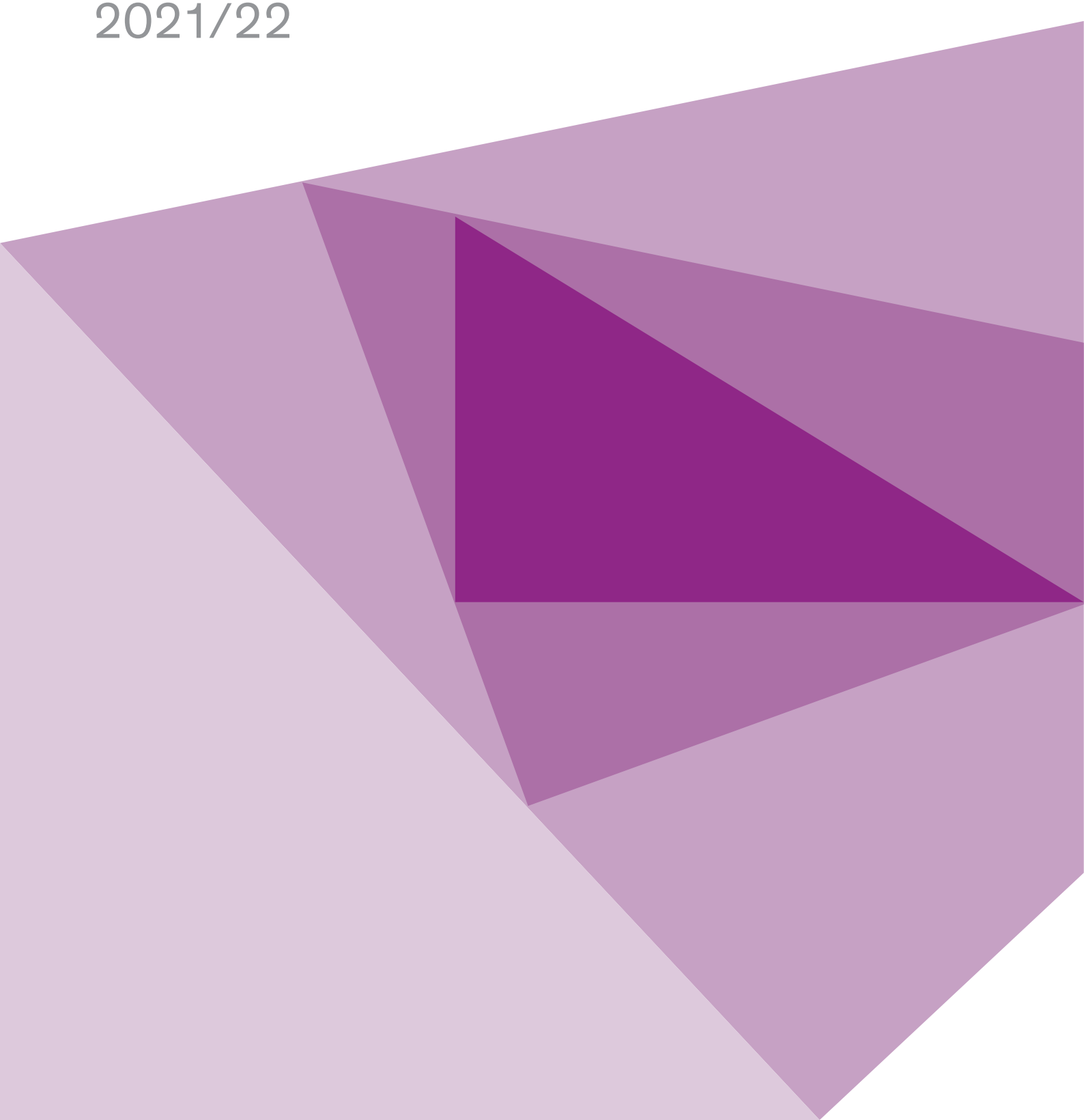
ibac independent broad-based anti-corruption commission
Victoria

Annual Report
2021/22



Authorised and published by the
Independent Broad-based Anti-corruption Commission

Level 1, 459 Collins Street
Melbourne VIC 3000

We value your feedback

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

An accessible version and other formats of this document can be found on our website www.ibac.vic.gov.au

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(Independent Broad-based Anti-corruption Commission)



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Responsible body's declaration

In accordance with the *Financial Management Act 1994*, the *Independent Broad-based Anti-corruption Commission Act 2011* and the *Public Interest Disclosures Act 2012*, I am pleased to present the Independent Broad-based Anti-corruption Commission's annual report for the year ending 30 June 2022.



The Honourable Robert Redlich AM, KC
Commissioner
Independent Broad-based Anti-corruption Commission

1 December 2022

About this report

This Independent Broad-based Anti-corruption Commission (IBAC) annual report describes work in 2021/22 towards realising our vision of public sector and police that act with integrity for all Victorians. It details our operational and financial performance, achievements, and how we work to prevent and expose public sector corruption and police misconduct.

This report is an essential accountability document for IBAC and one way we report on our activities and results to our stakeholders: the Parliament of Victoria, Victoria Police, public sector leaders and employees, and the Victorian community.

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

This reporting period we have improved the structure of this report. Changes include:

- aligning (where appropriate) with the Department of Treasury and Finance 2021–22 Model Report for Victorian Government departments
- applying a new structure to align reporting on the implementation of the *IBAC Annual Plan 2021/22* to the four pillars set out in the *IBAC Plan 2021–25* to demonstrate how we are meeting our objectives
- reducing the amount of statistical data and technical words to improve readability and make the report more accessible.

For legal and operational reasons, we cannot report publicly on some activities, including potential criminal prosecutions. Some of our work is long term, such as the extensive prevention and education activities undertaken by IBAC, as well as some complex investigative activities, which affect the timing of our reporting. However, where possible, when activities are no longer sensitive or constrained by legal and statutory requirements, we inform the public.

About IBAC

Who we are

IBAC is an independent agency in the Victorian integrity system. We are responsible for protecting the integrity of the Victorian public sector by investigating and exposing public sector corruption and police misconduct. We support Victoria's public sector agencies and Victoria Police to build a corruption-resistant Victorian public sector that is committed to and underpinned by a strong culture of integrity.

We are established under the IBAC Act and work under other Acts of Parliament – including, but not limited to, the PID Act and the *Charter of Human Rights and Responsibilities Act 2006* (Charter of Human Rights).

Our vision

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

Our purpose

To prevent and expose public sector corruption and police misconduct in Victoria.

Our values

Fairness

We are objective, consistent and impartial in everything we do, demonstrating the highest standards of integrity and independence.

Professionalism

We are responsive and accountable for our actions. We strive for excellence and take pride in our work.

Courage

We are committed and tenacious in realising our purpose.

Respect

We work in the spirit of cooperation and understanding, drawing on the skills and expertise of others. We are open and responsive, valuing the views of others.

Trust

We promote and sustain public confidence through the quality of our work. We implicitly trust the competence of the people we work with.

What we do

- We inform: We tell Victorians about our role and the work we do. We provide accessible, responsive, and targeted information and guidance to the public sector about risks and consequences of corruption, and how corruption can be prevented.
- We guide: Through targeted efforts, we raise awareness in the general community, the public sector and Victoria Police about the harm that corruption and misconduct cause, and how to prevent or deal with them.
- We investigate: We assess and review complaints and notifications, using a robust and nuanced understanding of corruption under the IBAC Act to target serious and systemic public sector corruption and police misconduct. IBAC can commence an investigation based on a complaint or mandatory notification received, or on its 'own motion'.
- We collaborate: We work with other integrity and supervisory agencies, including the Victorian Ombudsman, Victorian Auditor-General's Office and Local Government Inspectorate.

Our jurisdiction

Our jurisdiction covers the entire Victorian public sector, as shown in Figure 1.

Figure 1: IBAC jurisdiction

Public sector	Councils	Police	Parliament	Judiciary
Workforce				
approx 278,000	approx 42,000	approx 21,000	approx 600	approx 300
• Department • Agencies/offices • Public healthcare service • TAFEs and universities	• Councillors • Councils staff	• Sworn Police • Protective services officers (PSOs) • Police Recruits • Police custody officers • Employees	• Members of parliament • Electorates officers • Ministerial staff	Judges, magistrates and members of judicial bodies, including: • Supreme Court • County Court • Magistrates' Court • Coroners Court • VCAT

How we work

See Figure 2 for a visual representation of how we work, and the IBAC website for our full operating model.

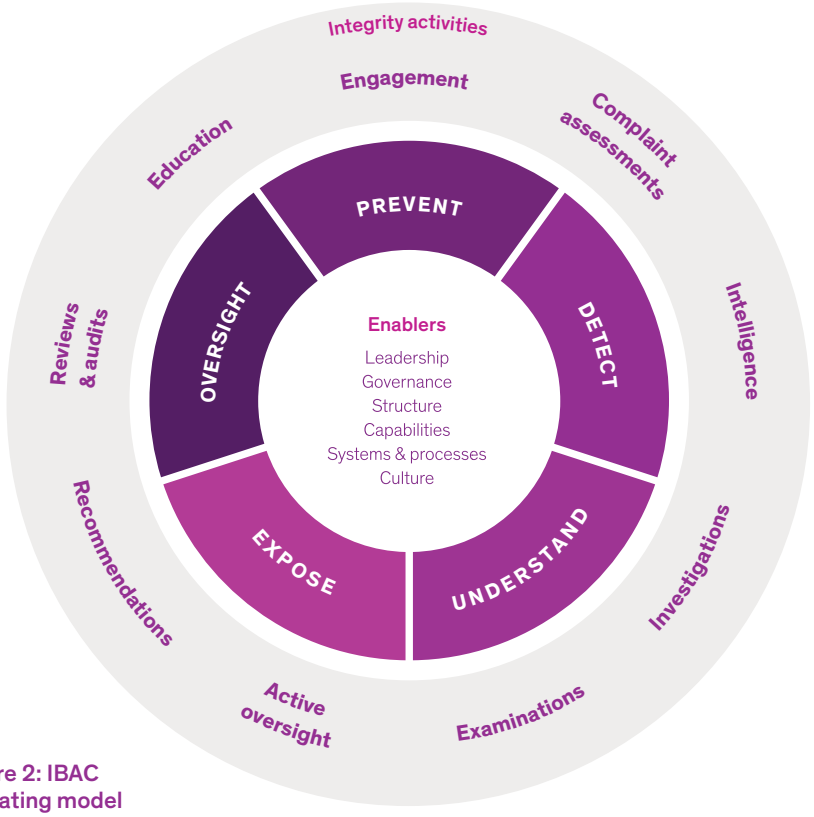


Figure 2: IBAC operating model

IBAC's mission is to prevent and expose public sector corruption and police misconduct to ultimately achieve a public sector and police that acts with integrity for all Victorians.



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1. Year in review

Commissioner's message



The 2021/22 financial year has been another busy and productive one for IBAC, with a return to the office for many of us and a number of significant achievements.

We delivered Year One of the *IBAC Plan 2021–25* (IBAC Plan), reviewed and planned enhancements to our support for witnesses, and engaged with stakeholders from the public sector, Victoria Police and the community to promote corruption prevention and continue delivery of our Focus Communities Strategy.

Our public hearings, investigations and reports exposed misconduct and corruption, contributing to issues of integrity being at the forefront of political and community debate.

IBAC's recommendations for reform will support the public sector to build its corruption resistance for the future.

Prevention

Preventing public sector corruption and police misconduct is a priority for IBAC. We do this by informing the public sector, police and community about the risks and impacts of corruption and police misconduct, and we collaborate with them to reduce the risk of this behaviour occurring. Our prevention work is underpinned by strategic intelligence, analysis and research.

This year, IBAC conducted a series of surveys, targeting state and local government, Victoria Police, government suppliers and the community. Over 12,000 people participated, and the results will help us to better understand perceptions about corruption and misconduct and attitudes towards reporting in Victoria. The results will also enable IBAC to better target its prevention and education initiatives. They will also be made available to organisations to support their own corruption prevention activities. The findings will be published on IBAC's website in late 2022.

IBAC published two research reports this year: *Corruption risks associated with government funded human services delivered by community service organisations* – which identified procurement and contract management, conflicts of interest, cash handling, inaccurate reporting practices and misuse of sensitive information as areas of risk; and *Victoria Police handling of complaints made by Aboriginal people* – which highlighted concerning patterns and deficiencies in Victoria Police's handling of police complaints by Aboriginal people and identified 10 recommendations for improvement.

It was pleasing that Victoria Police committed to adopting the recommendations of the research report in full.

IBAC also tabled two special reports to Parliament: *Operation Dawson* – an investigation into the alleged police personnel misconduct of then Superintendent Paul Rosenblum; and *Operation Turon* – an investigation into the alleged police misconduct of then Assistant Commissioner Brett Guerin. Both special reports highlighted the misuse of power by high-ranking members of Victoria Police and how this had a damaging impact on the work they had done to strengthen the community's trust and confidence in Victoria Police.

Many of IBAC's investigations consider systemic corruption vulnerabilities and gaps or weaknesses in controls that could facilitate public sector corruption or police misconduct. During 2021/22, we made 28 formal recommendations under the IBAC Act for public sector agencies to improve their systems, practices and controls. IBAC requires agencies to respond to recommendations within a specified period and, in so doing, to share lessons learned and actions taken to strengthen systems and processes.

Investigations

Investigations are an essential part of our work to expose and prevent public sector corruption and police misconduct. In 2021/22, IBAC commenced 18 new investigations and 12 preliminary inquiries. This year IBAC also completed nine investigations and 10 preliminary inquiries.

Public hearings are a critical tool for informing and educating the community and public sector about the impact of corruption and police misconduct and how it can be prevented. Public examinations enhance transparency and accountability, and contribute to building trust that the public sector must make decisions in the public interest or risk exposure.

Our public hearings examined allegations of serious corrupt conduct during the tendering, procurement and management of major contracts within V/Line and Metro Trains Melbourne as part of Operation Esperance. Public hearings were also held as part of Operation Watts, a joint investigation between IBAC and the Victorian Ombudsman. This investigation focused on allegations of misuse of electorate office and ministerial office staff, and resources for branch stacking and other party-related activities.

In 2021/22, IBAC conducted 115 days of private examinations and held 24 days of public examinations.

IBAC must balance the need to conduct thorough investigations with efficiency, while also ensuring procedural fairness. This takes time and can have a negative impact on witnesses and others involved in an investigation. Over this reporting period, we commenced a proactive review of our approach to the welfare of everyone involved in IBAC investigations and commenced planning the introduction of enhancements to the way we communicate and support witnesses.

Police oversight

IBAC is Victoria's independent police oversight body and our remit is broad. Police misconduct includes any conduct that would bring Victoria Police into disrepute or cause the public to lose confidence in it.

In December 2021, the government announced a systemic review of police oversight in Victoria. We are proud of our police oversight work, but more needs to be done. As we have advised government, and said publicly many times, we cannot increase our oversight activities without additional resourcing and legislative change. We will continue to engage with government and stakeholders on this important review to ensure Victoria has a robust, transparent police oversight system.

Victoria's police oversight system is a mixed civilian model, in which Victoria Police are resourced to conduct the majority of the investigations into complaints. While this means IBAC must refer the majority of complaints we receive to Victoria Police for investigation, IBAC can also review and audit investigations carried out by Victoria Police to help ensure police appropriately discharge their responsibility for police misconduct, and identify policies and practices that need to be improved.

Through our review work, we consider whether investigation outcomes were appropriate and if the process was fair and impartial. Working with Victoria Police, we look to improve key police policies to reduce police misconduct, and drive procedural and system improvements.

IBAC also oversees Victoria Police compliance with five Acts of parliament.

IBAC actively contributes to and participates in police education programs, and we engage directly with divisions, regions and commands to provide information and education services to reinforce the important role every officer performs to uphold Victoria Police standards.

In this reporting period, we delivered fortnightly presentations to recruits participating in the Probationary Constable Foundation development program, presentations to senior sergeants and inspectors participating in the Police Manager qualifying program and presentations to new detectives as part of their training with the Centre for Crime Investigation. In addition, workshops were conducted as part of the Airlie Leadership Development Centre's Superintendent program, and we began delivering presentations to the Inspectors Development program.

Legislative reform

As Commissioner, it is important that I advocate to ensure the agency has the powers and resources required to fulfil its legislative obligations.

In 2021/22, IBAC faced an unprecedented number of legal challenges. The issues in each dispute varied, but all related to IBAC investigations or proposed special reports. While IBAC recognises and respects the importance of persons and organisations being able to bring proceedings to protect their rights, as it stands, elements of IBAC's legislation cause investigations to be unnecessarily delayed or frustrated by lengthy litigation. Claims of privilege have resulted in long periods of delay as litigation in the Supreme Court is the only mechanism available to resolve such claims. Litigation arising out of the natural justice process before a report can be finalised and tabled has also delayed the completion of investigations. Public hearings may provide IBAC with an alternative means of meeting natural justice requirements.

I anticipate that in the near future, the opportunity will arise to revisit the definition of corruption and the value of the Commission having greater flexibility in conducting public hearings. In these and other important areas, some legislative changes are necessary. IBAC will continue to engage with government to explore reforms to better enable it to discharge its functions in an expeditious and effective way.

Thank you

The end of 2022 will also mark the end of my five-year tenure as IBAC Commissioner. As such, this annual report will be my last. It has been a privilege to serve the Victorian community as IBAC's Commissioner, and I will leave the role with many proud memories of the work we have done and the people I have been fortunate to have worked with.

It has also been a pleasure to work alongside the dedicated leaders at IBAC. CEO Marlo Baragwanath and deputy commissioners David Wolf, Kylie Kilgour and Stephen Farrow have each performed their roles to the highest standards and to them I say thank you.

I believe I am leaving IBAC as a strong and effective integrity agency, for the reasons I have illustrated above, and for many others. Possibly the most important factor in enabling IBAC to perform its role effectively is to have the trust of the Victorian community. To those who have come forward with information or made a complaint, and demonstrated trust in the integrity system, I say thank you.

Finally, it is pleasing to see the issue of integrity taking centre stage in the public discourse. This increased public attention on the actions of public servants, police and IBAC is positive. Well beyond my tenure, IBAC will continue to strive towards its vision of a public sector that acts with integrity for all Victorians.



The Honourable Robert Redlich AM, KC
Commissioner

CEO's message



It is hard to recall a year in which integrity has been the focus of so much public debate and discussion. This discourse brought IBAC unique demands and opportunities.

In the spotlight and behind the scenes, we continued our important and complex work to prevent and expose public sector corruption and police misconduct. We delivered year one of our *IBAC Plan 2021–25* and initiated a number of multi-year projects that lay the foundations for our future approach to prevention, our operations and stakeholder engagement.

Our 2021/22 performance

Preventing corrupt conduct and police misconduct, while supporting the public sector to strengthen its corruption resistance, is a key priority for IBAC. Our *Corruption Prevention Strategy 2021–2024* guided our work and in this reporting period, we delivered 125 prevention initiatives. This was achieved in part by developing an increased number of user-friendly digital prevention resources, and delivering high-interest speaking engagements and events for police, public sector and community audiences.

In the 2021/22 financial year, IBAC commenced 18 investigations and 12 preliminary inquiries into public sector corruption and police misconduct. In total, we completed planned activities for nine investigations and 10 preliminary inquiries, with 38 investigations and preliminary inquiries ongoing. Our 'timeliness' results relating to the completion of investigations were lower than target for three of four measures. The completion of investigations was affected by a combination of highly complex investigations that required a diversion of resources from other investigations, lengthy litigation and fluctuating investigative capacity due to unplanned COVID-related staff absences. That being said, we are committed to doing better. We have reviewed our operating model and developed a new investigations framework which, when implemented, will support us to refine our operational processes.

Enhancing our support for those who come forward to report corruption and misconduct to IBAC was a particular focus for us this year. We mapped the complainant's journey to identify improvements and developed a quality assurance framework to ensure their experience is as supportive as it can be. The time taken to assess complaints and notifications did not, however, meet our 'timeliness' targets. This was due to a greater than 30 per cent increase in complaints and notifications, and a continued increase in the complexity of the complaints we receive. Recruitment of additional staff to bolster this important frontline team improved our results in the second half of 2021/22.

As awareness of IBAC's role increases and our complaint numbers continue to grow, these 'timeliness' measures will continue to be difficult to meet. We know that IBAC's current performance measures do not allow us to evaluate our outputs meaningfully or effectively. In reports published in April and October 2022, the Parliamentary Integrity and Oversight Committee (IOC) agreed that IBAC's performance measures are insufficient and do not accurately reflect the impact and value that our work has for the Victorian community.

Consequently, and in line with the IOC's recommendations, IBAC is committed to reviewing its performance measures to ensure they are relevant to our strategic priorities and better reflect the nature and complexity of IBAC's workload. These changes will be reflected in future annual reports.

Year One of the *IBAC Plan 2021–25*

This year, we commenced the implementation of the IBAC Plan. The IBAC Plan sets out our strategic direction and priorities for the next four years and outlines our key areas of focus, aiming to strengthen trust in the public sector and police, embed a strong integrity culture across Victoria, and engender collective ownership in the prevention of corruption and misconduct.

Many of the initiatives completed over the last 12 months lay significant groundwork for the delivery of the IBAC Plan's objectives. These include the development of critical frameworks for investigations, intelligence, public interest disclosures (PIDs) and ensuring a customer-centric approach to the assessment of complaints, which we will implement to enhance operations, inform our decision-making, and improve the complainant experience.

Looking ahead, our team will continue on our path to deliver the second year of the IBAC Plan. We will focus on continuous improvement as we review and update our policies and practices to enhance accessibility for all Victorians. We will also continue to collaborate with other agencies to strengthen integrity throughout the public sector and Victoria Police.

Witness welfare

Every year, the IOC conducts a review of integrity agency performance. This year, the IOC's review of performance focussed on the Victorian integrity agencies' management of the welfare of witnesses, and others involved in agency investigations.

In May, IBAC welcomed the opportunity to inform the IOC, and the broader community, of the work we undertake to manage witness wellbeing in public hearings.

As a proactive measure, we reviewed our welfare policy and guidelines earlier this year. This included a review of our communications with those involved in our work over the life of the investigation to ensure the language used is easy to understand, the content better explains the steps in an investigation, and it provides clear information about the support services available. We also have plans in place to introduce a dedicated Witness Liaison Team, who will be responsible for ensuring regular communication is maintained with witnesses and other persons subject to the exercise of IBAC's duties, functions and powers throughout the life cycle of an investigation, and that they are aware of all the support services available to them.

Stakeholder engagement and delivery of prevention initiatives

IBAC is always striving to better reach the people and communities who need to understand what we do, and how they can engage with us. This year, IBAC commenced our Corruption Prevention Strategy. In year one, IBAC focused on building our internal data analytics capability and initiated several multi-year projects to enhance our reach and accessibility to all Victorians. These included redesigning the IBAC website, implementing a new stakeholder management system, and undertaking a number of perceptions of corruption surveys with different stakeholder groups and the broader community.

As part of our efforts to build awareness, we delivered two campaigns to enhance the community's knowledge of corruption and police misconduct. This included a digital awareness campaign across state and local government to highlight the risk of undue influence, which appeared approximately 1.9 million times online. We also promoted a campaign to empower members of the public to report police misconduct with a focus on reaching regional, LGBTIQ+, and culturally and linguistically diverse communities. This campaign appeared more than 2.1 million times online and reached hundreds of thousands of Victorians via radio, print and outdoor advertising. We hope to extend the reach of these campaigns in the new financial year.

Importantly, we also began the implementation of our Focus Communities Strategy to ensure we are more accountable and engaged with our diverse Victorian community. Activities aligned to this strategy will help us to build awareness of, and trust in, IBAC's role while improving the accessibility of our services and communications for communities who are more likely to experience marginalisation.

IBAC's engagement and corruption prevention work continued to reach more Victorians with opportunities presented by remote working and online events. These included IBAC-hosted events, as well as collaborations with other public sector and integrity agencies about timely corruption risks and trends. Notably, we also reinforced messages about integrity and ethical behaviour in presentations delivered via our ongoing Victoria Police education program.

Reviews

IBAC's independent reviews of investigations carried out by the public sector and Victoria Police into allegations of misconduct and corruption continues to be a vital part of our work.

The purpose of this work is to determine whether an investigation conducted by an agency is thorough and fair, whether the findings are evidence-based and the outcomes reasonable. IBAC's reviews of internal investigations conducted by Victoria Police also provide oversight of incidents that involve deaths or serious injuries after police contact.

