

	Question on Notice	Response
1	<p>Does the overall funding level for the VO allow it to satisfactorily perform its statutory functions? If not, why not?</p> <p>If relevant please provide specific areas where additional funding would be prioritised, and how this would improve operations.</p>	<p>No. The overall funding level for the Office of the Victorian Ombudsman (VO) does not enable it to satisfactorily perform its statutory functions.</p> <p>Over time, the VO's statutory functions and obligations have expanded significantly while funding in real terms has declined. Although nominal budget figures have increased, these have been consistently outpaced by the cost of delivery resulting from expanded statutory functions, mandated wage growth through EBA increases and rising non-wage costs. This has eroded the VO's operating capacity year on year.</p> <p>In effect, the deficit has created a structural gap between Parliament's intent and the VO's capacity to deliver it.</p> <p>The VO's baseline funding has not been reviewed since major legislative reforms in 2019, despite the introduction of new statutory functions and substantial changes in the operating environment. Several functions and powers, including a core Prevention function, new conciliation and complaint system review powers, and forthcoming Treaty obligations, have never been funded.</p> <p>At the same time, investigative workload is increasingly driven by statutory triggers, particularly Public Interest Disclosures (PIDs) and Parliamentary referrals, which must be dealt with immediately. These pressures must be absorbed within the existing appropriation, reducing the Ombudsman's ability to meet its broader statutory objectives.</p> <p>Rising complexity across the public sector further increases the time, expertise and systems required to resolve complaints and conduct investigations. [REDACTED]</p> <p>[REDACTED]</p> <p>These pressures collectively demonstrate that the VO is structurally underfunded and unable to fully meet Parliament's intent. To address these gaps, additional funding would be prioritised in the following areas:</p> <p>EBA and CPI pressures Funding is required to meet mandated wage and CPI increases to maintain minimum viable service levels and prevent further contraction of investigative and complaint-handling capacity. Without this stabilisation, the office will continue to lose real capacity each year.</p> <p>Funding statutory mandates Baseline funding is required to deliver the prevention mandate (including education, policy, intelligence and reviews, communications and engagement functions) at the scale intended by the 2019 reforms (see question 16 for further detail) and to support Treaty obligations from 1 May 2026, ensuring culturally safe and legally compliant operations.</p> <p>[REDACTED]</p> <p>Restoring investigative discretion by addressing PID pressures Specialist capability is needed to manage high-risk Public Interest Disclosure (PID) and Public Interest Complaint (PIC) triage and ensure timely, safe and legally-robust assessments. This would enable more systemic and complainant-centric work in our investigations and restore the role Parliament intended for the VO.</p>

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	<p>Modern systems and organisational capability Investment is required in modern case management systems, a secure and user-friendly public portal, improved information management, data and analytics capability, and accessible digital channels.</p> <p>Better complaint-handling outcomes Additional capacity would enable the VO to provide a higher quality complaint handling function, including to provide more assistance for marginalised people to navigate complex government systems. The comparable complaints handling team at the NSW Ombudsman has twice as many staff handling a similar number of complaints each year.</p> <p>These investments would stabilise critical risks, enable the VO to meet legislated mandates, restore discretion in the use of our oversight tools (including investigations), modernise systems and ensure the VO can deliver the transparent, timely and prevention-focused oversight expected by Parliament and the Victorian community.</p>																																																																																										
<p>2 Please provide data and/or commentary on the VO's budgets, budget bids, and any additional funding requests for the financial years 2016-2017 through 2025-26 (inclusive). Where available, please provide the following:</p> <ul style="list-style-type: none"> • Total budget sought, with specific amounts sought through: • Annual appropriation (output and capital) • Surge/supplementary funding (e.g. Treasurer's Advances) • Actual funding approved, with specific amounts received through: <ul style="list-style-type: none"> - Annual appropriation (output and capital) - Surge/supplementary funding (e.g. Treasurer's Advances) • Total expenditure in each year • Unused appropriation amounts (including any amounts approved for carryover in each year) • Annual supplementation of base funding – percentage and dollar 	<p>We have been advised by DTF that we are unable to provide the IOC with any commentary relating to budget bids. However, we believe that we are currently underfunded to fulfil our mandate.</p> <p>The information provided below details the funding received via appropriation and Treasurer's advance and addresses the first seven dot points of this question. Since 2020-21 (budgetary independence), unused appropriation was rolled into the prior year's surplus reserve, and deficits thereon (marked in red) have been funded from accumulated prior year surplus reserves. As at the start of 2025-26, the balance in that reserve is \$0.500M. Prior to 2020-21, unused appropriations and deficits were rolled into DPC's consolidated funding as VO was an entity that reported under DPC.</p> <table border="1" data-bbox="736 1024 2457 1507"> <thead> <tr> <th></th> <th colspan="9" style="text-align: right;">\$million</th> </tr> <tr> <th></th> <th>2016-17</th> <th>2017-18</th> <th>2018-19</th> <th>2019-20</th> <th>2020-21</th> <th>2021-22</th> <th>2022-23</th> <th>2023-24</th> <th>2024-25</th> </tr> </thead> <tbody> <tr> <td>Annual Appropriation (output)</td> <td>15.453</td> <td>14.731</td> <td>17.842</td> <td>17.193</td> <td>19.091</td> <td>18.834</td> <td>20.177</td> <td>21.440</td> <td>21.691</td> </tr> <tr> <td>Treasurer's Advance (output)</td> <td>0.000</td> <td>0.000</td> <td>0.000</td> <td>1.389</td> <td>0.714</td> <td>0.500</td> <td>0.812</td> <td>0.142</td> <td>0.760</td> </tr> <tr> <td>Total expenditure (output)</td> <td>15.797</td> <td>14.691</td> <td>18.095</td> <td>16.946</td> <td>18.449</td> <td>19.135</td> <td>20.528</td> <td>21.758</td> <td>21.863</td> </tr> <tr> <td>Unused appropriation/net deficit</td> <td>-0.272</td> <td>0.162</td> <td>-0.025</td> <td>0.461</td> <td>0.715</td> <td>-0.125</td> <td>-0.001</td> <td>-0.025</td> <td>-0.015</td> </tr> <tr> <td>Annual supplementation of base funding</td> <td colspan="6" style="text-align: center;">No annual indexation was provided till 2022-23</td> <td>0.497</td> <td>1.008</td> <td>1.530</td> </tr> <tr> <td>Capital (Addition to Net Asset Base)*</td> <td>4.777</td> <td></td> <td></td> <td>1.139</td> <td>0.374</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Capital (Depreciation equivalent funding (DEF) – asset renewal funded minor capital)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>0.299</td> <td>0.256</td> <td>0.217</td> <td>0.261</td> </tr> </tbody> </table> <p>Data source: Annual Financial Statements used for all actual reported figures</p> <p>*Notes on capital expenditure: 2016-17 office fit out associated with new office lease; 2019-20 and 2020-21 costs associated with set up of financial, payroll and HR systems to support budget independence, and website redevelopment to meet Commonwealth legislated accessibility standards.