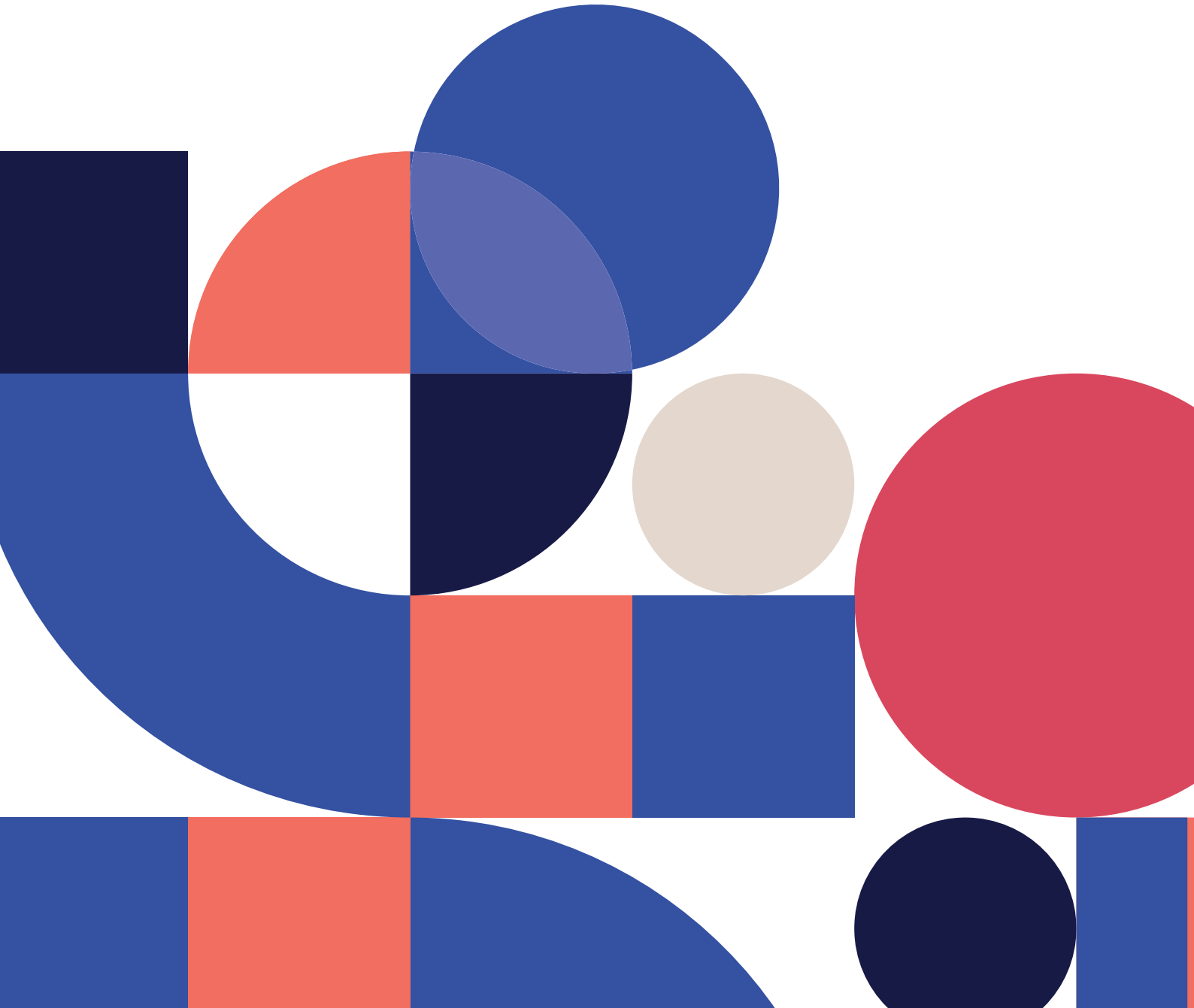
VICTORIAN ombudsman

# Annual report
2025–26





The Ombudsman acknowledges the Traditional Custodians of Country throughout Victoria and pays respect to their Elders past and present.

We recognise the enduring connection of First Peoples to land, water and culture, over which sovereignty was never ceded.

As the human rights complaint handler and investigator, we often see the imbalance of power between individuals and the State. We acknowledge the profound injustices and systemic discrimination experienced by First Peoples, often amplified by this power imbalance.

Through our commitment to fairness and human rights, we strive to listen, learn and advance outcomes that contribute to justice in pursuit of a Victoria that is fair for everyone.

About the artwork

**Maddison Laws, *Biyala*, 2025**
*('Gum tree' in Yorta Yorta, pronounced 'buy-arlah')*

VICTORIAN ombudsman

To

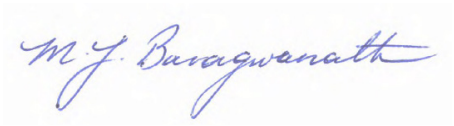
**The Honourable the President of the Legislative Council**

and

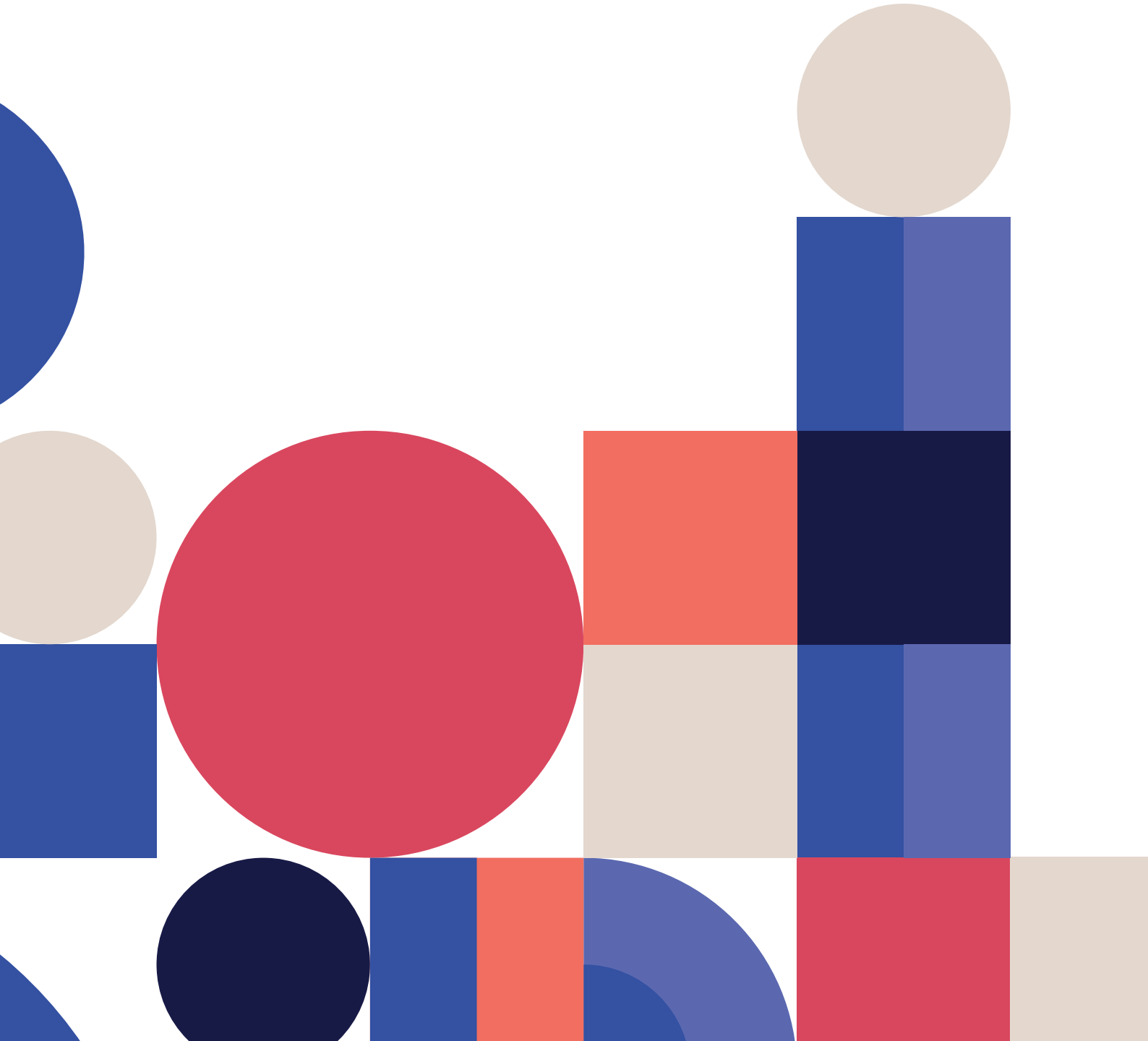
**The Honourable the Speaker of the Legislative Assembly**

Dear Presiding Officers

In accordance with section 25 of the *Ombudsman Act 1973*, and my obligations under the *Financial Management Act 1994*, I am pleased to present the Victorian Ombudsman's annual report of operations for the year ended 30 June 2026.



Marlo Baragwanath
**Victorian Ombudsman**



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**Accessibility**
If you would like to receive this publication in an alternative format, please call 1800 806 314, using the National Relay Service on 133 677 if required, or email vocomms@ombudsman.vic.gov.au.



# From the Ombudsman

As I reflect on the past year, I am reminded that the Victorian Ombudsman exists for one purpose: to ensure people are treated fairly, respectfully and lawfully by the public institutions that serve them. Whether we are helping someone navigate a complaint at a community clinic, supporting people who may otherwise struggle to access government services, or conducting a complex investigation into a systemic issue affecting thousands of Victorians, our work has a direct impact on people's lives.

Our role is to strengthen trust in public administration and uphold human rights. We provide an independent avenue for people when government systems have failed them and, through our investigations, recommendations and engagement, we help improve those systems for everyone.

The need for this work has never been greater. Public services are under increasing pressure from financial constraints, growing demand and rapid technological change. At the same time, community expectations of transparency, accountability and fairness continue to rise. In this environment, there is a risk that systems become focused on processes rather than people. Our role is to ensure that public administration never loses sight of the individuals it exists to serve.

When decisions are poorly made, processes are inadequate, staff are insufficiently supported or conduct falls short of expected standards, people can experience significant and lasting harm. Many are not in a position to challenge these outcomes on their own. Independent oversight provides an essential safeguard, ensuring that government remains accountable and that people's rights are protected.

The Ombudsman's broad powers enable us to investigate matters raised by community members, identified through our own work, or referred by Parliament. Through these powers, we resolve complaints, identify systemic issues and drive improvements across the public sector. Effective oversight is not simply about responding to problems when they occur, it is about preventing harm, improving decision-making and maintaining public confidence in government. Yet our capacity to fulfil this mandate continues to be constrained by inadequate funding and powers.

As I have consistently stated, independent oversight agencies cannot effectively safeguard accountability and public trust without sustainable resourcing. Current funding levels are barely keeping pace with the demands on our office and make it difficult for us to meet our legislative responsibilities and deliver on our strategic priorities.