In 2021/22, IBAC completed its highest number of reviews ever – a total of 281 – of which 258 were reviews of Victoria Police investigations. The reviews highlighted issues including use of force and obscuring behaviours by police. We will continue to monitor Victoria Police's response and actions to our recommendations on these matters.

IBAC also finalised two thematic reviews involving Victoria Police in 2021/22. A thematic review is a series of reviews linked to a specific misconduct theme that aligns with IBAC's current strategic focus areas or emerging misconduct trends. Our thematic reviews explored serious incidents involving the use of police dogs and predatory behaviour by police. The findings of these reviews will be published in the next financial year. A third thematic review that analyses investigations regarding excessive use of force against people at risk is underway.

IBAC conducted 23 reviews of Victorian public sector agency investigations this year, examining issues such as recruitment practices and the management of conflicts of interest.

Our people

IBAC's mission is to prevent and expose public sector corruption and police misconduct to ultimately achieve a public sector and police that acts with integrity for all Victorians. I'm especially proud of our team's dedication to front up to this mission each and every day. I look forward to continuing to work with the team at IBAC, key stakeholders and the wider Victorian community to realise this aim.

IBAC could not deliver its work without its people. Every day, I am grateful to be supported by skilled professionals with a keen sense of duty. Thank you to our employees and executive team for your hard work and dedication throughout the year.



Marlo Baragwanath
CEO

IBAC's year at a glance

Complaints/notifications and public interest disclosures

3728

Complaints/notifications received, a greater than **30%** increase on 2020/21 (2832 complaints/notifications in 2020/21)

5646

Allegations assessed, a **13%** increase on 2020/21 (4965 allegations in 2020/21)

747

Allegations assessed as public interest complaints, a **4%** decrease on 2020/21

Investigations and outcomes

30

Investigations and preliminary inquiries commenced into alleged serious public sector corruption and police misconduct

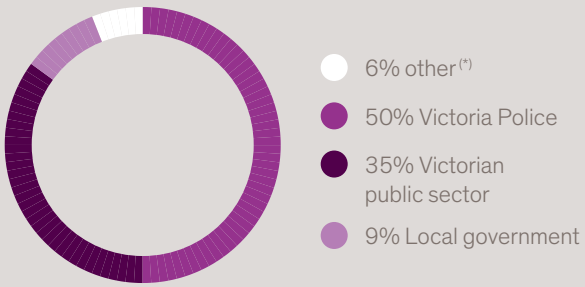
19

Investigations and preliminary inquiries completed**

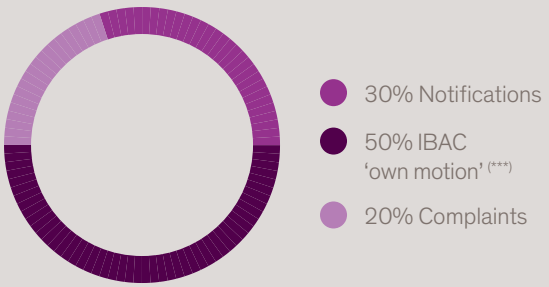
28

Formal recommendations made (under the IBAC Act) for public sector agencies, including Victoria Police, to improve their systems, practices and controls

Allegations by sector



Source of IBAC investigations and preliminary inquiries commenced in 2021/22



Reviews



258

Reviews of police investigations completed, a **303%** increase on 2020/21 (64 reviews in 2020/21)



23

Reviews of public sector investigations completed, an **18%** decrease on 2020/21 (28 reviews in 2020/21)

Prevention initiatives



125

Corruption prevention initiatives delivered, an **8%** increase on 2020/21 (115 initiatives in 2020/21)



93%

Average satisfaction with corruption prevention forums and events delivered



4

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

Social reach



478,000

Unique visits to IBAC's website, a **60%** increase on 2020/21 (283,000 unique visits in 2020/21)



3750

Subscribers to *IBAC Insights* (as at 30 June), a **7%** increase on 2020/21 (3500 subscribers in 2020/21)



>10,000

Followers on social media

* 'Other' includes the Victorian Parliament, the judiciary and out of jurisdiction.

** No further investigation activities are planned but the 'investigation' remains active.

*** IBAC can be advised of corruption and police misconduct matters in different ways. If IBAC decides to investigate on its own motion – that is, without a complaint from an individual or a notification from a public sector body, – this investigation is referred to as an 'own motion' investigation.

2021/22 highlights

2021

July	Operation Esperance public hearings
	Operation Wingan findings publicly communicated
	Stephen Farrow joins IBAC as a deputy commissioner
	A former Department of Education and Training (DET) director and his co-defendant are sentenced to jail following Operation Ord
	Reference Guide: Managing an Internal Investigation into Misconduct is published as a resource for PID coordinators and public sector employees
	IBAC Commissioner, The Honourable Robert Redlich AM, KC, presents at the 11th Annual Public Sector Fraud and Corruption Congress
August	A former Victoria Police officer is sentenced for aggravated unlawful assault with a weapon following Operation Durack
September	An IBAC research report, *Corruption Risks Associated with Government Funded Human Services Delivered by Community Service Organisations*, is published
	IBAC charges a former secondary school employee with 12 charges of obtaining financial advantage by deception following Operation McKenzie
October	Operation Watts public hearings commence
	Operation Turon special report is tabled in parliament
	IBAC, the Victorian Ombudsman and the Victorian Auditor-General's Office co-host an event on best practice in procurement
	IBAC Deputy Commissioner, Stephen Farrow, participates in a panel discussion for the Victorian Local Governance Association, 'In Conversation with Victoria's Local Government Policy and Integrity Agencies'
November	IBAC CEO, Marlo Baragwanath, presents at the Institute of Public Administration Australia Victoria's Senior Executive Integrity and Ethical Leadership Program, 'Developing the integrity and ethical leadership of senior executives working in the Victorian public sector'
December	IBAC hosts a Corruption Prevention and Integrity Insights forum, 'Corruption prevention in 2021: Looking back to look forward'
	The *IBAC Plan 2021–25* and *IBAC Annual Plan 2021/22* are released
	Operation Dawson special report is tabled in parliament
	A former DET staff member and a former Victorian School Building Authority (VSBA) staff member plead guilty to misconduct in public office following Operation Merrica

2022

January	A Senior Constable is charged with recklessly causing injury, unlawful assault and common law assault following a Victoria Police investigation overseen by IBAC
	An associate of a jailed DET director is sentenced to a Community Corrections Order following Operation Ord
	IBAC's online complaint form is released in a range of accessible formats and 21 languages other than English
February	Two directors of a quantity surveying firm plead guilty to assisting the commission of misconduct in public office following Operation Merrica
	A summary of IBAC's review, *Falsification of Preliminary Breath Test Results by Victoria Police*, is published
	IBAC hosts a community forum, 'IBAC's focus on police oversight'
March	IBAC hosts a Corruption Prevention and Integrity Insights forum, 'Building a speak-up culture'
	IBAC releases a video, *Mandatory Notifications to IBAC*
	IBAC's *Focus Communities Strategy* is published
April	*IBAC Gender Equality Action Plan 2021–23* is published
	IBAC Commissioner, The Honourable Robert Redlich AM, KC, presents at the Australasian Study of Parliament Group National Conference, 'Parliamentary transparency, checks and balances'
	Allegations of Excessive Use of Force by Police (review summary) is published
May	IBAC Deputy Commissioner, David Wolf, participates in a panel discussion for the Office of the Victorian Information Commissioner, 'Privacy Awareness Week panel discussion: Public trust in an information age'
	IBAC hosts a Victorian Law Week forum, 'Who assesses the integrity of Victoria Police?'
	Victoria Police Handling of Complaints Made by Aboriginal People: Audit Report is released
	'You have the right to not remain silent' campaign is launched, highlighting IBAC's Victoria Police oversight role
June	'Speak up to stop it' campaign is launched highlighting undue influence in the public sector
	IBAC Deputy Commissioner David Wolf presents at DET Integrity Leadership Group forum, 'Delivering under pressure with integrity'

Direct costs attributable to machinery of government changes

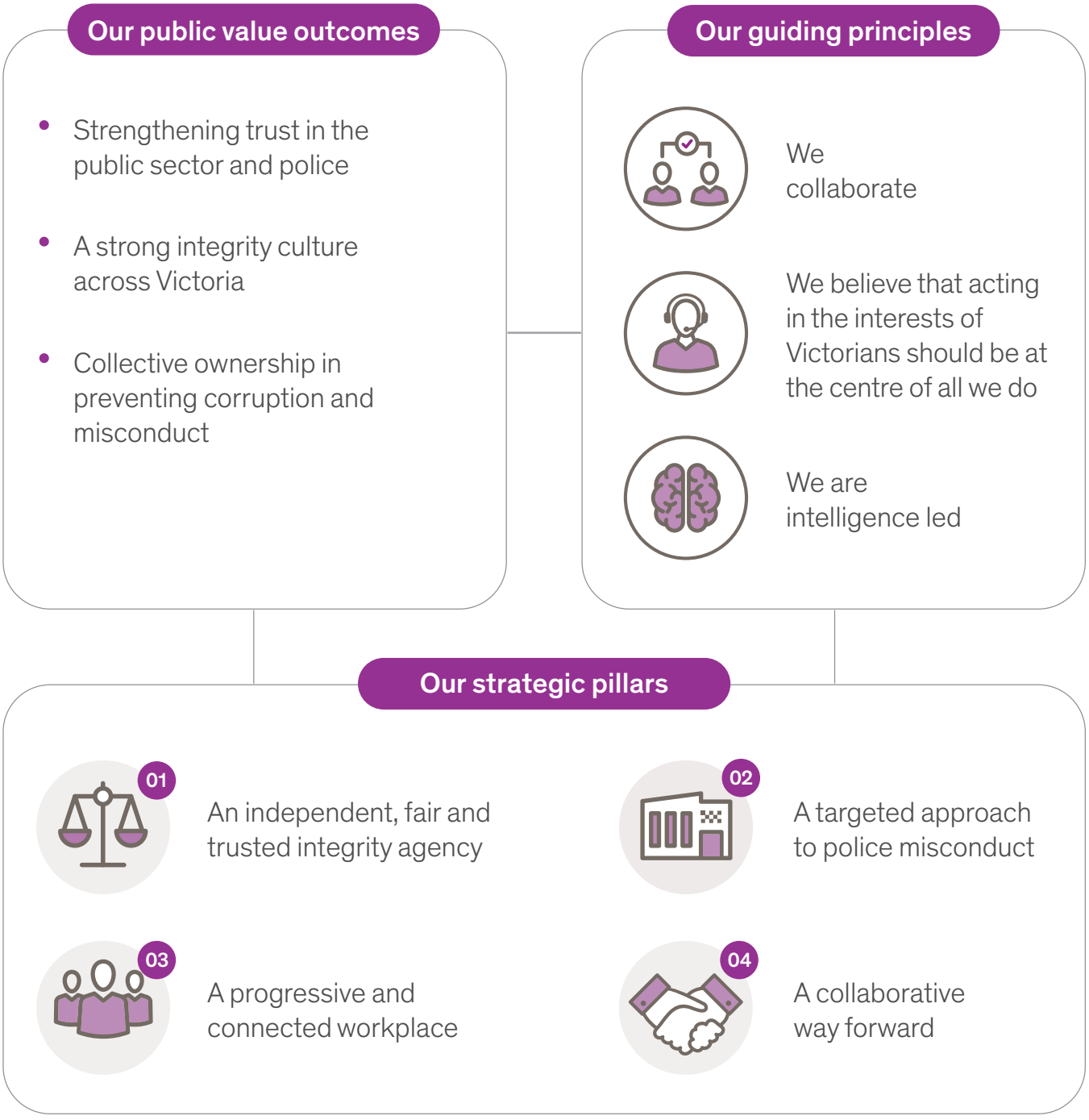
There were no direct costs attributable to machinery of government changes.

IBAC Plan 2021–25

The *IBAC Plan 2021–25* is our organisational strategy, which describes our medium-term strategic direction.

As at 30 June 2022, implementation of activities under all four strategic pillars is on track.

Figure 3: IBAC Annual Plan 2021–25 public value outcomes, guiding principles and strategic pillars



Implementation of the IBAC Annual Plan 2021/22

The *IBAC Annual Plan 2021/22* sets out our strategic areas of focus and initiatives for the year and describes our achievements for each strategic pillar in the *IBAC Plan 2021–25*.

Strategic focus areas

IBAC identified six strategic areas of focus for 2021/22 to guide our work. These focus areas were informed by our strategic intelligence assessments, complaints and notifications data, operational intelligence and stakeholder consultation.

Figure 4: IBAC 2021/22 strategic focus areas



Given that the strategic focus areas will continue into the 2022/23 Annual Plan, progress against five of the six was on track, even though some planned activities across all focus areas were not completed (see Table 1). 'Undue influence' was at risk due to factors that are outside IBAC's control, including litigation.

Table 1: Strategic focus area delivery to plan 2021/22

Strategic focus area		Status
1.	High-risk police units, divisions and regions	○
2.	High-risk public sector agencies	○
3.	Major infrastructure projects	○
4.	Undue influence	○
5.	Use of force on people at risk	○
6.	Police responses to police family violence incidents	○

Key:

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

Strategic initiatives

For Year 1 of the IBAC Plan, we identified nine key strategic initiatives to commence work on. Most of these will be completed over two or more years.

Figure 5: IBAC 2021/22 strategic initiatives

Our strategic initiatives

- Royal Commission into the Management of Police Informants recommendations and police oversight reforms
- Corruption Prevention Strategy
- Enhanced complainant experience
- IBAC operating model
- Intelligence framework
- Investigations framework
- People strategy
- Enabling IT and data infrastructure strategies
- Project management office

These initiatives are described under strategic pillars in the following sections.

Table 2: Strategic initiatives delivery to plan 2021/22

Strategic initiative		Strategic pillar	Status	% complete[a]	Multi-year
1.	Preparation for implementation of Royal Commission into the Management of Police Informants (RCMPI) recommendations and police oversight reforms	2	✓	100%[b]	✓
2.	Corruption Prevention Strategy	1	✓	30%	✓
3.	Enhanced complainant experience	2	○	95%	✓[c]
4.	IBAC operating model	3	✓	100%	–
5.	Intelligence framework	1, 2	○	50%	✓
6.	Investigations framework	1	○	65%	✓[c]
7.	People strategy	3	○	85%	✓
8.	Enabling IT and data infrastructure strategies	3	○	70%	✓
9.	Project management office	3	✓	100%	–

Notes:

[a] Percentage complete refers to percentage of actions planned that were completed. In some cases, 100% also corresponds to completion of the entire project.

[b] All actions within IBAC's control to prepare for the introduction of the RCMPI reforms were completed during 2021/22. As no reforms for police oversight have been finalised, IBAC was not able to commence any work to implement police oversight reforms. Legislation regarding both human source management and police oversight reforms had not passed as at 30 June 2022.

[c] Enhanced complainant experience and investigations framework were originally planned as single-year initiatives for 2021/22; they will now continue into 2022/23.

Key:

✓ Delivered in full – all planned actions have been completed to expectation.

○ Delivered in part – some planned actions have been completed to expectation.

☐ Not delivered – planned actions have not been completed.

Strategic pillar 1: An independent, fair and trusted integrity agency

We are an independent integrity agency working towards eliminating corruption in Victoria. We do this by educating and building the capability of the public sector to actively resist corrupt conduct, and by sharing our knowledge about corruption in Victoria. Our work in response to allegations of serious and systemic corruption leads to practical actions, lessons and recommendations for the public sector to implement.

The following pages outline our contribution in 2021/22 towards achieving the goals for this pillar by 2025, set out under our strategic focus areas and strategic initiatives.

Strategic focus areas

High-risk public sector areas

We focus on agencies that are more likely to be vulnerable to corruption because they hold valuable information that could be misused, or because they are responsible for high-value investments, planning, outsourcing of public services or allocation of funding.

Table 3: High-risk public sector areas delivery to plan 2021/22

	Status
In 2021/22, we focused on agencies assessed as vulnerable to corruption, by:	
• developing data dashboards to highlight trends in public sector complaints, allegations and cases	✓
• highlighting IBAC's research on corruption risks associated with outsourced government-funded services, to inform prevention strategies	✓
• undertaking targeted communications activities with other high-risk agencies and engaging with in-house public sector agency integrity units.	✓

Data dashboards – public sector and local government

IBAC developed data dashboards to identify trends in local government and public sector allegations and cases. This involved strengthening our data analytics capability, to give us a more nuanced understanding of the risks across different agencies and sectors, and to help us prioritise our work. We developed and launched dashboards for use by IBAC staff to identify the trends, risks and issues occurring across IBAC's jurisdiction. In time, IBAC will look at making this information available on the IBAC website. This will enable the community to better understand the trends and allegations, and will help local government and public sector organisations develop more sector-specific prevention initiatives.

Report – corruption risks associated with government-funded human services delivered by community service organisations

In September 2021, IBAC released a report on corruption risks associated with government-funded human services delivered by community service organisations. The report described various corruption risks that can affect the provision of human services by community service organisations and identified a range of corruption prevention strategies to help mitigate these risks.

IBAC is collaborating with the Department of Families, Fairness and Housing and the Department of Health to raise awareness of the findings of the report, and to share and apply the lessons learnt about prevention. IBAC promoted the findings and prevention actions to stakeholders working in the public sector. We will publish additional prevention resources and explore opportunities to communicate the report's findings to the community services sector.

Public sector consultation

Throughout 2021/22, our deputy commissioners met regularly with those responsible for integrity in a range of public sector agencies, to discuss opportunities for building a strong culture of integrity and fostering collective ownership in preventing corruption.

Major infrastructure projects

Major infrastructure projects across state and local government involve significant expenditure, which can make them vulnerable to corruption. We will continue to build our understanding of the corruption risks of agencies that manage major projects funded by the Australian and Victorian governments.

Table 4: Major infrastructure projects delivery to plan 2021/22

In 2021/22, we informed the approaches to corruption prevention of public sector agencies' funding or delivering major infrastructure projects, by:	Status
• conducting research on corruption risks associated with major transport infrastructure projects	✓
• publishing a report on corruption risks associated with major transport infrastructure projects	□
• undertaking targeted education and engagement with the Major Transport Infrastructure Authority and other stakeholders.	✓

Report – corruption risks of major transport infrastructure projects

An IBAC research project in 2021/22 examined the corruption risks of major transport infrastructure projects. This work involved workshops, frequent collaboration and receiving feedback from relevant public sector agencies, including the Major Transport Infrastructure Authority, as well as interstate integrity partners, to identify prevention and detection strategies for the public sector to implement. IBAC is developing resources based on this work. These resources will be published in 2022/23 to help agencies act to prevent corruption risks.

Major infrastructure projects that have been the focus of IBAC investigations in 2021/22 span different markets and sectors and involve a number of Victorian Government departments. As a matter of practice, IBAC does not comment on investigations in progress.

Undue influence

IBAC seeks to expose and prevent undue influence on decision-making in the public sector, with a focus on the influence of lobbyists, donors, government-aligned stakeholders and third-party facilitators. This includes reporting on investigations that reveal corruption risks presented by undue influence and proposing reforms to strengthen accountability and transparency.

Table 5: Undue influence delivery to plan 2021/22

In 2021/22, we sought to continue to expose and seek to prevent undue influence on decision-making in the public sector, by:	Status
• reporting on investigations that highlight the corruption risks presented by undue influence, and proposing reforms to strengthen accountability and transparency	○
• undertaking targeted education and engagement to promote report findings	○
• conducting an overarching digital awareness campaign to highlight the risks of undue influence across state and local government.	✓

Improper access to government by lobbyists, and attempts to unduly influence planning and funding decisions, were the subject of complaints to IBAC that progressed to investigation.

Investigation – Operation Sandon

Operation Sandon is an investigation to determine whether lobbyists or planning consultants exerted undue influence over state and local government planning and property development decisions at the City of Casey council. IBAC is preparing a special report to parliament on the investigation. The draft report is currently the subject of litigation, which has delayed its finalisation and the launch of proposed targeted education and engagement activities.

Functional advertising campaign – undue influence

In June 2022, IBAC launched a functional advertising campaign encouraging people in the Victorian public sector to speak up to stop undue influence. The target audience included employees, not only in government departments and agencies, but also other public sector bodies such as councils, schools, and hospitals. IBAC's 'Speak up to stop it' campaign emphasised that any public sector employee, elected or not, is at risk of being improperly influenced, and that this can lead to corruption. The awareness raised by this campaign is the first step towards building resistance to corruption and will help public sector employees make decisions that are in the best interests of the community. Comprising short videos and social media assets, the 'Speak up to stop it' campaign was promoted online, in social media and in public sector publications. IBAC is working with public sector bodies to distribute the campaign materials to as many employees as possible.

Strategic initiatives

Corruption Prevention Strategy

The Corruption Prevention Strategy sets out an ambitious program of work to strengthen our capacity and capability to undertake activities that will prevent corruption. It has five modes (or ways of working) to guide our efforts:

- understand
- inform
- engage
- expose
- collaborate.

Table 6: Corruption Prevention Strategy delivery to plan 2021/22

	Status	Multi-year
In 2021/22, we planned to inform the approaches to corruption prevention of public sector agencies funding or delivering major infrastructure projects by:		
• redeveloping the IBAC website to improve visibility and accessibility of information so stakeholders can find what they need to report corruption and build corruption resistance	○	✓
• establishing a new stakeholder relationship management system, to improve our engagement and better coordinate collaboration with other organisations and agencies	○	–
• commencing to implement our Focus Communities Strategy.	✓	✓

In 2021/22, IBAC focused on beginning and completing projects in the 'understand' focus area of the Corruption Prevention Strategy.

Website development project

In 2021, IBAC received funding for a two-year project to develop a new and improved website. IBAC collaborated with several external groups when defining the scope of the project, to get their input on website design and functionality. The new website will present information and functions in a more user-friendly and tailored way, using the homepage, other landing pages and calls to action more effectively, and catering better to common user needs and ways of using the web. It will also be fit for purpose, secure by design, accessible, easy to manage, integrated with IBAC systems as required, and ready for updates to meet future needs. The project is on track to be completed in 2023.

New stakeholder management system

To improve our ability to manage stakeholder information and engagement activities and record stakeholder feedback and issues, IBAC began building a stakeholder management system. This project is scheduled to finish in 2022/23.

Perceptions of corruption surveys – police, public sector, community and suppliers

To gain a clearer picture of corruption and police misconduct in Victoria, IBAC began a research project to better understand attitudes towards, barriers against, and incentives for reporting public sector corruption and police misconduct. The project involved a series of surveys of employees in the Victorian public sector, local government and business suppliers, and of the community more broadly. The findings will be published on IBAC's website in late 2022.

Focus Communities Strategy

IBAC launched a Focus Communities Strategy to improve our community education and stakeholder engagement program among more diverse or vulnerable communities (particularly LGBTQIA+, Aboriginal and Torres Strait Islander, and culturally and linguistically diverse communities). Actions have included establishing a working group and translating the strategy into Easy English in partnership with SCOPE Australia disability support services.

Stakeholder engagement

IBAC began to cultivate deeper and broader relationships with public sector agencies, to set the foundations for our 'engage' work under the Corruption Prevention Strategy. This included consulting with departments and agencies in certain sectors on various research projects, such as IBAC's assessment of corruption risks associated with major transport infrastructure and collaborating to progress communication and engagement opportunities to raise awareness about corruption vulnerabilities in community service organisations. IBAC also collaborated with other Victorian integrity agencies to run webinars for the public sector.

We provided training to build the capability of IBAC staff to identify the strategic implications of prevention work when undertaking corruption exposure activities across the Victorian public sector and communicating these to public sector agencies.



Intelligence and investigations frameworks

We committed to improving both our intelligence and investigations frameworks in 2021/22.

Evidence obtained from IBAC's investigations serves not only to disrupt corrupt conduct when it is encountered, but also to help us understand factors that enable corruption. These factors can then be targeted in prevention initiatives and recommendations intended to build a strong culture of integrity across Victoria.

IBAC's ability to focus its investigative resources on those markets and sectors most at risk of corruption and on making sound operational decisions in a complex operating environment is supported by IBAC's information collection and interpretation capability.

IBAC has developed draft intelligence and investigations frameworks which, when implemented, will describe how we will give effect to the operating model that is at the centre of the *IBAC Plan 2021–25*. In this way the frameworks will promote decision making that is based on intelligence and evidence, helping IBAC focus its limited resources on investigating the highest-risk matters. The intelligence framework is a multi-year program. The investigations framework, which was due to be completed in 2021/22, will now be completed and implemented in 2022/23.