</p> <p>In relation to dot point 8, the Treasurer's advances we have received are set out in the table above. In relation to annual indexation, DTF (and ultimately government) determines the process and formula. For 2022-23 to 2024-25 it was 2.5% annual indexation, and for 2025-26 to the current year it was set at 3% indexation to partially cover VPS 2024 EBA increases. VO did not receive any annual indexation prior to 2022-23, and indexation since that date has been inadequate to cover wage and CPI cost increases, as outlined in detail at question 12.</p>		\$million										2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Annual Appropriation (output)	15.453	14.731	17.842	17.193	19.091	18.834	20.177	21.440	21.691	Treasurer's Advance (output)	0.000	0.000	0.000	1.389	0.714	0.500	0.812	0.142	0.760	Total expenditure (output)	15.797	14.691	18.095	16.946	18.449	19.135	20.528	21.758	21.863	Unused appropriation/net deficit	-0.272	0.162	-0.025	0.461	0.715	-0.125	-0.001	-0.025	-0.015	Annual supplementation of base funding	No annual indexation was provided till 2022-23						0.497	1.008	1.530	Capital (Addition to Net Asset Base)*	4.777			1.139	0.374					Capital (Depreciation equivalent funding (DEF) – asset renewal funded minor capital)						0.299	0.256	0.217	0.261
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<p>amount of supplementation in each year</p> <ul style="list-style-type: none"> • Describe the process and/or formula used to determine annual adjustments (supplementation) to agency base funding each year • Details of any initiatives for which funding was sought but not received, including specific amount(s) sought • Details of any initiatives which received a different amount of funding than what was sought, including specific amount(s) sought • Details of any initiatives for which surge/supplemental funding was sought and the reasons for which it was sought • For all funding requests, any reasons given for differences between funding sought and received • If appropriate, please provide examples of unfunded investigations or other activities. 	<p>In relation to dot points 9 to 12, we are unable to provide this information as DTF has advised that it remains Cabinet-in-confidence.</p> <p>In relation to dot point 13 about unfunded legislative functions, in 2020, the VO's mandate was expanded, significantly in terms of functions, but also in terms of powers, and jurisdiction. For example, the following new legislative functions were added to the Ombudsman Act in 2020:</p> <table border="1" data-bbox="736 443 1967 1003"> <thead> <tr> <th data-bbox="736 443 1240 533">Functions and powers under Integrity Amendment Act</th> <th data-bbox="1240 443 1967 533">Brief description of function or power</th> </tr> </thead> <tbody> <tr> <td data-bbox="736 533 1240 674">Broadening of the VO's jurisdiction to include a private body performing a public function</td> <td data-bbox="1240 533 1967 674">Since January 2020, the VO can now enquire into or investigate actions and decisions taken by a private entity that acts on behalf of a public body, performs a regulatory function or receives government funds.</td> </tr> <tr> <td data-bbox="736 674 1240 747">Alternative Dispute Resolution (ADR)</td> <td data-bbox="1240 674 1967 747">New powers enable VO to use Alternative Dispute Resolution (ADR) function for resolving complaints.</td> </tr> <tr> <td data-bbox="736 747 1240 814">Complaint handling review</td> <td data-bbox="1240 747 1967 814">The VO now has the power to review the complaints handling processes of an authority.</td> </tr> <tr> <td data-bbox="736 814 1240 911">Outreach and community engagement function</td> <td data-bbox="1240 814 1967 911">Legislated function to perform outreach and community engagement activities, to raise awareness of the VO, and educate Victorians on the VO's role.</td> </tr> <tr> <td data-bbox="736 911 1240 1003">Education function expansion</td> <td data-bbox="1240 911 1967 1003">Legislated function to develop and provide education, through training and workshops, to support improvements in public sector administration and complaint resolution processes.</td> </tr> </tbody> </table> <p>As the IOC is aware, under-investment in prevention was evidenced in the IOC's independent performance audit of the VO. The audit found the VO falls short in terms of meeting its newer legislative prevention functions and acknowledged the inadequacy of the VO's funding. The IOC made 22 recommendations for improvement, particularly in relation to the Ombudsman's prevention mandate. At the time, the VO could only accept the recommendations in principle, noting significant thought would need to be given to the feasibility of each in the context of resources, and balanced with the views and needs of the community and public sector.</p> <p>As discussed at the recent IOC performance hearing, it is not that investigations are unfunded as such, it is that we do not have the resources to undertake investigations of systemic issues that we believe are in the public interest. So they are not unfunded, the investigations simply cannot be conducted, and potentially serious and/or systemic instances of maladministration may go unchecked.</p>	Functions and powers under Integrity Amendment Act	Brief description of function or power	Broadening of the VO's jurisdiction to include a private body performing a public function	Since January 2020, the VO can now enquire into or investigate actions and decisions taken by a private entity that acts on behalf of a public body, performs a regulatory function or receives government funds.	Alternative Dispute Resolution (ADR)	New powers enable VO to use Alternative Dispute Resolution (ADR) function for resolving complaints.	Complaint handling review	The VO now has the power to review the complaints handling processes of an authority.	Outreach and community engagement function	Legislated function to perform outreach and community engagement activities, to raise awareness of the VO, and educate Victorians on the VO's role.	Education function expansion	Legislated function to develop and provide education, through training and workshops, to support improvements in public sector administration and complaint resolution processes.
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<p>3 Where available, please provide modelling used to support development of your 2026-27 budget bid.</p>	<p>DTF has advised that any modelling or costing used to develop the VO's budget bid cannot be provided to the IOC.</p> <p>However, as the IOC is aware, the VO has revised its BP3 measures to better reflect VO's work and impact and these new measures form an input into the 2026-27 budget bid development.</p> <p>Detailed modelling was developed to support VO's budget bid.</p> <p>When even high-level modelling is withheld as Cabinet-in-Confidence, it prevents Parliament from understanding or testing the assumptions behind funding decisions. This is a clear example of why transparency and independence are needed.</p>												

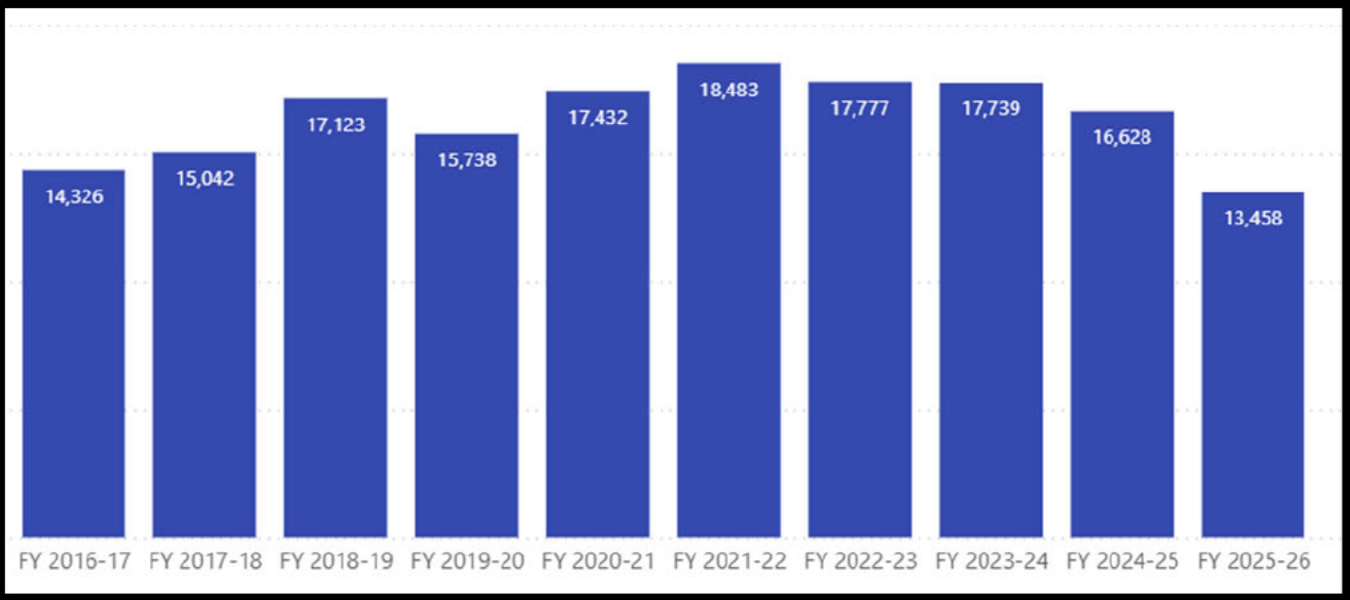
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4	<p>Are current funding settings and/or budget processes for the VO fit-for-purpose to support performance of its statutory functions? How could they be improved?</p>	<p>Funding settings</p> <p>Current funding settings are not fit-for-purpose to support the Ombudsman’s statutory functions. While nominal budget figures have increased over time, this conceals a substantial decline in funding in real terms when mandated wage pressures, rising non-wage costs and expanded statutory functions are considered. This deficit is compounded by the growth in the size and complexity of the public sector we exist to oversight.</p> <p>This ‘year-on-year fallacy’ has resulted in approximately 4.8 per cent annual underfunding since 2019 and a compounding structural deficit. On current trends and without any increase to our resources to fulfil our current mandate, the VO will face a structural funding deficit of around \$5.7 million by the end of the current Ombudsman’s term, representing roughly one quarter of the office’s present operating budget.</p> <p>Several structural gaps demonstrate that current funding settings do not align with Parliament’s intent or the scale of the Ombudsman’s statutory obligations:</p> <ul style="list-style-type: none"> • Unfunded statutory functions including the VO’s prevention mandate, Treaty obligations and mandatory PID obligations continue alongside rising demand, widening the gap between legislated responsibilities and the resources required to deliver them. • Annual wage and CPI increases create cost pressures of around \$1.7 million each year that are not funded in the baseline, accumulating compounding deficits over time. • Demand-driven pressures, particularly PIDs and Parliamentary referrals, must be absorbed within existing resources despite their statutory immediacy and complexity. In 2024–25, all investigations commenced arose from PIDs or referrals, with no discretionary or complaint-led investigations initiated. It has been necessary for the VO to seek Treasurer’s Advances in most years since 2019 to meet these unfunded pressures. However, requests for additional Treasurer’s Advances have recently been refused which means that work such as implementation of IOC performance audit recommendations and our prevention strategy have been deprioritised and that systemic or complaint-based issues that we believe we should investigate are not investigated. <p>Comparative analysis further illustrates the inadequacy of current settings. The Ombudsman’s funding remains approximately 39 per cent of the NSW Ombudsman’s budget, despite overseeing a public sector of comparable scale and complexity. The Ombudsman’s budget is about 35 per cent of IBAC’s budget, despite being the most community-facing integrity body and managing significantly higher complaint volumes. Funding for integrity agencies in Victoria has also been below the Transparency International benchmark of 0.15 per cent of total government sector expenditure since 2019. Collectively, these gaps demonstrate that current funding settings do not reflect contemporary integrity system standards or the scale of the Ombudsman’s mandate.</p> <p>Budget processes</p> <p>Budget processes for the Ombudsman are also not fit-for-purpose. They lack the transparency, contestability and parliamentary visibility envisaged in the 2019 reforms and called for in the 2022 and 2026 joint integrity sector papers. Cabinet-in-Confidence constraints prevent the VO from sharing budget bids or explaining resourcing needs to the Integrity and Oversight Committee, reducing Parliament’s ability to understand or test the basis of funding outcomes. Recent instances of incorrect Treasury advice regarding the VO’s operations could not be corrected during the budget process, with inaccuracies only becoming evident after media reporting. Heavy reliance on Treasurer’s Advances in most years since 2019 has created instability and short-term supplementation rather than stable, sustainable funding.</p> <p>Victoria’s approach also lags behind emerging practice in other jurisdictions, where integrity agencies operate within clearer, more transparent frameworks that provide Parliament with greater visibility of resourcing needs and the basis for funding decisions. By contrast, Victoria’s opacity contributes directly to structural under-resourcing and limits Parliament’s ability to assure itself that integrity agencies are funded in a fair and consistent manner.</p> <p>[System improvements are discussed further at question 9 below]</p>
5	<p>Was delivery of any of the VO’s statutory functions in the 2025-26 FY affected by inadequate resourcing, including because of increased demand for services?</p>	<p>Yes. Several statutory functions were affected by inadequate resourcing, driven by unfunded obligations, increased demand and cost pressures. Time critical functions were delivered by reprioritising resources away from identification of systemic issues, discretionary enquiries and investigations and prevention.</p>

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<p>If so, which functions were affected and how? Conversely, did funding need to be reprioritised from core aspects of service delivery to enable the VO to perform its statutory functions?</p>	<p>Prevention</p> <ul style="list-style-type: none"> The VO's core prevention and education mandate remained unfunded, limiting our ability to deliver education, guidance, capability-building and system-wide improvement. <p>Investigations</p> <ul style="list-style-type: none"> Mandatory investigations arising from statutory triggers (eg PIDs and Parliamentary referrals) absorbed a significant share of investigative capacity. This reduced the ability to initiate discretionary or complaint-led investigations and limited systemic and human rights-focused work. <p>Complaint handling and early resolution</p> <ul style="list-style-type: none"> Increased complexity of complaints, including complexity caused by the use of AI by complainants required more time and specialist skills. While timeliness has remained strong, there are limits on how much time can be spent on priority complaints, and complainant satisfaction has declined over time. <p>Other new statutory functions</p> <ul style="list-style-type: none"> New conciliation and complaint system review powers required specialist capability and modern systems that were not funded. Capacity to fully exercise these powers was constrained. <p>Treaty-related preparatory obligations</p> <ul style="list-style-type: none"> Preparatory work for Treaty obligations requires cultural, legal and operational uplift. With no dedicated funding, this work is being absorbed within existing resources. <p>[REDACTED]</p> <p>Reprioritisations</p> <p>Resources were redirected from:</p> <ul style="list-style-type: none"> prevention and education activities discretionary investigations systemic and own-motion work digital modernisation and data capability early resolution and targeted complaint interventions <p>to meet:</p> <ul style="list-style-type: none"> mandatory PID investigations Parliamentary referrals Treaty-related preparatory work <p>[REDACTED]</p>
<p>6 Does the VO have emerging or evolving responsibilities that are impacting its resourcing needs?</p>	<p>Yes. The Ombudsman has several emerging and evolving responsibilities that are materially increasing resourcing needs. These responsibilities expand the scope and complexity of the Ombudsman's statutory obligations and cannot be met within existing capacity.</p> <p>Treaty obligations commencing 1 May 2026</p> <p>Treaty legislation introduces new cultural, legal and operational requirements, including mandatory cultural safety guidelines, new notification processes, recognition of authorised representatives, updated information-handling obligations and substantial capability uplift. None of these obligations are funded. They also require modern, culturally-safe systems that the VO does not currently have.</p> <p>Prevention and education mandate</p> <p>The prevention mandate introduced in 2019–20 remains unfunded. It requires the Ombudsman to provide education, guidance, capability-building, data-driven insights and system-wide learning to help agencies improve fairness and administrative capability. Demand for this work continues to grow, and while we do as much</p>

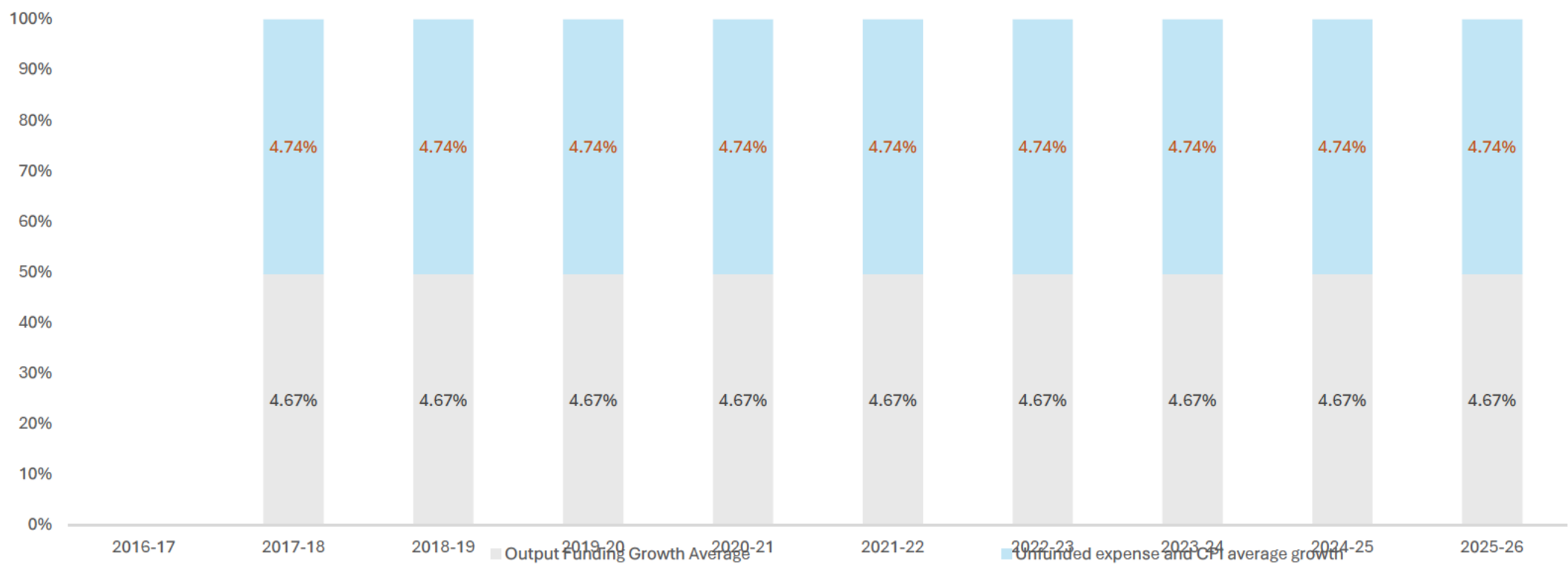
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		<p>as we can, including in conjunction with integrity partners such as IBAC and VAGO, without dedicated resourcing it cannot operate at the scale Parliament intended.</p> <p>Escalating Public Interest Disclosure (PID) workload The PID scheme continues to drive significant demand. The legal framework often mandates investigations even where matters are not of systemic significance, and many PIDs relate to low-level workplace issues that would ordinarily be resolved within departmental systems. This workload requires specialist assessment capability and displaces systemic and human-rights-focused work.</p> <p>Increasing frequency and impact of Parliamentary referrals Parliamentary referrals must be investigated ‘forthwith’ and do not attract baseline funding. The current Ombudsman has received four referrals in under two years, each requiring immediate diversion of investigators from ongoing work. These referrals are a key part of the Ombudsman’s role, but the inability to adequately plan for and resource them represents a growing structural pressure.</p> <p>New conciliation and complaint system review powers These new statutory functions require specialist skills, additional investigative capacity and modern systems. They are resource-intensive and central to Parliament’s intent to strengthen fairness and early resolution across the public sector, but have not been accompanied by any uplift in baseline funding.</p> <p>Increasing complexity of complaints While complaint volumes remain relatively stable, complexity continues to rise and expectations of government services are higher, particularly in matters involving entrenched vulnerability, multi-agency failures, serious human rights issues and cost-of-living pressures. This increases the time, expertise and coordination required to resolve complaints effectively.</p> <p>[REDACTED]</p> <p>These emerging responsibilities are expanding the Ombudsman’s statutory workload, increasing operational risk and requiring new capability, systems and specialist expertise. Without additional resourcing, they will continue to displace core functions and limit the Ombudsman’s ability to deliver the proactive, prevention-focused oversight intended by Parliament.</p>
7	<p>Do the performance measures used by the VO (for example, Budget Paper 3 measures, internal Key Performance Indicators) support appropriation of adequate funding and effective use of funds?</p>	<p>Historically VO’s performance measures have focussed largely on volume and timeliness, to the exclusion of quality and reach, and achievement of outcomes. Given the very limited nature of these historical measures, they have not provided a comprehensive picture of VO’s ability to deliver on its full legislative mandate, although they have nonetheless demonstrated a gap between VO’s targets and actual performance in some areas, which demonstrates the consequences of ongoing inadequate funding. For this reason, VO’s measures have been revised over the last twelve months, and new measures implemented for the 2026/2027 financial year, following consultation with the IOC in December 2025. These measures are intended to provide a more comprehensive picture of VO’s overall performance and impact.</p>
8	<p>Could elements of the legislative and policy frameworks governing funding for the VO be changed to help ensure it receives an appropriate level of funding?</p>	<p>Yes. Several elements of the current legislative and policy frameworks could be strengthened to ensure the Ombudsman receives funding that reflects its statutory obligations and operational risks.</p> <p>Clarifying consultation requirements under the Ombudsman Act The 2019 amendments require the Ombudsman’s budget to be determined ‘in consultation’ with the Integrity and Oversight Committee, but the legislation does not specify how this consultation should occur. Clarifying this obligation, including enabling the VO to share budget information with the Committee, would strengthen Parliament’s role in assessing resourcing needs.</p>

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		<p>Embedding transparency obligations in legislation Legislative provisions requiring written reasons for funding decisions, visibility of the advice used to inform those decisions, and post-budget briefings would improve procedural fairness and allow Parliament to test whether funding levels align with statutory mandates.</p> <p>Exempting core integrity agencies from efficiency dividends Efficiency dividends are designed for departments with discretionary programs, not small statutory bodies with fixed investigative and complaint-handling obligations. A legislated exemption for Independent Officers of Parliament would protect the Ombudsman’s ability to meet mandatory functions.</p> <p>Establishing a dedicated contingency mechanism Given the unpredictability of Parliamentary referrals, PID investigations and emerging systemic risks, a legislated contingency fund for core integrity agencies would provide stability and ensure urgent statutory work can be undertaken without diverting resources from core functions.</p> <p>Legislating a transparent resourcing protocol A public, legislated protocol outlining the principles, criteria and timelines for determining funding for Independent Officers of Parliament would provide clarity and consistency. This could include proportionality measures to ensure funding keeps pace with the size and complexity of the public sector.</p> <p>Strengthening the role of Oversight Committees Legislative amendments could empower Oversight Committees to receive and review agency submissions and departmental advice, and to provide formal recommendations on appropriations, consistent with emerging practice in the ACT, Queensland and New Zealand.</p> <p>Targeted improvements to the PID framework The legal framework currently requires investigations to be commenced even where matters are not of systemic significance, materially limiting the Ombudsman’s ability to exercise the discretion Parliament intended. Targeted reforms to reduce misdirected disclosures and ensure appropriate matters are managed within departments would reduce unnecessary pressure on the system.</p> <p>Longer-term structural reform As outlined in the 2022 and 2026 joint papers (Victoria’s integrity agencies call for greater budgetary independence Victorian Ombudsman; Victoria’s integrity agencies renew call for transparent, independent funding Victorian Ombudsman), establishing an independent statutory commission or tribunal to assess integrity agency funding remains the most robust long-term option. This would provide transparent, evidence-based recommendations to Parliament and reduce the risk of structural under-funding over time.</p>
9	<p>In February 2026 the VO released <i>Advancing budget transparency for Victoria’s core agencies in collaboration with the Independent Broad-based Anti-corruption Commission and the Victorian Auditor-General’s Office.</i></p> <p>How would increasing budget independence and/or transparency help ensure that the VO is adequately funded?</p>	<p>Increasing budget independence and transparency would help ensure the Ombudsman is adequately funded by strengthening Parliament’s ability to understand, scrutinise and support the resources required to deliver the statutory functions it has set. At present, the neither the Ombudsman nor the parliamentary committee that oversees it has visibility of the advice that informs funding decisions or the rationale for those decisions. This means there is no opportunity to correct misunderstandings, and no formal mechanism for integrity agencies to engage with their oversight committees on resourcing needs. This opacity reduces Parliament’s capacity to assess whether funding is sufficient and contributes to the structural under-resourcing outlined earlier.</p> <p>Greater transparency would allow Parliament to see the assumptions, advice and criteria used to assess the Ombudsman’s needs, enabling more informed scrutiny of whether funding levels align with statutory obligations, workload pressures and integrity system standards. It would also allow inaccuracies in advice to be identified and corrected before decisions are finalised, reducing the risk that funding outcomes are based on incomplete information.</p> <p>Budget independence and transparency also strengthen institutional independence. As an integrity body responsible for scrutinising the Executive, the Ombudsman must be, and be seen to be, free from real or perceived influence over its resourcing. Transparent processes reduce the risk that funding decisions could be shaped, or be seen to be shaped, by the Ombudsman’s past or current work, and ensure decisions about resourcing are open to parliamentary oversight rather than confined to Executive deliberations.</p>

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	<p>Transparency also improves public confidence. When the community can see how integrity agencies are funded, it strengthens trust that oversight bodies have the resources they need to operate effectively and without fear or favour. Public visibility of funding decisions creates a natural incentive for governments to ensure integrity agencies are adequately resourced, as shortfalls become more apparent and more readily tested.</p> <p>Other jurisdictions demonstrate how transparency and independence support adequacy. Reforms in New South Wales, the ACT, the Commonwealth, Queensland and New Zealand provide mechanisms such as written reasons for funding decisions, visibility of Treasury advice, parliamentary involvement in appropriations and specialist units to assess integrity agency needs. These models give Parliament clearer sight of the resourcing required to maintain effective oversight and reduce the risk of structural under-funding over time.</p> <p>In this context, the reforms proposed in <i>Advancing budget transparency for Victoria's core agencies</i>, including written explanations of funding outcomes, visibility of the advice used to inform decisions, and opportunities for integrity agencies to brief oversight committees before decisions are made, would strengthen the transparency and independence of the process. By improving Parliament's ability to understand and test the Ombudsman's resourcing needs, these reforms would help ensure that funding levels more accurately reflect statutory obligations, workload pressures and the expectations of the Victorian community.</p>																																																												
