given an opportunity to respond to those comments or opinions by being shown a draft version of the relevant extract of the report.

The following entity who is the subject of such comments or opinions responded to the draft version of the relevant extract. In accordance with section 165(2) and (3) of the IBAC Act, their response is set out in this appendix.

Response from the Department of Jobs, Skills, Industry and Regions (DJSIR)

DJSIR disputed some of the conclusions of the case study as not being an accurate representation of what had occurred. DJSIR stated that the previous employee had not complied with departmental policies that were in place at the time.

F

Disclosure index



Appendix F

Table 37. Standing Directions and Financial Reporting Directions

Legislation	Requirement	Page
Report of operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant ministers	1, 2, 55, 58
FRD 22	Purpose, functions, powers and duties	1, 2, 21, 31, 32, 38, 46, 47, 49
FRD 8	Objectives, indicators and outputs	1, 2, 13, 15, 16
FRD 22	Key initiatives and projects	13, 14, 21-54
FRD 22	Nature and range of services provided	2, 8-11, 13-16, 21-51
Management and structure		
FRD 22	Organisational structure	55-57
Financial and other information		
FRD 8	Performance against output performance measures	19, 22, 33, 39, 46
FRD 8	Budget portfolio outcomes	NA
FRD 10	Disclosure index	128, 129
FRD 12	Disclosure of major contracts	114
FRD 15	Executive officer disclosures	96, 97, 108, 109
FRD 22	Employment and conduct principles	61
FRD 22	Occupational health and safety policy	60
FRD 22	Summary of the financial results for the year	18, 19
FRD 22	Significant changes in financial position during the year	18, 19
FRD 22	Major changes or factors affecting performance	18, 19
FRD 22	Subsequent events	99
FRD 22	Application and operation of the <i>Freedom of Information Act 1982</i>	123, 124
FRD 22	Compliance with building and maintenance provisions of the <i>Building Act 1993</i>	120
FRD 22	Statement on National Competition Policy	116
FRD 22	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	2, 116, 117
FRD 22	Application and operation of the <i>Carers Recognition Act 2012</i>	117
FRD 22	Details of consultancies over \$10,000	113
FRD 22	Details of consultancies under \$10,000	114
FRD 22	Disclosure of government advertising expenditure	112
FRD 22	Disclosure of ICT expenditure	114
FRD 22	Statement of availability of other information	124

Legislation	Requirement	Page
FRD 24	Reporting of office-based environmental impacts	121
FRD 25	Local Jobs First	114
FRD 29	Workforce data disclosures	105–109
SD 5.2	Specific requirements under Standing Direction 5.2	1, 66
Compliance attestation and declaration		
SD 5.4.1	Attestation for compliance with Ministerial Standing Direction	111
SD 5.2.3	Declaration in report of operations	1
Financial statements		
Declaration		
SD 5.2.2	Declaration in financial statements	66
Other requirements under Standing Direction 5.2^(a)		
SD 5.2.1	Compliance with Australian Accounting Standards and other authoritative pronouncements	64–66, 71
SD 5.2.1	Compliance with Standing Directions	66
SD 5.2.1	Compliance with Model Financial Report	NA
Other disclosures as required by FRDs in notes to the financial statements		
FRD 9	Departmental disclosure of administered assets and liabilities by activity	NA
FRD 11	Disclosure of ex gratia expenses	96
FRD 13	Disclosure of parliamentary appropriations	72
FRD 21	Disclosures of responsible persons, executive officers and other personnel (contractors with significant management responsibilities) in the financial report	97
FRD 103	Non-financial physical assets	68, 78, 79, 95, 99
FRD 110	Cash flow statements	18, 69, 87–89
FRD 112	Defined benefit superannuation obligations	73, 76
FRD 114	Financial instruments – general government entities and public non-financial corporations	90, 91

Note

(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure.

G

Legislation



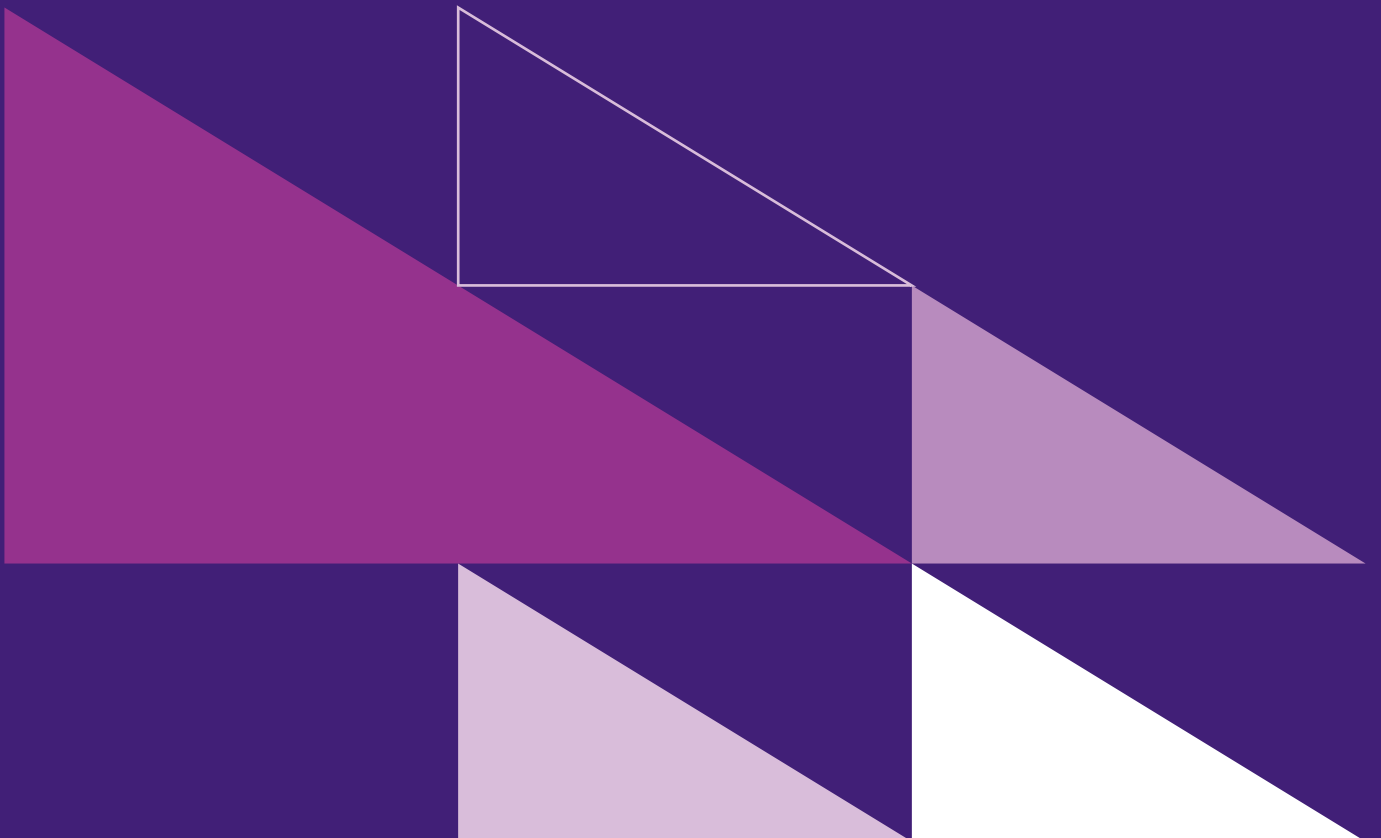
Appendix G

Table 38. Legislation

	Page
<i>Audit Act 1994 (Vic)</i>	64, 65
<i>Building Act 1993 (Vic)</i>	120, 128
<i>Carers Recognition Act 2012 (Vic)</i>	117, 128
<i>Charter of Human Rights and Responsibilities Act 2006</i>	2, 32, 40
<i>Constitution Act 1975 (Vic)</i>	64
<i>Crimes Act 1958 (Vic)</i>	49
<i>Disability Act 2006 (Vic)</i>	117
<i>Drugs, Poisons and Controlled Substances Act 1981 (Vic)</i>	49
<i>Fair Work Act 2009 (Cth)</i>	99
<i>Financial Management Act 1994 (Vic)</i>	1, 59, 66, 71, 72, 97, 111, 133
<i>Firearms Act 1996 (Vic)</i>	19, 49, 50, 120
<i>Freedom of Information Act 1982 (Vic)</i>	123, 124, 133
<i>Human Source Management Act 2023 (Vic)</i>	19, 49
<i>Independent Broad-based Anti-corruption Commission Act 2011 (Vic)</i>	1, 2, 5, 15, 16, 21, 25, 29, 38, 42, 45, 46, 47, 57, 58, 71, 117, 118, 123, 126, 133
<i>Local Government Act 2020 (Vic)</i>	119, 120
<i>Local Government Amendment (Governance and Integrity) Act 2024 (Vic)</i>	5, 29
<i>Parliamentary Salaries and Superannuation Act 1968 (Vic)</i>	98
<i>Planning and Environment Act 1987 (Vic)</i>	118, 119
<i>Public Administration Act 2004 (Vic)</i>	98
<i>Public Interest Disclosures Act 2012 (Vic)</i>	1, 2, 6, 9, 31, 34, 36, 58, 116, 117, 128, 134
<i>Sex Offenders Registration Act 2004 (Vic)</i>	49, 50
<i>Victoria Police Act 2013 (Vic)</i>	47
<i>Witness Protection Act 1991 (Vic)</i>	49, 50

H

Glossary



Appendix H

Glossary

AAS	Australian Accounting Standard
AASB	Australian Accounting Standards Board
AEE	annualised employee equivalents
AMAF	<i>Asset Management Accountability Framework</i>
ATO	Australian Taxation Office
BAU	business-as-usual
BP3	<i>Budget Paper No. 3</i>
CEO	chief executive officer
DJCS	Department of Justice and Community Safety
DJPR	Department of Jobs, Precincts and Regions
DJSIR	Department of Jobs, Skills, Industry and Regions
EOU	External Oversight Unit
FBT	fringe benefits tax
FM Act	<i>Financial Management Act 1994 (Vic)</i>
FOI	freedom of information
FPO	Firearm Prohibition Order
FOI Act	<i>Freedom of Information Act 1982 (Vic)</i>
FRD	Financial Reporting Direction
FTE	full-time equivalent
GST	goods and services tax
HSR	health and safety representative
IBAC	Independent Broad-based Anti-corruption Commission
IBAC Act	<i>Independent Broad-based Anti-corruption Commission Act 2011 (Vic)</i>
ICT	information and communication technology
IOC	Integrity and Oversight Committee
IRP	issue resolution procedure
LPG	liquid petroleum gas
LSL	long service leave
m ²	square metres
MJ	megajoule
MP	member of Parliament
MWh	Megawatt hour
NABERS	National Australian Built Environment Rating System
OC spray	oleoresin capsicum spray

Appendix H cont.

OHS	occupational health and safety
OVIC	Office of the Victorian Information Commissioner
PID	public interest disclosure
PID Act	<i>Public Interest Disclosures Act 2012</i> (Vic)
RADARS	Remote Access Digital Audio Recording System
RAJACs	Regional Aboriginal Justice Advisory Committees
RAP	Reconciliation Action Plan
RTW	return to work
SES	Senior Executive Service
STS	senior technical specialist
VPS	Victorian Public Service (acronym used only to express employment grades)

Contact us

Safely report corruption and police misconduct to IBAC or provide information anonymously.



Fill out the secure online form at
www.ibac.vic.gov.au/report



If you have difficulty accessing the online form,
call us on **1300 735 135** for further assistance.

If you need help with translation, call the
Translating and Interpreting Service on **13 14 50**.



Independent Broad-based
Anti-corruption Commission

Level 1, North Tower
459 Collins Street
Melbourne VIC 3000

GPO Box 24234
Melbourne VIC 3001

Phone: 1300 735 135
Email: info@ibac.vic.gov.au

www.ibac.vic.gov.au