Table 7: Intelligence and investigations frameworks delivery to plan 2021/22

	Status	Multi-year
In 2021/22, for the intelligence framework, we:		
• utilised current operational intelligence holdings and capability, and enhanced that with new sources of intelligence through contemporary data mining and analysis tools	○	✓
• reviewed our intelligence framework	✓	–
• established an intelligence triage mechanism to support a more targeted approach to our work.	○	–
In 2021/22, for the investigations framework, we:		
• strengthened governance, performance measures, cross-functional connections and quality assurance across the investigation life cycle.	○	–

Strategic pillar 2: A targeted approach to police misconduct

Our independent police oversight activities are targeted and transparent, to better meet the needs of Victorians who may be vulnerable or experience marginalisation. Victoria Police, the public sector and the general community understand our role, reach and effectiveness in matters of police misconduct. IBAC has an important part to play in upholding integrity standards and preventing police misconduct.

The following pages outline our contribution in 2021/22 towards achieving this goal by 2025, set out under our strategic focus areas and strategic initiatives.

Strategic focus areas

High-risk police areas

We focus on serious misconduct and corruption by police personnel in identified high-risk regions, divisions and work units in Victoria Police. Intelligence will continue to be used to inform investigation priorities and prevention strategies to strengthen Victoria Police oversight and accountability.

Table 8: High-risk police areas delivery to plan 2021/22

	Status
In 2021/22, we strengthened our risk-based approach to exposing and preventing police personnel misconduct and corruption by:	
• developing a police work area risk-identification model	○
• developing data dashboards to highlight trends in complaint allegations and cases	✓
• producing a special report on corruption and misconduct risks associated with the Critical Incident Response Team (CIRT)	○
• engaging with Victoria Police to inform prevention strategies	○
• raising awareness in regional Victoria of IBAC's police oversight role	✓
• producing resources to highlight police corruption and misconduct risks and inform the community.	✓

Risk identification model – police work

IBAC has begun developing a prototype police work area risk-identification model, which has progressed as far as possible using open-source and IBAC data. Victoria Police has agreed to provide data later in 2022. Work on the model will continue throughout 2022/23.

Data dashboards – police

We have developed a data dashboard for internal use to identify trends in allegations and cases about Victoria Police. Insights drawn from IBAC investigations into police misconduct are also used to help identify trends and systemic problems requiring further attention and action. Excessive use of force (particularly against vulnerable persons and by CIRT), misuse of police information, conflicts of interest and declarable associations are exposed by IBAC investigations. IBAC is considering ways to make this information available on the IBAC website, which will enable the community to better understand the trends and allegations, and will help Victoria Police develop more sector-specific prevention initiatives.

Report – misconduct issues and risks associated with Victoria Police's CIRT

Through our police oversight work, IBAC has identified misconduct issues and risks associated with CIRT. These include failures by CIRT officers to accurately report their use of force, a lack of adherence to the Charter of Human Rights, inadequate risk assessment and planning processes, poor communication by some CIRT officers when responding to incidents and a lack of gender diversity. IBAC's special report on CIRT draws on IBAC investigations and research. This report was tabled in 2022, with related resources including a video about key findings and a summary report published on IBAC's website.

Functional advertising campaign – reporting misconduct by Victoria Police

In May 2022, IBAC launched an advertising campaign in high-risk regional areas, titled 'You have the right to not remain silent'. The campaign aimed to raise awareness of IBAC's police oversight role, and to encourage regional communities to speak out against police misconduct. This campaign specifically targeted culturally and linguistically diverse communities and the LGBTQIA+ community. It consisted of short videos and social media assets, as well as radio advertisements and physical posters. The campaign appeared in newspapers, on radio and on shopping centre screens in parts of regional Victoria, including Greater Shepparton, Horsham, Latrobe, Mitchell, Southern Grampians, Swan Hill, Wellington and Wodonga.



Use of force on people at risk

We seek to expose and prevent excessive use of force by police, corrections and other public sector officers against Victorians who may be more vulnerable or experience marginalisation. These include Aboriginal and Torres Strait Islander people, LGBTIQ+ people, members of culturally and linguistically diverse communities, and people experiencing mental illness.

Table 9: Use of force on people at risk delivery to plan 2021/22

	Status
In 2021/22, we planned to expose and sought to prevent excessive use of force by police and public sector personnel, particularly against Victorians experiencing vulnerability or marginalisation by:	
• undertaking a thematic review focusing on the effectiveness of police investigations into referred use-of-force complaints	✓
• publishing an audit of police handling of complaints made by Aboriginal people	✓
• commencing work on a special report on police use of force and producing use-of-force resources to support investigation outcomes and police education	✓
• implementing our Focus Communities Strategy to help ensure IBAC is accessible, accountable and engaged with our diverse community.	✓

Thematic reviews – Victoria Police use of force

The 2021/22 reporting period saw the introduction of thematic reviews: a series of review cases that align with IBAC strategic focus areas. A thematic review allows IBAC to consider Victoria Police investigations that touch on a strategic focus area in the context of legislation, policies and procedures. Thematic reviews can analyse a body of cases, rather than being confined to individual matters and can reveal trends or themes. During this period, thematic reviews examined Victoria Police:

- use of police dogs
- abuse of position for sexual purpose involving police members
- use of excessive force against person(s) at risk and/or vulnerable persons.

IBAC intends to publish these thematic reviews in 2022/23.

Report – Victoria Police handling of complaints made by Aboriginal people

IBAC conducted an audit of complaints made by Aboriginal people to Victoria Police. This audit found worrying patterns and deficiencies in Victoria Police's complaint-handling processes. In May 2022, we published the audit report. IBAC highlighted these patterns and deficiencies in Victoria Police's handling of police complaints by Aboriginal people, particularly children and young people.

The report made 10 recommendations to Victoria Police, including the establishment of a dedicated process for handling complaints by Aboriginal people. The findings and recommendations will also be used by IBAC to guide further consultation and improve the way IBAC handles complaints made by Aboriginal people, and to provide better support to Aboriginal people during the complaints process.

Actions taken after the report was published in May 2022 included sending the full report to stakeholders, and promoting the report via social media, media releases and other IBAC channels.

In 2022/23, IBAC will meet with stakeholders about the report's findings, to find ways to raise further awareness among Aboriginal people of their options regarding complaints about Victoria Police, as well as to better understand Aboriginal communities' insights on police misconduct and IBAC's police oversight role.

Report – Victoria Police use of force

IBAC has started working on a special report on Victoria Police's use of force. The report will discuss police misconduct issues and risks associated with the use of force, drawing on findings from IBAC's investigations, reviews, and research. We are consulting with community and government groups to inform the report, which we expect to table in 2023.

As described earlier under our Corruption Prevention Strategy, IBAC commenced implementing our multi-year Focus Communities Strategy.

Family violence response

We aim to expose any inappropriate Victoria Police responses to family violence incidents involving other police personnel. Consistent police responses are essential for integrity and ethical standards, to remove any perceived conflicts of interest, and to reduce prevalence of these behaviours by police officers and employees.

Table 10: Family violence response delivery to plan 2021/22

	Status
In 2021/22, we planned to expose inappropriate Victoria Police responses to family violence incidents involving other police personnel by:	
• continuing to target education and engagement with Victoria Police, incorporating use of police family violence perpetrator examples and providing advice to Victoria Police on its Employee Related Family Violence program	○
• undertaking a thematic review focused on the effectiveness of police investigations into referred family violence complaints.	○

Education and engagement with Victoria Police on family violence response

In 2021/22, IBAC began incorporating the use of police family violence perpetrator examples into education programs targeted at senior sergeants and above. In 2022/23, we will look to expand our targeted education and engagement with Victoria Police on family violence responses via a strategic engagement program.

Thematic reviews – Victoria Police responses to family violence incidents

In May 2022, IBAC began its thematic review of family violence incidents in which Victoria Police employees are the victim or perpetrator or both. It focuses on inappropriate responses to family violence incidents involving Victoria Police members, as well as family violence allegations in high-risk police units, divisions and regions. The purpose of this review is to emphasise the importance of the new Victoria Police Family Violence policy and identify any weaknesses or gaps. The review is scheduled to conclude during 2022/23.

Strategic initiatives

RCMPI – recommendations

The management of human sources (informants) by Victoria Police was the subject of scrutiny and findings in the RCMPI. In its response to the Royal Commission, the Victorian Government committed to introducing legislation to require IBAC to oversight Victoria Police's registration and management of human sources. IBAC will consult with the Department of Justice and Community Safety and Victoria Police in the development of the legislation and its implementation.

Table 11: RCMPI recommendations delivery to plan 2021/22

	Status	Multi-year
In 2021/22, we planned to:		
• prepare for the implementation of the RCMPI recommendations by implementing secure information-sharing capability between IBAC and the Public Interest Monitor, and establishing internal capability to oversight the implementation of our recommendations	○	–
• contribute to the Department of Justice and Community Safety's review of Victoria's police oversight system and implement any legislative changes arising from that review.	○	✓



IBAC is responsible for the implementation of recommendation 59 of the RCMPI. Recommendation 59 requires IBAC (and the Public Interest Monitor) to implement appropriate security protocols and infrastructure to securely receive, share, store and dispose of sensitive information from human sources. IBAC has consulted extensively with Victoria Police, the Department of Justice and Community Safety, and the Public Interest Monitor to obtain a shared understanding of the requirements and potential processes to implement recommendation 59.

IBAC has commenced recruiting for a specialist IT role, obtaining IT hardware, and developing a scenario for possible approaches to sharing information.

As at 30 June 2022, the legislation was yet to be passed by the parliament.

Enhanced complainant experience

This initiative aligns with our guiding principle to put the interests of Victorians at the centre of all we do.

In 2021/22, IBAC mapped the complainant's path through the assessment process to identify areas for improvement. As part of this project, IBAC reviewed and subsequently revised our written communications to complainants, improving the IBAC outcome letters and other supporting information. This work will continue to inform refinements to our communication with complainants, telephone access and the IBAC website.

PID and quality-assurance frameworks were also developed to provide greater consistency in the handling of complainants and notifications. These frameworks assist in producing quality assessments, improving staff capability, and identifying opportunities for continuous improvement.

Table 12: Enhanced complainant experience delivery to plan 2021/22

	Status
In 2021/22, we aimed to enhance the complainant experience by moving to a more complainant-centric approach to how we receive and handle such matters. This included:	
• refining how we communicate with complainants, telephone access and our website experience	✓
• developing a Public Interest Disclosure (PID) Strategic Framework and establishing a dedicated resource to coordinate its implementation.	○

Strategic pillar 3: A progressive and connected workplace

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

The following pages outline our contribution in 2021/22 towards achieving this goal by 2025, set out under our strategic initiatives.

Strategic initiatives

IBAC operating model

An operating model is a visual representation of how an organisation works.

Table 13: IBAC operating model delivery to plan 2021/22

	Status
In 2021/22, we sought to develop an infographic of our operating model, to more clearly communicate how we operate, and provide more clarity and understanding of our role by explaining how we deliver our public purpose and value for all Victorians.	✓

The IBAC operating model was developed in 2021/22 to assist our people and stakeholders to better understand how we operate. It depicts our core activities that fulfil our public purpose and provide value for all Victorians, as well as the enablers that support service delivery (see Figure 2 for a diagrammatic representation of the IBAC operating model).

People Strategy

Our People Strategy will help IBAC become a more progressive workplace.

Table 14: People Strategy delivery to plan 2021/22

	Status
In 2021/22, through our two streams of talent strategy and workplace transformation, we:	
• defined a strong employee value proposition and continued to build leadership skills	○
• refreshed our organisational values and ways of working	○
• strengthened our approach to diversity, inclusion and safety so that everyone in our workforce feels included and safe.	✓

IBAC's People Strategy continued in 2021/22, drawing together programs of work across three streams: people, culture and capability.

- **People:** Additional short-term funding allowed IBAC to undertake a large recruitment drive to attract and retain around 45 fixed-term contractors. This boost to organisational capacity through additional staffing across all areas increased IBAC's ability to support our community and help build integrity cultures across the public sector and police. Actions completed during 2021/22 included defining the employee value proposition under the talent strategy. To focus on completing the other aspects of the People Strategy first, the actions to continue to build leadership skills are being deferred to the second half of 2022/23.
- **Culture:** IBAC continued to implement three programs aimed at improving employees' psychological and physical wellbeing and sense of connection to the organisation: *Health, Safety and Wellbeing Strategy 2021–23; Diversity and Inclusion Roadmap* (including the creation of IBAC's inaugural *Gender Equity Action Plan 2021–23*); and culture action plans in response to the Victorian Public Sector Commission's 'People matter' survey. The values refresh program is on track for completion in early 2022/23.
- **Capability:** We made a concerted effort to move some employee learning online to support hybrid working, accommodate flexibility and improve accessibility. Team members worked through e-learning modules on uncovering bias; bullying, harassment, and discrimination; cyber security; manual handling; and risk and integrity. IBAC's organisational induction program was also moved online. This style of learning was balanced with opportunities for face-to-face development, including bystander intervention workshops and team activities to apply the concepts introduced via e-learning. The leadership program has been deferred until 2023, when the effects of COVID-19 are anticipated to recede and hybrid working arrangements will have become better established.



Enabling IT and data infrastructure strategies

The intent of this initiative is coordinated, business-led solutions that connect people, systems and data, securely and responsively, from anywhere.

Table 15: Enabling IT and data infrastructure strategies delivery to plan 2021/22

	Status	Multi-year
In 2021/22, our focus was to:		
• roll out modern devices and collaborative tools to support a more mobile workforce	✓	–
• migrate on-premises IT services to the cloud	○	✓
• continue to mature our cyber and information security.	✓	✓

IBAC finished upgrading the organisation's computing devices and wireless networking to support our mobile workforce, improve efficiency and provide greater opportunities for collaboration.

We commenced migrating services into the cloud to improve staff access to systems and information, leading to a hybrid way of working in a progressive and connected workplace.

We continued to improve our business systems by applying enterprise architecture and data architecture, focusing on better information sharing and security. The ongoing improvement of in-house services will enable our Information and Digital Services Technology Team to provide better service within IBAC.

Year one activities of the Information Security Strategy were completed.

We also completed the consolidation of IBAC Information Technology teams and finalised the design for a single computer network to increase our digital and information capability.

Project management office

The ambition of this initiative is to provide a central point of accountability and to strengthen IBAC's management of projects.

Table 16: Project management office delivery to plan 2021/22

	Status	Multi-year
In 2021/22, we planned to establish a project management office (PMO) to track progress and report on implementation of strategic initiatives and outcomes in the IBAC Plan.	✓	–

The PMO was established, providing a central point for project planning and reporting throughout the project lifecycle. The PMO also provides support for improving project management capability and continuous learning across IBAC.

During the year, a new project management framework was developed. The framework includes new project management policy, tools and templates. A project governance committee was established to evaluate and prioritise projects so that the necessary resources and cross-organisational support are provided for each project to succeed.



Strategic pillar 4: A collaborative way forward

We collaborate with organisations and actively encourage them to invite us to help them build a strong culture of integrity. We understand that we do not operate alone – IBAC is part of a broader integrity system. Where appropriate, we work with the public sector, Victoria Police, other integrity and oversight bodies and the community to share insights, learn from each other, and deliver shared benefits.

In 2021/22, we planned to collaborate with stakeholders in the focus areas described earlier under strategic pillars 1 and 2. Collectively, these were:

- commencing implementation of our Focus Communities Strategy
- a regional public awareness campaign on IBAC's police oversight role
- targeted education and engagement with Victoria Police, incorporating use of police family violence perpetrator examples and providing advice to Victoria Police on its employee-related family violence program
- targeted education and engagement with the Major Transport Infrastructure Authority and other stakeholders to inform approaches to corruption prevention
- targeted communications activities with other high-risk agencies and to engage with 'in-house' public sector agency integrity units
- conducting an overarching digital awareness campaign to highlight the risks of undue influence across state and local government.

Community engagement

Community engagement activities in 2021/22, in addition to those described earlier, included hosting a community forum, 'IBAC's focus on police oversight', and launching our 'You have the right to not remain silent' campaign, highlighting IBAC's Victoria Police oversight role.

Public sector collaboration and education

Public sector collaboration and education activities in 2021/22, in addition to those described earlier, included:

- participating in a panel discussion, in conversation with Victoria's Local Government policy and integrity agencies, for the Victorian Local Governance Association
- presenting key integrity information for new Victorian public sector executives at the Victorian Public Sector Commission's Senior Executive Induction Program
- presenting at the Institute of Public Administration Australia Victoria's Senior Executive Integrity and Ethical Leadership Program on developing the integrity and ethical leadership of senior executives working in the Victorian public sector
- hosting a Corruption Prevention and Integrity Insights forum: 'Building a speak-up culture'
- participating in a panel discussion on workplace culture for the Victorian Government Solicitor's Office
- presenting at a DET Integrity Leadership Group forum on delivering under pressure with integrity
- engaging with the Major Transport Infrastructure Authority on our research into the corruption risks associated with major transport infrastructure projects.



Victoria Police collaboration and education

In 2021/22, IBAC continued to reinforce messages about integrity and ethical behaviour in presentations and information delivered via our Victoria Police education program. Through this program, we support Victoria Police members to consider integrity in all their decisions and actions, and to be aware of the part they play to uphold Victoria Police standards.

New activities undertaken by IBAC in 2021/22 included:

- workshops and presentations to the Inspectors Development program as part of the Airlie Leadership Development Centre's Superintendent program
- a presentation as part of the Ethics and Professional Standards Officer capability uplift
- presentations to the state-level Professional Standards Committee and key local Professional Standards Committees.

Activities from previous years that have continued in 2021/22 included:

- fortnightly presentations to recruits participating in the Probationary Constable Foundation development program
- presentations to senior sergeants and inspectors participating in the Police Manager qualifying program
- presentations to new detectives as part of their training with the Centre for Crime Investigation.

Collaboration with other integrity and oversight bodies

Operation Watts is a coordinated investigation between IBAC and the Victorian Ombudsman. The two integrity agencies worked collaboratively to investigate the possible use of ministerial advisers, members of parliament's electorate officers and related public resources for factional activities in the Victorian branch of the Australian Labor Party. A special report was tabled in parliament early in 2022/23.

IBAC also worked with the Public Interest Monitor to improve information-sharing arrangements, as recommended by the RCMPI. This work will be finalised in 2022/23.

Other collaboration activities included:

- co-hosting an event with the Victorian Ombudsman and the Victorian Auditor-General's Office on best practices in procurement
- participating in a panel discussion for the Office of the Victorian Information Commissioner on the topic of public trust in an information age
- discussions with the Office of the Victorian Information Commissioner, the Victorian Inspectorate and the Victorian Ombudsman on responses to joint recommendations from the Parliament of Victoria Integrity and Oversight Committee's Inquiry into the Education and Prevention Functions of Victoria's Integrity Agencies.

In 2021/22, IBAC held meetings with the Public Interest Disclosure Consultative Group to bring together the bodies that assess public interest disclosures under the PID Act. The purpose of the group is to ensure consistency of practice in the assessment of disclosures, consider issues arising under the legislation and, where appropriate, identify opportunities for reform. The annual PID coordinator forum was held online in 2021.

In 2021/22, IBAC planned a review under section 60 of the PID Act, as it has been two years since the legislation came into effect. Planning for the review commenced in 2021/22 and the review will commence early in 2022/23 to consider the policies and procedures that have been implemented by public bodies as required by the legislation. This project is intended to support and provide guidance to public bodies on opportunities to improve their management of PIDs.

Performance against output performance measures

IBAC's objectives, outputs and output performance measures are set out in the Victorian Budget 2020/21 *Budget Paper No. 3.*

Prevention and education services

Our objective here is to ensure public sector agencies have access to information and resources to build their capability and capacity to resist corruption. We undertake strategic research and other activities to inform the public sector, police and the community of the detrimental consequences of corruption, and how it can be prevented. This work is critical to improving integrity standards across the public sector and police.

IBAC's activities to expose public sector corruption and police misconduct, including investigations, research and analysis of strategic intelligence, are the foundation on which our prevention work is built. This evidence-based content, which demonstrates the nature and harmful effects of corruption and police misconduct, becomes the basis of meaningful communication and collaboration with stakeholders and broader audiences.

This output makes a significant contribution to the achievement of IBAC's objective under the IBAC Act to:

- assist in the prevention of corrupt conduct and police personnel misconduct
- facilitate the education of the public sector and the community about the detrimental effects of corrupt conduct and police personnel misconduct on public administration and the community, and the ways in which corrupt conduct and police personnel misconduct can be prevented
- assist in improving the capacity of the public sector to prevent corrupt conduct and police personnel misconduct.

Key initiatives and projects

In 2021/22, IBAC continued or began the following key initiatives and projects, all described earlier:

- Corruption Prevention Strategy
- IBAC website redevelopment
- stakeholder management system
- Focus Communities Strategy.

In addition, we finalised the IBAC Digital Communication Strategy, which will be implemented in 2022/23. The strategy has been designed to support the realisation of the *IBAC Plan 2021–25* and our Corruption Prevention Strategy, and support IBAC to better inform and involve stakeholders, build trust and knowledge, and support growth of integrity cultures and action across the public sector.

The five objectives of the strategy are to:

- build IBAC's digital communication capability
- increase IBAC's reach and impact via digital channels
- help present a more approachable IBAC
- develop and distribute targeted, practical and ready-to-use digital resources for preventing corruption
- increase awareness and understanding of stakeholders in corruption prevention.

Corruption prevention initiatives delivered

In 2021/22, IBAC delivered 125 corruption prevention initiatives, which included speaking engagements and external forums, as well as special and research reports, resources and campaigns. This exceeded our performance target by eight per cent. Average satisfaction rating with initiatives delivered was within two per cent of the target.

Table 17: IBAC 2021/22 output performance – corruption prevention and education

Performance measures	Unit of measure	2021/22 actual	2021/22 target	Performance variation (%)	Result
Quantity					
Corruption prevention initiatives delivered by IBAC	number	125	115	+8	✓
The result was higher than target due to an increased emphasis on producing shorter digital prevention resources for the public sector and an increased number of speaking engagements and events, particularly for police and community audiences.					
Quality					
Satisfaction rating with corruption prevention initiatives delivered by IBAC	per cent	93	95	−2	✓
The result was lower than target due to inclusion of community forum results for the first time. IBAC has recommended a new BP3 measure for community forums to commence 2023/24.					

Key for BP3 measures:

- ✓ Target met
- ○ Target not met, less than 5 per cent variance
- □ Target not met, greater than 5 per cent variance

Communication and engagement activities

In 2021/22, IBAC made presentations at 89 external forums and speaking engagements, achieving a 93 per cent satisfaction rating from participants. Presentations were made at various sector and agency-specific forums, reaching senior leaders and practitioners working in integrity-related roles, as well as stakeholders and community members working outside the public sector. In response to the COVID-19 pandemic, IBAC continued to carry out many of these activities online.

IBAC's digital reach continued to grow in 2021/22, with our website attracting more than 478,000 users, a 60 per cent increase over the previous year. This increase came largely from video streaming of high-interest public examinations, and online search advertising to improve awareness of and access to IBAC.

In 2021/22, IBAC recorded 38 per cent growth in our social media following, to more than 10,000 users, with engagement up more than 25 per cent. As at 30 June 2022, the quarterly e-newsletter *IBAC Insights* has 3750 subscribers.

Corruption prevention initiatives for the Victorian public sector

Building and maintaining a culture of integrity is the responsibility of every organisation. IBAC's role is to support public sector bodies and Victoria Police in their efforts, by providing information and education and raising awareness, so that they have the information and resources needed to build their capability and resist corruption. IBAC also aims to raise community awareness of public sector corruption and police misconduct and to encourage the reporting of suspected corruption.

Forums

IBAC held several webinars in 2021/22 to help prevent corruption in the public sector. These forums included:

- two community webinars on IBAC's police oversight role, a webinar on procurement delivered with the Victorian Ombudsman and Victorian Auditor-General's Office, a webinar on preventing corruption and a webinar on building a speak-up culture
- presentations to integrity practitioners and communities of practice on topics such as procurement; and integrity, ethics and probity
- presentations to senior leaders, including at the Victorian Public Sector Commission's Senior Executive Induction Program, Institute of Public Administration Australia Victoria's Senior Executive Integrity and Ethical Leadership Program, and LG Pro's Executive Leadership Program, as well as to leaders, departments and agencies, and governance and integrity committees.

Accessible resources

IBAC published a range of resources in 2021/22 as part of our work to prevent public sector corruption. These resources covered a range of topics, including:

- corruption risks associated with government-funded human services delivered by community service organisations
- a reference guide on how to manage a misconduct investigation
- case studies summarising the results of, and lessons learnt from, various IBAC public sector investigations
- a range of new digital resources to explain IBAC's work and how to report corruption or police misconduct, including:
  - a video and infographic on mandatory notifications and the responsibilities of heads of public sector organisations and local government CEOs
  - an interactive flowchart on PIDs
  - podcasts on topics related to local government, fraud and corruption control, as well as integrity and human rights.

Resources are published on IBAC's website in accessible formats with captions and transcripts.

Corruption prevention initiatives for Victoria Police

Victoria Police education program

In 2021/22, IBAC continued to reinforce messages about integrity and ethical behaviour in presentations and information delivered through our Victoria Police education program. Engagement activities were described earlier under Pillar 4.

Video footage associated with Operation Henty, as well as discussion points, have been inserted into the presentation for Probationary Constables, as a contemporary example of excessive use of force against vulnerable people. This presentation is delivered to Probationary Constables in their final week at the Police Academy and is the education piece most frequently delivered to Victoria Police, typically fortnightly. All Probationary Constables participate in this education piece before they graduate.

Accessible resources

IBAC published several resources focused on our police oversight functions, including:

- a podcast on IBAC's police oversight
- a new flowchart to outline the process and paths a complaint can take when members of the public, public sector agencies or police employees complain to IBAC or Victoria Police about police officers or protective services officers
- an infographic snapshot of IBAC's police oversight work undertaken in the 2021 calendar year
- two review summaries to highlight IBAC's reviews of Victoria Police investigations, including a review summary on allegations of excessive use of force by police and a review summary on the falsification of preliminary breath test results by Victoria Police.

Special reports

In October 2021, IBAC tabled a special report on IBAC's Operation Turon, an investigation into corruption and police misconduct risks associated with inappropriate social media use and online commentary by a senior police officer.

In December 2021, IBAC tabled a special report on Operation Dawson, an investigation into the alleged misconduct of a then police superintendent. The report highlighted the risks of poorly managed conflicts of interest and misuse of information in Victoria Police.

Both special reports were accompanied by easy-to-read summaries and short videos.

Assessment of complaints and notifications

IBAC's objectives here are:

- to receive and assess complaints (from the public) and notifications (from departments and agencies) alleging public sector corruption and police personnel misconduct, including assessing complaints under the PID Act
- to determine whether the complaint or notification should be investigated by IBAC, referred for investigation by another appropriate agency or dismissed.

IBAC assesses complaints made about corruption and misconduct (including improper conduct under the PID Act) involving public officers and Victoria Police personnel (including protective services officers).

IBAC also receives and assesses mandatory notifications from principal officers of public sector departments and agencies, and from Victoria Police. A single complaint or notification received may contain multiple separate allegations. These are individually assessed to determine the best course of action in each instance. This work contributes significantly to achieving IBAC's objective under the IBAC Act to provide for the identification, investigation and exposure of corrupt conduct and police personnel misconduct.

To find out more about how we handle complaints, please refer to our website https://www.ibac.vic.gov.au/reporting-corruption/what-happens-to-your-complaint.

This work contributes significantly to achieving IBAC's objective under the IBAC Act to provide for the identification, investigation and exposure of corrupt conduct and police personnel misconduct.

Public interest disclosures

As part of its assessment process, IBAC determines whether complaints and notifications meet the requirements of a 'public interest disclosure' and a 'public interest complaint' under the PID Act.

IBAC determines which agency is most appropriate to investigate the complaint. If IBAC is the most appropriate agency, IBAC will investigate the matter. Alternatively, IBAC refers the matter to the most appropriate agency or office holder for investigation.

IBAC provides information, advice, guidance and recommendations about the handling of PIDs and the welfare and protection of people who have made a disclosure under the PID Act. To consider systemic issues relating to the operation of the PID Act, IBAC chairs a Public Interest Disclosure Consultative Group. The group comprises members from the Victorian Ombudsman, the Chief Commissioner of Victoria Police, the Judicial Commission of Victoria, the Victorian Inspectorate, the Chief Municipal Inspector, the Information Commissioner and the Racing Integrity Commissioner.

Key initiatives and projects

In 2021/22, IBAC completed the following key initiatives and projects, all described earlier:

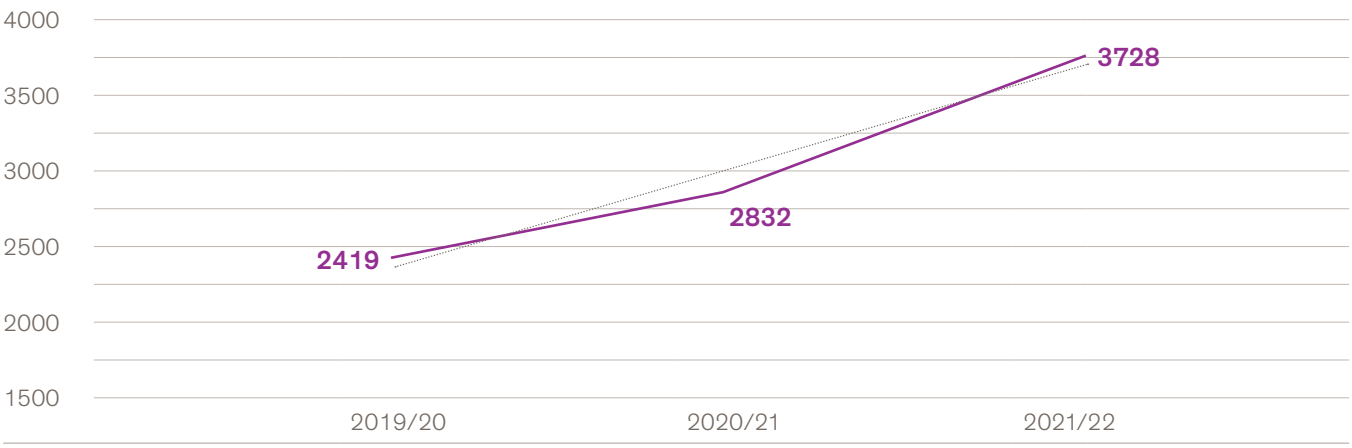
- enhanced complainant experience
- public interest disclosures framework
- quality and assurance framework.

Complaints and notifications volumes

In 2021/22, IBAC received 3728 complaints and notifications, of which 53 per cent related to Victoria Police and 47 per cent related to the public sector. Of the complaints and notifications received, 85 per cent were complaints and 15 per cent were notifications. Of the notifications, 67 per cent were marked as PIDs.

There was a greater than 30 per cent increase in complaints and notifications received in 2021/22. Such an increase continues to challenge IBAC's ability to assess and respond in a timely manner, despite new fixed-term staff who were funded by a Treasurer's Advance.

Table 3: Allegations assessed during 2020/21 by issue



Assessment timeliness

Primarily due to the large increase in the volume of complaints and notifications received, coupled with an increase in complexity of some complaints and notifications, none of our assessment timeliness targets were met.

Table 18: IBAC 2021/22 output performance – complaints and notifications assessment

Performance measures	Unit of measure	2021/22 actual	2021/22 target	Performance variation (%)	Result
Timeliness					
PID complaints and notifications assessed within 30 days	per cent	62	70	−11	☐
The result was lower than target due to a > 30% increase in number of complaints and notifications received, a significant increase in complaint complexity, and the effort required to recruit and train new fixed-term staff that were funded by a Treasurer's Advance. Once the fixed-term staff were fully trained, results improved in the second half of 2021/22. It is noted that results against this measure are unlikely to improve if the increase in complaints numbers continues without additional funding and resources (beyond those that IBAC received in the 2022/23 budget).					
Timeliness					
Complaints or notifications about public sector corrupt conduct (excluding police personnel conduct and police personnel corrupt conduct) assessed by IBAC within 45 days	per cent	38	85	−55	☐
The result was lower than target, for the reasons given above.					
Timeliness					
Complaints or notifications about police personnel conduct and police personnel corrupt conduct assessed by IBAC within 45 days	per cent	52	90	−42	☐
The result was lower than target, for the reasons given above.					

Table 19 summarises the types of behaviour the allegations relate to.

Table 19: Allegations assessed during 2021/22 – by issue

Classification	Victoria Police	Public sector [a]	Total
Breach of professional boundaries	843	888	1731
Bribery and inducements	11	45	56
Collusion	41	128	169
Criminal behaviour, drugs and vices	107	44	151
Extortion	2	5	7
Favouritism	64	273	337
Force	387	72	459
Fraud	26	114	140
Inaction	1188	581	1769
Misuse of resources	93	190	283
Not in jurisdiction	58	120	178
Obstruction of justice	160	109	269
Theft	25	72	97
Total	**3005**	**2641[a]**	**5646**

Notes:

[a] Public sector total includes 'local government' and 'other'.

Outcomes of complaints and notifications

Under the IBAC Act, allegations of serious or systemic corruption and misconduct must be prioritised for investigation.

Table 20: Complaints and notifications

	2021/22			2020/21			2019/20		
	Victoria Police	Public sector	Total	Victoria Police	Public sector	Total	Victoria Police	Public sector	Total
Total complaints and notifications received	1965	1763	**3728**	1710	1122	**2832**	1342	1077	**2419**
• complaints received	1756	1392	**3148**	1495	777	**2272**	1041	746	**1787**
• notifications received[a]	209	371	**580**	215	345	**560**	301	331	**632**
- PIDs and PID notifications received[b]	192	197	**389**	204	238	**442**	277	199	**476**
Total allegations assessed[c]	3005	2641	**5646**	2726	2239	**4965**	3145	2810	**5955**
Total allegations dismissed[d]	2014	1751	**3765**	1430	1260	**2690**	1656	1425	**3081**
Total allegations investigated by IBAC	6	32	**38**	5	62	**67**	32	40	**72**
Total allegations referred to another entity[e]	900	602	**1502**	1212	672	**1884**	1360	1010	**2370**
Total other outcomes[f]	79	216	**295**	74	235	**309**	97	335	**432**

Notes:

[a] All notifications (including mandatory notifications): all relevant principal officers of a public body must notify IBAC of any matter they suspect on reasonable grounds involves corrupt conduct.

[b] Historical data may include protected disclosures.

[c] For the period 2021/22, this figure includes six allegations relating to Victoria Police and 40 allegations relating to the public sector assessed for preliminary inquiry. These are not included in the total allegations investigated by IBAC.

[d] Matters are dismissed for a range of reasons, including insufficient information, alleged incident being too old, matters already investigated, matters being frivolous or vexatious, or out of jurisdiction.

[e] Total allegations referred to another entity includes referred for investigation to the Victorian Ombudsman, Chief Commissioner of Police, Judicial Commission of Victoria, Victorian Inspectorate, Chief Municipal Inspector, the Information Commissioner or the Racing Integrity Commissioner. Although many complaints and notifications are referred by IBAC to the agencies most appropriate to act on them, information in all complaints continues to provide IBAC with intelligence that we use to identify trends and patterns in corruption and misconduct. This informs IBAC's prevention activities and strategic priorities, helps IBAC identify serious and systemic issues for possible 'own motion' investigations, and helps to assess future complaints and notifications.

[f] Total other outcomes is the sum of no further action, returned and withdrawn. Returned means protected or PID notifications from public sector agencies that are determined by IBAC not to be PIDs or protected disclosures, and therefore do not come under the IBAC Act for assessment. These are 'returned' to the relevant agency for its consideration or action. Withdrawn means the complainant has withdrawn their complaint.

Investigations

IBAC's objectives here are:

- to identify, investigate and expose corrupt conduct and police personnel misconduct
- to prioritise the investigation and exposure of serious corrupt conduct or systemic corrupt conduct as mandated under the IBAC Act.

IBAC investigates allegations of serious or systemic corruption and police misconduct. IBAC can commence an investigation based on a complaint or mandatory notification received, or on its 'own motion'. As part of its investigations, IBAC may conduct private or public examinations.

As a result of these investigations, IBAC may refer matters to the Office of Public Prosecutions (OPP) for the OPP to consider bringing criminal proceedings and make recommendations to help prevent corruption and misconduct. IBAC publishes reports and prepares other resources to inform the community and stakeholders about corruption, the harm it causes, and how it can be prevented.

IBAC investigations are categorised according to their level of complexity ('standard' or 'complex'), which reflects the anticipated time needed to properly complete an investigation. IBAC began reporting on this distinction between standard and complex investigations in 2018/19.

The standard or complex category is determined by considering the:

- number of persons of interest
- investigation period
- number of corruption or misconduct behaviours identified
- number of criminal offences suspected
- volume of evidence.

A standard investigation will have no more than two factors categorised as 'limited'. Complex investigations will have two or more factors categorised as 'extensive'.

Key initiatives and projects

In 2021/22, we made progress in or completed a range of investigations, including those in the following strategic focus areas, described earlier:

- high-risk police units, divisions and regions
- high-risk public sector agencies
- major infrastructure projects
- undue influence
- use of force on people at risk.

Investigations and preliminary inquiries

In 2021/22, IBAC commenced 18 new investigations and 12 preliminary inquiries.

Table 21 summarises IBAC investigations and preliminary inquiries that began or were completed during 2021/21, and those that remained open at the end of the year.

Table 21: Investigations and preliminary inquiries

Classification	2021/22	2020/21	2019/20
Preliminary inquiries commenced[(a)]	12	7	12
Investigations commenced	18	7	12
• Investigations commenced – standard	10	7	4
• Investigations commenced – complex	8	–	8
Preliminary inquiries completed	10	10	4
Investigations completed[(b)]	9	9	24
• Investigations completed – standard	4	2	5
• Investigations completed – complex	5	7	19
Ongoing investigations and preliminary inquiries at 30 June Inaction	38	27	23

Notes:

[(a)] From 1 July 2016, IBAC was able to conduct preliminary inquiries to help decide whether to dismiss, refer or investigate a complaint or notification. More information is available on the IBAC website.

[(b)] No further investigation activities are planned but the 'investigation' remains active.

Investigation source

Fifty per cent of investigations and preliminary inquiries commenced originated from proactive 'own motion' intelligence.

Table 22: Source of IBAC investigations and preliminary inquiries commenced in 2021/22

Source	Number
'Own motion'[(a)]	15
Complaint/notification	15

Notes:

[(a)] If IBAC decides to investigate on its 'own motion', that is, without a complaint from an individual or a notification from a public sector body, this investigation is referred to as an 'own motion' investigation.

Investigation timeliness

Timeliness results were lower than target for three of four measures, due to a combination of highly complex investigations that required diversion of resources from other investigations, litigation, and fluctuating investigative capacity due to unplanned COVID-related staff absences. Nine investigations were completed across all investigation types, two within target.

Table 23: IBAC 2021/22 output performance – investigations

Performance measures	Unit of measure	2021/22 actual	2021/22 target	Performance variation (%)	Result
Timeliness					
Proportion of standard IBAC investigations into public sector corrupt conduct (excluding police personnel conduct and police personnel corrupt conduct) completed within nine months	per cent	0	60	−100	☐
The 2021/22 result was lower than target due to several highly complex investigations that required temporary diversion of resources from other investigations, which impacted their timeliness. This was compounded by ongoing variation to investigative capacity due to unplanned COVID-related staff absences. One investigation was completed.					
Timeliness					
Proportion of complex IBAC investigations into public sector corrupt conduct (excluding police personnel conduct and police personnel corrupt conduct) completed within 18 months	per cent	0	60	−100	☐
The 2021/22 result was lower than target due to the high complexity of some investigations, litigation, and ongoing variation to investigative capacity due to unplanned COVID-related staff absences. Three investigations were completed, all outside target.					
Timeliness					
Proportion of standard IBAC investigations into police personnel conduct and police personnel corrupt conduct completed within nine months	per cent	67	60	+11	✓
The 2021/22 result was higher than target due to the relatively low complexity of the majority of completed investigations. Three investigations were completed, two within target.					
Timeliness					
Proportion of complex IBAC investigations into police personnel conduct and police personnel corrupt conduct completed within 18 months	per cent	0	60	−100	☐
The 2021/22 result was lower than target due to the high complexity of some investigations and ongoing variation to investigative capacity due to unplanned COVID-related staff absences. Two investigations were completed, both outside target.					



Victoria Police investigations

IBAC investigations that targeted high-risk police areas concerned allegations of excessive use of force by police officers and allegations of police personnel misusing their position in various ways.

Operation Karuah

Operation Karuah was an investigation into the handling of allegations of misconduct by Victoria Police officers responding to a mental health incident. The original investigation by Victoria Police substantiated allegations of obscene language.

Operation Karuah's planned investigation activities were completed in May 2022. By May 2022, two officers who responded to the incident had resigned from Victoria Police after they were found guilty of charges of unlawful assault in relation to a separate IBAC investigation.

Operation Karuah found that, when Victoria Police initially investigated the complaint, substantial inconsistencies between video recordings and police statements were not addressed. Misconduct vulnerabilities were also identified in relation to training for police conducting the internal investigations, as well as the issuing, recording and reporting of workplace guidance. The IBAC investigation identified an opportunity for Victoria Police to consider Operation Karuah findings when implementing reforms required by the Royal Commission into Victoria's Mental Health System.

Operation Orara

Operation Orara was an investigation into allegations that a Victoria Police officer fabricated evidence in relation to the drug and alcohol testing of three drivers. The investigation found that the allegations were substantiated. IBAC also found that the Victoria Police investigation into the allegations, which informed a decision not to proceed with criminal charges against the officer who fabricated the evidence, was deficient. However, conflicts of interest arising during the Victoria Police investigation were handled appropriately.

Wider systemic issues were identified, which echoed findings of a 2016 Victoria Police audit that suggested a lack of governance and compliance in several areas, including the management of prosecution briefs.

Operation Huon

Operation Huon was an investigation into notifications from Victoria Police and anonymous sources that Victoria Police officers were involved in the theft of property and money during the execution of search warrants, tampering with evidence, consumption of alcohol on police personnel premises, and victimisation of an officer. These allegations were not substantiated.

Although Operation Huon did not identify corrupt conduct or police personnel misconduct, systemic weaknesses were identified, including failings in property procedures, electronic recording of police actions, note-taking and training of officers. IBAC identified that adequate reinforcement and regular training are required to improve compliance with Victoria Police Manual policies on property management, and to mitigate the risk of the improper seizure of property.



Public sector investigations

IBAC operations involving high-risk public sector areas scrutinised funding arrangements between the Victorian public transport sector, the corrections sector and Victorian Government departments.

Allegations of impropriety in the awarding of lucrative commercial contracts in the transport sector were the subject of IBAC Operations Esperance and Barnard, while Operation Eyre revealed systemic failings by prison officers in relation to professional boundaries. Professional boundaries protect members of the public by controlling the power difference in the relationship between a member of the public and an officer.

Port Phillip Prison has been privately operated since September 1997 under a public–private partnership contract. The provision of services by third-party private companies on behalf of the state government has been the subject of several IBAC investigations, the focus of which is to ensure that public money is being appropriately spent when providing essential services to Victoria's communities that may be vulnerable or experiencing marginalisation.

Operation Eyre

Operation Eyre was an investigation to determine whether employees at Port Phillip Prison engaged in corrupt conduct. Allegations of contraband trafficking, release of confidential information and inappropriate associations were not substantiated.

Corruption vulnerabilities were revealed, including grooming behaviour, breaches of security, poorly maintained conflict-of-interest registers, and poor information-handling practices. See Appendix C for the response from Port Phillip Prison.

Operation Maroochy

Operation Maroochy was an investigation into suspected corruption in procurement and contract management at Parks Victoria. Parks Victoria notified IBAC of the suspected corruption under section 57A of the IBAC Act. IBAC found that an employee of Parks Victoria sought a $15,000 secret commission from a company contracted to perform works for Parks Victoria. IBAC found that the contracted company did not offer or give an inducement to influence the awarding of the contract.

Operation Maroochy identified areas for improvement at Parks Victoria, including probity checks during recruitment processes and management of workplace misconduct. A review of policies and procedures at Parks Victoria would provide assurance of compliance with the Victorian Public Sector Commission's Pre-employment Screening Policy and Supporting Guide.

Examinations

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

Most IBAC examinations are held in private, as required under the IBAC Act. Private examinations are not open to the public or media, although the matter may be reported publicly after the investigation has been completed and, subject to legal and operational considerations, to inform the public sector and community about the consequences, and to help prevent future corruption and misconduct.

Public examinations play an important role in exposing and deterring serious corrupt conduct in the public sector and serious misconduct by police personnel. They:

- inform and educate the community and public sector about the harmful consequences of corruption and police personnel misconduct
- deter people from behaving corruptly
- prompt public sector officers and agencies to examine their own systems and practices to prevent corrupt conduct
- encourage credible complaints about corruption.

To hold a public examination, IBAC must be satisfied on reasonable grounds that exceptional circumstances apply, that it is in the public interest to hold a public examination, and that the public examination can be held without causing unreasonable damage to the reputation, safety or wellbeing of the people involved.

In addition, IBAC must be satisfied that the conduct that is the subject of the investigation may constitute:

- serious corrupt conduct
- systemic corrupt conduct
- serious police personnel misconduct
- systemic police personnel misconduct.

In October and November 2021, IBAC held public examinations into allegations of serious corrupt conduct involving Victorian public officers, including members of parliament. The examinations were part of Operation Watts, a joint investigation by IBAC and the Victorian Ombudsman, which looked into a range of matters, including allegations that Victorian public officers behaved corruptly by directing taxpayer-funded ministerial and electorate office staff to perform party-political work during times when those staff were being paid to perform ministerial or electorate work. The investigation also examined allegations that public money intended to fund community associations was misused for party-political work or other improper purposes.

Table 24 provides information on examinations conducted during IBAC investigations in the past three years.

Table 24: Examinations undertaken as part of IBAC investigations

Classification	2021/22	2020/21	2019/20
Private examination days	115	47	50
Public examination days	24	31	23
Witnesses called	74	61	67

Outcomes of IBAC investigations

Public sector prosecutions

The number of charges and convictions that an anti-corruption body secures is only one indicator of performance, albeit a highly public one. Given IBAC's role to expose and prevent corruption and police misconduct, IBAC's effectiveness and efficiency are measured across a much broader range of operational functions and assessed against agreed metrics.

Table 25 shows the 2021/22 prosecutions resulting from IBAC public sector investigations.

Table 25: Prosecutions resulting from IBAC public sector investigations

Operation	Date	Who	Result
Ord	19 July 2021	Domenica Napoli	Charge against Domenica Napoli withdrawn by the Office of Public Prosecutions as part of plea deal for Robert Napoli.
Ord	14 July 2021	Calcedonio (Nino) Napoli	Three-year 10-month prison sentence, with a minimum of 23 months to serve. Fined $95,000.
Ord	14 July 2021	Carlo Squillacioti	Two-year five-month prison sentence, with a minimum of 15 months to serve. Fined $58,000.
Ord	27 January 2022	Robert Napoli	Sentenced to a Community Corrections Order for three years, plus 300 hours of community work. If he had not pleaded guilty, sentence would have been 12 months imprisonment with a minimum of six months.
Merrica	16 December 2021	Andre Punt	Fined $20,000 and convicted and sentenced to a 12-month Community Corrections Order, which included a condition that he complete 200 hours of community work.
Merrica	16 December 2021	Lia Friso	Fined $10,000 without conviction.
Murano	24 February 2022	Anthony Dieni	Application for leave to appeal was granted and appeal allowed by the Court of Appeal. Dieni was re-sentenced from a total effective sentence of 14 years (non-parole period of nine years) to a total effective sentence of nine years (non-parole period of five years).
McKenzie	27 May 2022	Nhi Xi Truong	Sentenced to an adjourned undertaking of 12 months with conviction and ordered to pay a $2000 donation to the Royal Children's Hospital, to be paid within three months.



Operation Ord

This investigation examined allegations that employees of the Department of Education and Training (DET) defrauded DET by awarding lucrative contracts and receiving payments for personal gain. The three accused employees were Mr Nino Napoli, Mr Carlo Squillacioti and Mr Robert Napoli.

Mr Nino Napoli was sentenced in July 2021 to three years and 10 months imprisonment with a minimum of 23 months to serve and received a pecuniary penalty order of $95,000. Mr Squillacioti was sentenced in July 2021 to two years and five months imprisonment with a minimum of 15 months to serve and received a pecuniary penalty order of $58,000. Mr Robert Napoli was sentenced in January 2022 to a community corrections order for three years, including 300 hours of community work.

Operation Murano

This investigation centred on allegations that Anthony Dieni of St Paul's Prevention Rehabilitation, a registered charity based in Strathmore, had been providing false information and misleading courts when giving evidence in bail and sentencing.

In 2020, Mr Dieni was convicted of six charges of attempting to pervert the course of justice, two charges of trafficking in a drug of dependence, two charges relating to the possession of firearms, and one charge of false accounting. He was sentenced to a total effective term of imprisonment of 14 years with a non-parole period of nine years.

Approximately six months after being sentenced, the sentencing judge (with Mr Dieni's consent) made a pecuniary penalty order of $448,805.76. In February 2022, the Court of Appeal set aside the sentence on the basis that it was manifestly excessive and re-sentenced him to a total term of imprisonment of nine years with a non-parole period of five years.

Operation McKenzie

This investigation considered allegations that the accused, Ms Truong, in her role as the international student coordinator at St Albans Secondary College (St Albans), requested payment of $4000 from the family of a St Albans student for the student to be accepted into La Trobe University.

Ms Truong was charged with 12 counts of obtaining a financial advantage by deception. This matter proceeded to sentence indication and plea on 27 May 2022. After hearing submissions from the prosecution and defence, the magistrate stated that he would sentence the accused to an adjourned undertaking of 12 months to 26 May 2023, with a conviction and a $2000 donation to the Royal Children's Hospital. The accused accepted the indication and entered a plea of guilty to a single, rolled-up charge of obtaining a financial advantage by deception.

Prosecutions resulting from IBAC investigations are one way of demonstrating IBAC's effectiveness in preventing and exposing corrupt conduct in the public sector. IBAC may bring criminal proceedings for an offence in relation to any matter arising out of an IBAC investigation.

IBAC works with the OPP, which, in its function as Victoria's state prosecution agency, takes carriage of IBAC's serious indictable prosecutions. IBAC's in-house prosecutors appear in criminal proceedings in matters listed in the summary jurisdiction.



Victoria Police prosecutions

Table 26 shows the 2021/22 prosecutions resulting from IBAC investigations of Victoria Police members.

Table 26: Prosecutions resulting from IBAC investigations of Victoria Police members

Operation	Date	Who	Result
Durack	6 August 2021	A former Senior Constable of Victoria Police	Pleaded guilty to one charge. Fined $10,000.

Operation Durack

This investigation, which was concluded in 2019, considered an allegation of aggravated unlawful assault of a 15-year-old male by a Senior Constable of Victoria Police in 2018.

On 6 August 2021, the former Senior Constable pleaded guilty to one charge of aggravated unlawful assault with a weapon (a baton), pursuant to section 24(2) of the *Summary Offences Act 1966* and was sentenced to a $10,000 fine with conviction.

Operation Dawson

This investigation examined allegations that a former Victoria Police superintendent, Mr Rosenblum, had accessed information from Victoria Police systems and contacted persons involved in police investigations that were unrelated to his role.

Following the investigation, Mr Rosenblum was sentenced to a three-month adjourned undertaking without conviction for unauthorised access to Victoria Police information. As part of the adjourned undertaking, Mr Rosenblum was ordered to make a $10,000 contribution to Beyond Blue and a $10,000 contribution to the Blue Ribbon Foundation. IBAC tabled a special report on Operation Dawson in December 2021, which is available on the IBAC website.

Recommendations under section 159 of the IBAC Act

IBAC investigations consider broader systemic problems, gaps or weaknesses in agencies' controls that may have facilitated the alleged corruption or police misconduct.

In 2021/22, IBAC made 28 formal recommendations under the IBAC Act for public sector agencies to improve their systems, practices and controls. IBAC requires agencies to respond to recommendations within a specified period.

Table 27 summarises recommendations made by IBAC, and actions subsequently taken, in the past three years.

Table 27: IBAC recommendations under section 159 of the IBAC Act

Classification	2021/22	2020/21	2019/20
Recommendations made by IBAC[a]	28	33	46
Recommendations implemented[b]	18	53	21
Recommendations being monitored[c]	46	42	68

Notes:

[a] Total new recommendations made by IBAC in that reporting year

[b] Total recommendations fully implemented by subject agencies in that reporting year. Includes recommendations made by IBAC in a previous reporting year but implemented in a subsequent year.

[c] Total recommendations being monitored by IBAC, including recommendations where the subject agency has yet to report back to IBAC on implementation or where the agency is actively implementing the recommendations through activities being monitored by IBAC. Includes recommendations made in previous reporting years where monitoring continues.

Reviews

IBAC conducts retrospective reviews of investigations conducted by public sector agencies and Victoria Police into allegations of misconduct and corruption, or serious incidents and deaths associated with police contact. Independent review of such investigations is a critical part of IBAC's work.

The purpose of an IBAC review is to determine the adequacy of an investigation, especially whether it was thorough and fair, whether the findings are based on the evidence, and whether the results are reasonable and meet public expectations. Where applicable, reviews also consider human rights and PID laws.

Reviews also offer IBAC an opportunity to identify potential improvements to established policies and practices of the agency conducting the investigation, including its investigation processes. This increases public confidence in public agencies' ability to respond to complaints and deal with misconduct appropriately, as well as to identify areas where a high corruption risk exists.

In 2021/22, IBAC conducted 281 reviews, of which 258 involved Victoria Police and 23 involved other public sector agencies.

IBAC prioritises its reviews by considering:

- the seriousness of the allegations
- the seniority or position of personnel involved
- the established patterns of behaviour or complaint histories
- indications of management practices or organisational and cultural issues that enable misconduct or corruption
- issues that are in the public interest, for example, involving a vulnerable member of the community, excessive force or a breach of human rights.

Victoria Police reviews

Independent reviews are a critical part of IBAC's work. IBAC conducted 258 reviews of Victoria Police investigations in 2021/22 resulting in 20 recommendations being made. These are matters where IBAC recommended a formal response or a re-investigation to be conducted by Victoria Police.

The purpose of an IBAC review is to determine whether the original investigation was thorough and fair, whether any findings are based on the evidence, and whether the results are reasonable. Where applicable, reviews will also consider PID laws and the Victorian Charter of Human Rights.

Reviews enable IBAC to identify potential improvements to established policies and practices of Victoria Police, including its internal investigation processes. This increases public confidence in the ability of Victoria Police to respond to complaints and deal appropriately with misconduct, as well as to identify significant corruption risks.

Falsification of preliminary breath test results by Victoria Police officers

As part of our police oversight role, IBAC reviewed four internal Victoria Police investigations conducted by Taskforce Deliver between August and November 2021, to see whether they were conducted thoroughly and impartially. Victoria Police Taskforce Deliver investigated widespread falsifying of preliminary breath tests (PBTs), where officers submitted results of tests conducted on themselves to boost the overall number of breath tests conducted. Taskforce Deliver made 23 recommendations to remedy the problems identified.

The investigations determined that 28 PBTs were falsified in the Knox police service area. The police officers involved admitted wrongdoing. The investigation also substantiated the falsification of PBTs by Fawkner highway patrol unit. Victoria Police took disciplinary action against the police officers involved in both cases. Allegations involving Oakleigh Police Station and the Road Policing Drug and Alcohol Section were not substantiated, due to insufficient evidence.

The IBAC review found that Victoria Police conducted its investigations into the falsification of PBTs adequately. The evidence collected for each investigation was adequate and the findings in each investigation were consistent with the evidence collected. The investigations were found to have been conducted thoroughly and impartially. Where investigations had substantiated the allegations, appropriate disciplinary action was taken against police officers. IBAC continues to work with Victoria Police on its implementation of the recommendations as part of IBAC's independent police oversight role.

Public sector reviews

In 2021/22, IBAC conducted 23 reviews of Victorian public sector agency investigations. The following are examples of public sector reviews finalised in 2021/22.

Allegations of unfair recruitment practices at WorkSafe

IBAC reviewed a WorkSafe internal investigation into a complaint about WorkSafe's recruitment practices. WorkSafe's initial internal review of recruitment and selection practices raised concerns of non-compliance with policies and procedures. WorkSafe appropriately engaged an independent specialist to address all aspects of the complaint and to ensure fairness and impartiality.

The IBAC review found that WorkSafe's investigation into the allegations was adequate and of a high standard, with all relevant information considered during the investigation, including interviews with employees and an extensive review of documents, including recruitment files. The recommendations arising from the investigation were based on the evidence and would improve WorkSafe's recruitment policy, processes and systems.

Allegations of failure to appropriately manage a conflict of interest at East Gippsland Shire Council

IBAC reviewed a misconduct investigation undertaken by the East Gippsland Shire Council into a complaint about conflicts of interest and the work practices of an employee. From the outset, the council appropriately engaged an independent specialist to investigate these allegations. The investigation did not substantiate any allegations of employee misconduct, but did suggest some improvements to the council's conflict of interest policy, including the education of staff.

The IBAC review found that the investigation was adequate, but identified risks of perceived or potential conflicts of interest for statutory decision-making roles in rural and regional areas due to the smaller population and likelihood of prior association. This is a difficult issue for most regional public sector entities, and the review identified elements of this matter that can be used to assist other regional councils more broadly. IBAC met with the executive of the council to discuss these themes. The executive confirmed that council policy was amended to ensure any perceived conflict is declared at the earliest opportunity and that relationships with key stakeholders are being closely managed.

Victoria Police oversight

IBAC's remit covers the whole Victorian public sector. Within this broad jurisdiction, an important and highly visible function of IBAC is its independent oversight of Victoria Police.

IBAC's independent oversight of Victoria Police focuses on monitoring that police uphold integrity standards to act fairly, impartially and in accordance with the law, including that police officers act in accordance with the Charter of Human Rights. This independent oversight is critical because of the significant powers exercised by police officers, including the use of force and powers to detain, search and arrest.

To provide independent oversight of Victoria Police, IBAC:

- receives complaints and notifications about police personnel conduct (including complaints received by Victoria Police, which are mandatorily reported to IBAC)
- assesses these complaints and notifications to determine which are to be referred to Victoria Police for action, which are to be dismissed and which are to be investigated by IBAC
- conducts 'own motion' investigations (where IBAC investigates without receiving a complaint) and has a 'standing own motion' for deaths or serious injuries after police contact

- conducts private or public hearings as part of IBAC investigations into serious or systemic police misconduct
- undertakes research and other strategic initiatives, such as auditing how Victoria Police handles complaints
- informs and educates the community and Victoria Police about police misconduct, encouraging the reporting of, and advising on ways to prevent, corruption and police misconduct
- makes recommendations to Victoria Police to strengthen its policies and procedures to prevent systemic police misconduct and improve its conduct of internal investigations. IBAC also monitors and publicly reports on the implementation of its recommendations
- oversees Victoria Police's compliance with five Acts, including the *Drugs, Poisons and Controlled Substances Act 1981, Witness Protection Act 1991, Firearms Act 1996, Crimes Act 1958 and Sex Offenders Registration Act 2004.*

IBAC compliance monitoring of Victoria Police

In 2021/22, IBAC's Compliance Team conducted the following monitoring and oversight activities of Victoria Police:

Sex Offenders Registration Act 2004

In November 2021, IBAC compliance officers conducted an inspection at the Victoria Police Sex Offender Registry. In May 2022, IBAC provided preliminary feedback to Victoria Police on this inspection and is now in the process of finalising a final report to the Minister for Police, pursuant to section 70N of the *Sex Offenders Registration Act 2004*, on Victoria Police's compliance with various aspects of the legislation.

Witness Protection Act 1991

In February 2022, IBAC compliance officers conducted an inspection of Victoria Police's witness protection records, pursuant to powers afforded to IBAC under section 20E of the *Witness Protection Act 1991*. The results of this inspection were reported to the Chief Commissioner of Police and the Minister for Police under section 20G of the Witness Protection Act in June 2022.

Drugs, Poisons and Controlled Substances Act 1981

In February 2022, IBAC reported to the Minister of Police, pursuant to section 95(2) of the *Drugs, Poisons and Controlled Substances Act 1981* (the DPCS Act), on the results of IBAC's inspection of Victoria Police records for the period 1 July 2020 to 30 June 2021. Victoria Police were found to be compliant with the relevant record-keeping requirements set out in section 93 of the DPCS Act.

Firearms Act 1996

In January and February 2022, IBAC compliance officers conducted an inspection at Victoria Police's Firearm Prohibition Order Registry, pursuant to section 174M of the *Firearms Act 1996*. IBAC is in the process of finalising its preliminary feedback on this inspection and is also preparing its first biannual ministerial report under section 174B of the Firearms Act.

IBAC's Compliance and Legal teams conducted two quarterly reviews of Firearm Prohibition Orders made by Victoria Police in the 2021/22 reporting period, encompassing 33 Firearm Prohibition Orders. As a result of these quarterly reviews, IBAC recommended to the Chief Commissioner of Police that one of these 33 FPOs be reviewed, with a view to it being revoked. The Chief Commissioner of Police has indicated that the Firearm Prohibition Orders has been reviewed and will not be revoked.

Crimes Act 1958

In June 2022, IBAC provided a draft copy of a report under section 464ZP of the *Crimes Act 1958* to the Chief Commissioner of Police. This draft report was based on reports provided by the Chief Commissioner of Police to IBAC under section 464ZN of the Crimes Act for the reporting periods of July–December 2019 and January–December 2020. Upon receiving feedback from the Chief Commissioner of Police, IBAC will finalise its first report to the Attorney-General under section 464ZP of the Crimes Act by December 2022.

Financial overview

The confirmed 2021/22 IBAC funding included $48.9 million in output appropriation, $8.0 million in the Treasurer's Advance and $4.2 million in Expenditure Review Committee funding. IBAC was not able to use the full Treasurer's Advance funding available due to challenges in recruitment of fixed-term specialist investigations roles, delays relating to global supply chains and pandemic restrictions. Recruitment for specialist investigation roles is always challenging, and the 12-month fixed-term nature of the Treasurer's Advance funding and a shortage of skilled resources further hindered IBAC'S efforts to use the available funding.

Financial performance

IBAC's net financial result from transactions for the reporting year was a deficit of $3.1 million. This compares to a $3.4 million deficit in 2020/21, and relates to the use of trust funds that were recognised as revenue in prior years.

A summary of IBAC's performance is outlined in Table 28 and shows the movement in actual revenues, expenses, balance sheet items and net cash flow.

Table 28: Financial summary 2021/22

	2021/22 ($m)	2020/21 ($m)
Financial performance		
Total income	53.6	42.3
Total expenditure	57.1	46.2
Net result from transactions	(3.5)	(3.9)
Comprehensive result	(3.1)	(3.4)
Financial position		
Total assets	36.3	39.2
Total liabilities	22.6	22.4
Total equity	13.7	16.8
Cash flow		
Net cash flow from operating activities	4.4	3.3

Income

The *Integrity and Accountability Legislation Amendment (Public Interest Disclosures, Oversight and Independence) Act 2019* (Amending Act) was assented on 5 March 2019. As a result, from 1 July 2020, IBAC receives its annual appropriation directly from the Victorian Parliament for the provision of outputs. In 2021/22, IBAC had access to prior year unspent funds and a Treasurer's Advance that was used to supplement our recurrent budget.

Expenditure

IBAC's total expenditure increased in 2021/22 in proportion with a 23 per cent increase in funding. Our employee expenses increased by $5.1 million or 17 per cent compared to previous years, and account for 63 per cent of our total expenditure.

The COVID-19 pandemic and related restrictions, challenges in skilled workforce recruitment and delays in global supply chains all had a significant impact on delivery of IBAC's operational activities and on the delivery of projects. Working from home arrangements also resulted in some cost savings in general office expenditure.

Current financial position

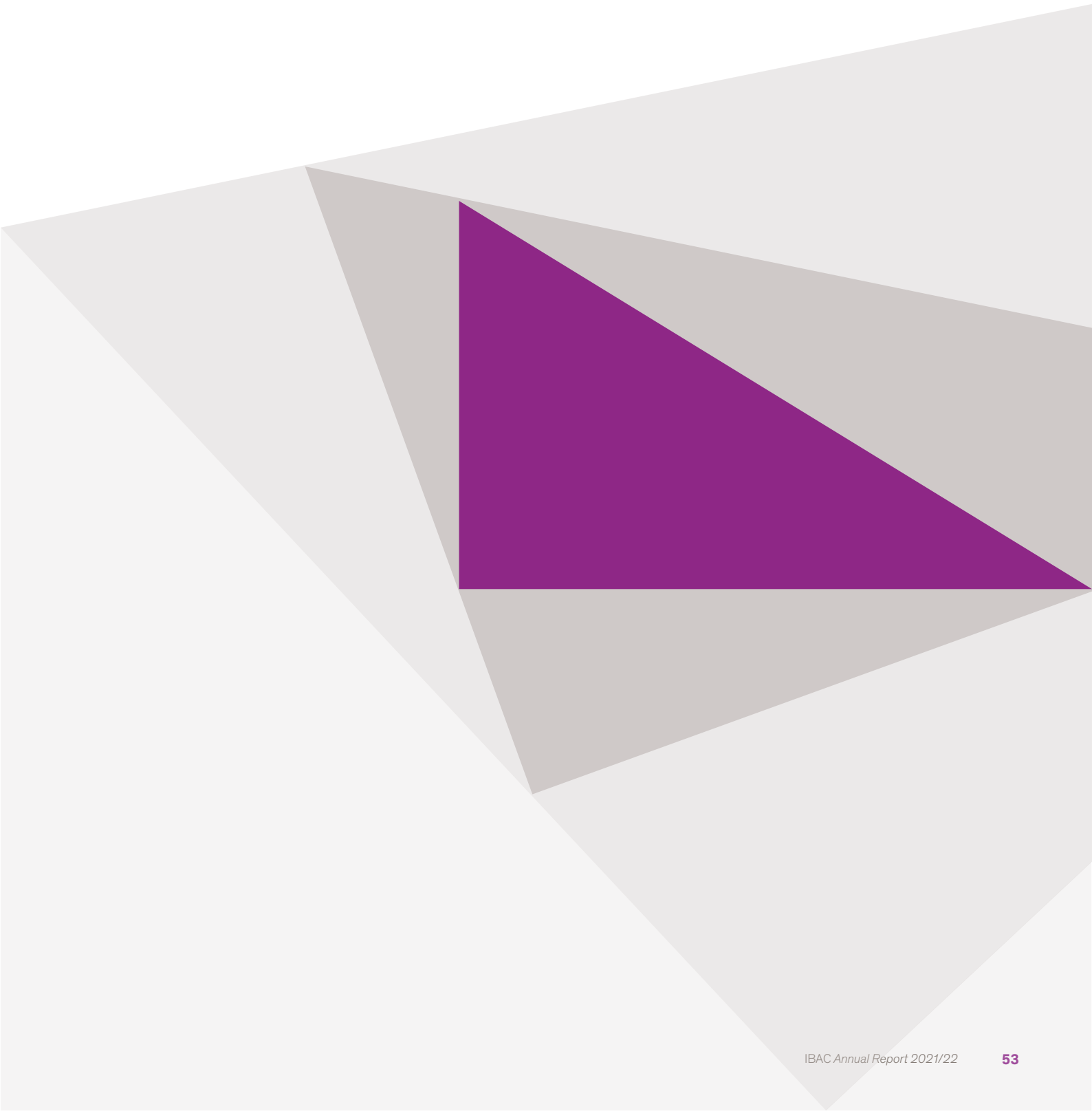
IBAC's financial position shows total assets of $36.3 million, liabilities at $22.6 million and equity of $13.7 million. IBAC's total assets decreased by 7.9 per cent due to the use of trust funds. The decrease in liabilities relates to repayment of the lease liability.

Looking forward

Similar to previous years, IBAC submitted a budget bid for consideration as part of the state government's budget process. The budget bid related to an increase in base funding to enable IBAC to operate effectively and efficiently into the future. This bid was fundamentally informed by the work undertaken as part of the independent base review, which IBAC committed to undertake prior to submitting our 2022/23 budget bid. Central to our budget submission was a request for an increase in our base budget, so that we can maintain our current capacity and deliver our legislative functions, while also strengthening our ability to do so into the future.

In the 2022–23 state budget, the government announced funding for the IBAC budget bid. In dollar terms, IBAC will receive $32.0 million over the next four years and $8.6 million per year thereafter.

We are responsible for protecting the integrity of the Victorian public sector by investigating and exposing public sector corruption and police misconduct.



2. Governance and organisation structure

Victoria's integrity system

The Victorian public sector provides vital community services and facilities to Victorians. Every day, public sector employees in government departments, agencies and local councils make decisions that affect all Victorians.

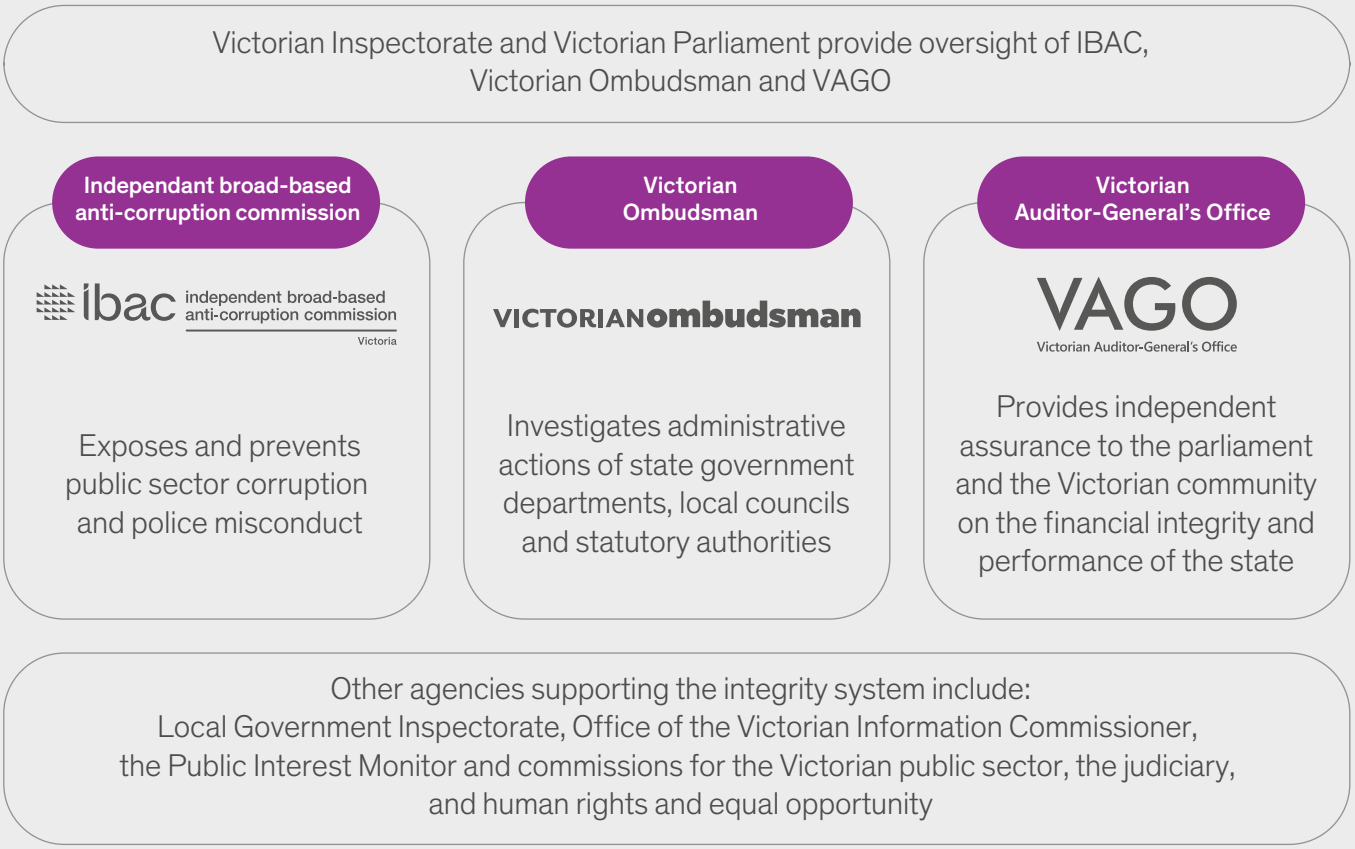
The community expects people working in the public sector to perform their duties fairly and honestly. When misconduct or corrupt activities are not identified or left unchecked, public money and resources are wasted. Misconduct and corruption undermine trust in government and damage the public sector's reputation.

The Victorian integrity system exists so that Victorians can have confidence in the state's public sector, because corruption in councils, government departments and agencies, hospitals, schools or any other public organisation harms us all.

Public sector corruption can occur when a public sector employee misuses their position or power for some form of gain. Examples of public sector corruption include providing services to family and friends ahead of other members of the community, misusing information to help a particular company win a contract or accepting bribes or other benefits.

Victoria's integrity system has three principal agencies: IBAC, the Victorian Ombudsman and the Victorian Auditor-General's Office.

Figure 7: Victoria's integrity system



Governance

Governance refers to the ways in which IBAC is directed, controlled and held to account, internally and externally.

Internal governance includes IBAC's internal accountability structures (organisational structure and committees), stated outcomes and targets, delegations and authorisations, policies and procedures, risk management, planning and performance management, compliance management, culture (leadership and behaviours) and assurance mechanisms.

External governance includes the roles, relationships and distribution of powers and responsibilities between parliament, the Integrity and Oversight Committee, the Victorian Inspectorate, the Attorney-General, the Department of Justice and Community Safety and the Victorian public sector.

IBAC's governance arrangements are described in detail in our Governance Charter, available on the IBAC website.

Legislation

IBAC's governing legislation is the IBAC Act. IBAC is also responsible for the statewide application of the PID Act and operates in accordance with its obligations under the Charter of Human Rights.

Other key Acts that affect the operation of IBAC are:

- *Victoria Police Act 2013*
- *Local Government Act 2020*
- *Victorian Inspectorate Act 2011*
- *Confiscation Act 1997*
- *Telecommunications (Interception and Access) Act 1997 (Cth)*
- *Telecommunications (Interception) (State Provisions) Act 1998*
- *Surveillance Devices Act 1999*
- *Crimes (Assumed Identities) Act 2004*
- *Crimes (Controlled Operations) Act 2004*
- *Freedom of Information Act 1982.*

Our accountability

IBAC is overseen by the Victorian Inspectorate and the Victorian Parliamentary Integrity and Oversight Committee.

The Victorian Inspectorate monitors our compliance with the IBAC Act and other legislation. The Integrity and Oversight Committee monitors and reviews our performance and examines the reports we publish.

We share our work publicly, including on our website and through other media, when appropriate, unless prevented by operational and legal constraints. IBAC aims to be transparent wherever possible but, for legal and operational reasons, we are unable to report publicly on some activities, such as matters appearing before the courts or when public comments may compromise investigations or other operations. However, robust reporting practices and external oversight demonstrate our compliance with the law.

In December 2021, the Integrity and Oversight Committee appointed an independent consultancy firm to conduct a performance audit in accordance with sections 170–170A of the IBAC Act, to review IBAC's performance during the four-year period ending 30 June 2021. The objective of this performance audit is to determine whether IBAC is achieving its objectives effectively, economically and efficiently, and in compliance with the IBAC Act. IBAC has been actively involved with the performance auditor since January 2022.

Table 29: Bodies and their roles in overseeing IBAC

Body	Role
Parliamentary Integrity and Oversight Committee	• Monitors and reviews the performance of IBAC. • Examines published IBAC reports.
Victorian Inspectorate	• Monitors IBAC compliance with the IBAC Act and other laws. • Oversees IBAC's performance under the PID Act. • Receives and investigates complaints about IBAC.
Attorney-General of Victoria	Receives IBAC reports on: • telecommunications interception warrants • surveillance device warrants • assumed identities.
Public Interest Monitor	Reviews IBAC applications for surveillance device and telecommunications interception warrants.
Supreme Court of Victoria, Magistrates' Court of Victoria	Receive IBAC reports on surveillance device warrants.
Commonwealth Ombudsman	Inspects IBAC's use of stored communications warrants
Department of Home Affairs	Receives IBAC reports on: • telecommunications interception warrants • telecommunications data authorisations • stored communications warrants.

Organisational structure

Ministers

The Honourable Jaclyn Symes MP was appointed as the Attorney-General of Victoria in December 2020.

The Attorney-General is the responsible minister for IBAC and in this role she is supported by the Department of Justice and Community Safety.

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

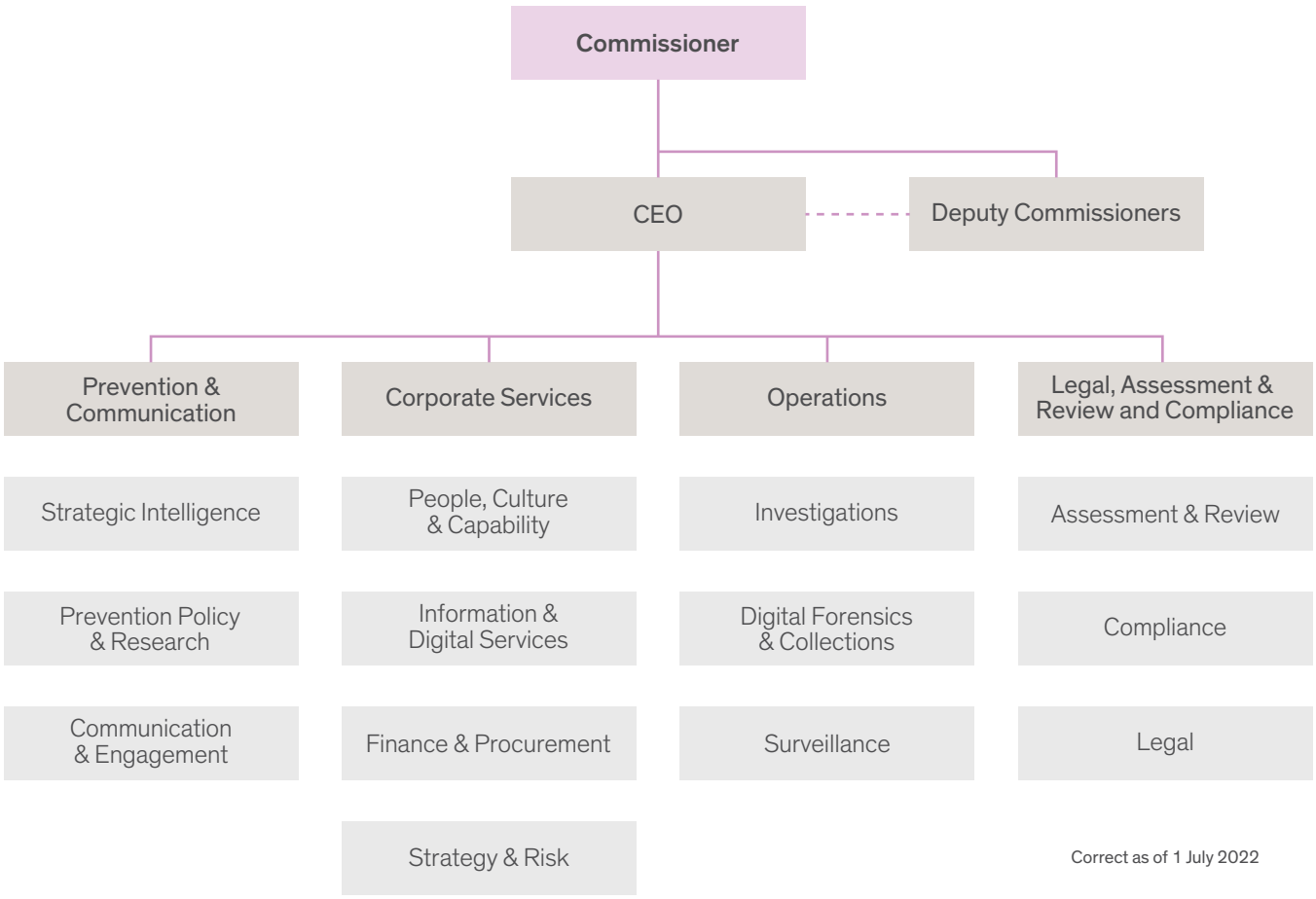
The Attorney-General receives reports on IBAC's:

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

Executive Team

In 2021/22, the Executive Team consisted of the Commissioner three Deputy Commissioners, the Chief Executive Officer, and the Executive Directors of IBAC's four divisions. The Executive Team provides leadership and strategic direction to IBAC and makes sure that we meet our goals and legislative responsibilities in an accountable and responsible way.

Figure 8: Organisational structure as at 30 June 2022



IBAC Commissioner

IBAC's Commissioner is an independent officer of parliament and is responsible for our strategic leadership.

The Honourable Robert Redlich AM, KC began a five-year term as IBAC Commissioner on 1 January 2018.

Commissioner Redlich was a judge of the Supreme Court of Victoria for 15 years, including 11 years as a judge of the Victorian Court of Appeal. He was a member of the Victorian Bar for 30 years and served for a period as Chairman of the Victorian Bar Council. His significant achievements in legal practice were recognised with his appointment as Queen's Counsel in 1984.

Commissioner Redlich brings extensive experience to IBAC, including the investigation of corrupt practices in the public service and the police. He has successfully prosecuted and defended cases involving corrupt practices.

Chief Executive Officer

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

Marlo Baragwanath joined IBAC in January 2020. Before this, Ms Baragwanath was the Victorian Government Solicitor, responsible for leading the Victorian Government Solicitor's Office. She began her public sector career at the Victorian Ombudsman, and previously held the roles of General Counsel at WorkSafe Victoria, and Director at the Victorian Building Authority.

Deputy Commissioners

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

David Wolf joined IBAC in January 2020 as a Deputy Commissioner. Mr Wolf has broad expertise in and a deep understanding of regulatory, integrity, communication, public sector and council administration matters. Mr Wolf was Victoria's Chief Municipal Inspector and Head of the Local Government Inspectorate. He has also worked at the Victorian Building Authority.

Kylie Kilgour joined IBAC in January 2021 as Acting Deputy Commissioner. Ms Kilgour was appointed to the Deputy Commissioner role in July 2021. Ms Kilgour has significant expertise and a deep understanding of police regulatory, integrity and administrative matters. She was the CEO of the Royal Commission into the Management of Police Informants and has held various senior leadership roles in the Department of Justice and Community Safety.

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

Executive directors

Prevention & Communication

Linda Timothy joined IBAC in February 2022. Dr Timothy leads IBAC's Strategic Intelligence, Prevention Policy and Research, and Communication and Engagement teams. She is an experienced leader with significant experience in public policy, stakeholder engagement, marketing and communications, and organisational and legislative reform.

Corporate Services

Glenn Ockerby leads IBAC's Finance & Procurement; Information & Digital Services; People, Culture & Capability; and Strategy & Risk teams. Mr Ockerby joined IBAC from the Metropolitan Fire Brigade where he was Executive Director, Corporate Services, and Chief Financial Officer. Mr Ockerby has broad experience in public and private sector leadership roles, including at the Victorian WorkCover Authority and KPMG Australia.

Operations

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

Legal, Assessment & Review and Compliance

Stacey Killackey leads IBAC's Legal, Assessment & Review and Compliance teams. Before starting at IBAC, she was Director, Workplace and Education Law at the DET. Ms Killackey is an experienced lawyer who has been in practice since 2000, primarily in workplace relations and litigation, and in community legal practice in Darwin. Before working in government, Ms Killackey worked at Corrs Chambers Westgarth.

Audit and Risk Management Committee

IBAC's Audit and Risk Management Committee works to a charter that reflects requirements of Standing Directions 2018 under the *Financial Management Act 1994*.

The committee met four times in 2021/22, and provided independent advice to the IBAC Commissioner and CEO on:

- the effectiveness of IBAC's systems and controls for financial and organisational risk management
- IBAC's annual financial statements
- IBAC's internal audit function
- recommendations made by internal and external auditors, actions in response to the audit effectiveness of IBAC's compliance-management processes, and remedial actions to remedy deficiencies in compliance
- compliance with the Financial Management Act standing directions and instructions.

The committee's role is to provide independent assurance and assistance on the effectiveness of IBAC's internal controls, financial and risk management, and compliance framework.

In 2021/22, the committee was made up of four external, independent members. Remuneration of the external members for the period totalled $41,552 (excluding GST).

Sara Watts (Chair)

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

Geoff Harry

Mr Harry retired from full-time executive roles in 2014 and has extensive skills in financial reporting, assurance, governance, risk management and control frameworks at both state and local government levels, as well as in the corporate sector. Mr Harry has a Bachelor of Commerce and is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand, a Fellow of CPA Australia, and a Graduate Member of the Australian Institute of Company Directors.

Jennifer Johanson

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

Chris Sheehan

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

Occupational health and safety

The goal of our *Health, Safety and Wellbeing Strategy 2021–23* is to make sure that 'safety is everyone's business' at IBAC. We modify and continually improve our practices so that all employees feel comfortable to speak up and report potential workplace incidents avoided, actual incidents, inappropriate behaviour and accidents. IBAC's sustained efforts in this area have resulted in an increase in the number of employees reporting occupational health and safety (OHS) incidents through our formal OHS incident system.

The COVID-19 State of Emergency was extended into 2021, with the state government recommending that Victorians continue to work from home if they could and placing restrictions on gatherings and movement. IBAC's offices remained closed during lockdown periods, and our staff were generally required to work from home.

In October 2021, the COVID-19 Mandatory Vaccination (Workers) Directions (Chief Health Officer directions) were introduced, requiring unvaccinated employees to not work outside their ordinary place of residence. IBAC employees complied with these directions, and fully vaccinated workers began returning to their hybrid working arrangements by November. The Public Health and Wellbeing Amendment (Pandemic Management) Bill was passed in December 2021 and replaced the State of Emergency. IBAC continues to monitor and follow the recommendations of the Department of Health so far as is reasonably practicable.

During 2021/22, IBAC introduced several initiatives to improve the health and safety of our staff, including the implementation of a COVID-19 infection control procedure, a mental health and wellbeing policy, purchase of new ergonomic office chairs, and a proactive wellbeing program co-designed by employees.

OHS training

In line with our commitment to the Victorian Public Sector Mental Health and Wellbeing Charter, IBAC celebrated R U OK? Day and promoted good health by offering quarterly training in home office ergonomics, and webinars on topics including growth mindset, sleep and our health, and looking after yourself and others after a crisis.

As part of Health and Safety Month, employees attended WorkSafe webinars, online manual handling training was made available to all staff (with a 90 per cent completion rate), and 92 per cent of people leaders undertook OHS training. The Victorian Government Solicitor's Office provided the people leader training, which aimed to deepen participants' understanding of their legal obligations to comply with OHS laws and provide a safe workplace, including in the new hybrid working environment.

OHS incident management

Reported OHS incidents across IBAC totalled 27, including physical and psychological injuries, COVID-positive cases in the workplace, detected workplace hazards, bullying, occupational violence and near misses. Requests for ergonomic assessments, equipment and workplace adjustments are also managed through the incident management system, although this data was removed from the final total number of incidents.

Although this year saw a decrease in reported physical injuries, the increase in incident numbers was attributed to the identification and reporting of near misses, and COVID-positive cases in the workplace.

OHS risk management

There was limited opportunity for health and safety representatives to conduct inspections of the designated working group areas during 2021/22, because employees were required to work from home for half of the year due to COVID-19 lockdowns.

Table 30: IBAC's performance against OHS management measures

		2021/22	2020/21
Incidents	No. of incidents	27	33
	Rate per 100 FTE (full-time equivalent)	11.7%	16.5%
	No. of incidents requiring first aid and/or further medical treatment	1	7
Claims	Standard claims[a]	2	2
	Rate per 100 FTE	0.8%	1.0%
	No. of lost time claims[a]	–	–
	Rate per 100 FTE	–	–
	No. of claims exceeding 13 weeks[a]	–	–
	Rate per 100 FTE	–	–
Fatalities	Fatality claims	–	–
Claim costs	Average cost per standard claim[a]	$360	$6118
Return to work (RTW)	Percentage of claims with RTW plan < 30 days	0%	100%
Management commitment	Evidence of OHS policy statement, OHS objectives, regular reporting to senior management of OHS	Completed	Completed
	Evidence of OHS criteria in purchasing guidelines (including goods, services and personnel)	Completed	Completed
Consultation and participation	Evidence of agreed structure of designated workgroups, health and safety representatives (HSRs) and issue-resolution procedures (IRPs)	Completed	Completed
	Compliance with agreed structure on designated workgroups, HSRs and IRPs	Completed	Completed
	No. of quarterly OHS committee meetings	4	4
Risk management	Percentage of internal audits/inspections conducted as planned	50%	40%[b]
	No. of improvement notices issued by WorkSafe inspector	–	–
	Percentage of issues identified and actioned arising from:		
	• internal audits	100%	100%
	• HSR provisional improvement notices	–	–
	• WorkSafe Victoria notices	–	–
Training	Percentage of managers and staff who have received OHS training:		
	• induction	83%	13%
	• management training	100%	100%
	• contractors and temporary staff	–	–
	Percentage of HSRs trained:		
	• on acceptance of role (initial training)	–	–
	• retraining (annual refresher)	–	33%

Notes:

[a] Data sourced from IBAC's WorkSafe Victoria agent. Data for standard claims, claims for time lost, and fatality claims is at 30 June for the year shown. Standard claims are those that have exceeded the employer excess (for medical and like expenses) threshold and/or liability of 10 working days of time lost. The average cost per claim is reported based on actual costs and excludes estimated future costs that contribute to IBAC's premium.

[b] Due to Chief Health Officer directions to work from home, health and safety representatives had limited access to IBAC's office to conduct quarterly inspections.

Employment and conduct principles

IBAC is committed to applying merit and equity principles when appointing staff. The selection processes make sure that applicants are assessed and evaluated fairly and equitably on key selection criteria and other accountabilities without discrimination.

Employees have been correctly classified in workforce data collections.

3. Workforce data

Public sector values and employment principles

IBAC's policies and practices are consistent with the Victorian Public Sector Commission's employment standards, and provide for fair treatment, career opportunities and the early resolution of workplace issues. IBAC advises employees on how to avoid conflicts of interest, how to respond to offers of gifts, and how IBAC deals with misconduct.

Comparative workforce data

Table 31 details the headcount and FTE of all active public service employees of IBAC, employed in the last full pay period in June 2022 for the current reporting period (2021/22), and in the last full pay period in June 2021 for the previous reporting period (2020/21).

Workforce data

Table 31: Details of employment levels in June 2021 and 2022[a]

	June 2022						
	All employees		Ongoing			Fixed term/casual	
	Number/ headcount	FTE	Full-time headcount	Part-time headcount	FTE	Headcount	FTE
Gender							
Male	105	103.3	81	03	82.6	21	34.9
Female	125	118.8	73	16	83.9	36	20.7
Self-described	1	1.0	–	–	–	1	1.0
Age							
15–24	5	5.0	2	–	2.0	3	3.0
25–34	63	61.4	39	3	40.7	21	20.7
35–44	85	79.9	54	11	60.9	20	19.0
45–54	49	48.3	38	3	40.4	8	7.9
55–64	27	26.5	20	2	21.5	5	5.0
65+	2	2.0	1	–	1.0	1	1.0
Classification							
VPS 2	1	1.0	–	–	–	1	1.0
VPS 3	37	34.9	19	7	23.9	11	11.0
VPS 4	60	58.3	43	1	42.9	16	15.4
VPS 5	77	73.7	52	9	58.3	16	15.4
VPS 6	54	53.2	38	2	39.4	14	13.8
STS	2	2.0	2	–	2.0	–	–
Total	**231**	**223.1**	**154**	**19**	**166.5**	**58**	**56.6**

Notes:

[a] Senior non-executive staff are listed in this table as well as in Table 33. Executive officers and statutory appointments are not included in this table.

June 2021						
All employees			Ongoing		Fixed term/casual	
Number/ headcount	FTE	Full-time headcount	Part-time headcount	FTE	Headcount	FTE
95	97.5	89	3	94.5	3	3
95	105.2	78	14	102.2	3	3
–	–	–	–	–	–	–
3	3.0	3	–	3.0	–	–
55	56.6	51	2	54.5	2	2
71	78.2	57	10	74.3	4	4
36	37.5	34	2	37.5	–	–
25	27.4	22	3	27.4	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
34	37.2	28	5	36.2	1	1
37	39.5	33	3	38.5	1	1
69	73.7	62	6	72.7	1	1
48	50.3	42	3	47.3	3	3
2	2.0	2	–	2.0	–	–
190	**202.7**	**167**	**17**	**196.7**	**6**	**6**

Workforce data

Table 32 details the annualised total salary for senior employees of IBAC, categorised by classification. The salary amount is reported as the full-time annualised salary.

Table 32: Annualised total salary for executives and other senior non-executive staff

Income band (salary)	Executives	Senior Technical Specialists	Principal Scientists	Senior Medical Advisors	Senior Regulatory Analysts	Other (statutory appointments)
< $160 000	–	–	–	–	–	–
$160,000–$179,000	–	–	–	–	–	–
$180,000–$199,000	–	–	–	–	–	–
$200,000–$219,000	10	2	–	–	–	1
$220,000–$239,000	–	–	–	–	–	–
$240,000–$259,000	–	–	–	–	–	–
$260,000–$279,000	1	–	–	–	–	–
$280,000–$299,000	1	–	–	–	–	–
$300,000–$319,000	–	–	–	–	–	–
$320,000–$339,000	1	–	–	–	–	2
$340,000–$359,000	–	–	–	–	–	–
$360,000–$379,000	1	–	–	–	–	1
$380,000–$399,000	–	–	–	–	–	–
$400,000–$419,000	–	–	–	–	–	–
$420,000–$439,000	1	–	–	–	–	–
$440,000–$459,000	–	–	–	–	–	–
$460,000–$479,000	–	–	–	–	–	–
$480,000–$499,000	–	–	–	–	–	–
Total	**15**	**2**	**–**	**–**	**–**	**4**

Workforce inclusion policy

IBAC completed a gender equality audit. In response to the findings, IBAC developed the *Gender Equality Action Plan 2021–23* in consultation with staff, to create an inclusive working environment where equal opportunity and diversity are valued. The action plan reflects the communities we serve and is consistent with the *Gender Equality Act 2020*. The action plan is available on our website and was marked as final by the Commission for Gender Equality in the Public Sector on 28 June 2022.

Executive Officer data

Because IBAC is a public body, an Executive Officer (EO) is defined as an executive under Part 3 of the *Public Administration Act 2004* or as a person to whom the Victorian Government's Public Entity Executive Remuneration Policy applies. The definition of an EO does not include a statutory office holder.

All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

Table 33: Total number of EOs for IBAC, broken down into gender

	All		Women		Men		Self-described	
Class	**No.**	**Var.**	**No.**	**Var.**	**No.**	**Var.**	**No.**	**Var.**
EO-1 (SES-3)	1	0	1	0	–	0	–	–
EO-2 (SES-2)	4	0	2	0	2	0	–	–
EO-3 (SES-1)	10	+2	4	0	6	+2	–	–
Total	**15**	**+2**	**7**	**0**	**8**	**+2**	**–**	**–**

Note: Statutory appointments have been excluded from this table.

The number of EOs in the report of operations is based on the number of executive positions that are occupied at the end of the financial year. The remuneration of executives section in the financial statements lists the actual number of EOs and the total remuneration paid to EOs over the course of the reporting period.

The financial statements note does not distinguish between executive levels or disclose separations. Separations are executives who have left IBAC during the reporting period. To assist readers, these two disclosures are reconciled in Table 34.

Table 34: Reconciliation of executive numbers

		2021/22	2020/21
	Executive Officers (financial statement note 8.4)	13	16
	Accountable Officer	–	1
Less	Separations	–	4
Add	Recruitment	2	–
	Total executive numbers at 30 June	**15**	**13**

4. Other disclosures

Local Jobs First

IBAC did not commence or complete any projects in 2021/22 in which a Victorian Industry Participation Policy Plan, Local Industry Development Plan or Major Project Skills Guarantee were required.

Consultancies (under $10,000)

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

Expenditures

Government advertising expenditure

IBAC ran advertising campaigns with a total media spend of $188,239 (excluding GST) during 2021/22.

Consultancy expenditure

Consultancies (over $10,000)

IBAC contracted seven consultancies at a total expenditure of $609,912 (excluding GST). Details of individual consultancies are provided in Table 35.

Table 35: Consultancies over $10,000

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excl. GST)	Expenditure in 2021/22 (excl. GST)	Future expenditure (excl. GST)
Ernest & Young	Independent base review	Nov-21	Dec-21	$378,812	$378,812	Nil
Logicalis Australia Pty Ltd	Develop IBAC's enterprise architecture framework	Apr-21	Jun-22	$121,600	$44,898	Nil
Oobe Pty Ltd	Cloud strategy	May-21	Jun-22	$96,120	$67,390	Nil
Oobe Pty Ltd	Team collaboration platform enhancement blueprint	May-21	Jun-22	$25,300	$25,300	Nil
Gender Equity Victoria (GEN VIC) Incorporated	Review of IBAC compliance with the Gender Equality Act	Apr-22	May-22	$28,886	$28,886	Nil
Granulis Pty Ltd	IBAC website review and development	Jun-21	Dec-21	$39,600	$25,650	Nil
Terra Firma Pty Ltd	IBAC capability assessment, development and roadmap	Aug-21	Jun-22	$50,143	$29,976	$20,168

ICT (information and communication technology) expenditure

Table 36: ICT expenditure

	$m
Business as usual (BAU) ICT expenditure	6.6
Total non-BAU ICT expenditure	3.2
Operational non-BAU expenditure	2.1
Capital non-BAU expenditure	1.1

In 2021/22, IBAC's total ICT expenditure was $9.8 million, an increase of 22.5 per cent compared to 2020/21. This was a direct result of expenditure that drew on the Treasurer's Advance and Expenditure Review Committee funding. The increase in the expenditure includes delivery of the Information Technology Strategy and the Operational Data Exploitation Strategy. It comprises BAU ICT expenditure and non-BAU ICT expenditure.

Non-BAU ICT expenditure relates to extending or enhancing IBAC's ICT capabilities. BAU ICT expenditure primarily relates to ongoing activities to operate and maintain ICT capability.

Disclosure of major contracts

IBAC did not award any major contracts greater than $10 million during 2021/22.

Freedom of information (FOI)

Under the *Freedom of Information Act 1982* (FOI Act), the public has a right of access to some categories of documents held by IBAC.

In 2021/22, IBAC received 17 applications for disclosure of information under the FOI Act. Of these applications, only seven were assessed as valid requests. The valid requests included five requests for information by members of the public to whom the information related.

Access to a large portion of our documents and other information may be limited by an exemption under the IBAC Act. Similarly, information regarding complaints or investigations is often protected by exemption and cannot be obtained under FOI legislation.

The invalid requests were assessed as such due to a failure to pay the application fee in the absence of a fee waiver, or because data did not exist. In three cases, information was provided to applicants outside the FOI Act.

Table 37: FOI applications[a]

	2021/22
Total number of applications	17
Applications granted	2
Applications reviewed	–
Applications appealed	–

Notes:

[a] This table meets the financial reporting directive from the Department of Treasury and Finance. Historical data on FOI applications data is available in previous annual reports and can be viewed at www.ibac.vic.gov.au.

Making an FOI request

Access may be requested in writing to IBAC's FOI Officer. Such requests should:

- be in writing
- identify as clearly as possible which documents are requested
- be accompanied by the appropriate application fee (which can be waived in certain circumstances).

To submit an FOI request, first download and complete the form available from the IBAC website (see www.ibac.vic.gov.au/general/contact-us/freedom-of-information-requests).

Mail your completed form and money order to:

Freedom of Information Officer
Independent Broad-based Anti-corruption Commission
GPO Box 24234, Melbourne VIC 3001

Alternatively, you may email your completed request form and any attachments to FOI@ibac.vic.gov.au. IBAC will then contact you to arrange payment while handling the request.

Charges may also apply after documents have been processed and a decision on an access request has been made
(for example, photocopying, search, and retrieval charges). Further information on FOI can be found at **www.ovic.vic.gov.au**.

Compliance reporting

Building Act 1993

IBAC does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

Competitive neutrality policy

IBAC is compliant with the National Competition Policy, including the requirements of the Department of Treasury and Finance's Competitive Neutrality Policy.

PID Act

The PID Act encourages and assists people in making disclosures of improper conduct and detrimental action by public officers and public bodies. The PID Act provides protection to people who make a PID in accordance with the Act, and establishes a system for the matters disclosed to be investigated and rectified.

IBAC is responsible for assessing most PIDs to determine whether they meet the requirements for a public interest complaint under the PID Act. IBAC also stewards the PID scheme in the State of Victoria, and must publish guidelines and procedures relating to the scheme. Among other things, IBAC is responsible for:

- educating the broader public sector on the operation of the scheme
- promoting the purposes of the PID Act
- reviewing the PID procedures established by public sector bodies.

Disclosures of improper conduct or detrimental action by IBAC or any of our employees may be made to:

Victorian Inspectorate

PO Box 617, Collins Street West, Melbourne VIC 8007
Phone (03) 8614 3225
info@vicinspectorate.vic.gov.au
www.vicinspectorate.vic.gov.au

Information about assessable disclosures made to the Victorian Inspectorate can be found on its website and in the Victorian Inspectorate annual report.

Information about reporting disclosures of improper conduct or detrimental action to IBAC, including the guidelines issued and procedures established by IBAC in relation to the PID scheme, can be found at **www.ibac.vic.gov.au**.

Table 38 sets out the data that IBAC is required to report under section 67 of the PID Act.

Table 38: IBAC's reporting requirements under the PID Act

Reporting requirement	Data for 2021/22
Number and types of assessable disclosures made directly to IBAC	37 made under Pt 2 Div 2 of the PID Act
Number and types of disclosures notified to IBAC under sections 21 and 22	Section 21: 226 disclosures (Victoria Police: 56; public sector: 170) Section 22: 126 disclosures (all 126 related to Victoria Police)
Number and types of allegation assessments made by IBAC under section 26 to determine whether a disclosure is a public interest complaint	Public interest complaints: 745 (Victoria Police: 385; public sector: 360) Non-public interest complaints: 4899 (Victoria Police: 2618; public sector: 2281)
Number and type of public interest complaints that, under the IBAC Act, have been:	
• investigated by IBAC	28 investigated (Victoria Police: 5; public sector: 23) 29 preliminary inquiries (Victoria Police: 1; public sector: 28)
• referred by IBAC to another investigating entity	636 referrals (Victoria Police: 353; public sector: 283)
• dismissed by IBAC	52 dismissals (Victoria Police: 26; public sector: 26)
Any recommendations made by IBAC under section 61 during the financial year	0
For each of those recommendations, the action taken by the entity in relation to the recommendation	N/A
Number of applications for an injunction made by IBAC under section 50 during the financial year	0

Carers Recognition Act 2012

IBAC operates a hybrid working model and continues to offer a range of work and flexible leave options to help our staff balance the demands of work with personal and carer commitments.

Disability Act 2006

IBAC has made progress in implementing the IBAC *2021–23 Disability Action Plan*, with all roles now advertised on the JobAccess website to attract more people with disability to work at IBAC.

To educate and support employees and hiring managers, in June 2022, employees participated in training in uncovering bias.

Compliance with other legislation

IBAC Act, section 165

Section 165(1)(b) of the IBAC Act requires IBAC to include in this report any recommendations for changes to any Act or law in force in Victoria, or for specified administrative actions to be taken which IBAC considers necessary as a result of the performance of its duties and functions.

In our investigations and special reports, we periodically make recommendations for specified administrative actions. Copies of our investigations and special reports can be found in the publications and resources section of the IBAC website.

During 2021/22, IBAC made one recommendation for legislative reform stemming from Operation Dawson, which was tabled in parliament in December 2021. The Operation Dawson Special Report recommended that:

> *the Victorian Government amend section 226 of the* Victoria Police Act 2013 *(Vic) to provide a clear obligation for police personnel to only access, make use of or disclose police information they have a demonstrable, legitimate need for, which arises from and is directly related to the performance of their current duties or functions.*

In addition to the recommendations that IBAC makes to other agencies and the public sector generally via its investigations and reviews, IBAC continues to consult with government to explore legislative reforms that would better enable us to perform our duties and functions, including:

- consultation on the government's Systemic Review of Police Oversight
- involvement in working groups and taskforces pertaining to the implementation of recommendations from the RCMPI
- better aligning our investigative powers with those provided to Victoria Police, including an ability to search a person during the execution of a search warrant; to compel a person to provide passwords to electronic devices; to compel a person to provide their name and address; to execute arrest warrants without reliance on Victoria Police; and numerous other measures
- changes to the IBAC Act in relation to the way in which claims of privilege should be dealt with to make sure that IBAC investigations are not unnecessarily delayed or frustrated by lengthy litigation
- changes to the IBAC Act in relation to the way in which our natural justice processes may be challenged in court
- the creation of new offences under the IBAC Act, such as destruction of evidence, undermining an IBAC investigation, procuring false testimony, or intimidating a witness
- amending the PID Act to make it more complainant-centric, including the removal of the current limitation that a complainant may only withdraw a PID within 28 days of having made the disclosure
- allowing IBAC to conduct examinations for the purposes of prevention and education, with consequential amendments to enable this to occur
- allowing IBAC to issue joint reports with other integrity agencies
- reforming the IBAC Act in relation to the conduct of reviews
- allowing IBAC to publicly make recommendations on matters arising from investigations, where those recommendations are not contained in special reports.

***Firearms Act 1996*, section 172(2)**

Under section 172(2) of the Firearms Act, IBAC is required to include in this report:

- the number of firearm prohibition orders, the making of which IBAC has reviewed
- the number of review cases for which IBAC has made recommendations, and the number of those recommendations that the Chief Commissioner of Victoria Police has accepted.

IBAC's acquittal of its reporting obligations under section 172(2) of the Firearms Act can be found in the IBAC compliance monitoring of Victoria Police section of this report.

Office-based environmental impacts

We minimise our use of electricity and water by:

- washing IBAC fleet vehicles on an as-needed basis only
- using efficient office equipment, such as printers and photocopiers
- implementing pool printing and power-saving measures on all computers
- using highly energy efficient lighting with motion detection to automatically switch off in unstaffed areas.

Additionally, IBAC uses 100 per cent recycled paper produced from sustainable sources in all photocopiers. We provide paper recycling bins throughout office areas, and we recycle all ink cartridges.

Table 39. Organisational boundary for the purpose of environmental reporting

Indicator	2021/22	2020/21	2019/20
FTE	223.1	202.7	213.88
Office FTEs	223.1	202.7	213.88
Office net lettable area (square metres)	6423	6423	6423
No. of offices	1	1	1

Energy use

Table 40. Energy use data

Indicator	2021/22	2020/21	2019/20
E1. Total energy usage segmented by primary source (MJ)	**2,459,968**	**2,224,334**	**2,368,404**
Electricity (MJ) – excluding Green Power	2,459,968	2,224,334	2,368,404
Natural gas (MJ)	–	–	–
Green Power (MJ)	–	–	–
LPG (MJ)	–	–	–
E2. Total greenhouse gas emissions from energy consumption (tonnes CO2-e)	**737.85**	**640.38**	**682.32**
Electricity (tonnes CO2-e) – excluding Green Power	737.85	640.38	682.32
Natural gas (tonnes CO2-e)	–	–	–
E3. Percentage of electricity purchased as Green Power (%)	**–**	**–**	**–**
E4. Units of office energy used per FTE (MJ/FTE)	**11,026**	**10,974**	**11,073**
E5. Units of office energy used per office area (MJ/m^2)	**383**	**346**	**368**

Waste and recycling

Table 41. Waste and recycling data

Indicator	2021/22	2020/21	2019/20
Ws1. Total units of waste disposed of by destination (kg/yr)	**–**	**–**	**–**
Landfill (kg)	–	–	–
Comingled recycling (kg)	–	–	–
Paper and card (kg)	1020	75	3753
Secure documents (kg)	–	–	–
Organics (kg)	–	–	–
Ws2. Total units of waste disposed of per FTE by destination (kg/FTE)	**–**	**–**	**–**
Landfill (kg)	–	–	–
Comingled recycling (kg)	–	–	–
Paper and card (kg/FTE)	4.5	0.4	18
Secure documents (kg)	–	–	–
Organics (kg)	–	–	–
Ws3. Recycling rate (%)	**–**	**–**	**–**
Ws4. Greenhouse gas emissions associated with waste (tonnes CO2-e)	**–**	**–**	**–**

Paper use

Table 42. Paper use data

Indicator	2021/22	2020/21	2019/20
P1. Total units of A4 equivalent copy paper used (reams)	**180**	**275**	**913**
P2. Units of A4 equivalent copy paper used per FTE (reams/FTE)	**0.80**	**1.36**	**4.2**
P3. 75–100% recycled content (%)	**100**	**100**	**99.3**
P3. 50–74% recycled content (%)	**–**	**–**	**–**
P3. 0–49% recycled content (%)	**–**	**–**	**0.7**

Water consumption

Table 43. Water consumption data

Indicator	2021/22	2020/21	2019/20
W1. Total water consumption (kilolitres)	**2106**	**1349**	**2472**
W2. Units of office water used per FTE (kilolitres/FTE)	**9.44**	**6.66**	**11.5**
W3. Units of office water used per office area (kilolitres/m^2)	**0.32**	**0.21**	**0.4**

Travel and transport

Table 44. Travel and transport data

Indicator	2021/22	2020/21	2019/20
T1. Total energy consumption by fleet vehicles (MJ)	**1,410,595**	**980,971**	**1,829,984**
Diesel	679,420	399,814	658,642
LPG	–	–	–
Unleaded	726,888	569,700	1,171,342
Hybrid	4,286	11,457	–
T2. Total distance travelled by fleet vehicles (km)	**303,842**	**285,809**	**563,569**
Diesel	159,630	125,710	214,079
LPG	–	–	–
Unleaded	141,377	154,461	349,490
Hybrid	2835	5638	–
T3. Greenhouse gas emissions from fleet vehicles (tonnes CO2-e)	**98**	**73**	**–**
Diesel	50	32	–
LPG	–	–	–
Unleaded	48	40	–
Hybrid	0.7	1	–
T3. Greenhouse gas emissions from fleet vehicles per 1000 km (tonnes CO2-e)	**0.09**	**0.07**	**0.2**
Diesel	0.05	0.03	–
LPG	–	–	–
Unleaded	0.04	0.04	–
Hybrid	0	0	–
T4. Total distance travelled by air (km)	**29,805**	**7,345**	**82,252**
T5. Percentage using sustainable transport to get to and from work by locality	**–**	**–**	**84%**
CBD (%)	–	–	–
Metro (%)	–	–	–
Regional (%)	–	–	–

Greenhouse gas emissions

Table 45: Greenhouse gas emissions data

Indicator	2021/22	2020/21	2019/20
G1. Total greenhouse gas emissions associated with energy use (tonnes CO2-e)	**737.85**	**640.38**	**682.32**
Note: This includes office-based data only			
G2. Total greenhouse gas emissions associated with vehicle fleet (tonnes CO2-e)	**98**	**73.00**	**125.00**
G3. Total greenhouse gas emissions associated with air travel (tonnes CO2-e)	**4.88**	**1.69**	**22.69**
G4. Total greenhouse gas emissions associated with waste disposal (tonnes CO2-e)	**–**	**–**	**–**
Note: This includes office-based data only			
G5. Greenhouse gas emissions offsets purchased (tonnes CO2-e)	**–**	**–**	**–**

Note: The energy data was collected through the energy retailer billing information for the IBAC tenancy.

Financial management compliance attestation statement

I, Robert Redlich AM, KC, certify that Independent Broad-based Anti-corruption Commission has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



The Honourable Robert Redlich AM, KC
Commissioner
Independent Broad-based Anti-corruption Commission

28 November 2022

Additional information available on request

Subject to the provisions of the FOI Act, information that shall be retained by the Accountable Officer shall include:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by the entity about itself, and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the entity
- details of any major external reviews carried out on the entity
- details of major research and development activities undertaken by the entity
- details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services
- details of assessments and measures undertaken to improve the OHS of employees
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved
- details of all consultancies and contractors including:
  - consultants/contractors engaged
  - services provided
  - expenditure committed to for each engagement.

The information is available on request from:

Executive Director Corporate Services
Independent Broad-based Anti-corruption Commission
GPO Box 24234,
Melbourne VIC 3001

5. Financial report

Declaration in the Financial Statements

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

We further state that in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2022 and financial position of IBAC at 30 June 2022.

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

We authorise the attached financial statements for issue on 28 November 2022.



The Hon Robert Redlich AM, KC
Commissioner
IBAC
Melbourne
28 November 2022



Marlo Baragwanath
Chief Executive Officer
IBAC
Melbourne
28 November 2022



Glenn Ockerby
Executive Director Corporate Services
IBAC
Melbourne
28 November 2022

Independent Auditor's Report

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

Opinion	I have audited the financial report of the Independent Broad-based Anti-corruption Commission (the Commission) which comprises the: • balance sheet as at 30 June 2022 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • Commissioner's, Accountable Officer's and Chief Financial Officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the Commission as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the Commission in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Commissioner's responsibilities for the financial report	The Commissioner is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Commissioner determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Commissioner is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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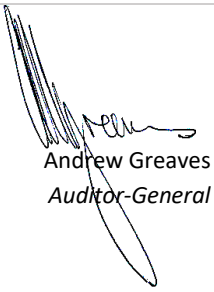
Auditor's responsibilities for the audit of the financial report

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

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

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

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



MELBOURNE
29 November 2022

Andrew Greaves
Auditor-General

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Comprehensive operating statement

Comprehensive operating statement for the financial year ended 30 June 2022[a]

	Notes	2022 ($'000)	2021 ($'000)
Income from transactions			
Output appropriation	2.1	53,598	42,302
Total income from transactions		**53,598**	**42,302**
Expenses from transactions			
Employee expenses	3.1	35,762	30,632
Depreciation and amortisation	4.1.1	5,286	4,477
Interest expense	6.1.2, 7.1.1	537	463
Capital asset charge	3.3	–	302
Other operating expenses	3.2	15,470	10,335
Total expenses from transactions		**57,056**	**46,209**
Net result from transactions (net operating balance)		**(3,458)**	**(3,907)**
Other economic flows included in net result			
Other gains/(losses) from other economic flows	8.1	371	493
Total other economic flows included in net result		**371**	**493**
Net result		**(3,086)**	**(3,414)**
Comprehensive result		**(3,086)**	**(3,414)**

The accompanying notes form part of these financial statements.

Note:

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

Balance sheet

Balance sheet as at 30 June 2022[a]

	Notes	2022 ($'000)	2021 ($'000)
Assets			
Financial assets			
Cash and cash equivalents	6.2	48	95
Receivables	5.1	18,830	20,217
Total financial assets		**18,878**	**20,312**
Non-financial assets			
Non-financial physical assets held for sale	8.7	17	–
Property, plant and equipment	4.1	14,586	16,153
Intangible assets	4.2	878	1,065
Other non-financial assets	5.3	1,924	1,622
Total non-financial assets		**17,406**	**18,840**
Total assets		**36,284**	**39,152**
Liabilities			
Payables	5.2	2,750	2,074
Borrowings	6.1	12,235	13,376
Employee-related provisions	3.1.2	7,486	6,801
Other provisions	5.4	121	121
Total liabilities		**22,592**	**22,372**
Net assets		**13,693**	**16,780**
Equity			
Accumulated surplus		8,246	11,333
Contributed capital		5,447	5,447
Net worth		**13,693**	**16,780**

The accompanying notes form part of these financial statements.

Note:

[a] This format of this statement is aligned to AASB 1049.

Cash flow statement

Cash flow statement for the financial year ended 30 June 2022[a]

	Notes	2022 ($'000)	2021 ($'000)
Cash flows from operating activities			
Receipts and payments			
Receipts from government		54,983	45,530
Goods and services tax from the Australian Taxation Office (ATO)[b]		1,796	1,413
Total receipts		**56,779**	**46,943**
Payments to suppliers and employees		(51,886)	(43,222)
Interest paid		(537)	(463)
Total payments		**(52,423)**	**(43,684)**
Net cash flows from/(used in) operating activities	**6.2.1**	**4,356**	**3,258**
Cash flows from investing activities			
Purchases of non-financial assets		(1,480)	(1,095)
Proceeds from disposal of leased assets		308	469
Net cash flows from/(used in) investing activities		**(1,172)**	**(626)**
Cash flows from financing activities			
Repayment of principal portion of lease liabilities		(3,231)	(2,586)
Net cash flows from/(used in) financing activities		**(3,231)**	**(2,586)**
Net increase/(decrease) in cash and cash equivalents		**(47)**	**46**
Cash and cash equivalents at beginning of financial year		95	49
Cash and cash equivalents at end of financial year	**6.2**	**48**	**95**

The accompanying notes form part of these financial statements.

Note:

[a] This format of this statement is aligned to AASB 1049.

[b] Goods and services tax recovered from the ATO is presented on a net basis. The 2021 comparatives for receipts from government have been restated by splitting it into two categories to present goods and services tax receipts separately.

Statement of changes in equity

Statement of changes in equity for the financial year ended 30 June 2022[a]

	Accumulated surplus ($'000)	Contributed capital ($'000)	Total ($'000)
Balance at 30 June 2020	**14,747**	**5,447**	**20,194**
Net result for the year	(3,414)	–	(3,414)
Balance at 30 June 2021	**11,333**	**5,447**	**16,780**
Net result for the year	(3,086)	–	(3,086)
Balance at 30 June 2022	**8,246**	**5,447**	**13,693**

The accompanying notes form part of these financial statements.

Note:

[a] This format of this statement is aligned to AASB 1049.

Notes to the financial statements

1. About this report

This annual financial report represents the audited general-purpose financial report for IBAC for the year ended 30 June 2022. The purpose of this report is to provide users with information about IBAC's stewardship of resources entrusted to it.

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

IBAC is constituted by the *Independent Broad-based Anti-corruption Commission Act 2011* (IBAC Act). Our principal address is Level 1, North Tower, 459 Collins Street, Melbourne Vic 3000.

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

1.1 Basis of preparation

This financial statement:

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

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

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

Judgements, estimates and assumptions are made about financial information being presented where:

- amounts are affected by significant judgements, these are disclosed in the notes
- estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates
- revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision
- judgements and assumptions made by management in the application of Australian Accounting Standards (AASs) that have significant effects on the financial report and estimates, are disclosed in the notes under the heading 'Significant judgement or estimates'.

1.2 Compliance information

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

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

2. Funding delivery for our services

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

From 1 July 2020, IBAC receives its annual appropriation directly from parliament to enable it to fulfil its purpose and provide relevant outputs.

2.1 Appropriation

Once annual parliamentary appropriations are applied by the Treasurer, they become controlled by IBAC and are recognised as income when applied for the purposes defined under the *Appropriation Act 2021.*

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

Appropriation

	2022 ($'000)	2021 ($'000)
Output appropriation	53,598	42,302
Total income from transactions	**53,598**	**42,302**

2.2 Summary of compliance with annual parliamentary appropriations

Summary of compliance with annual parliamentary and special appropriations

	Appropriations Act				
	Annual appropriation ($'000)	Advance from Treasurer ($'000)	Total Parliamentary Authority ($'000)	Appropriations applied ($'000)	Variance ($'000)
2022					
Controlled					
Provision of outputs	52,988	610	53,598	53,598	–
Total	**52,988**	**610**	**53,598**	**53,598**	**–**
2021					
Controlled					
Provision of outputs	42,195	107	42,302	42,302	–
Total	**42,195**	**107**	**42,302**	**42,302**	**–**

3. The cost of delivering services

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

3.1 Expenses incurred in the delivery of services

3.1.1 Employee benefits in the comprehensive operating statement

Employee benefits in the comprehensive operating statement

	2022 ($'000)	2021 ($'000)
Salaries, wages and leave expenses	32,776	27,757
Defined contribution superannuation expense	2,850	2,317
Termination benefits	122	548
Defined benefit superannuation expense	14	10
Total employee expenses	**35,762**	**30,632**

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

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

3.1.2 Employee benefits in the balance sheet

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

Employee benefits in the balance sheet

	2022 ($'000)	2021 ($'000)
Current provisions		
Current employee benefits – annual leave		
Unconditional and expected to settle within 12 months	1,834	1,604
Unconditional and expected to settle after 12 months	679	539
Current employee benefits – LSL		
Unconditional and expected to settle within 12 months	563	531
Unconditional and expected to settle after 12 months	2,635	2,638
Total current employee benefits	**5,710**	**5,312**
Current provisions for on-costs		
Unconditional and expected to settle within 12 months	420	339
Unconditional and expected to settle after 12 months	581	506
Total current on-costs	**1,001**	**845**
Total current provisions	**6,711**	**6,157**
Non-current provisions		
Employee benefits	659	556
On-costs	116	88
Total non-current provisions	**775**	**644**
Total provisions	**7,486**	**6,801**

Reconciliation of movement in on-cost provision

	2022 ($'000)	2021 ($'000)
Opening balance	933	711
Additional provisions recognised	642	600
Increase/(reduction) resulting from remeasurement	(35)	(47)
Reductions arising from payments/other sacrifices of future economic benefits	(424)	(331)
Closing balance	**1,117**	**933**
Current	1,001	845
Non-current	116	88
Total	**1,117**	**933**

Wages and salaries, annual leave and sick leave

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

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

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

Long service leave

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

The components of this current LSL liability are measured at:

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

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

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

3.1.3 Superannuation contributions

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

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

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

Superannuation contributions

	Paid contribution for the year		Contributions outstanding as at year end	
Fund	**2022 ($'000)**	**2021 ($'000)**	**2022 ($'000)**	**2021 ($'000)**
Defined benefit plan				
State Superannuation Fund – revised and new	14	9	–	1
Defined contribution plans				
VicSuper	1,405	1,251	–	48
Other	1,445	976	–	42
Total	**2,864**	**2,236**	**–**	**91**

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. IBAC does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance discloses in its annual financial report the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the state as the sponsoring employer).

3.2 Other operating expenses

Other operating expenses

	2022 ($'000)	2021 ($'000)
Contractors and professional services	6,636	3,624
Technology service costs	3,465	2,820
Accommodation and property expense	1,840	1,648
Other	1,594	842
Training	555	507
Communications and office expenses	536	422
Travel and transport	306	258
Marketing and promotion	492	176
Auditors' remuneration	45	38
Total other operating expenses	**15,470**	**10,335**

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

3.3 Capital asset charge

Capital asset charge

	2022 ($'000)	2021 ($'000)
Capital asset charge	**–**	**302**

A capital asset charge is a charge levied on the written-down value of controlled non-current physical assets in IBAC's balance sheet. In previous years, capital asset charge had been used to demonstrate the opportunity cost of utilising government assets.

It should be noted that the capital asset charge policy was discontinued in 2021/22 as highlighted in the *2021–22 Budget Paper No. 3*, Chapter 2 Department Performance Statements.

4. Key assets available to support output delivery

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

4.1 Total key assets

Total key assets

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
Fund	**2022 ($'000)**	**2021 ($'000)**	**2022 ($'000)**	**2021 ($'000)**	**2022 ($'000)**	**2021 ($'000)**
Buildings at fair value	18,324	16,682	8,755	5,338	9,569	11,345
Leasehold improvements at fair value[(a)]	11,849	11,720	10,715	10,431	1,133	1,289
Assets under construction at cost[(a)]	373	764	–	–	373	764
Computer and communication equipment at fair value[(a)]	6,521	5,146	4,553	3,893	1,968	1,253
Plant and equipment at fair value	3,049	2,969	2,780	2,591	269	378
Motor vehicles at fair value	1,844	1,667	570	543	1,274	1,124
Total	**41,959**	**38,948**	**27,372**	**22,795**	**14,587**	**16,153**

Note:

[(a)] The 2021 comparatives have been restated to rectify an error of asset classification. A total of $67,000 has been re-classified from asset under construction to leasehold improvements and computer and communication equipment. There is no change to the total value of assets in 2021.

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

A subset of buildings and motor vehicles by right-of-use assets is shown in the following table.

Total right-of-use assets: buildings and vehicles

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
Fund	**2022 ($'000)**	**2021 ($'000)**	**2022 ($'000)**	**2021 ($'000)**	**2022 ($'000)**	**2021 ($'000)**
Buildings at fair value	18,324	16,682	8,755	5,338	9,569	11,345
Motor vehicles at fair value	1,798	1,621	524	497	1,274	1,124
Total	**20,122**	**18,303**	**9,279**	**5,835**	**10,843**	**12,469**

	Buildings at fair value ($'000)	Motor vehicles at fair value ($'000)
Opening balance – 1 July 2021	**11,345**	**1,124**
Additions	–	616
Disposals	–	(169)
Adjustment/reclassification	1,641	–
Depreciation	(3,418)	(280)
Transfers to asset held for sale	–	(17)
Closing balance – 30 June 2022	**9,569**	**1,274**
Opening balance – 1 July 2020	**14,005**	**1,100**
Additions	–	510
Disposals	–	(242)
Adjustment/reclassification	11	–
Depreciation	(2,671)	(244)
Transfers to asset held for sale	–	–
Closing balance – 30 June 2021	**11,345**	**1,124**

Initial recognition

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

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

Right-of-use asset acquired by lessees

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

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

Subsequent measurement

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

Right-of-use asset

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

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

Leasehold improvements

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

Computer, communication equipment, and plant and equipment

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

Motor vehicles

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

Impairment

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

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

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

4.1.2 Depreciation and impairment

Depreciation and amortisation for the period

	2022 ($'000)	2021 ($'000)
Buildings – right of use	3,417	2,671
Leasehold improvements	285	300
Computer and communication equipment	661	684
Plant and equipment	188	268
Motor vehicles	266	244
Intangible assets	474	310
Total depreciation and amortisation	**5,286**	**4,477**

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

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

Useful life of assets

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

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

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

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

4.1.3 Reconciliation of movements in carrying values of key assets

Reconciliation of movements in carrying values of key assets

	Buildings – right of use		Leasehold improvements		Assets under construction at cost		Computer and communication equipment at fair value		Plant and equipment at fair value		Motor vehicles at fair value		Total	
Fund	**2022 ($'000)**	**2021 ($'000)**	**2022 ($'000)**	**2021 ($'000)**	**2022 ($'000)**	**2021 ($'000)**	**2022 ($'000)**	**2021 ($'000)**	**2022 ($'000)**	**2021 ($'000)**	**2022 ($'000)**	**2021 ($'000)**	**2022 ($'000)**	**2021 ($'000)**
Opening balance	11,345	14,005	1,289	1,502	764	56	1,253	1,596	379	621	1,124	1,100	16,153	18,881
Additions[a]	–	–	93	–	373	823	1,344	339	80	–	616	510	2,200	1,672
Disposals	–	–	–	–	–	–	–	–	–	–	(169)	(241)	(169)	(241)
Adjustment/ reclassification	1,641	11	–	–	–	–	–	6	–	(6)	–	–	1,641	11
Transfer in/out of assets under construction	–	–	36	87	(763)	(115)	31	28	–	–	–	–	(391)	–
Depreciation	(3,418)	(2,671)	(285)	(300)	–	–	(661)	(716)	(188)	(237)	(280)	(244)	(4,832)	(4,167)
Transfers to asset held for sale	–	–	–	–	–	–	–	–	–	–	(17)	–	(17)	–
Closing balance	**9,569**	**11,345**	**1,133**	**1,289**	**373**	**764**	**1,968**	**1,253**	**271**	**378**	**1,274**	**1,124**	**14,586**	**16,153**

Note:

[a] The 2021 comparatives have been restated. Refer to Note 4.1 for details.

4.2 Intangible assets

Intangible assets

	Intangible assets		Assets under construction at cost		Total	
	2022 ($'000)	2021 ($'000)	2022 ($'000)	2021 ($'000)	2022 ($'000)	2021 ($'000)
Gross carrying amount						
Opening balance	**1,675**	**1,505**	**30**	**25**	**1,705**	**1,530**
Additions	245	–	287	175	532	175
Transfer in/out of assets under construction	–	170	(245)	(170)	(245)	–
Closing balance	**1,920**	**1,675**	**72**	**30**	**1,992**	**1,705**
Accumulated depreciation, amortisation and impairment						
Opening balance	**(640)**	**(330)**	**–**	**–**	**(640)**	**(330)**
Amortisation	(474)	(310)	–	–	(474)	(310)
Closing balance	(1,113)	(640)	–	–	(1,113)	(640)
Net book value at end of financial year	**806**	**1,035**	**72**	**30**	**877**	**1,065**

Initial recognition

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

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

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

Subsequent measurement

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

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

Impairment of intangible assets

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

Significant intangible assets

IBAC has capitalised software development expenditure for the development of its Case Management System (CMS). The carrying amount of the CMS is $805,622 (2021: $1,034,000). Its useful life is five years and will be fully amortised in August 2023.

5. Other assets and liabilities

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

5.1 Receivables

Receivables

	2022 ($'000)	2021 ($'000)
Contractual		
Other receivables	2	4
Statutory		
Amount owing from government[(a)]	18,828	20,213
Total receivables	**18,830**	**20,217**
Represented by:		
Current receivables	18,055	19,573
Non-current receivables	775	644

Note:

(a) The amounts recognised from the government represent funding for all commitments incurred through the appropriations and are drawn down from the consolidated fund as the commitments fall due.

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

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

5.2 Payables

Payables

	2022 ($'000)	2021 ($'000)
Contractual		
Supplies and services	2,729	2,059
Statutory		
FBT payable	21	15
Total payables	**2,750**	**2,074**

All payables are current.

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

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

Payables for supplies and services have an average credit period of 30 days and are paid within credit terms. As part of the government's Economic Stimulus Package to assist businesses during the COVID-19 pandemic, the payment terms have been changed to 10 days. There are no material payables that are determined to be impaired.

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

5.2.1 Maturity analysis of contractual payables

As at 30 June 2022, the carrying and nominal amounts of contractual payables were $2,729,336 (2021: $2,058,680).

5.3 Other non-financial assets

Other non-financial assets

	2022 ($'000)	2021 ($'000)
Current other assets		
Prepayments	1,710	1,515
Total current other assets	**1,710**	**1,515**
Non-current other assets		
Prepayments	214	107
Total non-current other assets	**214**	**107**
Total other non-financial assets	**1,924**	**1,622**

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

5.4 Other provisions

Other provisions consist of a make good provision relating to IBAC-specific building modification. Management has made a judgment that it is almost certain that IBAC will be required to make good for this modification, therefore, a provision has been raised. As at 30 June 2022, the make good provision classified as non-current is $121,000 (2021: $121,000).

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

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

6. How we financed our operations

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

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

6.1 Borrowings

Borrowings

	2022 ($'000)	2021 ($'000)
Current borrowings		
Lease liabilities[(a)]	3,328	2,872
Total current borrowings	**3,328**	**2,872**
Non-current borrowings		
Lease liabilities[(a)]	8,907	10,504
Total non-current borrowings	**8,907**	**10,504**
Total borrowings	**12,235**	**13,376**

Note:

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

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

6.1.1 Maturity analysis of borrowings

Maturity analysis of borrowings

			Maturity dates			
	Carrying amount	Nominal amount	Less than 1 month ($'000)	1–3 months ($'000)	3 months to 1 year ($'000)	1–5 years ($'000)
2022						
Lease liabilities	12,235	13,033	487	604	3,108	8,834
Total	**12,235**	**13,033**	**487**	**604**	**3,108**	**8,834**
2021						
Lease liabilities	13,376	14,456	407	542	2,614	10,893
Total	**13,376**	**14,456**	**407**	**542**	**2,614**	**10,893**

Leases

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

IBAC's leasing activities

IBAC leases its office premises and motor vehicles. The lease contracts are typically made for fixed periods of two to five years with an option to renew the lease after that date.

6.1.2 Right-of-use assets

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

6.1.3 Amounts recognised in the comprehensive operating statement

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

Amounts recognised in the comprehensive operating statement

	2022 ($'000)	2021 ($'000)
Interest expense on lease liabilities	537	463
Amount recognised in the comprehensive statement	**537**	**463**

6.1.4 Amounts recognised in the statement of cash flows

The following table shows the amounts that are recognised in the statement of cash flows for the year ending 30 June 2022 relating to leases.

Amounts recognised in the statement of cash flows

	2022 ($'000)	2021 ($'000)
Total cash outflow for leases	**3,231**	**2,586**

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

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

This policy is applied to contracts entered into, or changed, on or after 1 July 2019. IBAC operating leases prior to 1 July 2019, were recognised as an operating expenditure and were not recognised in the balance sheet. From 1 July 2019, all leases except short-term and low-value leases are recognised in the balance sheet.

Separation of lease and non-lease components

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

Recognition and measurement of leases as a lessee

Lease liability – initial measurement

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

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

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

Lease liability – subsequent measurement

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

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

Presentation of right-of-use assets and lease liabilities

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

6.2 Cash flow information and balances

Cash flow information and balances

	2022 ($'000)	2021 ($'000)
Cash	48	95
Balance as per cash flow statement	**48**	**95**

Cash and cash equivalents comprise cash on hand.

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

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

	2022 ($'000)	2021 ($'000)
Net result for the period	**(3,086)**	**(3,414)**
Non-cash movements		
Depreciation of non-current assets	5,286	4,477
Other non-cash movements	(540)	(812)
Movements in assets and liabilities		
Decrease/(Increase) in receivables	1,388	3,283
Decrease/(Increase) in other non-financial assets	(304)	(565)
(Decrease)/Increase in payables	694	(412)
(Decrease)/Increase in provisions	918	701
Net cash flows from operating activities	**4,355**	**3,258**

6.3 Commitments for expenditure

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

6.3.1 Total commitments payable

Total commitments payable

	Less than 1 year ($'000)	1–3 years ($'000)	More than 5 years ($'000)	Total
2022				
Capital expenditure commitments				
Computer system	70	–	–	70
Total capital expenditure commitments	**70**	**–**	**–**	**70**
Other commitments				
Other contractual	2,102	272	–	2,374
Total other commitments	**2,102**	**272**	**–**	**2,374**
Total commitments	**2,172**	**272**	**–**	**2,444**
2021				
Capital expenditure commitments				
Computer system	334	–	–	334
Total capital expenditure commitments	**334**	**–**	**–**	**334**
Other commitments				
Other contractual	1,979	1,035	–	3,014
Total other commitments	**1,979**	**1,035**	**–**	**3,014**
Total commitments	**2,313**	**1,035**	**–**	**3,348**

7. Risks, contingencies and valuation judgements

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

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

7.1 Financial instruments specific disclosures

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

Categories of financial instruments

Financial assets at amortised cost

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

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

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

IBAC recognises the following assets in this category:

- cash and cash equivalents, $47,838 (2021: $94,961)
- receivables (excluding statutory receivables), $1,818 (2021: $3,562).

Financial liabilities at amortised costs

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

- payables (excluding statutory payables), $2,729,336 (2021: $2,058,680)
- borrowings (including lease liabilities), $12,235,000 (2021: $13,376,000).

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

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

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

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

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

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

	2022 ($'000)	2021 ($'000)
Contractual financial liabilities		
Financial liabilities at amortised cost	(537)	(463)
Total contractual financial liabilities	**(537)**	**(463)**

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

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

7.1.2 Financial risk management objectives and policies

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

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

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

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

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

Financial instruments: credit risk

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

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

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

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

There has been no material change to IBAC's credit risk profile in 2021/22.

Impairment of financial assets under AASB 9

IBAC records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's expected credit loss approach. Subject to AASB 9's impairment assessment, includes IBAC's contractual receivables, statutory receivables and its investment in debt instruments.

Contractual receivables at amortised cost

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

Financial instruments: liquidity risk

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

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

Financial instruments: interest rate risk

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

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

Interest rate exposure of financial instruments

			Interest rate exposure	
	Weighted average interest rate (%)	Carrying amount[a] ($'000)	Fixed interest rate ($'000)	Non-interest-bearing ($'000)
2022				
Financial assets				
Cash and cash equivalents	–	48	–	48
Receivables	–	2	–	2
Total financial assets	**–**	**50**	**–**	**50**
Financial liabilities				
Payables				
Supplies and services	–	2,729	–	2,729
Borrowings				
Lease liabilities	2.17	12,235	12,235	–
Total financial liabilities	**–**	**14,964**	**12,235**	**2,729**
2021				
Financial assets				
Cash and cash equivalents	–	95	–	95
Receivables	–	4	–	4
Total financial assets	**–**	**99**	**–**	**99**
Financial liabilities				
Payables				
Supplies and services	–	2,361	–	2,361
Borrowings				
Finance lease liabilities	2.66	13,376	13,376	–
Total financial liabilities	**–**	**15,737**	**13,376**	**2,361**

Note:

[a] The carrying amounts disclosed here exclude statutory amounts.

7.2 Contingent assets and contingent liabilities

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

Contingent assets

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

IBAC had no contingent assets for the years covered by this report (2021: $0).

Contingent liabilities

Contingent liabilities are:

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

Contingent liabilities

	2022 ($'000)
Make good leased premises[(a)]	636
Legal proceeding	27
Total Contingent Liabilities	**663**

Note:

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

7.3 Fair value determination

How this section is structured

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

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

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

Significant judgement: fair value measurement of assets and liabilities

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

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

The following assets and liabilities are carried at fair value:

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

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

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

Fair value hierarchy

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

The levels are as follows:

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

IBAC only uses level 3 unobservable inputs for all assets with the exception of right-of-use assets. Significant unobservable inputs have remained unchanged since June 2017.

7.3.1 Fair value determination: financial assets and liabilities

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

7.3.2 Fair value determination: non-financial physical assets

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

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

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

8. Other disclosures

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

8.1 Ex gratia expenses

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

Ex gratia expenses

	2022 ($'000)	2021 ($'000)
Employment termination payment	–	129
Total ex gratia expense	**–**	**129**

8.2 Other economic flows included in net result

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

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

Other gains/(losses) from other economic flows

	2022 ($'000)	2021 ($'000)
Net gain/(loss) arising from revaluation of annual leave and long service liability	232	343
Net gain/(loss) arising from revaluation of make good provision	–	–
Net gain/(loss) from disposal of property, plant and equipment	140	150
Total other gains/(losses) from other economic flows	**371**	**493**

8.3 Remuneration of executives and other personnel

8.3.1 Remuneration of executives

The number of executive officers, other than ministers and the Accountable Officer, and their total remuneration during the reporting period, are shown in Table 79. Total annualised employee equivalents provide a measure of full-time equivalent executive officers over the reporting period.

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

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

Remuneration of executives

	2022 ($'000)	2021 ($'000)
Short-term employee benefits	3,012	3,203
Post-employment benefits	293	279
Other long-term benefits	67	76
Termination benefits	–	370
Total remuneration	**3,372**	**3,928**
Total number of executives	**14.5**	**16**
Total annualised employee equivalents (AEE)[a]	**14.20**	**14.69**

Note:

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

8.4 Responsible persons

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

Names

The persons who held the positions of Minister, Responsible Person and Accountable Officer in IBAC are as follows:

Attorney-General	The Hon. Jaclyn Symes, MP	1 July 2021	to	30 June 2022
Acting Attorney-General	The Hon. Natalie Hutchins, MP	20 September 2021	to	1 October 2021
	The Hon. Lisa Neville, MP	18 April 2022	to	18 April 2022
	The Hon. Natalie Hutchins, MP	19 April 2022	to	27 April 2022
	The Hon. Lisa Neville, MP	16 June 2022	to	18 June 2022
Commissioner	The Honourable Robert Redlich AM, KC	1 July 2021	to	30 June 2022
Chief Executive Officer[a]	Marlo Baragwanath	1 July 2021	to	30 Jun 2022

Note:

[a] Executive Director Glenn Ockerby acted in the office of the Chief Executive Officer in the absence of Marlo Baragwanath for the periods 19 August to 20 August 2021, 27 August to 6 September 2021, and 21 March to 1 April 2022.

Remuneration of responsible persons

Income band	2022	2021
$190,000–$199,999	1	1
$420,000–$429,999	–	1
$430,000–$439,999	1	–
Total number of responsible persons	**2**	**2**

Notes:

The number and amount received or receivable by the Responsible Person and Accountable Officer is based on *FRD 21C Disclosures of responsible persons and executive officers in the financial report.*

The total number of responsible persons includes persons who meet the definition of key management personnel of the entity under *AASB 124 Related Party Disclosures* (AASB 124) and are also reported within the related parties note disclosure (Note 8.6).

The acting Accountable Officers are not included in this note.

8.5 Remuneration of auditors

Remuneration of auditors

	2022 ($'000)	2021 ($'000)
Victorian Auditor General's Office		
Audit of the financial statements	45	38
Total remuneration of auditors	**45**	**38**

8.6 Related parties

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

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

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

Key management personnel of IBAC includes the Attorney-General, the Commissioner and the Chief Executive Officer. The compensation detailed in the following table excludes the salaries and benefits the Attorney-General receives. The Attorney-General's remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and reported within the Department of Justice and Community Safety's financial report.

Compensation of key management personnel

	2022 ($'000)	2021 ($'000)
Short-term employee benefits	593	587
Post-employment benefits	24	22
Other long-term benefits	10	15
Termination benefits	–	–
Total remuneration	**627**	**624**

Transactions with key management personnel and other related parties

Given the breadth and depth of state government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public (for example, by paying stamp duty and other government fees and charges). Further employment of processes within the Victorian public sector occurs on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

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

8.7 Non-financial physical assets held for sale

Non-financial physical assets classified as held for sale

	2022 ($'000)	2021 ($'000)
Motor vehicles under finance leases held for sale	17	–
Total non-financial physical assets held for sale	**17**	**–**

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

This condition is regarded as met only when:

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

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

8.8 Subsequent events

The financial statements for IBAC are prepared for the period ended 30 June 2022. As at the date of signing, there are no events subsequent to the balance date which would have a significant impact on the financial position of IBAC.

8.9 Australian accounting standards issued that are not yet effective

IBAC has assessed the impact of all of the standards that became effective for reporting periods after 30 June 2022. IBAC has not included any standards as we believe the financial statements will not be significantly impacted.

9. Glossary of technical terms

Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses are changes in the present value of the superannuation defined benefit liability resulting from:

- experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred)
- the effects of changes in actuarial assumptions.

Borrowings

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

Commitments

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

Comprehensive result

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

Current grants

Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation

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

Effective interest method

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

Employee benefits expenses

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

Financial asset

A financial asset is any asset that is:

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

Financial instrument

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

Financial liability

A financial liability is any liability that is:

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

Financial report

A complete set of financial reports comprises:

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

General government sector

The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Grants

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

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

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

Interest expense

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

Leases

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

Net result

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

Net worth

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

Non-financial assets

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

Other economic flows included in net result

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

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

Payables

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

Receivables

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

Supplies and services

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

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows in an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (for example, assets provided or given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

10. Style conventions

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

–	zero, or rounded to zero
(xxx.xx)	negative numbers
20xx	year period
20xx/xx	year period

Appendices

Appendix A: Disclosure index

Standing Directions and Financial Reporting Directions

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Legislation	Requirement	Page #
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Declaration		
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Notes:

[(a)] References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure.

Appendix B: Legislation

Relevant legislation

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Building Act 1993	70
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Appendix C: Natural justice requirements and responses

Where an adverse comment or opinion has been made about any person or public body identified in this report, that person or public body has been given an opportunity to respond to those comments or opinions by being shown a draft version of the relevant extract of the report.

A number of persons and entities who are the subject of such comments or opinions responded to the draft version of the relevant extract, and changes were made or incorporated into the report on the basis of those responses. Those responses are not set out in any further detail in this appendix.

In accordance with sections 162(2) and (3) of the IBAC Act, responses that did not result in changes between the draft version of the relevant extract of the report and the final report are set out in this appendix.

Response from Port Phillip Prison

IBAC received the following response from Port Phillip Prison:

'Port Phillip Prison cooperated fully with Operation Eyre and acknowledged some opportunities for administrative improvement along with some operational vulnerabilities. Where appropriate, actions were implemented to improve processes as well as increased resources being made available to enable ongoing monitoring and respond to emerging issues as they arise.'

Response from Anthony Dieni

In his response to IBAC's provision of an extract of the draft annual report, Mr Dieni maintained his innocence despite his guilty plea, and stated that he is seeking legal representation to appeal his conviction.

Appendix D: Abbreviations

Abbreviations	
AAS	Australian Accounting Standard
AASB	Australian Accounting Standards Board
ACT	Australian Capital Territory
AM	Order of Australia, Member
BAU	business as usual
CEO	chief executive officer
CIRT	Critical Incident Response Team
CMS	case management system
CO2-e	carbon dioxide equivalent
CSOs	community service organisations
DET	Department of Education and Training
DPCS Act	*Drugs, Poisons and Controlled Substances Act 1981*
EO	executive officer
FOI	freedom of information
FOI Act	*Freedom of Information Act 1982*
FTE	full-time equivalent
GST	goods and services tax
HSRs	health and safety representatives
IBAC	Independent Broad-based Anti-corruption Commission
IBAC Act	*Independent Broad-based Anti-corruption Commission Act 2011*
ICT	information and communication technology
IOC	Integrity and Oversight Committee
KC	King's Counsel
LPG	liquid petroleum gas
LSL	long service leave
m2	square metres
MJ	megajoule
MP	member of parliament
OHS	occupational health and safety
PBT	preliminary breath test
PID	public interest disclosure
PID Act	*Public Interest Disclosures Act 2012*
PMO	Project management office
RTW	return to work
RCMPI	Royal Commission into the Management of Police Informants
STS	senior technical specialist
VPS	Victorian Public Service

ibac independent broad-based anti-corruption commission
Victoria