A change in the process by which we are funded is needed to ensure greater independence and transparency and enable Parliament to have genuine oversight of our work. Until this is in place, Victorians cannot be assured that we are adequately resourced or have sufficient funding independence to meet their needs.

Sustainable resourcing would ensure that serious matters are investigated, opportunities to prevent harm are acted upon and vulnerable members of our community can access the support they need.

Despite these challenges, this year has been marked by significant achievement.

The commencement of Victoria's Treaty legislation on 1 May was an important milestone. We have continued our work with First Peoples to develop guidelines and procedures that promote and safeguard cultural safety and support genuine and enduring relationships with First Peoples communities, organisations and governance bodies. Alongside this work, we have invested in strengthening the cultural capability of our staff to better support our complaint handling and investigations.

This past year we continued implementation of our *Strategic plan 2025–29* across four themes: Our prevention, Our oversight, Our communities, and Our people and systems. We have continued to refine how we direct our efforts towards those who most need our services and where we can achieve the greatest impact. This includes implementing a new oversight prioritisation framework, improving complaint triage processes, adopting more targeted community engagement, and strengthening collaboration across teams to prevent issues before they escalate.

At the same time, we are preparing for the challenges and opportunities presented by rapid technological change. The growing use of artificial intelligence across government has significant implications for transparency, accountability and human rights. We are exploring how technology can improve our service to complainants while also considering how best to oversee the use of AI in the public sector to ensure human rights and fairness remain central to public decision-making.

During the year we tabled four investigations in Parliament, examining: local councils' use of small claims handlers; the Victorian Managed Insurance Authority's management of domestic building insurance claims; flood planning decisions affecting residents near the Maribyrnong River; and alleged misconduct in a private prison and its subsequent handling.

These investigations reflect the breadth of our jurisdiction and the importance of independent oversight. They also demonstrate how our work drives reform, improves public administration and strengthens protections for the Victorian community. Nevertheless, increasing parliamentary referrals and public interest disclosures continue to reduce our discretion about when and what we investigate.

I would like to acknowledge Dan Nicholson, Deputy Ombudsman, Operations, for his continued leadership and support throughout the year. I also thank Kerryn Ellis, Deputy Ombudsman, Corporate, for her contribution to the organisation before her departure in June, and welcome Linda Timothy, who joined us as Acting Deputy Ombudsman, Prevention, while Andrew Adason takes parental leave.

Most importantly, I thank every member of the Victorian Ombudsman team.

Our achievements this year are a result of the dedication, professionalism and commitment of people across the organisation. Every day, they help individuals be heard, improve public sector decision-making and strengthen trust in government. They do this while navigating increasing demand, complex challenges and ongoing resource constraints.

Looking ahead, the need for strong, independent oversight will only grow. Public trust cannot be taken for granted. It must be earned through transparency, accountability and a commitment to treating every person with dignity and respect.

Our commitment remains clear: to put people first, to uphold human rights, to hold public administration accountable and to help ensure Victoria is fair.

**Marlo Baragwanath**
**Ombudsman**

# Year in review

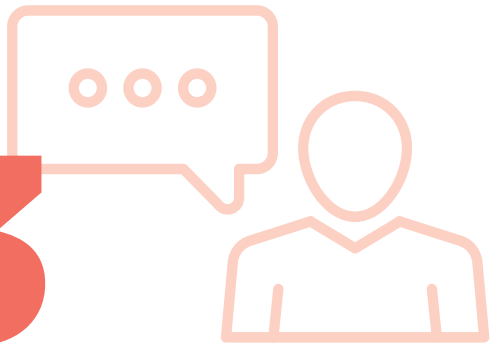
## Public interest complaints

**137**
public interest complaints received, involving **270** allegations

**109**
public interest complaint cases finalised, involving **242** allegations

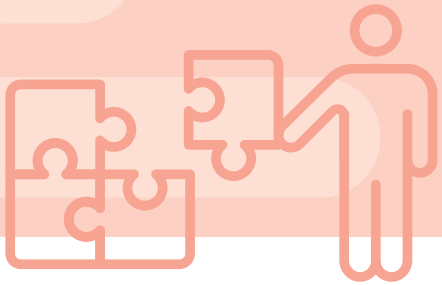
## Complaints

**17,913**



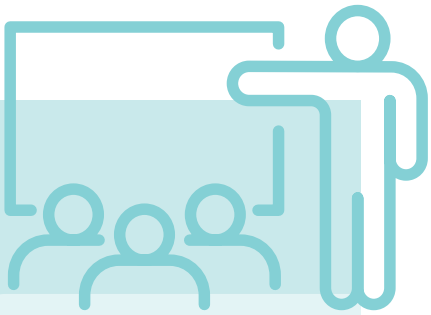
complaints received that were within our jurisdiction

**4,575**
enquiries made into complaints we received



**35**
complaints conciliated

## Education, engagement and social media

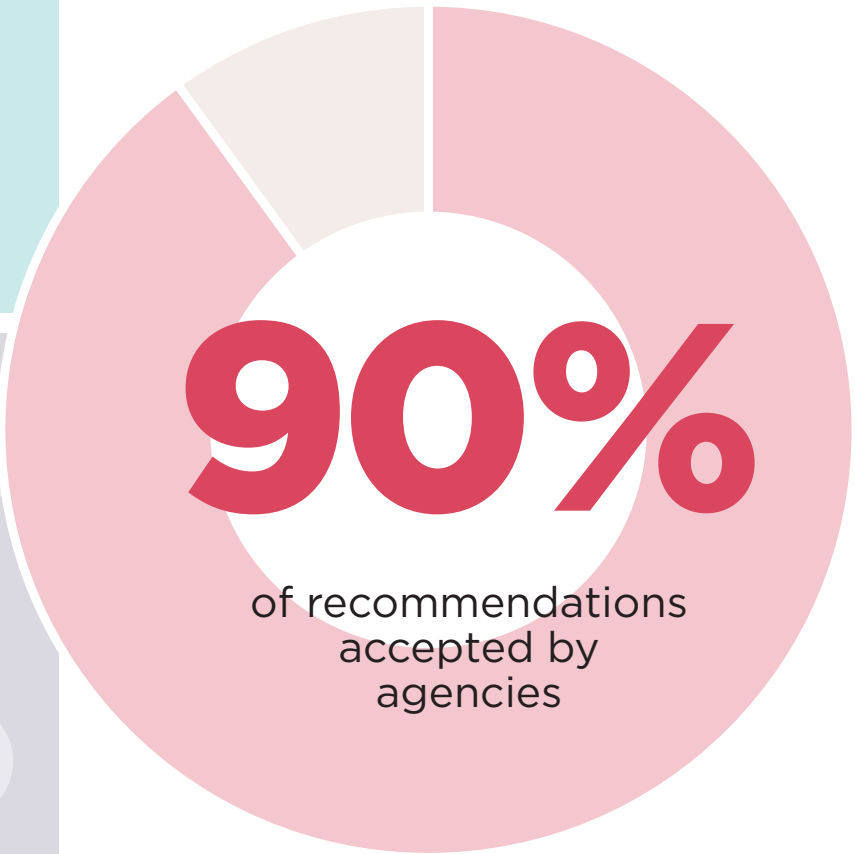


More than
**2,500**
community members engaged with

**46**
training workshops facilitated

**430,952**
times our content appeared on social media

## Investigations



**90%**
of recommendations accepted by agencies

## Sustainability

**5-star**
NABERS rating achieved for environmental impact

# About us

The Ombudsman exists to promote fairness, integrity and respect for human rights. We hold the Victorian public sector accountable to the people of Victoria. What this means in practice is that we're here to 'level the playing field' and ensure fairness in people's dealings with government. This is reflected in our vision, **Victoria is fair**, and in our values of fairness, impact and trust.

The Victorian Ombudsman was established by the Victorian Parliament in 1973, when the *Ombudsman Act 1973* established the Office of the Victorian Ombudsman as a mechanism for fairness in what is an inherently unequal relationship between the individual and the State. While independent and impartial, we give voice to those whose voices may not be listened to, we protect and promote human rights, and we are the public sector's partner in good governance.

The Ombudsman is an independent officer of the Parliament under section 94E of Victoria's *Constitution Act 1975*.

## Our purpose

Through handling complaints, conducting investigations and undertaking a range of preventive activities, we work to ensure fairness for people in their dealings with the Victorian public sector and improve public administration. Day to day, this work involves:

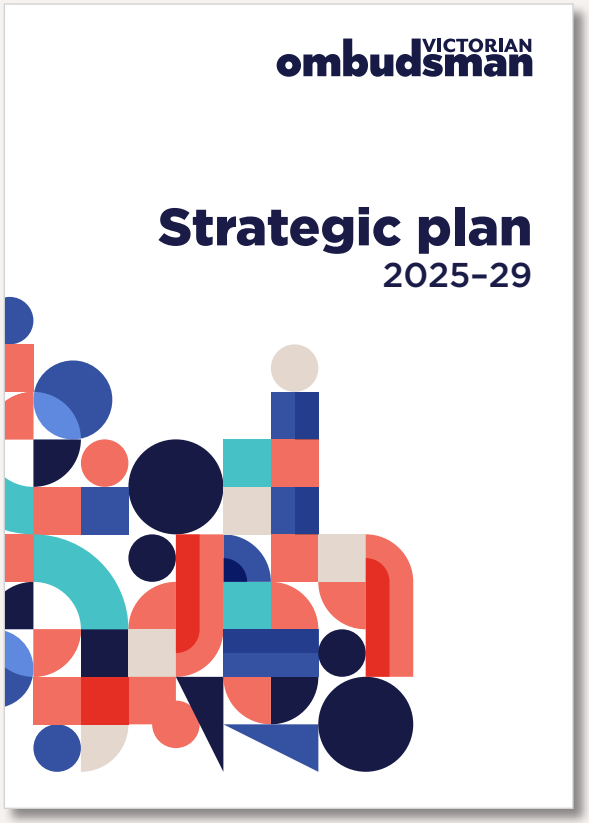
- taking complaints about the actions and decisions of public organisations – we can look into issues involving organisations such as local councils, social housing, child protection, public health and education, prisons and youth justice, Victorian public universities and TAFEs
- making enquiries and resolving complaints informally where possible, including by conciliation
- investigating when needed and making remedial recommendations for change
- receiving and investigating 'whistleblower' complaints under the *Public Interest Disclosures Act 2012*
- examining systemic issues in public administration
- conducting reviews of public organisations' complaint handling
- providing education and training to the Victorian community and public sector, and promoting improved public sector administration.

We do not advocate for members of the public or for authorities. We make decisions based on evidence and operate in accordance with the Ombudsman Act.

Human rights are a crucial part of the Ombudsman's work, and we have an important role in upholding the 20 rights and freedoms set out in Victoria's *Charter of Human Rights and Responsibilities Act 2006* ('the Human Rights Charter'). We are Victoria's human rights complaint handler and investigator, looking into whether public bodies' actions and decisions are compatible with, and give proper consideration to, human rights. By looking at public administration through the lens of human rights, we encourage a culture of human rights compliance across the public sector.

The *Terrorism (Community Protection) Act 2003* requires us to be notified when a preventative detention order or prohibited contact order is made, and if a person is taken into custody. We can receive complaints and make representations to a nominated senior police officer about a person's treatment in connection with their detention.

Most of our work takes place in private in accordance with our legislation, but the Ombudsman can decide to make our work public in certain circumstances.




## Our strategic plan

This year's annual report marks the first full year of reporting under the four strategic themes introduced in our *Strategic plan 2025–29*.

To guide our work in the years ahead, the plan introduces our vision – 'Victoria is fair'. It also defines our strategic focus and priorities, and the impact we want to see from our work.

This vision distils our aspiration for a fair Victoria where human rights are protected and promoted; people are kept at the centre of decision making; and public bodies are open and accountable.

To bring this vision to life, the plan includes four strategic themes to focus our efforts:

- **Our prevention:** Proactive education and engagement
- **Our oversight:** Independent and considered approach
- **Our communities:** Trusted and effective services
- **Our people and systems:** A capable and future-focused organisation

# Our strategic plan at a glance

## Intent
The value we bring through our role

## Strategic themes
The areas we will focus on and what we seek to achieve

**Our prevention**
*Proactive education and engagement*

- Strengthening constructive relationships with key stakeholders
- Improving capabilities in administration and complaint handling across public bodies
- Leveraging intelligence to drive improvements

## Outcomes
The impact we want to see from our work

We are respected stewards for good public administration and integrity.

## Values
Foundations of our identity



**Fairness**

## Vision
The future we strive to create

**Victoria is fair**

People are kept at the centre of decision making

Human rights are protected and promoted

Public bodies are open and accountable

**We protect human rights**
as the independent complaint handler and investigator, and by making it easier for those experiencing disadvantage to complain.

**We enhance integrity**
by investigating serious matters and exposing maladministration and improper conduct.

**We ensure fairness**
through independent and impartial complaint resolution and by promoting fair and reasonable decision making.

**We champion continuous improvement**
and assist public bodies to learn from complaints and investigations and work constructively to identify solutions.

| **Our oversight** *Independent and considered approach* | **Our communities** *Trusted and effective services* | **Our people and systems** *A capable and future-focused organisation* |
|---|---|---|
| — Increasing flexibility in how we use our range of oversight tools | — Increasing engagement with communities experiencing marginalisation | — Investing in our people to thrive and continuing to develop emerging leaders |
| — Highlighting issues that are of community concern, or that we determine are systemic or in the public interest | — Tailoring assistance for people who need the most help in seeking a fair outcome from government | — Building collaboration across our organisation and the integrity and oversight sector |
| — Leading impactful investigations and enquiries | — Making it easier to access and navigate the complaint system | — Enhancing our data analytics and technology capabilities for the future |
| | | — Securing independent and sustainable resourcing |
| We have a lasting impact on fairness, equity and integrity in Victoria. | Our role and services are well known, accessible and valuable. | We are capable, curious and collaborative. Our systems are resilient and scalable. |

**Impact** **Trust**

## Focus areas

In 2025–26, we adopted a new approach to sharpen our focus on key areas where we can make the greatest difference to improve public administration and protect human rights in pursuit of our vision that Victoria is fair.

Drawing on our data and other intelligence including stakeholder consultation, we identified five thematic focus areas to proactively direct extra attention, resources and expertise. These areas reflect important and emerging spheres of public life and administration where our strategic oversight, guidance, engagement and understanding can have the most meaningful impact.



**First Nations**



**Local government**



**Housing and cost of living**



**Climate change and natural disasters**



**Closed environments**

# Outcomes from our *Annual plan 2025–26*

KEY
- Action achieved
- Action progressed, nearing completion >80%
- Action in progress <80%
- Action cancelled

| Action | | Status | Commentary |
|---|---|---|---|
| 1 | Embed the Prevention Framework through ongoing implementation | | 80% complete. Several products published to the VO website that demonstrate our approach to prevention. |
| 2 | Trial a complaints community of practice across the Victorian Public Service | | Deferred until 2026–27. |
| 3 | Define and publish an annual set of focus areas to align organisational effort and engagement | | Five focus areas defined, published to the VO website, and operationalised. |
| 4 | Develop and trial a prioritisation framework to inform decisions on how we use our range of oversight tools and allocate our resources | | Prioritisation framework developed and implemented across Operations. |
| 5 | Maintain a structured engagement approach with senior stakeholders (including relevant elected officials) to share lessons and integrity insights from our operations | | 80% complete. *Our approach to engagement* document developed, with publishing to the VO website expected in Quarter 1 2026–27. |
| 6 | Deliver a pipeline of regular publications to share guidance and integrity insights, including:<br>▪ a referral from Parliament about VMIA's handling of Domestic Building Insurance claims<br>▪ a referral from Parliament about flooding in Kensington Banks and Rivervue<br>▪ an investigation into a human rights issue<br>▪ one casebook on complaints<br>▪ one good practice guide | | 80% complete.<br>VMIA report tabled in Parliament in December 2025.<br>Kensington Banks and Rivervue report tabled in Parliament in November 2025.<br>Two human rights-focused investigations are underway.<br>Casebook on complaints deferred until 2026–27.<br>Our complaint-handling good practice guide for local government is well progressed. |
| 7 | Develop a First Nations engagement and complaint-handling strategy | | Strategy developed and approved. |
| 8 | Develop education and engagement activities for members of communities experiencing marginalisation to help them make more effective complaints | | 95% complete. Multicultural and multifaith communities collateral developed and website preparation completed, pending the addition of further languages. |
| 9 | Establish and embed a framework for identifying and tailoring assistance for complainants who need the most support in navigating the complaints system | | Triage and allocation process developed and implemented for written and phone complaints. This process includes assessment of complainant support needs. |

## Outcomes from our *Annual plan 2025–26* (continued)

KEY
- Action achieved
- Action progressed, nearing completion >80%
- Action in progress <80%
- Action cancelled

| Action | | Status | Commentary |
|---|---|---|---|
| 10 | Pursue improvements to the Public Interest Disclosure/ Public Interest Complaints scheme as it relates to the Victorian Ombudsman's mandate | ✓ | Advocated for PID scheme legislative amendment with the Department of Justice and Community Safety and liaised with IBAC on PIC referrals and legislative reform. |
| 11 | Develop and commence implementation of a comprehensive people strategy encompassing safety and wellbeing, culture and contemporary capabilities required as an integrity agency | ✓ | *People strategy 2025–28* developed and year one implemented. |
| 12 | Commence development of a holistic Information and Communications Technology (ICT) strategy and roadmap with a focus on information management and security, systems capabilities, data analytics and technologies for the future | ○ | 50% complete. Strategy development in progress and anticipated to be finalised in late 2026. |
| 13 | Conduct a controlled trial of an artificial intelligence tool to help people work more effectively, capturing insights to inform further consideration of how AI tools could support our functions | ○ | 20% complete. Pilot in contract award phase, with trial to run through the second half of 2026. |
| 14 | Develop a suite of metrics to better inform measurement of the organisation's impact in improving public administration | ✓ | New BP3 output performance measures endorsed by Minister for Finance and published in *Annual plan 2026–27*. |

# Performance overview

| KEY | | |
|---|---|---|
| | Met | Result against target is between +/- per cent variance |
| | Exceeded | Result against target is more than 5 per cent variance above target |
| | Not met | Result against target is more than 5 per cent variance below target |

| Performance measures | Unit of measure | 2025–26 actual | 2025–26 target | Performance variation (%) | Target met, not met or exceeded |
|---|---|---|---|---|---|
| ***Quantity*** | | | | | |
| Number of jurisdictional cases opened | number | 17,752 | 18,000 | -1% | Met |
| Jurisdictional cases selected for enquiry/investigation | per cent | 25 | 27 | -7% | Not met |
| *The 2025–26 outcome is slightly lower than the 2025–26 target. In late 2025, we implemented a new complaints triage process that helps prioritise complaints according to where our involvement can have the greatest impact. This process is still being embedded and, once it is, the enquiry rate is expected to increase.* | | | | | |
| Education and training participants | number | 858 | 750 | 14% | Exceeded |
| *The 2025–26 expected outcome is higher than the 2025–26 target because two key sector clients engaged our services for multiple deliveries within short time frames, which exceeded typical undertakings with these clients.* | | | | | |
| ***Quality*** | | | | | |
| Jurisdictional cases that lead to an agreed improvement (e.g., practice/ policy/law reform, remedial/ rectification/mitigation action) | per cent | 85 | 55 | 55% | Exceeded |
| *The 2025–26 outcome is higher than the 2025–26 target because of effective relationships and constructive exchanges between VO staff and respondent agencies.* | | | | | |
| Public sector education program satisfaction rate | per cent | 92 | 90 | 2% | Met |
| Complaint service satisfaction | per cent | 45 | 60 | -25% | Not met |
| *The 2025–26 outcome is lower than the 2025–26 target. Our complainant satisfaction data reflects the decline in satisfaction associated with other government services and is generally consistent with or higher than the results of other Parliamentary Ombudsman offices. Our new complaints triage process is intended to improve complainant experience through more targeted allocation, less double handling and earlier, clearer expectation setting.* | | | | | |
| ***Timeliness*** | | | | | |
| Complaints closed within 30 days | per cent | 93 | 90 | 3% | Met |
| Investigations closed within 12 months | per cent | 31 | 75 | -59% | Not met |
| *The outcome is lower than the 2025–26 target due to the closure of aged investigations and temporary diversion of investigative resources in response to parliamentary referrals and the assessment of increasing numbers of public interest complaints.* | | | | | |
| ***Cost*** | | | | | |
| Total output cost | $ million | 22.78 | 22.58 | -0.86% | Met |
| *The annual target excludes Special Appropriations and Treasurer's Advance for parliamentary referrals expense, and was reduced from $22,718,333 to $22,581,333 as part of a mid-year non-policy variation to reduce education revenue from $0.267M to $0.130M for 2025–26. The 2025–26 outcome is slightly higher than the 2025–26 target. We have an operating deficit due to funding not keeping pace with increased costs, due primarily to wage increases and CPI cost increases on other goods and services.* | | | | | |

# Financial overview

| Five-year financial summary | 2026[a] | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Total income from transactions[b] | 25,131,396 | 24,374,821 | 23,259,204 | 23,316,259 | 20,681,144 |
| Total expenses from transactions | 25,313,726 | 24,389,570 | 23,282,389 | 23,316,259 | 20,804,345 |
| Net result from transactions[c] | (182,330) | (14,749) | (23,185) | - | (123,201) |
| Other economic flows included in net result | - | - | (5,715) | - | - |
| Net result for the period | (182,330) | (14,749) | (28,900) | - | (123,201) |
| Net cashflow from operating activities | 1,444,900 | 1,191,203 | 1,071,888 | 1,077,645 | 1,077,935 |
| Total assets | 17,004,129 | 17,578,354 | 18,079,729 | 18,573,281 | 18,676,055 |
| Total liabilities | 11,717,501 | 12,109,395 | 12,596,021 | 13,060,674 | 13,163,449 |

**Notes**

(a) This table presents data from the current reporting year with comparative data from the past four reporting years.

(b) Income from government includes both output and special appropriations.

(c) The 'net result from transactions' is identical to the 'net operating balance' for the general government sector.

## Current financial year review

The Victorian Government measures financial management using the net result from transactions. This measure excludes asset disposal gains or losses and leave liability revaluations driven by changing discount rates and market assumptions, as these factors sit outside our control.

We reported an operating deficit of $0.182 million in 2025–26 due to non-deferrable, urgent expenditure.

There was an increase in income and expenses from transactions in 2024–25.

## Financial position – balance sheet

As of 30 June 2026, our net asset base is $5.286 million, reflecting a $0.182 million decrease compared to the previous year. No other significant changes or factors impacted the financial performance for the current year.

## Cash flows

The net cash inflows from operating activities $1.445 million for the year. The main driver being timing differences relating to the receipting of appropriation revenue from government and payments.

## Significant changes in financial position

There were no significant matters which changed our financial position during the reporting period.

## Capital projects

During 2025–26, we capitalised the renewal of our aged information technology, media and facility assets.

## Disclosure of grants and transfer payments

We have not provided any grants or transfer payments to companies or organisations.

## Subsequent events

Subsequent to the reporting period, we exercised the lease extension for our office at Level 2, 570 Bourke Street. Further details are provided in Note 8.5 of the financial statements.



# Our prevention

I was delighted to step into the role of Deputy Ombudsman, Prevention, in February 2026 while Andrew Adason is on parental leave.

I have enjoyed a warm welcome from across the organisation, but particularly from the Prevention team, as we work together to embed our approach to prevention into our way of working.

While I am new to the Victorian Ombudsman, I am not new to the Victorian integrity sector, having spent some years leading the Prevention and Communication team at the Independent Broad-based Anti-corruption Commission (IBAC).

I am steadfast in my belief in the power of prevention. In the context of the work we do at the Ombudsman, prevention means not only preventing unfairness and harm before they occur but also minimising the impact of harm. We aim to do this by preventing escalation and seeking to prevent problems recurring through the recommendations we make and our work to build capability across the public sector. This approach requires collaboration across teams to identify systemic issues as they emerge and an organisation-wide commitment to prevention.

In 2025–26, we continued to build on the prevention priorities that we outlined in our *Strategic plan 2025–29*. Our new publication *Our approach to prevention* provides more detail on how we will embed a prevention approach across our organisation. This approach spans all our work, helping to ensure that human rights, fairness and integrity remain at the forefront across public bodies.

The establishment of our Intelligence and Reviews team within the Prevention division reflects a shift to a more collaborative approach to prevention. This dedicated intelligence function helps to better identify systemic issues and support appropriate and proportionate selection of our oversight tools, to address potential issues and prevent or minimise harm.

We have continued to sharpen our engagement with public sector bodies within our jurisdiction, to support the sector to improve public administration and drive fairer outcomes for the community. We engage widely across diverse entities spanning Victorian Government departments, agencies, local councils, hospitals and schools.

Our education team has reached many of these organisations, delivering a substantial education program including training sessions and resources to support good administrative practices, as well as a program of civics education targeting school-aged students. Our engagement team also partners with many government agencies to reach regional audiences, travelling across Victoria.

This work is supported by a shift in focus of our policy team, which will be developing a greater variety of products that organisations can use to help address systemic issues. Added to this is the tireless work of our communications team in keeping our message about fairness, human rights and how we support those most in need of our services on the public agenda.

I would like to thank the whole team for their enthusiastic adoption of this new approach to promote and support the objectives of Ombudsman's office.

**Linda Timothy**
**Deputy Ombudsman, Prevention**

## Complaint system reviews

Where we identify a systemic issue, we may proactively review a public body's complaint-handling practices and processes to help them improve and, ultimately, reduce the number of complaints to the Ombudsman about others' complaint handling.

Reviews support agencies to operate complaint-handling systems that are responsive to complainants, encourage reflection and harness the power of complaints to support continuous improvement.

In 2025–26, we finalised three complaint system reviews. In three other instances, we provided preliminary feedback to public bodies such as local councils without conducting a formal review.

## Education

We provide resources to support public bodies to make better administrative decisions and manage complaints more effectively and fairly. We run a substantial education program to deliver this, including training sessions and workshops for public sector bodies and publications to support good administrative practices.

Our education sessions support public sector workers to manage complex behaviour, provide tools and processes for better complaints handling and training to support improved decision making. We use real-life examples and lively face-to-face delivery, supported by realistic case studies.

In 2025–26 we delivered 46 workshops with 858 attendees. This was a substantial increase on last year's numbers, with some organisations booking multiple workshops for the first time. We also delivered repeat workshops to organisations that had received training in the past and were looking to refresh their skills. These increased numbers follow a successful online promotion of the workshops, and mark a return to the higher attendances seen in 2023–24 and 2022–23.

### Highlights from our education program



We delivered **46** training workshops



Our workshops attracted **858** participants



Participants gave our workshops a **92 per cent** satisfaction rating

On top of our formal training and workshops, we also delivered speeches and seminars to thousands across public sector and community, including presentations at:

- 8 state and national conferences
- 24 in-house agency events, including departmental integrity forums
- 47 multi-agency roundtable and community events
- 4 training sessions for new recruits in Corrections and Youth Justice.

Participant satisfaction was very high, at 92 per cent. This is also reflected in the positive word-of-mouth recommendations for our training workshops to other agencies.

While most of our workshops are delivered in-person, we also conduct online workshops where needed.

> The workshop was excellent and relevant to our work. Should be a requirement for all complaint handlers.'
>
> **Workshop participant**

### Measuring the impact of our training

This year we again engaged an independent researcher to survey a sample of training participants so that we have feedback on the effectiveness of our training for the public sector. The results show extremely high levels of satisfaction and tangible impact on public administration. For example:

- **High satisfaction and value:** Satisfaction with the workshop program has remained high, with 98 per cent of surveyed participants rating their overall experience as good or very good.
- **Meaningful change:** Importantly, 98 per cent of attendees said the workshops had a positive impact on how they approach areas such as complaint handling, decision making and managing complex behaviour.
- **Positive workplace outcomes:** Most participants felt the training would strengthen continuous improvement cultures (89 per cent), improve complainant experiences (72 per cent), and boost workforce morale and wellbeing (78 per cent).
- **Enduring engagement:** Demand for the workshop program continues to strengthen, with attendee advocacy and future participation intent both increasing compared with previous years. This year 96 per cent of participants said they would be interested in attending another workshop.




## Our approach to prevention

To articulate how we work with the public sector and the community to prevent harm, in 2025–26 we published *Our approach to prevention.*

At the heart of the approach are three key objectives: Promote the good. Prevent the bad. Expose the unfair.

In documenting our approach, we sought to articulate how we can bring together our wide-ranging prevention activities – community and sector engagement, tailored education workshops, a system-wide approach to public policy, a dedicated intelligence function, and compelling communications – to equip the community with information, support our oversight work and drive meaningful change.

We have continued to prioritise our prevention work and build our dedicated Prevention division within the office; however, central to our approach is the principle that prevention is everybody's responsibility and that everyone – whether in our office, the public sector or the community – can play a role in preventing maladministration and improper conduct.

PROGRESS TOWARDS OUR OBJECTIVES:

# Prevention

We have developed four objectives based on the objectives for the Ombudsman outlined in the *Ombudsman Act 1973*.

The table below demonstrates our progress on the objectives to assist in improving the quality of administration and complaint-handling practices and procedures of public bodies and to facilitate the education of the public sector about matters relating to the functions of the Ombudsman.

Trends in these indicators demonstrate our performance.

***To assist in improving the quality of administration and complaint-handling practices and procedures of authorities***
***To facilitate the education of the public sector about matters relating to the functions of the Ombudsman***

| Indicator[a] | Unit of measure | 2025–26 | 2024–25 | 2023–24 | 2022–23 |
|---|---|---|---|---|---|
| Participants who report feeling more confident in complaint handling, decision-making or dealing with complex behaviour as a result of attending a Victorian Ombudsman workshop | per cent | 98 | 93 | Not measured | Not measured |
| Public sector stakeholders who feel very or extremely aware of the Victorian Ombudsman's role | per cent | Data not yet collected[b] | 88 | 85 | 87 |

## Performance against output measures

The table below lists outputs provided by the Ombudsman to Parliament over the past four years, including performance measures for each output, and the actual performance results against budgeted targets by output for the Ombudsman over the full year ending 30 June 2026.

| Performance measures | Unit of measure | 2025–26 actual | 2025–26 target | 2024–25 | 2023–24 | 2022–23 | Performance variation (%) | Target met, not met or exceeded |
|---|---|---|---|---|---|---|---|---|
| ***Quality*** | | | | | | | | |
| Public sector education program satisfaction rate | per cent | 92 | 90 | 93 | 97 | 96 | 2% | Met |
| ***Quantity*** | | | | | | | | |
| Education and training participants | number | 858 | 750 | 484 | 1,059 | 1,000 | 14% | Exceeded |

*The 2025–26 expected outcome is higher than the 2025–26 target because two key sector clients engaged our services for multiple deliveries within short time frames, which exceeded typical undertakings with these clients*

**Notes**

(a) Additional objective indicators have been developed and will be included in the *Annual report 2026–27*.

(b) At 30 June 2026, the Victorian Ombudsman was in the process of transitioning to a new research provider.



# Our oversight

At the heart of every complaint or investigation is an ordinary person's story of an interaction with government that they think has gone wrong in some way. The Ombudsman's role in oversight is to address what went wrong, and to try to make the next person's interaction with government fairer and better.

This year we tabled four investigation reports in Parliament and they all tell different stories. Whether they involve state-managed building insurance, local councils, essential services or our prisons, these reports tell compelling stories of individuals struggling for fair treatment by public bodies. They also reveal the startling breadth of the issues we oversee across the state.

To tackle this range, we continue to adapt to use our resources most effectively to have the biggest impact on fairness and focus on human rights in Victoria. This helps us to target our resources to the issues that are most significant, and to support groups in the community that are most in need.

Our new oversight prioritisation framework is a decision-making framework that helps us to choose what issues to address, which oversight tools we should use, and which issues we should investigate. The framework is made up of some simple questions within three areas that help us to prioritise our resources to have the greatest impact.

With a complaint every six minutes or so, it's crucial that we have a good triage and prioritisation system in place in complaints too, and this year we introduced a new triage process that helps us to identify and tailor assistance for complainants that need the most support navigating complex government systems. It also means that we can more quickly and easily identify complaints of a serious and systemic nature and take action where necessary.

The volume of public interest complaints remains high, with a 30 per cent increase in referrals from IBAC since last year. Our lack of discretion in this area continues to divert resources from investigating systemic issues which may be causing harm.

Adding to this pressure on resourcing, recent changes to bail laws have driven a 25 per cent increase in complaints from Corrections since last year. We have established a dedicated group within our complaints team to focus on closed environment complaints such as those associated with prisons and remand centres; however, meeting this substantially higher demand remains a challenge.

As an independent oversight body, the Ombudsman must ensure its work reflects First Nations perspectives, cultural knowledge and lived experience. In consideration of this, we have recently finalised our First Nations complaints strategy. This was developed by our new First Nations complaints team, in consultation with First Nations stakeholders to strengthen fairness, integrity and culturally safe practice for Aboriginal and Torres Strait Islander Peoples engaging with the Ombudsman.

Additionally, our new legal team has settled in and has rolled out strengthened coercive powers processes which will build our capacity across all operations.

Finally, I'd like to thank the entire Operations team for their tireless work for just and fair outcomes for our community, and for their willingness to adopt new ways of working to achieve this aim with limited resources.

**Dan Nicholson**
**Deputy Ombudsman, Operations**

# Handling complaints

We receive a complaint about every six minutes from someone who feels that they have been treated unfairly by a public body in Victoria. In 2025–26, this amounted to 17,913 people contacting us with complaints that were within our jurisdiction, and we enquired into 4,575 of these complaints. This is an increase since last year of almost 6 per cent and is partly driven by the substantial increase in Corrections complaints, due to recent changes to bail laws. We have also seen an increase in complaints about housing issues, including public and community housing.

We receive complaints over the phone, via email, online or via webchat, or by letter; however, over two-thirds of people contact us by phone and speak directly to one of our complaint handlers.

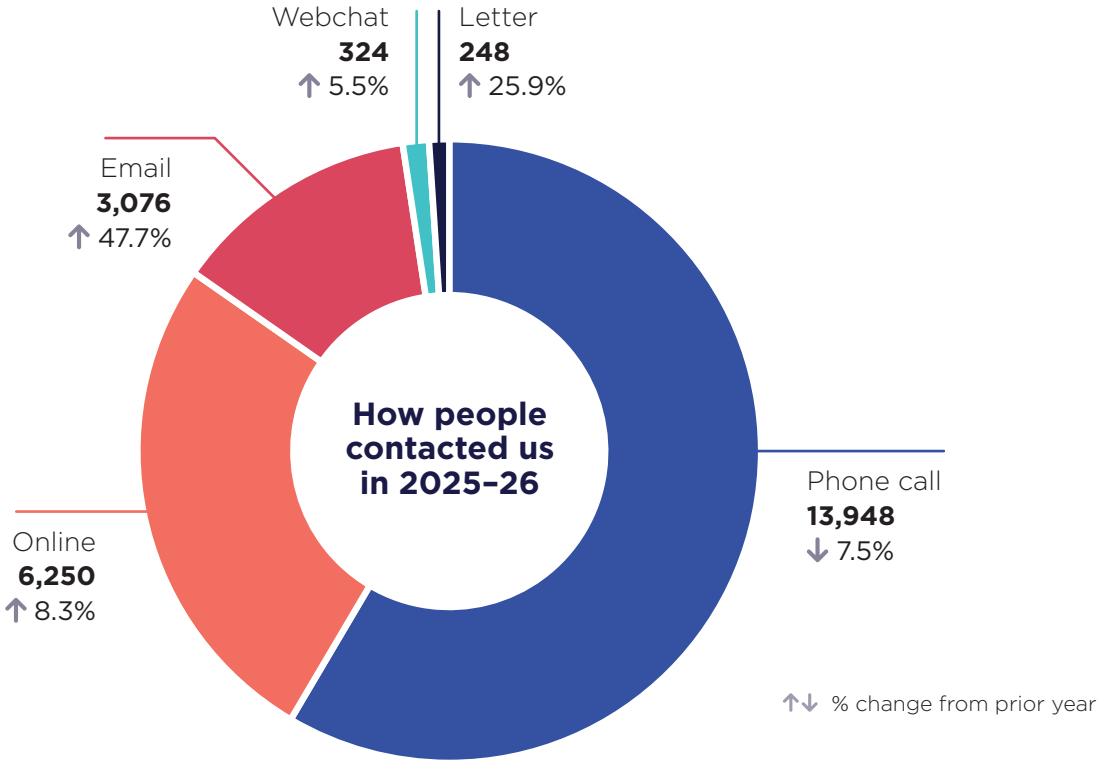
We assess, prioritise and seek to resolve complaints at the first possible opportunity, preventing small issues from growing into larger ones. Our new triage process requires us to consider the person who contacts us, the problem they are experiencing, and the impact we can have, leading to more tailored assistance and more streamlined identification of complaints of a serious and systemic nature.

We can make enquiries to decide whether an issue may be resolved or should be investigated further. Our enquiries are informal and can involve speaking to the parties, undertaking research, obtaining records or inspecting files.

We always aim to be timely and, this year, we dealt with 93 per cent of complaints within 30 days.

This year, the most common types of complaints we received were about decision-making by public bodies, complaint-handling processes and poor communication, with an increase of 18 per cent in concerns raised about complaints-handling processes since last year. This includes things such as delays, or inadequate remedies or reasons given by the organisation in question.

While overall numbers were still low relative to other areas, there was also a notable increase in complaints about health services and access to medical services, which increased by almost 24 per cent.



## The most complained about issues in 2025–26

**Decision making**
For example, complaints about agencies making the wrong decision, not providing reasons for decisions and/or not properly considering relevant laws and policies




**Complaint handling**
For example, complaints about the process, including delays and/or complaints about the outcome, including inadequate remedies or reason



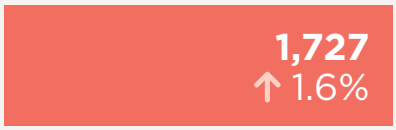

**Communication**
For example, complaints about not receiving a response to correspondence and/or agencies unreasonably withholding information




**Financial**
For example, complaints about fees and charges, taxes, duties and rates and/or compensation payments



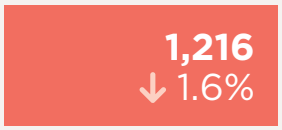

**Quality of and access to services**
For example, complaints about the quality of services in prisons including the telephones or how personal property is managed and/or access to other public services



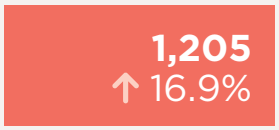

**Buildings and facilities**
For example, complaints about the quality, condition and maintenance of public facilities and housing



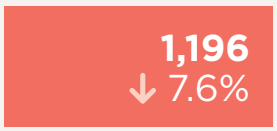

**Fines and infringements**
For example, complaints about fines being unreasonably issued and/or the review process not being fair



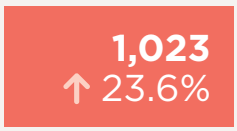

**Conduct**
For example, allegations about public officers misusing their position of power and other forms of misconduct




**Enforcement action**
For example, complaints about agencies either taking excessive action or not taking enough action to enforce decisions




**Health services / access to medical**
For example, complaints about access to and/or the quality of public health services, including public health care providers and justice health within prisons

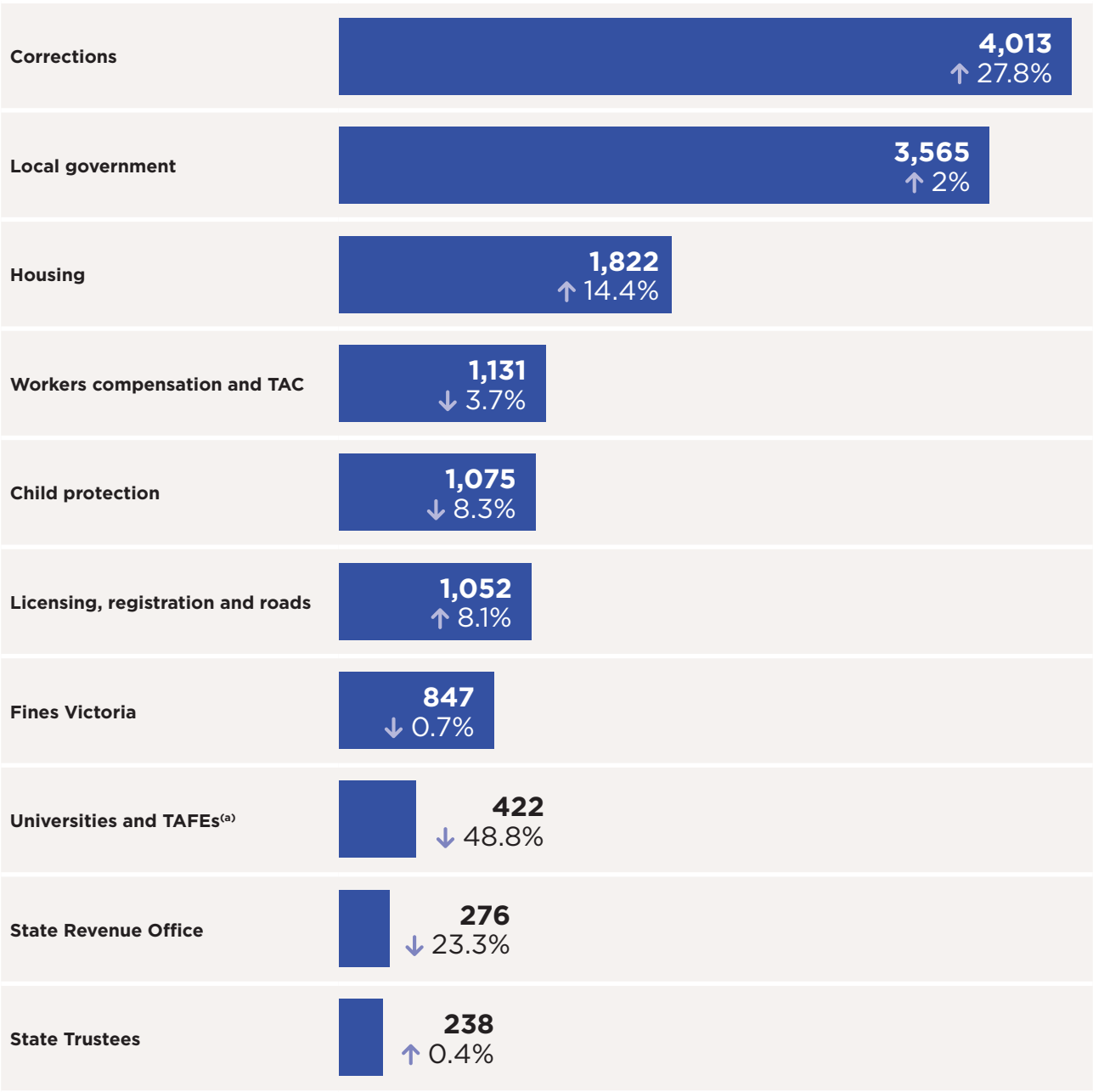



↑↓ % change from prior year

## Most complained about portfolios and agencies in 2025–26

We can receive complaints about almost 1,000 bodies, including state government departments, local councils and a range of other public organisations such as VicRoads, WorkSafe and Fines Victoria.

To give a sense of who people complained about, we group authorities into portfolios or agencies. For example, 'Local government' includes 79 individual councils, and 'Housing' combines complaints about both public and community housing.



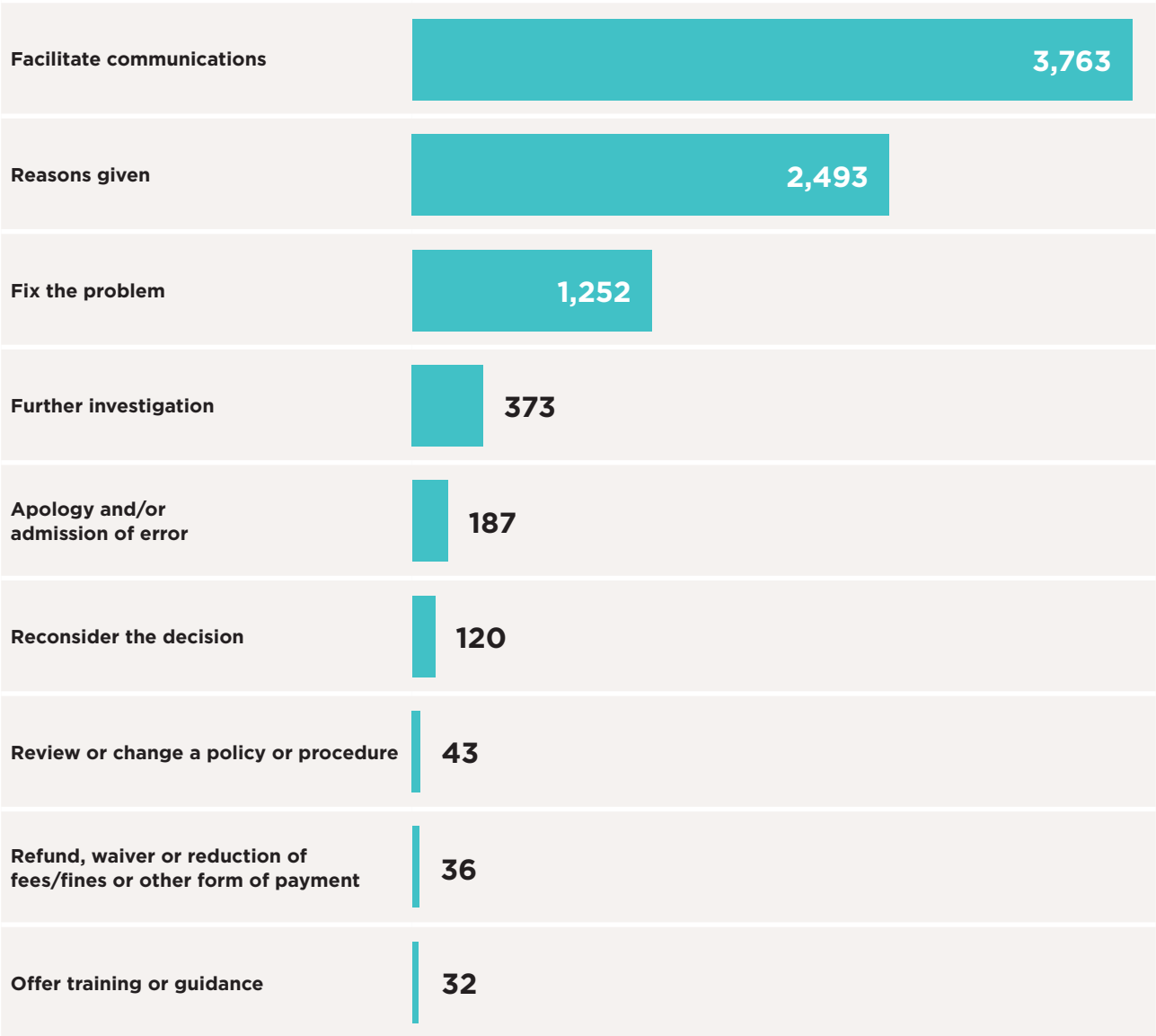

(a) Most complaints about higher education providers are now being handled by the recently established National Student Ombudsman, part of the Commonwealth Ombudsman.

↑↓ % change from prior year

## Actions agreed by agencies in 2025–26

Working cooperatively with complainants and agencies, this year we were able to negotiate over 8,000 remedies, often to resolve complaints without a formal investigation.

The most common remedy for the complaints we dealt with in 2025–26 involved facilitating communication, by reconnecting the parties and encouraging the agency to respond to the issue directly.



## Conciliating complaints

Where a complaint involves a complex or long-running dispute, a communication breakdown or an ongoing relationship between the parties, conciliation may be an ideal way to reach a resolution.

Through the process, trained conciliators bring both parties together to find solutions in a supported and structured setting. Conciliations are held in private and conducted with agreed, respectful rules of engagement. Our complaints officers are trained to detect where conciliation may be a sound option to resolve a complaint. It's a voluntary process for everyone involved.

We can conciliate a complaint at any stage of an enquiry or investigation process. Conciliation can be a good option for complaints that rely on both parties taking responsibility and where both parties can bring a solution mindset. Successful conciliations are an opportunity to 'humanise' the bureaucracy and improve decision making in the public sector.

## Protecting human rights

Victoria's Human Rights Charter places important obligations on public authorities to properly consider and act compatibly with the fundamental human rights of everyone in Victoria. As Victoria's human rights complaint handler and investigator, we have a role in ensuring individuals' human rights are respected when they engage with public services.

In 2025–26, we handled 4,380 complaints that engaged human rights, a four-year peak. We made enquiries into hundreds of individual cases alleging breaches of human rights. Our work resulted in reversals of decisions, improved policies and other actions to properly consider people's human rights.

## Quality assurance

To ensure the quality of our complaint-handling service, we align our practice with principles in the Australian Standard Guidelines for complaint management in organisations.

### Outcomes from conciliation in 2025–26



We conciliated **35** complaints



**89%** per cent of conciliations resulted in a resolution



Conciliation resulted in:

- **13** apologies and/or admissions of error
- **20** complainants receiving a clearer explanation of the reasons for decisions or actions

- No ex-gratia payments were agreed in 2025–26.
- Conciliation numbers are lower than in previous years due to temporary staffing changes at the Victorian Ombudsman.

PROGRESS TOWARDS OUR OBJECTIVES:

# Complaints

The table below demonstrates our progress on the objective to provide a timely, efficient, effective, flexible and independent means of resolving complaints about administrative action of authorities. Trends in these indicators demonstrate our performance.

| Indicator | Unit of measure | 2025–26 | 2024–25 | 2023–24 | 2022–23 |
|---|---|---|---|---|---|
| Timely – Complaints closed within 30 days | per cent | 93 | 96 | 94 | 94 |
| Efficient – Percentage of complaints closed versus received | per cent | 99.8 | 98.8 | 100 | 99.2 |
| Effective – Jurisdictional cases that lead to an agreed improvement | per cent | 85 | 77 | 78 | 80 |
| Flexible – Number of complaints conciliated [(a)] | per cent | 35 | 64 | 52 | 50 |
| Independent – Stakeholders who feel 'impartial' describes the Victorian Ombudsman well or very well | per cent | Data not yet available [(b)] | 90 | 90 | 87 |

## Performance against output measures

The table below lists the Victorian Ombudsman's performance against its output measures for 2025–26.

| Performance measures | Unit of measure | 2025–26 actual | 2025–26 target | Performance variation (%) | Target met, not met or exceeded |
|---|---|---|---|---|---|
| ***Quantity*** | | | | | |
| Number of jurisdictional cases opened | number | 17,752 | 18,000 | -1% | Met |
| **Quality** | | | | | |
| Complaint service satisfaction | per cent | 45 | 60 | -25% | Not met |
| *The 2025–26 outcome is lower than the 2025–26 target. Our complainant satisfaction data reflects the decline in satisfaction associated with other government services and is generally consistent with or higher than the results of other Parliamentary Ombudsman offices. Our new complaints triage process is intended to improve complainant experience through more targeted allocation, less double handling and earlier, clearer expectation setting.* | | | | | |
| Jurisdictional cases that lead to an agreed improvement (e.g., practice/ policy/law reform, remedial/ rectification/mitigation action) | per cent | 85 | 55 | 55% | Exceeded |
| *The 2025–26 outcome is higher than the 2025–26 target because of effective relationships and constructive exchanges between our staff and respondent agencies.* | | | | | |
| ***Timeliness*** | | | | | |
| Complaints closed within 30 days | per cent | 93 | 90 | 3% | Met |

**Notes**

(a) Conciliation numbers are lower than in previous years due to temporary staffing changes at the Victorian Ombudsman.

(b) At 30 June 2026, the Victorian Ombudsman was in the process of transitioning to a new research provider.

# Investigations and oversight

Our oversight tools are varied, however investigations remain a powerful tool for us to employ when an issue has a particularly significant or widespread impact, relates to a group experiencing marginalisation or relates to conduct that falls gravely short of expectations. As this is a resource-intensive tool, we employ it where we can have the greatest impact, on issues of the greatest significance.

Using Royal Commission-style powers, we can formally investigate public bodies' actions and decisions and make remedial recommendations for improvement. We investigate complaints, including public interest (whistleblower) complaints, on our own motion, or any matter referred by the Victorian Parliament.

In 2025–26 we finalised 13 formal investigations, and agencies accepted 90 per cent of our recommendations.

We have completed substantial work on two human rights investigations, which we expect to finalise in early 2026–27.

There are also three additional investigations underway that have arisen from Parliamentary referrals in 2025–26. The volume of Parliamentary referrals has increased significantly over recent years, with five being received in the past three years, compared with five over the entire preceding decade. The statutory requirement to complete these investigations promptly creates a further resourcing challenge for the Ombudsman and has contributed to the declining number of investigations closed within 12 months over the past four years.



## Our investigations and oversight in 2025–26

| | |
|---|---|
| Investigations continuing from 30 June 2025 | 28 |
| New public interest complaints referred by the Ombudsman to a public body for investigation (with our oversight) | 10 out of 13 |
| New Parliamentary complaints investigations commenced | 3 |
| New own-motion investigations commenced | 2 |
| Investigations finalised | 13 |
| ▪ Discontinued | 9 |
| ▪ Finalised with recommendations | 4 |
| Investigations continuing as of 30 June 2026 | 31 |
| Investigation recommendations accepted | 90% (35 out of 39) |
| Investigation reports tabled in Parliament | 4 |

## Investigation report: Outsourcing small claims – How councils manage fairness and responsibility

In March 2026 the Victorian Ombudsman tabled a report in the Victorian Parliament, *Outsourcing small claims: How councils manage fairness and responsibility.*

In Victoria, people can claim compensation from local councils for injuries or property damage due to council negligence. For under-excess claims, many councils outsource the claims handling process to external contractors.

There is a power imbalance between local councils and people making under-excess claims. A person who feels they are entitled to compensation can seek it, but power over the outcome lies with the council and its claims handler.

Through this investigation, we found that sometimes council financial interests were taking priority over fairness and good customer service.

Some councils were excluding themselves from complaints about decisions by third-party claims handlers. By removing themselves from the complaint process and not ensuring the decisions made by claims handlers are fair and reasonable, councils are exposing themselves to further complaints, and damaging community trust.




As a result of this investigation, we made a number of recommendations requiring councils to become more involved in the under-excess claims process, including actively reviewing the decisions related to the complaints, and communicating more clearly to complainants that the claims-handlers were acting on behalf of the council, and were not independent. We also recommended councils review their contracts with claims handlers and their own complaints and customer service standards.

## Oversight tools prioritisation framework

In keeping with our strategic plan, we have developed a new prioritisation framework for our investigations team. This is a decision-making framework that helps us choose what issues to investigate and which of our oversight tools we should use. This is particularly useful for investigations that require significant resources.

The framework is made up of some simple questions within three areas of consideration that help us to prioritise our resources to have the greatest impact on fairness in Victoria.

Questions are grouped in the following categories:

- the Victorian Ombudsman's legal authority to consider the issue
- the significance of the issue
- the potential impact of a Victorian Ombudsman intervention on the issue.

## Our oversight tools

For us to maximise our impact, it is vital that we make use of the full range of oversight tools available to us, and carefully prioritise which issues we investigate (particularly for more resource-intensive investigations with public reports).

Alongside investigations, we employ a range of oversight tools.



**Facilitating complaints**



**Making enquiries**



**Conciliating complaints**



**Complaint System Review**



**Investigations**



**Education**



**Engagement**

# Public interest disclosures and complaints

Providing appropriate protections for whistleblowers is an important way people can raise integrity concerns about the public sector without fear of retribution. Under the Public Interest Disclosure scheme, people can report improper conduct or detrimental action in the Victorian public sector.

People can make disclosures about public organisations, public officers or another person whose conduct adversely affects the honest performance of a public organisation's or public officer's official functions – for example, a person who tries to bribe a public officer.

A critical part of the scheme is ensuring the identities of disclosers are kept confidential to protect them from reprisals such as bullying, harassment, job loss or legal action. Protections also apply to people who cooperate with investigations into disclosures.

We have a role in assessing, enquiring into, and investigating public interest disclosures and complaints. We must refer a matter to IBAC if we decide it may be a public interest disclosure. IBAC then assesses the disclosure and determines if it is 'a public interest complaint'. IBAC often refers those complaints back to us, and we decide if they warrant investigation.

We may pause our investigation into a public interest complaint where an agency is appropriately dealing with the matter with our oversight.

## Cases referred and received



We assessed
**189** public interest disclosures,
involving **424** allegations



We referred
**79** assessable disclosures
to IBAC, involving **153** allegations

IBAC referred
**136** public interest complaints
to us, involving **276** allegations



We finalised
**108** public interest complaint
cases, involving **242** allegations

We finalised
**9** public interest complaint
investigations, involving
**21** allegations

From our public interest complaint investigations:

- **3** allegations were substantiated or partially substantiated
- **1** allegation was not substantiated
- **16** allegations were discontinued

PROGRESS TOWARDS OUR OBJECTIVES:

# Investigations and oversight

The table below demonstrates our progress towards the objective to provide for, or assist in, the identification, investigation, exposure and prevention of maladministration and improper conduct. Trends in these indicators demonstrate our performance.

| Indicator[a] | Unit of measure | 2025–26 | 2024–25 | 2023–24 | 2022–23 |
|---|---|---|---|---|---|
| Finalised assessable Public Interest Disclosures notified to IBAC | per cent | 90 | 100 | 96 | 97 |
| Administrative action identified as engaging human rights | number | 4,380 | 3,906 | 4,327 | 2,722 |
| Jurisdictional cases selected for enquiry/investigation | per cent | 25 | 26 | 27 | 29 |

## Performance against output measures

The table below lists the Victorian Ombudsman's performance against its output measures for 2025–26.

| Performance measures | Unit of measure | 2025–26 actual | 2025–26 target | Performance variation (%) | Target met, not met or exceeded |
|---|---|---|---|---|---|
| **Quantity** | | | | | |
| Jurisdictional cases selected for inquiry/investigation | per cent | 25 | 27 | -7% | Not met |
| *The 2025–26 outcome is slightly lower than the 2025–26 target. In late 2025, we implemented a new complaints triage process that helps prioritise complaints according to where our involvement can have the greatest impact. This process is still being embedded and, once it is, the enquiry rate is expected to increase.* | | | | | |
| ***Timeliness*** | | | | | |
| Investigations closed within 12 months | per cent | 31 | 75 | -59% | Not met |
| *The outcome is lower than the 2025–26 target due to the closure of aged investigations and temporary diversion of investigative resources in response to parliamentary complaints and the assessment of increasing numbers of public interest complaints.* | | | | | |

**Note**

(a) Additional objective indicators have been developed and will be included in the 2026–27 annual report.



# Our communities

Talking and listening to the community is an important way that we work towards our vision 'Victoria is fair' and promote integrity and respect for human rights. Community insights help us better understand and act upon unfair decisions or behaviour by public bodies.

Our recent publication, *Our approach to engagement*, outlines why we engage with the community and the public sector. When we talk to communities, we help people to understand the role of the Ombudsman, their rights, and how to navigate the complaints system. We also use feedback from the community to help us identify systemic issues in the public sector. This may lead to us making further enquiries or using one of our other oversight tools to influence or recommend broader changes to improve processes and the quality of public administration, and create fairer outcomes.

Our engagement team has travelled the state tirelessly to meet face-to-face with communities in metropolitan and regional areas, talking to more than 2,500 people across Victoria.

The team has attended regional and community events and complaint clinics, public forums (sometimes delivered in partnership with other government agencies), community legal service clinics, neighbourhood house hubs, Victorian Aboriginal Legal Service events, Victorian Aboriginal Community Controlled Health Organisation events, and many others.

We've continued to prioritise our community engagement to reach groups experiencing marginalisation or at greater risk, such as First Nations communities, culturally and linguistically diverse groups, those experiencing homelessness and poverty, and young people. We prioritise face-to-face communication as we know that this is often the best way to build trust and to create stronger relationships with individuals and local community groups, and especially with people who may not have digital access.

We collaborate with trusted community service partners across Victoria to understand the needs of diverse communities. This is how we proactively seek out those most in need of our support, to bring services to them in the most effective way and provide targeted support in navigating complex systems. We also engage with local councils to offer training and insights drawn from our own data to support improvements in complaint handling and the achievement of fair outcomes when there is a dispute. This contributes to the prevention of harm in the community.

We also engage with the community through civil society organisations, which may have more direct communication channels and a better understanding of the issues facing community members. For example, we build relationships with organisations working with people experiencing marginalisation, such as the Victorian Council of Social Service (VCOSS) and its members. Expert knowledge within these organisations helps us to target our oversight activities where there is the greatest need.

Our relationships with the community are fundamental to our ability to build trust and prevent harm, so we are grateful to those who've taken the time to engage. We continue to listen to you to deliver the services that you need.

**Linda Timothy**
**Deputy Ombudsman, Prevention**








*Victorian Ombudsman staff attending the 2025 NAIDOC Week March.*

## Welcoming Treaty

This year we recognise the significant reform reflected in the establishment of Gellung Warl and the Statewide Treaty framework. This creates new expectations for how Victorian public sector bodies engage with First Peoples and support self-determination.

Implementing the Ombudsman's treaty-related obligations presents an opportunity to demonstrate a genuine commitment to culturally safe and responsive practice in our interactions with Gellung Warl and First Peoples in Victoria.

The Ombudsman will work with First Peoples to establish written guidelines and procedures to promote and safeguard cultural safety and deliver on a commitment to building and maintaining ongoing relationships with First Peoples communities, organisations and governance bodies. This includes guidelines about the way we will consult with First Peoples during the development of policies that are specifically directed to First Peoples.

The introduction of new Treaty Principles in the *Public Administration Act 2004* also provides an impetus for the Ombudsman's office to continue to invest in the cultural capability of its staff more broadly. This investment will benefit the Ombudsman's handling of investigations and complaints from First Peoples across all areas of its jurisdiction.

# Our approach to engagement

Engagement is the way that we work with public bodies and the community to prevent harm, support better public administration and promote fairness, integrity and respect for human rights. Our recent publication *Our approach to engagement* outlines what we mean by engagement, our engagement priorities, and why we engage.

We talk to and listen to groups in the community and in the public sector so that they know who we are and what we do, as well as their rights and obligations. It's important that the people who need us most, who are often communities experiencing marginalisation, know their rights and have help in navigating complex systems.

We also engage with public bodies to educate and support them to improve public administration and make good decisions. This prevents complaints and supports better management when they do happen. Good engagement means that when we conduct an investigation, we consult on our recommendations to make sure that they are workable and will achieve the intended outcome.

Good engagement means that we are listening to what people tell us. It helps us to recognise more widespread issues, which complements our formal intelligence channels and guides our work. This in turn means our actions and recommendations have more impact and prevent similar problems in the future.



PROGRESS TOWARDS OUR OBJECTIVES:

# Communities

The table below demonstrates our progress towards the objective to facilitate the education of the Victorian community about matters relating to the functions of the Ombudsman.

***To facilitate the education of the Victorian community about matters relating to the functions of the Ombudsman***

| Indicator [a] | Unit of measure | 2025–26 | 2024–25 | 2023–24 | 2022–23 |
|---|---|---|---|---|---|
| Community stakeholders who feel very or extremely aware of the Victorian Ombudsman's role | per cent | N/A[b] | N/A[b] | N/A[b] | 6 |

## Performance against output measures

There are currently no Budget Paper 3 output performance measures for community education. An internal Key Performance Indicator has been developed to baseline performance in 2026–27.

**Notes**

(a) Additional objective indicators have been developed and will be included in the *Annual report 2026–27*.

(b) Not available. This data is collected periodically due to resource constraints. The next community research is planned for 2026–27.

# Our people and systems



Corporate Services comprises the teams that partner with the organisation to ensure we have the right skills, systems, governance, financial sustainability and resources to carry out our core work to promote fairness, integrity and respect for human rights. My thanks go to all the people in Corporate Services who work to foster collaboration and provide contemporary systems and tools to increase our impact.

This is the first year of the implementation of our *People strategy 2025–28*. As we work towards our vision, it's crucial that we are prioritising the right things within our own organisation, and that we have built a workforce that reflects the diversity of the community we serve. This relies on us having a constructive and inclusive culture with the right systems in place to enable every individual to do their best work.

Building on this strategy, we launched our new organisational values after substantial consultation with our people. We are immensely proud of our values of fairness, impact and trust. Along with the Victorian Public Service values, they act as a compass for how we work together and with others.

We also recently completed a workforce plan, which highlights gaps in our resourcing and the challenges to meet our legislative mandate that have arisen due to lack of funding. In particular, it identified the need to bolster our intelligence, communications and engagement resources to more effectively deliver our prevention approach.

The revolution in artificial intelligence is a dramatic change to our way of life and our way of working. We've commenced a project to investigate the impact of AI across our organisation and on those within our jurisdiction. We will be looking at how we oversight the use of AI by the public sector to ensure it is used fairly and respects human rights, as well as how responsibly governed AI can support our own people by building capability, reducing administrative effort and creating more time to focus on our core work.

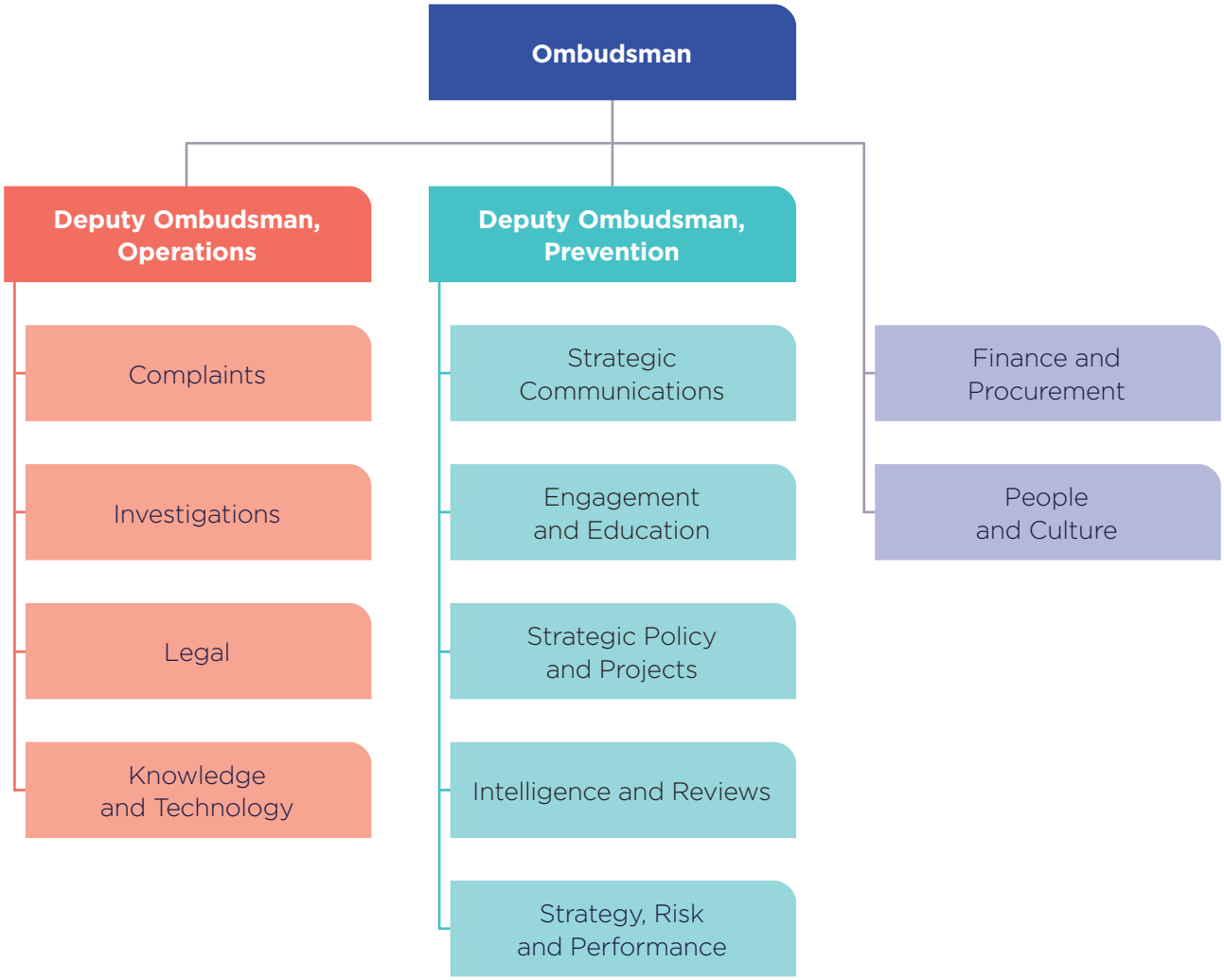
This year we commenced development of a Technology, Digital and Data Strategy to improve the reliability of our systems, better support our people and reduce operational risk. We will progressively upgrade legacy technology and introduce systems to enable us to better leverage data to identify systemic issues. The strategy will guide investment in systems such as accessible service channels, modern complaint and investigation systems and strengthened cybersecurity.

We are also evolving our approach to measuring impact by refreshing the measures we use to report our performance to the Victorian Parliament. These measures come into effect for the 2026–27 financial year.

I again thank our Corporate Services team for their hard work leading strategic planning, managing finances, procurement, people and culture, facilities, and knowledge and technology, to support us all to collaborate more effectively so that we can deliver on our vision.

**Marlo Baragwanath**
**Ombudsman**

# Our organisational structure



## Operations

Within Operations, our Complaints team assesses, prioritises and resolves matters quickly and informally, often preventing small issues from becoming larger ones. More complex complaints can involve enquiries to identify issues and propose solutions. Trained conciliators also help resolve matters through alternative dispute resolution techniques.

Our Investigations team conducts formal investigations, either in response to complaints (including whistleblower matters), or where we identify systemic issues without a complaint. We also investigate matters referred by the Victorian Parliament. Our Legal team supports the whole organisation with their advice. The Knowledge and Technology team oversees the selection and implementation of innovative and effective systems.

## Prevention

Our Prevention division draws together our strategic communications, engagement and education, policy, intelligence, and strategic planning functions and seeks to proactively improve public administration and prevent harm to the community.

To complement our operations, our preventive work aims to identify, expose and prevent maladministration and improper conduct, assist authorities to improve, and educate the community and the public sector about the Ombudsman.

## Office of the Ombudsman

Collaborating across the organisation, the Finance and Procurement, and People and Culture teams ensure we have the financial resources, skilled personnel, and support needed to fulfil our mandate, fostering a culture of continuous improvement to maintain a constructive, inclusive, values-driven workplace.

## Organisational values

This year we developed our own organisational values which align with our operating context and desired culture. They are consistent with the Victorian Public Service values but more specifically represent who we are and what we do.

Our values serve as the foundation of our identity and guide our decision making, behaviour and strategic direction:




We pursue fairness in our work. We keep people at the centre of decision making and seek to address inequity. We treat each other and everyone with dignity, respect and compassion.




We make intentional choices to bring about meaningful and enduring change. We work with those we oversight to develop innovative solutions to improve the lives of Victorians. We bring creativity and curiosity to our work.




We build trust with the community by listening and acting with independence and integrity. We are a valued voice in improving public administration. We work in a spirit of openness and collaboration to support a constructive workplace culture.

Our work will also continue to be guided by the public sector values – responsiveness, integrity, impartiality, accountability, respect, leadership and human rights.

# Corporate governance

The Ombudsman is the:

- 'Accountable Officer' pursuant to section 42 of the *Financial Management Act 1994*
- 'Responsible Body' under the Standing Directions of the Minister for Finance
- 'Public Service Body Head' pursuant to subsection 16(1)(h) of the *Public Administration Act 2004* and section 3 of the *Privacy and Data Protection Act 2014.*
- 'Officer in Charge' pursuant to section 13 of the *Public Records Act 1973*.

The Ombudsman Act bestows all the powers and functions conferred on the Office of the Ombudsman on the Ombudsman personally. Employees or executive staff exercise only the powers and functions that the Ombudsman delegates to them via delegation instrument.

In 2025–26, the Ombudsman was supported by two internal committees, the Operational Governance Committee and the Corporate Governance Committee; and one external committee, the Audit and Risk Committee.

Each committee has terms of reference approved by the Ombudsman stating the purpose and membership of the committee, meeting frequency, and record-keeping and reporting obligations. The committees may coopt expertise from across the office as required and receive appropriate secretariat support.

### Audit and Risk Committee membership and roles

The Audit and Risk Committee consists of the following members:

- S Goddard, Chair (independent member)
- K Rowe (independent member)
- I Sargent (independent member)
- N McCutcheon (independent member)
- M Shatter (independent member)
- M Baragwanath (ex-officio).

The main responsibilities of the Audit and Risk Committee are to:

- review and report independently to the Responsible Body on the annual report and all other financial information published by the agency
- assist the Responsible Body in reviewing the effectiveness of the agency's internal control environment covering effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations
- determine the scope of the internal audit function and ensure its resources are adequate and used effectively, including coordination with the external auditors
- maintain effective communication with external auditors
- consider recommendations made by internal and external auditors and review the implementation of actions to resolve issues raised
- oversee the effective operation of the risk management framework.

# Occupational health and safety

| Measure | Key Performance Indicator | 2025–26 | 2024–25 | 2023–24 |
|---|---|---|---|---|
| Incidents[a] | Number of reported incidents | 18 | 9 | 14 |
| | Rate per 100 FTE | 15.78 | 7.75 | 13.46 |
| | No of incidents requiring first aid and/or further medical treatment | 5 | 0 | 4 |
| Claims | No of standard claims[b] | 0 | 0 | 1 |
| | Rate per 100 FTE | 0 | 0 | 0.96 |
| | No of lost time claims | 0 | 1 | 1 |
| | Rate per 100 FTE | 0 | 0.86 | 0.96 |
| | No of claims exceeding 13 weeks | 0 | 0 | 0 |
| | Rate per 100 FTE | 0 | 0 | 0 |
| Fatalities | Fatality claims | 0 | 0 | 0 |
| Claim costs | Average cost per standard claim | 0 | 0 | $19,027.50 |
| Return to work | Percentage of claims with RTW plan <30 days | 0 | 0 | 0 |
| Management commitment | Evidence of OHS policy statement, OHS objectives, regular reporting to senior management of OHS, and OHS plans | Completed | Completed | Completed |
| | Evidence of OHS criteria(s) in purchasing guidelines (including goods, services and personnel) | Completed | Completed | Completed |
| Consultation and participation | Evidence of agreed structure of designated workgroups (DWGs), health and safety representatives (HSRs) and issue resolution procedures (IRPs) | Completed | Completed | Completed |
| | Compliance with agreed structure of DWGs, HSRs and IRPs | Completed | Completed | Completed |
| | # Quarterly OHS Committee meetings | 4 | 4 | Not reported |
| Risk management | Percentage of internal audits/inspections conducted as planned | 100% | 100% | 75% |
| | % of reported incidents investigated | 100% | 100% | Not reported |
| | No of Improvement Notices issued across the organisation by WorkSafe Inspector | 0 | 0 | 0 |
| | Percentage of issues resolved arising from: | | | |
| | ▪ Internal audits and inspections | 100% | 100% | 100% |
| | ▪ HSR Provisional Improvement Notices (PINs) | N/A | N/A | 100% |
| | ▪ WorkSafe Notices | N/A | N/A | 100% |
| Training | Percentage of staff that have received OHS training: | | | |
| | ▪ Induction | 100% | 100% | 100% |
| | ▪ Management training | 100% | 100% | 100% |
| | ▪ Contractors, temps and visitors | 100% | 100% | 100% |
| | Percentage of HSRs trained: | | | |
| | ▪ On acceptance of role (initial training) | 100% | 100% | 100% |
| | ▪ Retraining (refresher) | 0% | 0% | 100% |
| | ▪ On reporting of incidents and injuries | