

# IBAC Responses to Questions on Notice

Questions on Notice for the Integrity and Oversight Committee's Inquiry into the Adequacy of the annual budget of the Independent Broad-based Anti-corruption Commission, the Victorian Ombudsman and Integrity Oversight Victoria

## Financial sustainability, capability and delivery of statutory functions

Public confidence in government, public institutions and integrity systems is under increasing pressure. In this environment, IBAC plays a critical role in maintaining trust by preventing, exposing and responding to public sector corruption and police misconduct.

However, IBAC's ability to fulfil this important role is being materially constrained by an underfunded and declining funding base, at a time when demand is increasing in both volume and complexity. This is no longer sustainable and will, without reform, compromise IBAC's ability to fulfil its statutory mandate to strengthen Victoria's integrity.

While IBAC is currently meeting its statutory obligations, this is being achieved through significant and unsustainable trade-offs. IBAC cannot continue to absorb increasing demand within a reducing real funding envelope without impacting effectiveness. Additional and sustainable funding is needed. Without it, IBAC will not be able to fulfil its statutory functions as expected by Parliament and the community.

### Increasing demand & activity

The volume, complexity and intensity of IBAC's work has increased year-on-year. Demands on IBAC and the services it provides have increased since the 2021/22 base review:

- In 2024/25 complaints and notifications increased by 18 per cent compared to the average across the three-year period.
- Complaints and notifications received this year are trending towards a 35 per cent increase against the previous three-year average.
- Between 2021 and 2024, the length of IBAC's complaint assessments increased by 60 per cent due to a greater (and necessary) focus on communication with complainants, and the introduction of trauma-informed approaches to complaint assessment.

- There has been significant expansion in legislative obligations, including at least five separate changes that have increased IBAC's responsibilities for police oversight without corresponding ongoing funding.
- New functions have been created to meet community expectations including the establishment of a Witness Liaison Team and a Focused Police Complaints Team.

## Funding position

IBAC's funding base has declined in real terms primarily due to:

- An ongoing gap of 3.3 per cent (cumulative) between VPS Enterprise Agreement provisions and average annual funding escalation.
- No annual escalation on the 2022 base review. The base review funding was almost entirely for additional employees, and no annual escalation means IBAC has had to fund the full VPS Enterprise Agreement annual increases, equivalent to approximately 5.5 per cent or \$1.9m in 2026/27.
- Cost pressures, including the higher than 2.5 per cent average annual Consumer Price Indexation (CPI) impacts on IBAC's existing contracts. The average CPI in last five years has been well above average annual funding increases of approximately 2.5 per cent. There have also been significant general cost increases across Information Technology and other regulatory fees and charges. The cumulative impact is an increase of between 10-50 per cent.
- An inability to replace aged assets due to funding uncertainty. In previous years, the former Treasurer approved IBAC to have access to approximately \$1.901m annually under the additions to net asset base authority for minor asset replacement and lease payments. This funding is now uncertain and will impact IBAC's annual asset replacement program for critical infrastructure.

In 2024/25 IBAC's total appropriation was \$66.9 million, this includes a \$3.9 million Treasurer's Advance provided late in the financial year in response to an in-year funding shortfall. IBAC's original parliamentary appropriation was \$63.6 million, which proved insufficient to sustain operations. The Treasurer's Advance was a one-off, non-recurrent measure to maintain operational continuity rather than an increase to IBAC's ongoing funding base.

In 2025/26, IBAC has to achieve a 10 per cent or \$6.5 million savings target to stay within its budget. To address our funding shortfall IBAC has applied savings targets to all our five divisions.

This position contrasts with comparable interstate agencies. In New South Wales, the Independent Commission Against Corruption (ICAC) reported total spending authority of approximately \$56 million in 2024/25, including additional funding that supports growth in investigative capacity. ICAC's remit is narrower and does not include oversight of police conduct, which is undertaken by a separate body. By comparison, IBAC's jurisdiction extends beyond public sector corruption to include oversight of police misconduct – which makes up approximately 50 per cent of our work - and matters intersecting with the judiciary, representing a broader and more complex operating environment.

The joint paper *Advancing budget transparency for Victoria's core integrity agencies* (2026) highlights the stark difference in investment in each states' integrity system. While operating challenges and costs are similar between the states, NSW has made significant investment in their police oversight body the Law Enforcement Conduct Commission (LECC) and ICAC.

The distinction is material: ICAC's additional funding is enabling expansion, whereas IBAC has required supplementary funding simply to continue operating.

## Funding impact: current

The impact of IBAC's funding constraint is evident across its operations. IBAC is not able to investigate or review as many matters as it receives, despite rising demand. Matters are taking longer to progress and investment in systems and capability is being deferred. These are deliberate decisions to prioritise core functions within limited resources - but they come at a cost to timeliness, coverage and overall effectiveness.

## Staff

This constraint is also reflected in IBAC's workforce. The 2021/22 base review assessed IBAC's required operating model at approximately 290.5 ongoing full-time equivalent (FTE) employees. However, IBAC's current funding supports just short of 270 FTE, with actual staffing in 2024/25 at 265 (243 ongoing and 22 fixed-term or casual). This represents both a shortfall against assessed need and a reduction in capacity at a time when workload has increased significantly.

The impact on existing staff is reflected in People Matter Survey results with 17 per cent of staff experiencing high to severe work-related stress, with 52 per cent of staff who experienced work related stress stating it was from workload (which is higher than the public sector average).

By comparison, ICAC is funded for approximately 190 FTE and is expanding its investigative capacity. As stated, the ICAC workforce is aligned to a more limited jurisdiction, with police oversight undertaken by the LECC. IBAC is required to deliver a broader and more complex mandate with a workforce that is not only constrained, but below its assessed requirement.

## Operations

IBAC has reprioritised resources to carry out functions that are unfunded and to meet changing community and stakeholder expectations. Reprioritisation includes:

- The Witness Welfare Team
- The Focused Police Complaints Team
- Employee training in trauma-informed practices
- Redeploying nine staff from across the organisation to address the backlog of complaints and increasing complaint volume in CAS
- Monitoring of Police use of powers where IBAC has not received ongoing funding with additional powers.

## Systems

Beyond staffing, IBAC's ability to maintain and modernise its systems is increasingly compromised. As an integrity agency handling highly sensitive information, IBAC faces material risks associated with ageing technology, including cyber and data security vulnerabilities. Investment in core systems is not discretionary - it is essential.

There is also a clear need to invest in data capability and emerging technologies, including analytics and artificial intelligence, to meet contemporary expectations and effectively oversee increasingly sophisticated entities. Without this, IBAC risks falling behind those it regulates, reducing both effectiveness and efficiency.

## Funding impact: long-term

IBAC's current funding trajectory also presents a clear and quantifiable risk to future capability.

Based on current settings, IBAC estimates that the funding gap will grow to approximately \$13 million by 2029/30. If unaddressed, this would necessitate a reduction of approximately 68 FTE, reducing

IBAC's workforce to around 220 FTE. This would represent a significant contraction in capacity relative to both current, and increasing, demand and IBAC's assessed operating model.

In practical terms, this would further limit IBAC's ability to respond to increasing complaints and investigations, extend timeframes and constrain oversight functions, particularly in relation to police misconduct. This projection highlights that the issue is not only one of current adequacy, but of long-term sustainability, with the gap between mandate and resourcing expected to widen materially over time without intervention.

## **Budget accountability & independence**

IBAC acknowledges that any increase in funding must be accompanied by strong accountability. IBAC undertakes its functions within a disciplined financial management framework to ensure the efficient, effective and economical use of public resources. This includes rigorous budget planning, in-year monitoring and reprioritisation, and active risk management. These practices are fundamental to IBAC's operations and ensure that public funds are used efficiently, effectively and in direct support of IBAC's statutory functions and priorities. However, strong financial management cannot offset a structural funding shortfall.

This accountability will be further strengthened through the enhanced transparency measures proposed in *Advancing Budget Transparency for Victoria's core integrity agencies (2026)*. These reforms will provide greater visibility of funding, expenditure and performance, enabling the Integrity and Oversight Committee to more effectively scrutinise and hold IBAC to account. IBAC supports these measures and is committed to operating with a high level of transparency, ensuring that any additional investment delivers measurable improvements in capability, performance and public confidence.

In the context of declining public confidence in public institutions, the community expects integrity bodies to act in a way that is visible, timely and effective. IBAC requires both sustainable funding and targeted legislative reform to meet these expectations. This includes the ability to more effectively prevent and expose public sector corruption, address police misconduct, and respond to the broader range of conduct the public expects integrity bodies to address - not only that which falls within narrow legislative definitions.

Investment in IBAC is an investment in public trust. Without it, the gap between community expectations and IBAC's ability to respond will continue to widen. With it, IBAC can operate as a strong, modern and future-ready integrity body capable of meeting the challenges ahead.

# Question

**1. Does the overall funding level for IBAC allow it to satisfactorily perform its statutory functions? If not, why not? If relevant please provide specific areas where additional funding would be prioritised, and how this would improve operations.**

## Reply

While IBAC can currently perform its statutory functions, IBAC is experiencing a funding shortfall that is increasingly putting pressure on our ability to meet our statutory obligations and community and stakeholder expectations.

To date IBAC has been able to address some of these challenges through reprioritisation and vacancy management, but that approach is proving unsustainable in the longer term. The funding gap – highlighted below – and increase in costs means that IBAC is effectively operating with a decreasing budget year on year and there is no contingency or funding beyond our “business as usual” operating budget on which we can rely. Without additional funding, IBAC will no longer be able to effectively fulfil our statutory functions. Devoid of further reprioritisation, this will result in reduced activities or taking longer to complete activities – ultimately resulting in IBAC not achieving agreed BP3 measures and decreased community and stakeholder satisfaction.

An important example of the funding impact is in complaints and assessments. As awareness and understanding of IBAC continues to grow, the number of complaints received has grown. As it stands, IBAC has a significant backlog of complaints waiting to be assessed. This backlog is increasingly resulting in community and stakeholder dissatisfaction and the wellbeing of complainants, many of whom have experienced some kind of trauma that led them to come to IBAC, is further affected. Significant delays in the assessment of complaints is unsatisfactory and without an increase in funding the delays will increase.

IBAC’s key challenges are listed below:

## Ongoing Funding Gap

The key components and factors contributing to the funding gap include:

- **Ongoing gap between VPS Enterprise Agreement provisions and average annual funding escalation:** The cumulative gap of approximately 3.3 per cent includes provisions of mobility allowance, progression payments and progressive annual superannuation increases.
- **No annual escalation on the 2022 base review:** While IBAC did receive additional funding as part of an independent base review in 2022, we received no supplementary funding over the following years, which is in-line with Department of Treasury and Finance (DTF) costing principles and policies. This is not an insignificant factor. The base review funding was almost entirely for additional employees, and no annual escalation means IBAC has had to fund the full VPS Enterprise Agreement annual increases, equivalent to approximately 5.5 per cent or \$1.9m in 2026/27.
- **Cost pressures:** Cost pressures include the higher than 2.5 per cent average annual Consumer Price Indexation (CPI) impacts on IBAC’s existing contracts, and significant general cost increases across Information Technology and other regulatory fees and charges. In the last five years, the average annual CPI rate was 4.11 per cent with peak inflation of 8.4 per cent in December 2022. Inflation impacts annual contract renewals and, depending on the timing of

contract renewal, creates a cumulative impact and cost pressure. The average CPI in last five years has been well above average annual funding increases of approximately 2.5 per cent.

- **Inability to replace aged assets due to funding uncertainty:** In previous years, the former Treasurer approved IBAC to have access to approximately \$1.901m annually under the additions to net asset base authority for minor asset replacement and lease payments. This funding is now uncertain and will impact IBAC's annual asset replacement program for critical infrastructure.

IBAC has sought ongoing funding to address a growing structural funding gap and has relied on Treasurer's Advances in recent years to address cost pressures that could not be offset through internal savings. This approach is not sustainable and Department of Treasury and Finance (DTF) advice is not to rely on Treasurer's Advances and submit Budget and Finance Committee bids for long-term sustainability. Treasurer's Advances are uncertain and typically received late in the financial year, creating operational instability. As a result, IBAC is required to reduce activities and reprioritise expenditure to remain compliant with the *Financial Management Act 1994*.

## Existing and new initiatives funding

IBAC follows the Victorian Government Budget and Finance Committee of Cabinet's (BFC) budget bid process to seek funding for any cost pressures or new initiatives. To effectively plan, and for long-term sustainability, IBAC requires funding certainty for technology and innovation, capability development, and resourcing any additional powers or new oversight functions granted to IBAC. Without this additional funding and certainty, our ability to fulfil our statutory functions and meet the needs of the public sector and community is compromised.

## Existing unfunded programs and activities

To meet changing community and stakeholder expectations, as well as carry out increased statutory functions resulting from legislative reform, IBAC has needed to establish and/or deliver new programs and activities. IBAC has either not been funded to carry out these functions or has received once-off funding. Three key examples of this are:

- **Witness Welfare:** In 2023 IBAC established a Witness Liaison Team to manage the welfare of individuals involved in investigations by providing regular communication, information on processes, and referrals to independent support services. IBAC has reprioritised funding from other areas within the organisation to fund two full time equivalent (FTE) witness liaison officers, however, as it stands, with over 50 active investigations these officers struggle to keep up with the workload and cannot be extended to other aspects of IBAC's work where people would benefit from welfare support.
- **Employee training:** The volume and complexity of complaints have increased, and so too has the complexity and effort required in the complaint assessment process as we have included improvements to better consider complainant welfare and needs. To improve and maintain internal capabilities, IBAC has funded organisation-wide training for areas such as trauma-informed practices and improved communications.
- **Additional oversight responsibilities:** The Government has armed police with extraordinary new powers in response to the infiltration and impact of criminal organisations within the construction sector (the *Criminal Organisations Control Act 2012*) and has also prioritised legislation permitting the pre-trial destruction of evidence in drug-related offending (the *Drugs, Poisons & Controlled Substances Act 1981* amendments). Government has sought to mitigate the risks associated with these new powers by making IBAC responsible for overseeing their

use. IBAC currently oversees Victoria Police's ongoing compliance with seven pieces of legislation. IBAC is funded for some of these obligations or has reprioritised budget to undertake additional oversight that is unfunded.

IBAC received one-off funding of \$0.213m and \$0.500m in 2024/25 and 2025/26 for general budget sustainability and our new oversight functions under the *Human Source Management Act 2023*. While additional statutory functions were introduced with the *Criminal Organisations Control Act 2012*, which came into operation on 25 August 2025, IBAC did not receive funding to undertake these oversight functions. The most recent addition to IBAC's functions relates to amendments to police powers under the *Drugs, Poisons & Controlled Substances Act 1981* introduced to parliament and expected to commence in FY26/27. IBAC does not have funding confirmed for this work.

IBAC's statutory obligations are ongoing (as are Victoria Police's powers that IBAC is obligated to oversee) however IBAC has not received ongoing funding to carry out these new and additional functions. IBAC has requested ongoing funding to support its additional compliance activities to monitor and oversee the use of these powers.

### **Areas that require new initiative funding (or reprioritisation to meet statutory obligations)**

**Complaints and Assessment Services (CAS):** Over recent years, IBAC has seen the volume and complexity of complaints increase. In 2016/17 IBAC received 2098 complaints and notifications. In 2024/25 IBAC received 4103 complaints and notifications. The complaint assessment process has also increased in complexity and effort as we have included necessary improvements to better consider complainant welfare and needs.

Currently, the only way IBAC can tackle this increased demand is by adding people resources, often from other areas of the organisation. IBAC has redeployed nine staff members from other divisions to the CAS Division to address the backlog of complaints.

After a thorough and organisation-wide review, IBAC commenced a significant program in 2025-26 (the CAS Optimisation program) to deliver efficiencies in the complaint and assessment services function that are, largely, designed to meet increasing demand by improving processes and systems to reduce reliance on additional human resources. To only have additional staff as a lever to address increased workload and demand is both inefficient and unsatisfactory.

IBAC has reprioritised resources to fund the program this year, however, there is little scope to reprioritise this work in 2026/27 without a significant impact on other statutory functions. Funding is required to develop systems and process efficiencies, automation and consistent and sustained capability development across the function so that our current staff are freed up to do more complex and complainant-focused work. This will benefit complainants, IBAC staff and the prevention and exposure operations that result from these complaints.

**Information Technology:** IBAC's productivity and performance are increasingly being hindered by aging platforms and systems at a time when the integrity risks facing Victoria are becoming more complex and data-driven. Without sustained investment, IBAC will be progressively unable to keep pace with increasing volumes, the need for complex decision-making and the public sector's transition to intelligence-led service delivery.

Many of IBAC's functions do not have fit for purpose technology systems to support staff and operations, these include complaint management, legal operations and compliance systems. While funding such systems would require a significant increase in IBAC's budget in the short term, it would ensure sustainable operations in the long term with systems carrying out much of the manual work

currently performed by staff, therefore enabling staff to meet increasing demand and more complex work.

IBAC recently developed and costed a three-year technology uplift program, the *Digital Strategy 2025-28*. The main aim of the strategy is to enhance organisational systems and embrace emerging technology to ensure IBAC can effectively and efficiently improve our operational output.

The initiatives under this strategy will provide organisation-wide efficiencies to support the needs of operational business units such as Complaints & Assessment Services, Strategic Intelligence and Investigations.

IBAC has reprioritised resources to fund year one of this strategy, which includes initiatives to build the foundation for years two and three. Without continued investment in the maintenance of existing and new technologies, IBAC will lose efficiency and, over time, run the risk of not being able to meet its statutory obligations to expose and prevent public sector corruption and police misconduct.

### **Impacts of cost pressures**

In 2025/26, IBAC has to achieve a 10 per cent or \$6.5 million (m) savings target to stay within its funding confirmed envelope of \$65.6m.

As noted above, cost pressures impacting IBAC include the higher than 2.5 per cent average annual Consumer Price Indexation impact on IBAC's existing contracts and significant general cost increases across Information Technology and other regulatory fees and charges. While IBAC is attempting to address these through market testing and vendor rationalisation, the cumulative impact is an increase of between 10-50 per cent. This includes annual cost increases such as Microsoft Licensing under the Whole of Victorian Government contract which exceeded 10 per cent, and other annual increases of up to 50 per cent (more in some software and related expenditures) in ongoing support charges for IBAC's bespoke investigations tools and systems.

Of the total IBAC budget, approximately 73 per cent is attributable to employees and related expenditure (post savings offset from vacancies), followed by 18 per cent expenditure for other non-discretionary contractual commitments including office accommodation, information technology and prevention-related services and events, and 9 per cent related to depreciation and equivalent expenditure.

As a small agency with a high proportion of cost associated with employee and related expenses, IBAC lacks sufficient discretionary expenditure to generate internal savings to offset the required costs related to the VPS Enterprise Agreement gap, and other cost pressures, without impacting core operations.

## Question

**2. Please provide data and/or commentary on IBAC'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:**

- **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:**
  - **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 amount of supplementation in each year**
- **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.**

## Reply

Please refer to **Attachment 1 – Operating Income and Expenses** and **Attachment 2 - Summary** for data and commentary on IBAC's budgets, budget bids, and any additional funding requests for the financial years 2016-2017 through 2025-26 (inclusive).

Until 30 June 2020, IBAC received grant funding through the Department of Premier and Cabinet. From 1 July 2020, IBAC receives its annual appropriation directly from parliament.

Where information is unable to be included, this is noted.

In addition, the BFC budget bid process is Cabinet-in-Confidence. As a result, IBAC is unable to provide the details about funding requests through the Treasurer's Advance or Budget and Finance Committee (BFC) budget bid process or incorporate this in its forecasts.

## Budget and funding recognition process context

Under the Victorian Government budgeting system, funding is confirmed via the State budget papers (with forward estimates) and updated during the year for any additional government decisions for supplementary funding such as Treasurer's Advance.

Additionally, while the government may approve a Treasurer's Advance during the year up to a certain value, the actual funding is only based on spend and not availability of funding.

Unless any funding relates to a specific trust (if applicable), funding can only be recognised equivalent to expenditure during the year.

## **IBAC funding history and challenges**

IBAC was established in 2012 by the *Independent Broad-based Anti-corruption Commission Act 2011* (Vic) (IBAC Act). In 2012, the IBAC Act was amended to grant IBAC certain investigative powers as well as define its main areas of jurisdiction. These amendments came into effect on 10 February 2013, making IBAC fully operational.

Until recent years, IBAC experienced annual underspends. From 2018 to the base review in 2022 IBAC was able to absorb expenditure increases without an increase in CPI due to underspend carried forward from previous financial years and carry-overs approved by the Treasurer.

This supplementary, one-off funding assisted IBAC in achieving operational objectives when it would have struggled to do so within the constraints of its base budget. However, the short-term and one-off nature of the supplementary funding impeded IBAC's ability to proactively plan for and utilise full funding within the allocated financial year.

This one-off and supplementary funding was identified as a core issue in the 2022 base review and often resulted in IBAC being unable to fully spend funding within the year it was provided. For example, IBAC was advised in June that it was to receive one-off funding for FTE IBAC officers for the following financial year. Despite commencing the recruitment activity immediately, it generally takes two to three months to advertise, interview, complete probity, wait for notice periods and onboard a new staff member. This meant that the IBAC officers did not commence until September. This example demonstrates that despite a full year of funding being received, IBAC was only able to spend the equivalent of 9 months of the funding.

While the 2022 base review provided a confirmed structure and certainty for ongoing funding for IBAC, as highlighted in question 1, the ongoing funding gap means IBAC's ability to sustain delivery on all our statutory functions in future financial years is at risk.

## **IBAC forecast and future suitability challenges**

IBAC's four-year forecast and expected deficit, including offsets from vacancies at current rate, highlights urgent need for additional ongoing funding. The cumulative funding gap is expected to peak to approximately \$13 million or 20 per cent of IBAC's confirmed budget in 2029-30.

# Question

**3. Where available, please provide modelling used to support development of your 2026-27 budget bid.**

## Reply

As part of Government's 2026/27 budget development process, IBAC submitted several business cases to address the ongoing funding gap and fund new initiatives and improvements to support our statutory functions.

The BFC budget bid process is Cabinet-in-Confidence (CIC). As a result, IBAC is unable to provide the detailed modelling and analyses included in the business cases for the BFC budget bids in our response.

This lack of transparency and inability to share key information for important funding matters – even to the committee that oversees our performance - is one of the key drivers for the joint papers (IBAC, Victorian Ombudsman and Victorian Auditor-General's Office) released in 2022 and 2026 calling for practical reforms to strengthen transparency in budget processes for Victoria's integrity system.

The CIC business cases are developed utilising a DTF standard template that includes problem definition, options and recommended solutions supported by detailed modelling, analysis and historical performance.

IBAC requires funding to support a range of functions including:

- **Complaints and notifications (CAS):** Public sector corruption and police misconduct complaints have increased in volume and complexity. Consequently, there is a growing backlog of complaints creating risk for complainants, IBAC and the integrity of the public sector. IBAC has commenced the CAS Optimisation program (mentioned above) to implement internal efficiencies to create a sustainable and adaptable complaint assessment function. Funding is required in future years to manage and implement the program, without which IBAC cannot make the significant process, structure and capability reforms to meet the growing number of complaints and notifications.
- **Information technology:** IBAC's current technology environment is no longer fit for purpose. Core systems are ageing, fragmented and heavily reliant on manual workarounds, resulting in declining productivity, data quality issues, and growing operational inefficiencies. As a result, additional investment is not optional, it is critical – ensuring IBAC has the systems, skills and technology to operate efficiently today, while building the foundation for a future workforce that can leverage data, analytics and artificial intelligence to deliver the safest, most efficient, and most trustworthy outcomes for Victoria.
- **Funding gap:** IBAC has a material, ongoing funding gap in operating and capital funding. This ongoing funding gap between Victorian Public Service Enterprise Agreement 2024 provisions and annual average funding escalation can no longer be met through internal savings without substantial cuts to IBAC's workforce and capabilities.

The ongoing expected funding shortfall equates to approximately 37 VPS 5 positions in 2026/27 for the full IBAC structure. After offsetting the average vacancy rate (employee natural attrition) of approx. 6 per cent annually - it means the equivalent of approximately 18 VPS 5 positions in 2026/27 would need to

be removed for IBAC to stay within our funding envelope. This will increase in future years due to the cumulative impact of the ongoing funding gap.

The stark imbalance between the funding and resources of the public sector and police, compared to IBAC - the agency entrusted to oversee them - means IBAC does not have sufficient, equivalent resources to undertake its statutory functions across the public sector, including Victoria Police, to the extent expected by the community.

# Question

## 4. Are current funding settings and/or budget processes for IBAC fit-for-purpose to support performance of its statutory functions? How could they be improved?

### Reply

The current budget process for IBAC is not fit-for-purpose to support the performance of its statutory functions. IBAC's budget (and that of the Victorian Ombudsman and Victorian Auditor-General's Office) is decided by the government we oversee, without consultation with the parliamentary committee that oversees us, nor the requirement for government to explain its funding decisions to IBAC, Parliament or the public. This lack of transparency risks undermining public trust in IBAC's delivery of its statutory functions.

Victoria's core integrity agencies - IBAC, the Victorian Ombudsman and Victorian Auditor-General's Office - strongly agree these processes are not fit-for-purpose.

Together our agencies have published two papers recommending changes that would improve the transparency and independence of budget processes for the integrity sector in Victoria.

The [most recent paper](#) released in February 2026 made twelve reform suggestions to improve transparency, based on the successful implementation of similar reforms in New South Wales.

These reforms cover three key areas:

- **Improving information access:** by providing written explanations of funding outcomes, improving visibility of the advice that informs decisions, and conducting post budget briefings to explain outcomes.
- **Strengthening parliamentary oversight:** by allowing integrity agencies to brief oversight committees on their budget needs before decisions are made, giving committees access to the rationale behind decisions, and ensuring the process is subject to proper scrutiny.
- **Introducing clear administrative safeguards:** including exempting core integrity agencies from efficiency dividends, providing more flexibility in how unspent funds are used, and establishing a dedicated contingency reserve, a public protocol setting out funding principles and timelines, and specialised liaison support within Treasury.

Together, these measures aim to make the budget process more transparent, predictable and fair, while preserving Cabinet's role as the final decision maker.

Both papers can be read in full on IBAC's website:

[Advancing budget transparency for Victoria's core integrity agencies | IBAC](#)

[Budget independence for Victoria's Independent Officers of Parliament | IBAC](#)

# Question

**5. Was delivery of any of IBAC's statutory functions in the 2025-26 FY affected by inadequate resourcing, including because of increased demand for services? If so, which functions were affected and how? Conversely, did funding need to be reprioritised from core aspects of service delivery to enable IBAC to perform its statutory functions?**

## Reply

There are a number of challenges impacting the delivery of IBAC's statutory functions during this 2025/26 financial year including: increased demand, changing stakeholder and community expectations, increasing expectations of our oversight bodies and essential improvements to our systems, processes and capabilities. While IBAC is currently meeting its statutory obligations, this is being achieved through unsustainable trade-offs. Without additional and sustainable funding, IBAC will not be able to fulfil its statutory functions to the standard expected.

### Savings target to meet funding gap

As stated above, the funding gap between the intended structure for IBAC (as per the base review) and actual funding in forward estimates is widening. To address our funding shortfall IBAC has applied savings targets to all our five divisions. For 2025/26 IBAC required approximately 10 per cent savings to stay within our funding envelope. This 10 per cent savings target is allocated to each division within IBAC on a pro-rata basis as part of the Divisional annual budget. With 75 per cent of IBAC's costs related to employee expenses, most of these savings can only be achieved by extending the period a position is vacant or freezing positions.

As a result, IBAC is operating with less staff to meet an increasing mandate.

### Increase in volume and complexity of complaints and notifications assessments

In 2024/25 IBAC received a total of 4103 complaints and notifications, an increase of 18 per cent compared to the average of the three-proceeding financial years since IBAC's base review. In the first three quarters of this financial year IBAC has already received 3669 complaints and notifications and if that trend continues it means IBAC will experience a 35 per cent increase in complaints compared to the average of the three-proceeding financial years.

In addition to the increase in volume, the process to assess complaints and notifications has increased in effort and complexity. Between 2021 and 2024, the length of IBAC's complaint assessments increased by 60 per cent due to a greater (and necessary) focus on communication with complainants, and the introduction of trauma-informed approaches to complaint assessment.

IBAC aims to assess complaints within 45-90 days of receipt however the increase in demand is placing significant pressure on existing resources and has led to an increasing backlog of complaints. Delays in the assessment process is having broader implications for complainants, stakeholders and IBAC, such as a delay in the provision of support and clarity to complainants, reduced complainant and stakeholder satisfaction and decreased trust in IBAC. It is important to note that IBAC triages and prioritises complaints based on a thorough risk assessment to ensure that matters of higher risk are prioritised for assessment.

Without funding and investment in technology the number of matters not assessed within satisfactory timeframes will continue to increase. IBAC has commenced the CAS Optimisation program to implement internal efficiencies and create a sustainable and adaptable complaint assessment function.

In 2025/26, IBAC reprioritised funding and allocated more resources in CAS to address the increase in volume and complexity of complaints. In part this was achieved by employees from other areas of the organisation being redeployed, at a direct cost to the delivery of other statutory functions. Employees were redeployed from Investigations, Surveillance, Intelligence, Corporate Services, Reviews, Legal and Communication and Engagement.

Funding is required to manage and implement the CAS Optimisation program in 2026/27, without which IBAC cannot make the significant process, structural and capability reforms to meet the growing demand.

## **Impact of increase in complaints and notifications on operational functions**

IBAC is required to assess a complaint and either dismiss, investigate or refer the complaint or notification. Accordingly, an increase in the number of complaints and notifications will result in a comparable increase in the number of investigations and referrals.

### **Investigations**

IBAC's Operations Division leads IBAC's function to undertake investigations, preliminary inquiries and operational intelligence gathering. IBAC's operations are centred around the investigation of serious or systemic corrupt conduct and police misconduct. Investigations vary in complexity, duration and risk.

Resourcing across all investigation teams is effectively saturated. There is very little, if any, latent capacity to investigate increasing complaints without trade-offs such as pausing other investigations or extending timelines, which elevates risk to the investigation, witnesses and the exposure of corruption or misconduct. It will also impact IBAC's ability to meet BP3 targets.

The significant increase in complaints and the current divisional savings targets creates a situation where IBAC has a decreasing capacity to undertake investigations in an environment where there are more complaints to be considered for investigation. The consequence is that more matters are required to be referred, and allegations of serious and/or systemic corruption or police misconduct - that could reasonably be expected to be the subject of an IBAC investigation - cannot be investigated due to insufficient resources.

Resource pressures are exacerbated by increasing operations technology costs for essential overt and covert systems. As highlighted earlier, the substantial increase in technology-related costs will significantly impact the Operations Division budget as IBAC utilises specialist technology to support its operational activities. In the absence of additional funding, these costs can only be met by decreasing IBAC's FTE employee mix.

In the 2024/25 financial year IBAC embedded the Focused Police Complaints Team (FPCT) within the Operations division. The FPCT investigates single incident complaints about Victoria Police from members of the Victorian community at greater risk of experiencing police misconduct including children, the LGBTQIA+ community and Victoria's First Nations peoples. This is a critical improvement to the way IBAC carries out its statutory functions however, it is resourced from a reprioritisation of investigation resources from within the Operations Division.

## Reviews

When IBAC refers a complaint to police or another public sector agency, we can review their completed investigation to determine if it has been appropriately managed. In particular, we consider whether investigations are thorough, impartial and timely, the findings are evidence-based and outcomes fair and reasonable.

Over time this review function has become a critical part of IBAC's oversight and prevention functions and is one of the most effective and resource-efficient ways of providing guidance to Victorian public sector agencies to help them reduce and prevent misconduct and ensure public trust in a robust anti-corruption and police oversight system.

IBAC completes approximately 230 reviews per year. However, despite the volume of complaints growing the numbers of reviews IBAC completes remains static due to resource limitations. While we undertake a risk-based assessment to allocating matters for review, many referred matters that would benefit from independent oversight and fall within IBAC's strategic priority areas are unable to be reviewed.

## Enabling services

IBAC reprioritised funding to provide for ongoing and fixed-term roles (three roles) in critical areas such as staff wellbeing and safety, change management and stakeholder engagement with our oversight bodies. This example highlights the critical nature of the funding gap for IBAC. There is no contingency to fund any new roles without reprioritising funding or using vacancies from elsewhere in the organisation.

# Question

## 6. Does IBAC have emerging or evolving responsibilities that are impacting its resourcing needs?

### Reply

As community expectations and the broader integrity environment evolve, IBAC needs to evolve the way we operate. We recognise that we confront change on multiple fronts including:

- increasing complexity of complainants
- increasing expectations of our oversight bodies and the community
- changes to the type of goods & services delivered by the public sector
- game-changing technologies that will transform both the way we work and the risk factors for corruption.

Over the last few years IBAC has needed to evolve, self-funding new initiatives and reprioritising its activities to address some of these challenges but there are emerging areas where IBAC must do more to respond.

### Evolving our approach

#### Complaints & Assessments

In recent years IBAC has made concerted efforts to build and support stronger complainant-centric approaches in the assessment of complaints and notifications. Despite these efforts, community and stakeholder feedback consistently tells us we need to do more.

Through strategic internal savings IBAC funded a modest, enhanced complainant experience initiative in 2023-24 and 2024-25 to train staff and enhance communication resources to improve complainants' understanding of IBAC and our engagement with complainants and their diverse and complex needs.

IBAC employees have participated in training to identify and understand strategies to effectively engage with complainants, including trauma-informed awareness, managing complex behaviours, awareness of family violence and an understanding of the Charter of Human Rights.

Such improvements are vital to a modern and evidence-based complaint assessment function, but they do require additional resources and capabilities (e.g. witness & complainant liaison officers) and do increase the time to assess complaints because we are focusing on the complainant, not just the complaint.

#### Witness support

Given the significant powers IBAC has, the community rightly expects that these powers will be cautiously and diligently exercised, and that proper consideration is given to the wellbeing and safety of all who are affected by the exercise of these powers.

In 2023 IBAC established a Witness Liaison Team to manage the welfare of individuals involved in investigations by providing regular communication, information on processes, and referrals to independent support services. IBAC has reprioritised funding from other areas within the organisation to fund two FTE witness liaison officers, however, as it stands, with more than 50 active investigations

these officers struggle to keep up with the workload and cannot be extended to other aspects of IBAC's work where people would benefit from welfare support.

It is increasingly common for an investigation to involve the management of one or more complex behaviours when interacting with victims, witnesses and persons of interest. While IBAC relies heavily on its Witness Liaison Team, as noted above, their resources are limited. IBAC's operating model requires investigators to be trained and vigilant to welfare risks.

Managing complex behaviours involves regular assessments of investigative strategy and associated planning of activities to identify and mitigate risk and monitor post-activity conduct. These increasing demands across the investigations cohort combined with lengthy post-investigation activities, including protracted litigation processes, are resulting in investigations taking longer to reach resolution and impact significantly on the wellbeing of all parties. In managing these issues in an investigation, IBAC must also be aware of the need to identify and control psychosocial risks in the workplace under the new requirements of the *Occupational Health and Safety (Psychological Health) Regulations 2025*.

It is clear from ongoing complainant and stakeholder feedback, timeliness issues in assessing complaints and managing complex investigations that IBAC must continue to improve complainant and witness welfare approaches.

## Emerging areas

### Intelligence gathering & advancing technology

Public sector corruption and police misconduct are exceptionally complex and difficult to detect due to the very nature of the conduct often including obscuring behaviours and collusion by those perpetrating it. IBAC's ability to collect intelligence is becoming increasingly difficult due to advancing technology, criminal sophistication, organised crime infiltration and the reliance on a passive mechanism (complaints) to inform its approaches.

IBAC's ability to collect intelligence and evidence is also becoming increasingly frustrated by advancing technology, end-to-end encryption, criminal sophistication, and organised crime infiltration which is undermining existing technical means of collection. With the exponential increase in usage of encrypted communication tools, comes an increase in the risk that corrupt activity will go undetected.

These gaps leave IBAC impeded in its ability to identify and respond to the most serious corruption and police misconduct in Victoria. To address this IBAC must look to enhanced intelligence collection capabilities.

Beyond encryption, recent breakthroughs in artificial intelligence (AI) have sparked renewed interest in the adoption of machine learning systems in governments and policing to enhance public service delivery and operational efficiency with data-driven decision making. AI technology also provides new avenues for fraud and cybercrime, elevates the commercial value of government held data and the risks of agency maladministration that can lead to misconduct. Anecdotally, interstate corruption agencies have identified AI being used to generate complaints as of early 2026.

IBAC's core operational systems are now significantly aged, fragmented, and reliant on legacy workarounds that no longer meet the organisation's statutory obligations. As a result, IBAC's productivity and performance are being materially hindered at a time when the integrity risks facing Victoria are becoming more complex and data driven. Without investment, IBAC will be progressively unable to keep pace with increasing volumes, the need for rapid decision-making, and the sector's transition to intelligence-led service delivery.

The risk of not acting is substantial. Legacy systems will continue to fail or require expensive workarounds, diverting scarce resources away from frontline integrity work. The organisation will also fall behind its peers in adopting AI-enabled processes, automated workflows, and integrated enterprise data platforms—capabilities that are rapidly becoming standard prerequisites for efficient, modern public service delivery. In a financially constrained environment, failing to transition towards data-driven, automated and AI-supported ways of working will compound cost pressures, reduce staff productivity, and prolong administrative inefficiencies.

## Contemporary legislation

Purchasing goods and services is a core part of today's public sector. The growth of complex, high-value outsourcing arrangements - ranging from IT managed services to major infrastructure projects — has made contract management an increasingly important part of a public servant's role.

However, unless there is evidence of a direct connection between a public body or officer and the alleged corrupt conduct, under its current legislative powers, IBAC is restricted from investigating.

As part of IBAC's recent submission to Parliament's Integrity Oversight Committee (IOC) *Inquiry into the Adequacy of the Legislative Framework for the Independent Broad-based Anti-corruption Commission*, we proposed changes to ensure IBAC could investigate allegations of 'corrupt conduct' by entities not typically regarded as public bodies, including where public functions are performed under commercial subcontracting arrangements and public funds are expended.

To achieve this objective, IBAC recommended four reforms which are intentionally interdependent:

1. removing the requirement for corrupt conduct to constitute a relevant offence
2. clarification of the offence of 'misconduct in public office' (MIPO) to provide greater certainty on the scope of this offence
3. clarification and potential expansion to the definitions of 'public officer' and 'public body'
4. expand the definition of corrupt conduct and granting 'follow-the-dollar' powers on IBAC, similar to the powers of the Victorian Auditor-General's Office, enabling it to oversee the use of public funds regardless of whether they are expended through public or private entities.

More broadly, there are elements of IBAC's legislation that unnecessarily inhibit IBAC's ability to perform its role effectively and transparently. These include specific requirements that must be met before IBAC can conduct investigations, hold public examinations and report publicly on investigation outcomes.

If IBAC's legislation was amended to accommodate these changes, IBAC's remit and responsibilities would increase, thereby creating a direct need for enhanced resources to manage that power effectively and legally.

# Question

**7. Do the performance measures used by IBAC (for example, Budget Paper 3 measures, internal Key Performance Indicators) support appropriation of adequate funding and effective use of funds?**

## Reply

IBAC relies on a combination of Budget Paper No.3 (BP3) measures, information and data and Annual Plan actions to show the effectiveness of its operations and initiatives.

IBAC's BP3 measures track service delivery outputs through quantity measures (e.g. number of corruption prevention initiatives and activities delivered), quality measures (e.g. attendee satisfaction at forums) and timeliness measures, (e.g. time it takes to assess a complaint) helping IBAC to measure the effectiveness of its work.

In addition to BP3 performance measures, IBAC relies on information and data to measure the effectiveness of operations and initiatives including:

- **Risk and audits:** feedback from oversight bodies, auditors and risk assessments.
- **Budget adherence:** the variance between planned budget expenditure and actual expenditure.
- **Stakeholder and community feedback:** gathering direct input on awareness, understanding of corruption, corruption prevention and trust in IBAC through delivery of perceptions surveys, trust surveys and regular engagement with the community.
- **Legislative compliance:** ability to fulfill our mandated oversight functions.
- **Service quality and standards:** whether IBAC services meet quality and legislative standards.
- **Access and equity:** feedback from the public sector and the Victorian community about access to IBAC's complaints services and prevention resources.

IBAC also commits to a program of work in its Annual Plan, delivering projects and strategic initiatives that contribute to corruption prevention, enhancing efficiency in technology and data, enhancing effectiveness and operational efficiency through systems, process and capability improvements, and stakeholder trust in IBAC's role. Delivery of these projects and initiatives each year is a key internal performance and effectiveness metric for the organisation.

While these measures and activities show IBAC's outputs and its achievement of outcomes – i.e. effective use of funds – they do not necessarily lead to the appropriation of adequate funding.

Appropriation of funding in addition to base funding is via government's Budget and Finance Committee annual process. IBAC utilises its information and data and outputs from performance measures, along with showing increased demand for its services or changes to legislation to substantiate funding bids. Despite this we have receive minimal additional initiative funding which has required IBAC to internally reprioritise and self-fund critical activities.

As highlighted in Questions 1 and 14, and supported by the detailed analysis in these questions, while these performance measures provide the data and information to support the case for additional funding and effective use of funds, without this additional funding, the ongoing requirement to identify savings to meet the widening cumulative funding gap has been the challenge.

For example, due to significant increases in the volume and complexity of complaints received, IBAC has been unable to meet some of its complaint assessment BP3 measures, however, IBAC has not received funding to meet this increased demand. In response, IBAC has re-prioritised resources and

streamlined processes to meet the increasing demand. As highlighted earlier, without additional funding, IBAC cannot continue to absorb this increasing demand without effectiveness being impacted.

## Question

**8. Could elements of the legislative and policy frameworks governing funding for IBAC be changed to help ensure it receives an appropriate level of funding?**

## Reply

Changes to legislative and policy frameworks to ensure appropriate transparency exists surrounding funding and budget decisions for IBAC would help ensure it is adequately funded. These changes include:

- Adoption of budget independence reforms outlined in the two joint papers on budget independence released by IBAC, the Victorian Ombudsman and Victorian Auditor-General's Office in 2022 and 2026. The most recent paper made twelve reform suggestions to improve transparency, based on the successful implementation of similar reforms in New South Wales. These reforms cover three key areas:
  - **Improving information access:** by providing written explanations of funding outcomes, improving visibility of the advice that informs decisions, and conducting post budget briefings to explain outcomes.
  - **Strengthening parliamentary oversight:** by allowing integrity agencies to brief oversight committees on their budget needs before decisions are made, giving committees access to the rationale behind decisions, and ensuring the process is subject to proper scrutiny.
  - **Introducing clear administrative safeguards:** including exempting core integrity agencies from efficiency dividends, providing more flexibility in how unspent funds are used, and establishing a dedicated contingency reserve, a public protocol setting out funding principles and timelines, and specialised liaison support within Treasury.

For any new or changes to legislation that involve IBAC oversight, IBAC needs to be part of these discussions from the outset to contribute to a thorough understanding of the impact of new functions and changes on IBAC's operations and develop appropriate independent costings to support changes.

It is recommended IBAC independently submit its budget bids to the Budget and Finance Committee as it should not be reliant on departmental costing and budget submissions, including those for which IBAC is part of a legislation or system change.

It is anticipated that through a more transparent budget and funding process Parliament will have greater ability to understand, scrutinise and support the level of resources IBAC requires ensuring a more accurate level of funding is available.

## Question

**9. In February 2026 IBAC released *Advancing budget transparency for Victoria's core agencies in collaboration with the Victorian Ombudsman and the Victorian Auditor-General's Office*. How would increasing budget independence and/or transparency help ensure that IBAC is adequately funded?**

## Reply

Increasing budget independence and transparency would help ensure IBAC is adequately funded by strengthening Parliament's ability to understand, scrutinise and support the resources required to deliver the statutory functions it has set.

As it stands, neither IBAC or the Integrity Oversight Committee, have insight into the advice that informs funding outcomes, no opportunity to correct misunderstandings, and no formal mechanism to engage with oversight committees on resourcing needs.

Under the current model, integrity agencies' budgets are decided by the government they oversee, without consultation with the parliamentary committees that oversight the agencies nor the requirement for government to explain its funding decisions to the agencies, Parliament or the public. This lack of transparency risks undermining public trust.

Our 2026 paper, *Advancing budget transparency for Victoria's core agencies*, recommends practical reforms to strengthen transparency and independence. These include providing clear reasons for funding decisions, enabling parliamentary committees to meaningfully scrutinise budget bids, and introducing public protocols that set out the principles and process for determining funding.

Together, these measures aim to make the budget process more transparent, predictable and fair, while preserving Cabinet's role as the final decision maker.

Transparency in budget processes is a democratic safeguard. At a time when trust in institutions is under pressure, ensuring integrity agencies are transparently and, by extension, appropriately funded is essential to maintaining public confidence in the system.

# Question

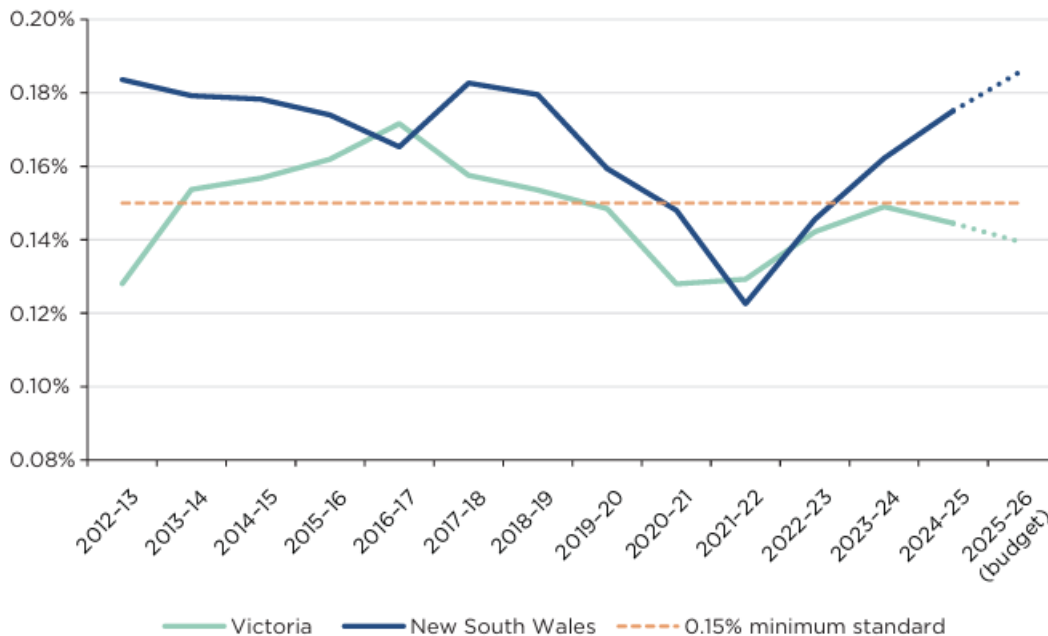
**10. Please provide modelling used to support the analysis on pages 9-10 of *Advancing budget transparency for Victoria's core integrity agencies* regarding the comparison between funding for Victoria's and New South Wales's integrity agencies.**

## Reply

The modelling used to compare funding for Victoria's and New South Wales' integrity agencies drew on publicly available data from Budget Papers and Annual Reports. It calculates combined expenditure for IBAC, Victorian Ombudsman, Victorian Auditor-General's Office 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 which identifies a recommended measure of 0.15 per cent of total government expenditure for integrity agencies.

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, New South Wales 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.

**Figure 1: Core integrity agency funding as a share of government expenditure (Victoria vs New South Wales), 2012-13 to 2025-26**



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.

# Question

**11. Please provide data on demand for IBAC’s services for the financial years 2016-2017 through 2025-26 (inclusive), including:**

- **Number of complaints, Public Interest Complaints and notifications received**
- **Number of investigations, inquiries, reviews and inspections:**
  - **commenced**
  - **completed**
  - **underway.**

## Reply

IBAC has progressively received a higher volume of complaints and notifications over the period dating 2016-17 to present. The number of investigations varied during that period, which was largely due to the complexity and resourcing required for each investigation. A significant uplift in the number of reviews undertaken in recent years has been in response to the increased level of complaints received. All of this work has been undertaken in the context of increasing compliance requirements, additional statutory responsibilities and with insufficient increases in funding during the period. As outlined in this response, IBAC received additional funding as part of the base review in 2022, which sought to improve funding to the level of demand at that time, however subsequent significant increases in demand and no annual escalation means we will be unable to meet these increasing demands into the future.

While not requested as part of the question, it is important to note that IBAC has a dual role to prevent and expose public sector corruption and police misconduct. While investigations, preliminary inquiries, reviews and complaint assessments are an important part of our function, just as vital is the work we do to prevent corruption and police misconduct through delivery of engagement activities, development of prevention tools and resources for the public sector and awareness-raising campaigns for the community. Table 6 highlights the volume of work we do in prevention.

### 1. Complaints, notifications and public interest complaints

Years	Complaints received	Notifications received	PIC notifications received
2016-17	2098 (complaints and notifications received were combined for this year)		579 notifications assessed for protected disclosure status
2017-18	2315 (complaints and notifications received were combined for this year)		742 notifications assessed for protected disclosure status
2018-19	2347 (complaints and notifications received were combined for this year)		333 protected disclosures made to IBAC
2019-20	1787	632	457 protected and public interest disclosures
2020-21	2272	560	414 protected and public interest disclosures
2021-22	3148	580	389 Public Interest Disclosures (PIDs) and

			PID notifications received
2022-23	2272	560	506 complaints/notifications received as PIDs and PID notifications
2023-24	2511	644	508 PIDs and PID notifications received
2024-25	3544	559	426 PIDs and PID notifications received
2025-26	Data unavailable pending FY completion	Data unavailable pending FY completion	Data unavailable pending FY completion

## Notes

- Public interest complaint (PIC) status is determined by IBAC once a public interest disclosure (PID) or PID notification is assessed for PIC status. Therefore, the data requested relates to protected disclosures, public interest disclosures and PID notifications only (named differently at different points in time).
- The way we reported on PIDs and what these were named in annual reports changed from year to year – this is reflected in the ‘PIC notifications received’ column above.
- From 2016-2019, we did not report on complaints and notifications separately so combined totals are provided.

## 2. Investigations

Years	Investigations Commenced	Investigations Completed	Investigations Underway
2016-17	26	18	28 (open investigations at 30 June)
2017-18	27	14 (combined total of investigations and preliminary inquiries completed)	51 (combined total of investigations and preliminary inquiries open at 30 June)
2018-19	27	27	31 (combined total of investigations and preliminary inquiries open at 30 June)
2019-20	12	24	23 (combined total of investigations and preliminary inquiries open at 30 June)
2020-21	7	9	27 (combined total of investigations and preliminary inquiries open at 30 June)
2021-22	12	24	23 (combined total of investigations and preliminary inquiries open at 30 June)
2022-23	4	5	7 (combined total of investigations and preliminary inquiries open at 30 June)

2023-24	7	9	11 (combined total of investigations and preliminary inquiries open at 30 June)
2024-25	32	29	29 (combined total of investigations and preliminary inquiries open at 30 June)
2025-26	24 (12 FPCT) - year to date	28 (15 FPCT) - year to date	Data unavailable pending FY completion

## Notes

- FPCT refers to IBAC's Focused Police Complaints Team.

## 3. Preliminary inquiries

Years	Preliminary Inquiries Commenced	Preliminary Inquiries Completed	Preliminary Inquiries Underway
2016-17	Data unavailable	10	Data unavailable
2017-18	14	14 (combined total of investigations and preliminary inquiries completed)	51 (combined total of investigations and preliminary inquiries open at 30 June)
2018-19	11	18	31 (combined total of investigations and preliminary inquiries open at 30 June)
2019-20	12	4	23 (combined total of investigations and preliminary inquiries open at 30 June)
2020-21	7	10	27 (combined total of investigations and preliminary inquiries open at 30 June)
2021-22	12	4	23 (combined total of investigations and preliminary inquiries open at 30 June)
2022-23	8	6	7 (combined total of investigations and preliminary inquiries open at 30 June)
2023-24	10	6	11 (combined total of investigations and preliminary inquiries open at 30 June)
2024-25	12	10	29 (combined total of investigations and preliminary inquiries open at 30 June)
2025-26	9 – year to date	13 – year to date	Data unavailable pending FY completion

## 4. Reviews

Years	Reviews Completed
2016-17	81
2017-18	80
2018-19	56
2019-20	67
2020-21	92
2021-22	281
2022-23	230
2023-24	255
2024-25	228
2025-26	187 - year to date

### Notes

- IBAC does not report on data associated with reviews commenced/underway.

## 5. Inspections

Years	Inspections Commenced	Inspections Completed	Inspections Underway
2016-17	2	2	0
2017-18	2	2	0
2018-19	6	6	0
2019-20	8	8	0
2020-21	7	7	0
2021-22	7	7	0
2022-23	7	7	0
2023-24	8	8	0
2024-25	8	8	0
2025-26	8 - year to date	7 - year to date	1 - year to date

## 6. Prevention activities

Years	#prevention activities delivered
2016-17	93
2017-18	92
2018-19	99
2019-20	75
2020-21	115
2021-22	125
2022-23	157
2023-24	129
2024-25	161
2025-26	103 - year to date

# Question

**12. Please provide details of the base review of IBAC's operating costs that led to funding increases in the 2022-23 financial year, including key findings and recommendations.**

## Reply

As part of the 2021/22 State Budget, the Expenditure Review Committee (now Budget and Finance Committee) requested that a base review of IBAC and its functions be undertaken to assist the allocation of appropriate funding levels to the agency. An external agency was engaged (funded by government) to perform the review and assess how much funding IBAC required to operate effectively and efficiently into the future.

The review was predicated on an assumption that IBAC's outputs: its complaint assessments, investigations, reviews and prevention work will remain at roughly the same levels and any potential future changes impacting IBAC's resourcing were excluded from the review.

## Observations of the Base Review

An overarching observation of the Base Review at the time was that, as an organisation, IBAC was well positioned to deliver against its statutory objectives. However, in the context of changing community expectations, increasing demand, expanding scope, budget constraints and workforce recruitment challenges, it had become increasingly difficult for IBAC to meet existing performance requirements while also achieving future-focused strategic objectives and change initiatives.

Following analysis of IBAC's internal data sources, financial data, research into recent policy and legislative changes, review of publicly available reports, comparisons against similar integrity bodies across Australia and over 26 consultations and workshops with IBAC staff and Executives, the consultant identified the following key observations as part of the Base Review:

- IBAC remains underfunded
- In order to create efficiencies, IBAC needs more sustainable funding, a more appropriately skilled workforce and greater utilisation of existing technology and tools.

## Recommendations of the Base Review

1. Additional base funding was required to correct historical underfunding of IBAC.

The review estimated that IBAC required an average increase of \$8.6m to its base funding to sustainably deliver on current (at the time) and future BP3 output and performance target expectations. An increase of this level still relies upon efficiencies to be gained through IBAC embedding its new operating model and the implementation of IBAC's strategic initiatives.

The review found:

*IBAC's current base budget appropriation is insufficient to deliver on its core statutory objectives and other responsibilities, let alone meet current and growing stakeholder demand for enhancements in IBAC's handling of complaints, calls to increase the number of independent reviews and investigations of police misconduct and public sector corruption, as well as deliver the necessary, new prevention strategy. It will not be possible for IBAC to respond to new and increasing demands, deliver on its expanded oversight role, address gaps in capability and capacity*

*and find sufficient efficiencies in its operating model and structure using its current level of resources.*

2. Continued focus on implementation of the strategy (IBAC Plan 2021-25) is required to realise efficiencies.
3. In order to monitor and drive change, strategic outcomes and corresponding measures need to be defined and monitored through more proactive performance measurement.

While IBAC did receive additional funding as part of the base review, the costings for the funding were based on the DTF standard costing guidelines, including costing principles of 'no annual escalation for first four years. Over time, this has resulted in a significant funding shortfall and widening gap between annual funding escalation and expenditure, affecting overall organisational capacity and sustainability into the future.

## Question

**13. In the hearings for the review of the Performance review of Victoria's integrity agencies 2023-24 and 2024-25, the IBAC Commissioner discussed potential financial implications of expanding the definition of 'corrupt conduct'. What would the resourcing implications be for IBAC if its legislative framework were changed to expand the definition of 'corrupt conduct', and/or to give IBAC follow-the-dollar powers in investigating corruption?**

## Reply

If IBAC's legislative framework was changed to expand the definition of 'corrupt conduct' it would increase the number of complaints and notifications IBAC would be required to assess. This would require a commensurate increase in staff within IBAC's Complaint and Assessment Services (CAS) division. If IBAC received funding to implement new platforms and systems, including a complaint management system and automation, it would improve assessment efficiency and improve productivity through technology-enabled scale.

A widening of IBAC's jurisdiction, including expanding the definition of corrupt conduct and introducing 'follow the dollar' powers, would also increase the number of matters suitable for investigation. Without additional operational staff IBAC can only investigate the same number of matters that it currently investigates. This would mean more matters that involve serious and systemic corrupt conduct and police misconduct would need to be referred to public sector agencies and Victoria Police for investigation. Further, without additional staff, IBAC cannot conduct reviews on these increased matters being referred for investigation. The result would be a material increase in risk, as some agencies would lack the capability and independence to conduct timely, effective investigations, and the absence of central oversight would further undermine consistency, accountability and public confidence.

IBAC is required to prioritise the investigation of serious and systemic corruption. Enabling 'follow the dollar' powers would have two key outcomes. Firstly, IBAC would be able to investigate large-scale contract, and procurement matters with allegations of fraud and corruption. Secondly, the community's expectation that such conduct will be investigated will be satisfied. However, IBAC would require additional resources to undertake these complex investigations, in addition to the other corrupt conduct and police misconduct investigations that it currently undertakes. The key point being - IBAC can do more with more.

In addition to more staff across all areas of investigation, legal operations, research and reporting, and support functions, IBAC would require an uplift in specialist capabilities (such as financial investigators and solicitors with commercial law expertise) to investigate complex fraud matters. As highlighted above, it is anticipated that with more complaints, more matters would be referred to public sector agencies for investigation causing a commensurate increase in the number investigations requiring review and more staff to oversight these referrals.

Investment in technology improvements to matter management systems, automation and artificial intelligence would increase IBAC's efficiency and sustainability enabling staff to do more. While increased resources are vital to successfully expanding IBAC's jurisdiction, additional investigation and reporting powers are just as important to ensure IBAC officers have adequate powers of investigation and can better expose instances of public sector corruption and police misconduct.

In addition to the expansion of IBAC's jurisdiction mentioned above, IBAC is seeking specific additional powers to support effective and efficient operations. These include the power to: seek assistance from a person with knowledge of a computer; to inspect and copy information during an authorised search

warrant when information is held offsite (such as when stored in offsite servers); to require names and addresses; and, to arrest without warrant for persons reasonably suspected of committing an offence.

## Question

**14. Please describe in full the ‘reprioritisation and identification of potential savings process’ discussed at page 22 of IBAC’s 2024-25 Annual Report. Has your agency undertaken any additional measures to create efficiencies in how it uses its funding/resources?**

## Reply

IBAC undertakes disciplined financial management to ensure the delivery of its statutory functions in a manner that is efficient, effective and economical. This responsibility applies at all times as a fundamental expectation rather than only in periods of financial constraint. IBAC applies a rigorous and structured approach to annual budget planning and preparation, supported by continuous monitoring, forecasting and in-year review. This is complimented by robust risk management and governance processes, enabling IBAC to actively manage financial pressures, identify savings opportunities and reprioritise resources while maintaining the integrity of its core functions.

As highlighted in previous responses, IBAC’s annual appropriations budget is insufficient to cover IBAC’s ongoing expenses due to rising salary costs, increases in demand and other delivery cost pressures, all of which are outside IBAC’s control. In addition, IBAC is not funded for projects or initiatives outside business-as-usual statutory functions and must seek additional funding through the State Government annual budget process. Accordingly, IBAC can only meet ongoing cost pressures and fund otherwise unfunded projects and initiatives through reprioritisation and savings initiatives.

The reprioritisation and identification of potential savings process outlined in IBAC’s 2024-25 Annual Report is part of IBAC’s annual budget planning and management strategy. For FY 2024/25 IBAC had two strategic options available to effectively manage budget:

- Seek supplementary funding via BFC budget bids, and/or
- Operate within the funding envelope through efficiencies where expenditure growth is capped below the annual funding increase by identification of efficiencies, rigorous cost management and optimisation of business processes and staffing.

While IBAC engages in the BFC budget bid process each year, the 2024/25 and onwards budget planning and management strategy is based on option two. This option mainly relies on the application of an annual savings target across all of IBAC’s divisions using a risk-based approach which assesses legislative responsibilities, IBAC’s strategic objectives, workload demands and operational risks and reallocates resources to prioritise key statutory functions.

In prior years IBAC’s effective financial management and strategic reprioritisation meant that we could reprioritise funding to conservative strategic projects and initiatives that would secure or maintain IBAC’s systems, improve services for complainants and witnesses and improve productivity without detracting from our statutory functions. The increasing funding gap now means that IBAC has insufficient funding to fulfil our statutory functions satisfactorily without reprioritisation from other areas of operations.

Key reprioritisation and cost savings measures implemented in previous financial years include:

- Progressing the CAS Optimisation program to deliver efficiencies in the CAS function and meet increasing demand by improving processes and systems to reduce reliance on additional human resources. The first stage of the program was funded through internal savings. The reprioritisation process included redeploying nine employees from around the organisation to

the CAS division. A detailed analysis of this program is included in question 1 under *Areas that require new initiative funding (or reprioritisation to meet statutory obligations)*.

- Establishment of the Focused Police Complaints Team in the 2024/25 financial year to investigate single incident complaints about Victoria Police from members of the Victorian community at greater risk of experiencing police misconduct including children, the LGBTQIA+ community and Victoria's First Nations peoples. This is a critical enhancement to the way IBAC carries out its statutory functions however, it is resourced by a reprioritisation of investigation resources from within the Operations division. A consequence of this is that fewer investigative and operational resources are now available to address serious and systemic corruption and police misconduct matters.
- Reprioritisation of resources to establish a Witness Liaison Team was decided following an internal review of our witness welfare processes and after a 2022 Integrity and Oversight Committee report highlighted the need for IBAC to enhance its overall approach to witness welfare.
- Identifying and executing a new lease to address building-related non-compliances and provide a better employee experience addressing all OHS issues and promoting better collaboration by reducing the current four floor office space footprint into two integrated floors. The entire cost of relocation and office fit-out is funded through lease incentives negotiated as part of the program.
- Reviewing systems and outsourcing arrangements including managing increased finance and payroll systems cost under the existing outsourced arrangements. This enabled IBAC to implement significant improvement to the existing IT infrastructure under the 'Protected' classification at no material ongoing cost base.
- Significant investment in our people including delivery of leadership and specialist training programs to meet OHS and legislative requirements on areas such as trauma-informed practices.

IBAC has also identified a range of further cost savings measures including:

- Using artificial intelligence (AI) to summarise complaints. CAS receive vast quantities of documentation in relation to complaints that they receive, as well as an increasing number of complaints. Each complaint can contain upwards of one hundred documents that need to be summarised so that an assessment can be undertaken. This typically can take one week to assess. It is anticipated that this same summarisation using AI could be completed securely and within minutes allowing great accuracy and efficiency for staff. High Tech Crime propose to utilise AI for the same purpose, to summarise vast quantities of data and information allowing staff to review and assess in vastly reduced time frames.
- Exploring opportunities to recover fixed costs by offering specialist services such as digital forensic examination and covert operational capabilities to other Victorian and Australian government agencies. These opportunities will only be considered if IBAC has capacity.
- Leveraging arrangements in other jurisdictions to ensure IBAC obtains best value for money services and products.
- Reviewing and renegotiation of Service Level Agreements such as downgrading software maintenance and support packages or reducing licence functionality in line with risk management considerations. For example, IBAC's Operations division has downgraded its technology subscriptions or wholly suspending use of certain data or technology to lower costs.
- Rationalising vendor spend and organisational requirements such as market testing for contracts, promoting virtual attendance for conferences and training events where practical,

reducing parking footprint for IBAC operational vehicles, reducing future covert operations-related costs by partially co-locating teams at the new premises.

Reprioritisation and cost savings are now primary drivers in IBAC's annual budget planning and management strategy to ensure resources are directed to our statutory functions while risks are actively managed.

## Question

**15. On page 20 of IBAC's 2024-25 Annual Report it states that 'IBAC has successfully self-funded a range of critical activities that directly contribute to public value and integrity outcomes'. Please describe in full which activities were funded in this manner, the process of managing self-funding for activities, and whether any statutory functions were deprioritised during this process.**

## Reply

Over recent years, IBAC has needed to evolve, self-funding new initiatives and reprioritising its activities to address a number of challenges including an increasing funding gap, increases in the volume of complaints and complexity of complainants, additional oversight responsibilities and increasing expectations of our oversight bodies, the public sector and community.

IBAC follows a structured approach to budget planning, supported by continuous monitoring, forecasting and in-year review, as well as robust risk management and governance processes. This enables IBAC to manage financial pressures, identify savings opportunities and reprioritise resources while maintaining the integrity of its core functions.

Consistent with our response to Q14, IBAC's annual appropriations budget is insufficient to cover IBAC's ongoing expenses and IBAC is not funded for projects or initiatives outside business-as-usual statutory functions. Accordingly, IBAC can only meet ongoing cost pressures and fund otherwise unfunded projects and initiatives through reprioritisation and savings initiatives.

IBAC prioritises delivery of our statutory functions with public value and integrity outcomes front of mind. Critical activities that IBAC self-funded during 2024/25 are highlighted below.

### Expanded oversight of monitoring of extraordinary Victoria Police powers

IBAC received additional powers across three pieces of legislation and estimated the resourcing required to monitor these powers to be approximately seven (7) additional full time equivalent (FTE) employees. IBAC has self-funded the majority of the costs associated with additional oversight powers with minimal additional funding received from government.

### Establishment of the Witness Liaison Team

Through reprioritisation of resources IBAC established the Witness Liaison Team (WLT) in 2023 to manage the welfare of individuals involved in investigations by providing regular communication, information on processes, and referrals to independent support services. The WLT was established to address community, stakeholder and IOC feedback regarding IBAC's handling and management of witnesses involved in its investigations.

IBAC reprioritised funding from other areas within the organisation to fund two FTE witness liaison officers. However, as it stands these officers struggle to keep up with the workload and are unable to be extended to other aspects of IBAC's work where people would benefit from welfare support - for example during the assessment of complex complaints.

### Establishment of the Focused Police Complaints Team

Aligned with our statutory functions and focus on integrity outcomes, IBAC created the Focused Police Complaints Team (FPCT) in 2024/25 to investigate single-incident complaints about Victoria Police from

members of the Victorian community at greater risk of experiencing police misconduct including children, the LGBTQIA+ community and Victoria's First Nations peoples. This is a critical enhancement to the way IBAC carries out its statutory functions however, it is resourced by a reprioritisation of investigation resources from within the Operations division.

## **Complainant experience project**

IBAC has made concerted efforts to build and support stronger complainant-centric approaches in delivering our statutory function to assess complaints and notifications. In 2024/25 IBAC funded year two of an enhanced complainant experience initiative focused on improving complainants' understanding of IBAC's functions and jurisdiction, as well as what to expect when making a complaint to IBAC. Part of this work was to identify risks and reduce potential impacts of trauma-exposure during interactions with people who have experienced trauma. IBAC employees have participated in training to identify and understand strategies to effectively engage with complainants and people who provide information, including trauma-informed awareness, managing complex behaviours, awareness of family violence, an understanding of the Charter of Human Rights, support for receiving complaints over the telephone and referral procedures.

## **Operations capability framework**

In 2023 IBAC self-funded the development of a technical capability roadmap, designing a framework and specialist profiles, training needs analysis, and a 12-month training program for investigators and intelligence analysts to define the critical experiences, capabilities, knowledge/qualifications, and personal attributes required for these roles at various VPS levels within IBAC. The roadmap provides critical strategic workforce planning to ensure a strong pipeline of people with the ideal capabilities to deliver on IBAC's strategic outcomes. IBAC continues to self-fund some of the outcomes of this project aligning significantly to its current and previous organisational strategy of maintaining and sustaining a high-performing workforce to optimise its public value and integrity outcomes. However under IBAC's current funding, project outcomes will not be fully implemented without significant offsets against operational activity or other business areas.

## **Annual Plan initiatives**

As explained in our response to Q14, through our budget process IBAC has identified initiatives, aligned with statutory functions and strategic priorities, that we have self-funded through full-time equivalent (FTE) employee management. However, the ability to self-fund is no longer feasible due to the widening funding gap associated with VPS EBA costs, increased demand for IBAC services and cost pressures. Examples of some initiatives that we have self-funded include the development of a new digital strategy, including the introduction of an enterprise data platform and enhancements to our investigations case management system, leadership development, technical specialist training to support increased capability of IBAC officers and cultural awareness training focused on First Nations people.

## **Critical roles**

IBAC has self-funded a number of critical roles including an occupational health and safety role, a strategic oversight liaison role - which plays a pivotal part in monitoring IOC and IOV recommendations - and a change management role. To enable these critical roles IBAC has not deprioritised statutory functions, however changes have been necessary. At a high-level, changes to approach include deferring, pausing, accepting a longer time-period or reduction of frequency of certain activities and tasks. Specific examples include:

- **Fewer investigative and operational resources:** IBAC has prioritised some resources to focus on single-incident complaints about Victoria Police through the FPCT. This means there are fewer staff to dedicate to other matters.
- **Moving staff from other divisions to focus on complaint assessments:** Staff from across IBAC have been deployed to the Complaint and Assessment Services division to address a backlog of complaints and the increase in demand and complexity of complaint assessments. This has resulted in fewer staff across all other divisions in IBAC.
- **Deferred introduction of monitoring of certain new police oversight powers:** With limited additional funding in recent years IBAC took a risk-based approach to carrying out new police oversight functions and as a result had to defer certain oversight activities. For example, the Firearm Prohibition Orders scheme, and IBAC's role in its oversight, was introduced into the Firearms Act in 2018 however, IBAC did not receive additional funding to implement its new functions under this Act. As a result, it was not until 2023, after undertaking a base review at Government's request, that IBAC had the necessary resources undertake this role.

These examples demonstrate that with increased demand on IBAC services and no additional commensurate funding, there is a constant need to assess risk and reprioritise. IBAC will continue to advocate for additional resources and funding to ensure statutory functions are delivered effectively and efficiently, however, without this additional, ongoing funding IBAC may no longer be able to meet all our statutory functions.

OPERATING INCOME AND EXPENSES	2016-17			2017-18			2018-19			2019-20			2020-21 (in Millions)			2021-22			2022-23			2023-24			2024-25			2025-26			
	Actuals	Budget	Variance	Actuals	Budget	Variance	Actuals	Budget	Variance	Actuals	Budget	Variance	Actuals	Budget	Variance	Actuals	Budget	Variance	Actuals	Budget	Variance	Actuals	Budget	Variance	Actuals	Budget	Variance	Budget <sup>7</sup>			
<b>Income</b>																															
Grants	33.597	41.670	8.073	36.470	41.971	5.501	40.228	40.801	0.573	40.564	40.568	0.004	-	-	-	37.718	45.387	7.669	47.702	48.464	0.762	49.208	49.280	0.072	57.206	56.934	(0.272)	58.834	58.081	(0.753)	59.800
Annual Appropriation (Output) <sup>4</sup>			-			-			-			-			-			-			-			-			-				
Treasurer's Advance		11.894	11.894			-			-			-			-	0.107	0.107	-	0.610	7.503	6.893	4.732	8.597 <sup>2</sup>	3.865	1.177	1.189 <sup>2</sup>	0.012	3.343	3.343	-	
Other income			-			-			-			-			-			-			-			-	0.040	0.040	-	0.023	-	(0.023)	
Depreciation and Amortisation <sup>3</sup>	2.775	3.190	0.415	3.225	3.473	0.248	3.444	3.643	0.199	5.964	5.956	(0.008)	4.477	4.172	(0.305)	5.286	5.115	(0.171)	5.087	5.015	(0.072)	5.087	5.015	(0.072)	4.778	5.320	0.542	4.741	5.494	0.753	5.777
<b>Total Income</b>	<b>36.372</b>	<b>56.754<sup>1</sup></b>	<b>20.382</b>	<b>39.695</b>	<b>45.444<sup>1</sup></b>	<b>5.749</b>	<b>43.672</b>	<b>44.444<sup>1</sup></b>	<b>0.772</b>	<b>46.528</b>	<b>46.524<sup>1</sup></b>	<b>(0.004)</b>	<b>42.302</b>	<b>49.666</b>	<b>7.364</b>	<b>53.598</b>	<b>61.082</b>	<b>7.484</b>	<b>59.027</b>	<b>62.892</b>	<b>3.865</b>	<b>63.161</b>	<b>63.483</b>	<b>0.322</b>	<b>66.941</b>	<b>66.918</b>	<b>(0.023)</b>	<b>65.577</b>			
TA as a % of the total appropriation													0.3%			1.1%				8.0%			1.9%			5.0%					
<b>Expenditure</b>																															
Employee Expenses	22.732		(22.732)	24.539		(24.539)	27.092		(27.092)	30.453		(30)	30.632	35.237	4.605	35.762	43.116	7.354	38.839	46.223	7.384	44.324	47.542	3.218	48.824	50.312	1.488	48.846			
Other expenses	10.865		(10.865)	11.931		(11.931)	13.136		(13.136)	10.111		(10)	11.100	16.657	5.557	16.008	16.309	0.301	15.101	11.654	(3.447)	14.059	11.621	(2.438)	13.376	9.791	(3.585)	10.954			
Depreciation and Amortisation <sup>3</sup>	2.775	2.775	-	3.225	3.225	-	3.444	3.444	-	5.964	5.964	-	4.477	4.172	(0.305)	5.286	5.115	(0.171)	5.087	5.015	(0.072)	4.778	5.320	0.542	4.741	5.494	0.753	5.777			
<b>Total Expenses</b>	<b>36.372</b>	<b>2.775</b>	<b>(33.597)</b>	<b>39.695</b>	<b>3.225</b>	<b>(36.470)</b>	<b>43.672</b>	<b>3.444</b>	<b>(40.228)</b>	<b>46.528</b>	<b>5.964</b>	<b>(41)</b>	<b>46.209</b>	<b>56.066</b>	<b>9.857</b>	<b>57.056</b>	<b>64.540</b>	<b>7.484</b>	<b>59.027</b>	<b>62.892</b>	<b>3.865</b>	<b>63.161</b>	<b>64.483</b>	<b>1.322</b>	<b>66.941</b>	<b>65.597</b>	<b>(1.344)</b>	<b>65.577</b>			
<b>Net Result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3.907)</b>	<b>8</b>	<b>(3.458)</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
<b>ANNUAL SUPPLEMENTARY CAPITAL FUNDED</b>																															
Additions to net asst base																			1.105	1.775		0.168	0.168		0.604	0.604 <sup>3</sup>					

**Notes:**

- Budget figures represent grant funding advice from the Department of Premier and Cabinet until 30 June 2020. As the historical data is based on grant funding advice, it does not include budgeted expenditure budget. However actuals are included based on audited financial statements. From 1 July 2020, IBAC received annual appropriations and supplementary funding directly from the Parliament.
- The total approved TA included:
  - in 2022-23, \$1.3m in carryovers, \$0.120m transfer from operating to capital funding approved under sections 30 and 32 of the FM Act and \$7m in first year funding resulting from base review funding, and \$0.07m in section 32 carryovers.
  - in 2023-24, \$0.724m in carryovers and \$0.480m transfer from operating to capital funding approved under sections 30 and 32 of the FM Act.
  - in 2024-25, \$3.3m for cost pressures during the year.
- Depreciation and Amortisation funding is limited to the actual equivalent expenditure and IBAC has no discretion to utilise this funding for other operating purposes.
- The funding includes ERC/BFC funding. A breakdown is included in Table 2 below.

**Other notes:**

- The budget figures represent the budget (and what is available for drawdown) at the beginning of the year. These figures may not include adjustments for further approved funding requests or supplementation as part of financial year end.
- Actual figures for Annual Appropriations include ERC/BFC budget bids if not classified as a Treasurer's Advance as per DTF requirements.
- IBAC has submitted a request to addresses cost pressures stemming from unavoidable cost pressures for 2025/26 as part of 2026/27 BFC process. IBAC awaits decision on the outcome of these bids. If not funded, IBAC may seek a TA or access to prior year surpluses in accordance [Explanations for the Net Result from transactions variances.](#)
- The 2020-21 Net Result from transactions, a deficit of \$3.9m use of IBAC trust funds to supplement the recurrent budget. These trust funds were recognised as revenue in 2013 and cannot be recognised as revenue again. Consequently, the use of IBAC trust funds resulted in an overall deficit.
- The 2021-22 Net Result from transactions, a deficit of \$3.5m related to the use of trust funds that were recognised as revenue in prior years.

Description	(in Millions)									
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Enhance the IBAC support capacity						2.004	1.600	1.013	0.000	0.000
Enhancing Complainant Experience						2.726	0.831	0.000	0.000	0.000
IT Strategy and Operational Data Exploitation Strategy							0.793	0.348	0.348	0.348
Management of Police Informant							1.368	1.447	1.341	1.470
IBAC base review: increase to base operational funding							7.002	7.870	8.609	8.609
<b>Total</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>4.730</b>	<b>11.594</b>	<b>10.678</b>	<b>10.298</b>	<b>10.427</b>

Note: Over the years, IBAC has submitted ERC/BFC bids that are unsuccessful and subject to CIC confidentiality.

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IOC Question	IBAC Response
<p><b>Total budget sought, with specific amounts sought through:</b></p> <ul style="list-style-type: none"> <li>• Annual appropriation (output and capital)</li> <li>• Surge/supplementary funding (e.g. Treasurer's Advances)</li> </ul>	<p>Note: Until 30 June 2020, IBAC received grant funding through the Department of Premier and Cabinet. From 1 July 2020, IBAC receives its annual appropriation directly from Parliament.</p> <p>IBAC data regarding funding requests via the BFC budget bid process is Cabinet-in-Confidence (CiC). As a result, IBAC is unable to provide the details about funding requested via the Treasurer's Advance or BFC budget bid process however, a table of outcomes is included. Summary data provided is as per published Annual Reports.</p>
<ul style="list-style-type: none"> <li>• Annual appropriation (output and capital)</li> </ul>	Refer to summary tab for income recognised for the year.
<ul style="list-style-type: none"> <li>• Surge/supplementary funding (e.g. Treasurer's Advances)</li> </ul>	Refer to summary tab for approved Treasurer's Advances.
<p><b>Actual funding approved, with specific amounts received through:</b></p> <ul style="list-style-type: none"> <li>• Annual appropriation (output and capital)</li> <li>• Surge/supplementary funding (e.g. Treasurer's Advances)</li> <li>• Total expenditure in each year</li> <li>• Unused appropriation amounts (including any amounts approved for carryover in each year)</li> </ul>	Refer to the summary tab for annual appropriations.
<ul style="list-style-type: none"> <li>• Surge/supplementary funding (e.g. Treasurer's Advances)</li> </ul>	Refer to summary tab for approved Treasurer's Advances/supplementary fundings received for the period requested.
<ul style="list-style-type: none"> <li>• Total expenditure in each year</li> </ul>	Refer to the summary tab for expenditures for years requested.
<ul style="list-style-type: none"> <li>• Unused appropriation amounts (including any amounts approved for carryover in each year)</li> </ul>	Refer to summary tab for carryover approvals as part of the Treasurer's Advance approval process.
<ul style="list-style-type: none"> <li>• Annual supplementation of base funding – percentage and dollar amount of supplementation in each year</li> </ul>	Refer to summary tab for annual supplementary additional funding in the form of Treasurer's Advances. Certain supplementary additional funding, such as VPS EBA sign-on bonus payments and additional funding to offset new COVID debt levy, is included in the annual appropriations not as Treasurer's Advances. On occasion, the first year of funding is included as Treasurer's Advance and following years as annual appropriations as per DTF guidelines (such as base review funding).
<ul style="list-style-type: none"> <li>• Describe the process and/or formula used to determine annual adjustments (supplementation) to agency base funding each year</li> </ul>	IBAC is required to write to the Treasurer seeking funding supplementation for any cost pressures faced during the year in line with the DTF standard process. The Treasurer considers the request and confirms back prior to finalising the financial statements. This process may occasionally conclude in July or August in the subsequent year.
<ul style="list-style-type: none"> <li>• Details of any initiatives for which funding was sought but not received, including specific amount(s) sought</li> </ul>	The BFC budget bid process is CiC, as a result, IBAC is unable to provide the details about funding requests.
<ul style="list-style-type: none"> <li>• Details of any initiatives which received a different amount of funding than what was sought, including specific amount(s) sought</li> </ul>	The BFC budget bid process is CiC, as a result, IBAC is unable to provide the details about funding requests.
<ul style="list-style-type: none"> <li>• Details of any initiatives for which surge/supplemental funding was sought and the reasons for which it was sought</li> </ul>	The BFC budget bid process is CiC, as a result, IBAC is unable to provide the details about funding requests.
<ul style="list-style-type: none"> <li>• For all funding requests, any reasons given for differences between funding sought and received</li> </ul>	The BFC budget bid process is CiC, as a result, IBAC is unable to provide the details about funding requests.
<p><b>If appropriate, please provide examples of unfunded investigations or other activities.</b></p>	Refer to IBAC's response to question 14 for examples of reprioritisation and unfunded activities. Additionally, IBAC has absorbed the costs of delivering expanded oversight responsibilities for certain legislation such as the Firearms (Amendment) Act 1969 (Vic), as well as implementing key reforms stemming from Integrity Oversight Committee recommendations and addressing recommendations from internal and external audits and Integrity Oversight Victoria.