<p>10 Please provide modelling used to support the analysis on pages 9-10 of <i>Advancing budget transparency for Victoria's core integrity agencies</i> regarding the comparison between funding for Victoria's and New South Wales's integrity agencies.</p>	<p>The modelling used to compare funding for Victoria's and New South Wales' integrity agencies draws on publicly-available data from Budget Papers and Annual Reports. It calculates combined expenditure for the Ombudsman, Auditor-General and anti-corruption/police oversight bodies in each jurisdiction and expresses this as a proportion of total government sector expenditure. This proportional measure aligns with Transparency International Australia's recommended benchmark of 0.15 per cent of total government expenditure for integrity agencies.</p> <p>The analysis shows that Victoria's investment in integrity functions has been trending down since 2016–17, falling below the 0.15 per cent benchmark since 2019 and consistently behind New South Wales. By contrast, NSW investment has increased since adopting transparency reforms. This modelling highlights the growing gap between recommended and actual investment in Victoria and underscores the need for transparent, proportional and sustainable funding arrangements.</p> <p>Figure: Core integrity agency funding as a share of government expenditure (Victoria vs NSW), 2012-13 to 2025-26.</p>  <table border="1"> <caption>Estimated data for Figure: Core integrity agency funding as a share of government expenditure (Victoria vs NSW), 2012-13 to 2025-26.</caption> <thead> <tr> <th>Year</th> <th>Victoria (%)</th> <th>New South Wales (%)</th> <th>0.15% minimum standard (%)</th> </tr> </thead> <tbody> <tr><td>2012-13</td><td>0.13</td><td>0.18</td><td>0.15</td></tr> <tr><td>2013-14</td><td>0.15</td><td>0.17</td><td>0.15</td></tr> <tr><td>2014-15</td><td>0.16</td><td>0.17</td><td>0.15</td></tr> <tr><td>2015-16</td><td>0.17</td><td>0.16</td><td>0.15</td></tr> <tr><td>2016-17</td><td>0.17</td><td>0.16</td><td>0.15</td></tr> <tr><td>2017-18</td><td>0.16</td><td>0.18</td><td>0.15</td></tr> <tr><td>2018-19</td><td>0.15</td><td>0.17</td><td>0.15</td></tr> <tr><td>2019-20</td><td>0.15</td><td>0.16</td><td>0.15</td></tr> <tr><td>2020-21</td><td>0.13</td><td>0.15</td><td>0.15</td></tr> <tr><td>2021-22</td><td>0.13</td><td>0.13</td><td>0.15</td></tr> <tr><td>2022-23</td><td>0.14</td><td>0.15</td><td>0.15</td></tr> <tr><td>2023-24</td><td>0.15</td><td>0.17</td><td>0.15</td></tr> <tr><td>2024-25</td><td>0.14</td><td>0.18</td><td>0.15</td></tr> <tr><td>2025-26 (budget)</td><td>0.14</td><td>0.18</td><td>0.15</td></tr> </tbody> </table> <p>Source: Victorian Budget Papers, NSW Budget Papers, Annual Reports of: VO; IBAC; VAGO; NSW Ombudsman; NSW Independent Commission Against Corruption; NSW Police Integrity Commission/ Law Enforcement Conduct Commission; NSW Audit Office to calculate comparable combined expenditure of Ombudsman, Auditors-General and Anti-corruption/Police oversight functions.</p> <p>Note: Excludes VO expenditure on matters referred by Parliament which must be investigated 'forthwith' and therefore have a significant impact on expenditure which cannot be fully anticipated.</p>	Year	Victoria (%)	New South Wales (%)	0.15% minimum standard (%)	2012-13	0.13	0.18	0.15	2013-14	0.15	0.17	0.15	2014-15	0.16	0.17	0.15	2015-16	0.17	0.16	0.15	2016-17	0.17	0.16	0.15	2017-18	0.16	0.18	0.15	2018-19	0.15	0.17	0.15	2019-20	0.15	0.16	0.15	2020-21	0.13	0.15	0.15	2021-22	0.13	0.13	0.15	2022-23	0.14	0.15	0.15	2023-24	0.15	0.17	0.15	2024-25	0.14	0.18	0.15	2025-26 (budget)	0.14	0.18	0.15
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11	<p>Please provide data on demand for the VO’s services for the financial years 2016-2017 through 2025-26 (inclusive), including:</p> <ul style="list-style-type: none"> • Number of complaints and Public Interest Complaints received • Number of investigations and reviews: <ul style="list-style-type: none"> • commenced • completed • underway. • For investigations commenced, please indicate where they arise from: <ul style="list-style-type: none"> • own motions • Public Interest Complaints • parliamentary referrals. 	<p>Complaints The Victorian Ombudsman received the following number of complaints across the ten financial years from 2016-17 to 2025-26:</p>  <table border="1" data-bbox="736 359 1997 919"> <thead> <tr> <th>Financial Year</th> <th>Number of Complaints</th> </tr> </thead> <tbody> <tr> <td>FY 2016-17</td> <td>14,326</td> </tr> <tr> <td>FY 2017-18</td> <td>15,042</td> </tr> <tr> <td>FY 2018-19</td> <td>17,123</td> </tr> <tr> <td>FY 2019-20</td> <td>15,738</td> </tr> <tr> <td>FY 2020-21</td> <td>17,432</td> </tr> <tr> <td>FY 2021-22</td> <td>18,483</td> </tr> <tr> <td>FY 2022-23</td> <td>17,777</td> </tr> <tr> <td>FY 2023-24</td> <td>17,739</td> </tr> <tr> <td>FY 2024-25</td> <td>16,628</td> </tr> <tr> <td>FY 2025-26</td> <td>13,458</td> </tr> </tbody> </table> <p>Demand grew steadily from 2016-17, peaking at 18,483 in 2021-22, reflecting issues associated with COVID 19. It has trended downward since, returning closer to levels seen in the earlier part of the decade.</p> <p>The 2025-26 figure reflects data to early April 2026 and covers approximately 76% of the financial year. Projections for 25-26 are in line with the historical average.</p> <p>It’s important to note that while the figures above reflect complaints within jurisdiction. The Victorian Ombudsman also handles a significant volume of contacts that fall outside jurisdiction, including enquiries and matters we are unable to investigate. When those are included, total contacts received across the same period ranged from 22,000 to 26,000 per year.</p> <p>Public Interest Complaints and Investigations Protected Disclosure Complaints (PDCs) reference ‘Whistleblower’ complaints referred prior to 1 January 2020. Public Interest Complaints (PICs) reference complaints referred post 1 January 2020.</p> <p>Legislative amendments in 2016 provided VO with an Enquiry power with respect to the management of PDCs/PICs. Prior to this time, all PDCs/PICs were subject to formal investigation. On average, about 80% of PICs are managed via enquiries and engagement with relevant agencies, with the balance proceeding to formal investigation.</p> <p>Since 2020, VO has experienced an overall increase in the number of PIC referrals and a more significant increase in referrals during FY2025-26.</p>	Financial Year	Number of Complaints	FY 2016-17	14,326	FY 2017-18	15,042	FY 2018-19	17,123	FY 2019-20	15,738	FY 2020-21	17,432	FY 2021-22	18,483	FY 2022-23	17,777	FY 2023-24	17,739	FY 2024-25	16,628	FY 2025-26	13,458
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	<p>Investigations commenced*</p> <div data-bbox="736 363 2398 1031"> <p style="text-align: center;">Investigations commenced: 2016-17 to 2025-26</p> <table border="1" data-bbox="774 562 2368 1024"> <thead> <tr> <th></th> <th>2016-17</th> <th>2017-18</th> <th>2018-19</th> <th>2019-20</th> <th>2020-21</th> <th>2021-22</th> <th>2022-23</th> <th>2023-24</th> <th>2024-25</th> <th>2025-26</th> </tr> </thead> <tbody> <tr> <td>TOTAL:</td> <td>23</td> <td>38</td> <td>53</td> <td>29</td> <td>47</td> <td>29</td> <td>18</td> <td>27</td> <td>14</td> <td>5</td> </tr> <tr> <td>Referred matter (s16D)</td> <td>1</td> <td>1</td> <td>0</td> <td>0</td> <td>2</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Referred complaint (s16C)</td> <td>0</td> <td>1</td> <td>0</td> <td>1</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Parliamentary complaint (s16)</td> <td>0</td> <td>1</td> <td>1</td> <td>0</td> <td>0</td> <td>2</td> <td>0</td> <td>2</td> <td>0</td> <td>2</td> </tr> <tr> <td>Complaint (s15B)</td> <td>5</td> <td>4</td> <td>5</td> <td>1</td> <td>0</td> <td>3</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Own motion (s16A)</td> <td>2</td> <td>8</td> <td>12</td> <td>4</td> <td>4</td> <td>5</td> <td>3</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>PDC/PIC (s15C)</td> <td>15</td> <td>23</td> <td>35</td> <td>23</td> <td>41</td> <td>19</td> <td>15</td> <td>24</td> <td>13</td> <td>2</td> </tr> </tbody> </table> </div> <p>*Commencement date is based on date received, rather than date of investigation notification.</p> <p>This data shows that over the ten year period, 74% of investigations commenced were the investigation of a public interest complaint, and this proportion has generally been growing over the period as the number of PICs increases. By contrast, only 14% of investigations are systemic, own-motion investigations, and only 6% are investigation of ordinary complaints (and none in the past four years).</p>		2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL:	23	38	53	29	47	29	18	27	14	5	Referred matter (s16D)	1	1	0	0	2	0	0	0	0	0	Referred complaint (s16C)	0	1	0	1	0	0	0	0	0	0	Parliamentary complaint (s16)	0	1	1	0	0	2	0	2	0	2	Complaint (s15B)	5	4	5	1	0	3	0	0	0	0	Own motion (s16A)	2	8	12	4	4	5	3	1	1	1	PDC/PIC (s15C)	15	23	35	23	41	19	15	24	13	2
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<p>12 Has your agency undertaken any measures to create efficiencies in how it uses its funding/resources?</p>	<p>Yes.</p> <p>Despite VO not being formally subject to efficiency dividends, lack of sustainable funding has meant that VO has had to constantly reduce service offerings or reprioritise core functions to manage within our funding envelope. This task become progressively more challenging as VO has to find, on average, 4.7% savings to offset net cost increases that are beyond our control and are not funded.</p> <p>To elaborate, VO’s average output funding growth from 2016-17 to 2025-26 has been 4.67%, whilst cumulative CPI for non-salary and other salary related increases is 9.5% therefore VO has to fund the balance of 4.74% unfunded expense growth by internal offsets.</p> <p>This has been achieved through reducing expenditure, delaying recruitment or postponing planned initiatives. The table below demonstrates the funding gap based on VO’s actual output funding supplementations received.</p>																																																																																								

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	<p data-bbox="742 262 1113 294"><i>VO's unfunded expense growth</i></p>  <table border="1" data-bbox="742 315 2715 1029"> <caption>VO's unfunded expense growth (2016-17 to 2025-26)</caption> <thead> <tr> <th>Year</th> <th>Output Funding Growth Average (%)</th> <th>Unfunded expense and CPI average growth (%)</th> </tr> </thead> <tbody> <tr><td>2016-17</td><td>4.67%</td><td>4.74%</td></tr> <tr><td>2017-18</td><td>4.67%</td><td>4.74%</td></tr> <tr><td>2018-19</td><td>4.67%</td><td>4.74%</td></tr> <tr><td>2019-20</td><td>4.67%</td><td>4.74%</td></tr> <tr><td>2020-21</td><td>4.67%</td><td>4.74%</td></tr> <tr><td>2021-22</td><td>4.67%</td><td>4.74%</td></tr> <tr><td>2022-23</td><td>4.67%</td><td>4.74%</td></tr> <tr><td>2023-24</td><td>4.67%</td><td>4.74%</td></tr> <tr><td>2024-25</td><td>4.67%</td><td>4.74%</td></tr> <tr><td>2025-26</td><td>4.67%</td><td>4.74%</td></tr> </tbody> </table> <p data-bbox="742 1123 2804 1197">The need to internally offset cost increases within an already very small budget has led to delayed investment in urgent expenditure hence requests for Treasurer's advances have been in place since budgetary independence in 2019.</p> <p data-bbox="742 1239 2834 1375">Of immediate concern is VO's projection that for the 2026-27 financial year, the funding deficit will exceed the capacity of VO's accumulated funds (reserves) to fully offset this funding deficit. This has become a financial sustainability matter that will be discussed with DTF post budget outcome. As displayed in outer years, unless there is an increase to VO's base recurrent funding, the deficit will continue to grow due to the gap in DTF's forward projection output funding and VO's projected expenditure.</p>	Year	Output Funding Growth Average (%)	Unfunded expense and CPI average growth (%)	2016-17	4.67%	4.74%	2017-18	4.67%	4.74%	2018-19	4.67%	4.74%	2019-20	4.67%	4.74%	2020-21	4.67%	4.74%	2021-22	4.67%	4.74%	2022-23	4.67%	4.74%	2023-24	4.67%	4.74%	2024-25	4.67%	4.74%	2025-26	4.67%	4.74%
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<p>13 Please provide details of any base reviews undertaken by the VO of the costs of its operations since 2022-23, including key findings and recommendations.</p> <p>Please note if any changes to the VO’s objectives or functions have since significantly impacted operating costs.</p>	<p>No base reviews were conducted in this period.</p>																																												
<p>14 Could you please explain how the VO resources investigations resulting from parliamentary referrals. Has funding been re-prioritised from the delivery of other statutory functions to support delivery of these investigations?</p>	<p>Upon commencement of Parliamentary referrals, given the complexity and sensitivity of the issues involved in these referrals and the statutory requirement to complete these in a timely fashion, VO assigns its experienced investigations team members to the referrals.</p> <p>Having two referrals within the 2024-5 financial year meant that up to 40% of Investigation team’s staffing had to be re-assigned to the two parliamentary referrals. This means, many of the investigations already on foot are paused and delayed while we seek to recruit additional staff. Inevitably there is a delay in backfilling staff through external recruitment, given the time required to interview, onboard and train new employees who have been recruited on Fixed Term contract roles. This cycle is repeated when more parliamentary referrals are received.</p> <p>Although we are ultimately reimbursed for the cost, it also reduces our capacity to undertake systemic own motion or complaint-based investigations.</p> <p>Since budgetary independence, the VO has received six parliamentary referrals in six years (two in 2021-22, two in 2023-24 and two in 2025-26) which means a sustainable funding approach is needed to manage these that doesn’t impact our other statutory work.</p>																																												

	Question on Notice	Response
		VO would prefer to establish a team of experienced investigators as part of its ongoing staffing instead of the ad-hoc approach that is currently taken due to reimbursement-based funding.
15	<p>On page 10 of the VO's 2024-25 Annual Report it is noted that 'implementation of a data-led, risk-based program of complaint system reviews' is "on hold due to resourcing constraints'.</p> <p>How would this program support the performance of VO's statutory functions and what resources it would require?</p>	<p>With current resourcing, it is unlikely that the 'program' of complaints system reviews will be revived. While these proactive reviews assess public bodies complaint handling practices and processes to help them improve their services and prevent or reduce the risk of maladministration, they are resource intensive. Additional resourcing could enable sector-wide dissemination of learnings however the impact of complaint system reviews is currently limited to the single agency being reviewed.</p> <p>In line with our priority to increase flexibility in the way we use our range of oversight tools (Strategic Plan, p15), our current approach to the use of our powers under section 13D of the <i>Ombudsman Act 1973</i> is selective.</p> <p>To ensure the VO's intelligence holdings are harnessed and deployed effectively and efficiently, we are also establishing a dedicated intelligence function to better identify potential systemic issues and better enable appropriate and proportionate selection of our oversight tools (including complaint system reviews).</p> <p>Early indications from this work are that there are a greater number of systemic issues being identified than we are resourced to act on. Additional resourcing for these functions would enhance our ability to identify potential systemic issues, allow us to intervene earlier, more often and provide us with greater flexibility in the use of our oversight tools.</p> <p>Together, these resources will enhance our ability to identify, investigate, expose and prevent maladministration, improper conduct and breaches of human rights.</p> <p>The VO's intelligence and complaint system review capabilities form part of its Prevention function. Funding for Prevention is addressed in response to question 16.</p>
16	<p>In the hearings for the Performance review of Victoria's integrity agencies 2023-24 and 2024-25, the Ombudsman stated that additional resources would enable the VO to undertake more prevention work.</p> <p>How would adequate funding for prevention work be determined and what additional resourcing would be required?</p>	<p>The prevention mandate introduced in 2019–20 remains unfunded and requires the VO to provide education, guidance, capability-building, data-driven insights and system-wide learning to help agencies improve fairness and administrative capability.</p> <p>Strong prevention capability reduces repeated administrative failures, lowers downstream expenditure, and minimises harm to communities by addressing root-cause issues before they escalate.</p> <p>Public sector agencies consistently seek guidance, system reviews and capability support from the VO, reflecting the value placed on impartial advice that improves fairness in decision-making. Training and guidance delivered by the VO lifts standards. Notably, the paid training provided by the VO consistently attracts satisfaction ratings of over 90% however, demand is driven by the funding available to Departments to pay for staff training.</p> <p>Despite the VO's broader community-focus, we also work collaboratively with IBAC and other partners in the integrity sector to amplify the impact of our collective, sector-specific prevention efforts.</p> <p>Additional funding would enable the VO to make training available to the public sector free of charge where there is greatest need, expand our engagement and importantly, ensure our community outreach is targeted where it has the greatest impact (also see response to question 15).</p> <p>As indicated in the response to question 10, Victoria's investment in integrity has trended downwards since 2016–17, falling below Transparency International Australia's recommended benchmark of 0.15 per cent of total government expenditure for integrity agencies since 2019 and consistently behind New South Wales.</p> <p>Funding for Prevention, as one of the VO's three core functions, should equate to one third of its budget for operations.</p>

	Question on Notice	Response
17	<p>In the hearings for the review of the Performance review of Victoria's integrity agencies 2023-24 and 2024-25, the Ombudsman stated that the VO requested a Treasurer's Advance for 'IT issues'.</p> <p>Could you please provide additional detail about this request and why additional funding was required.</p>	<p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>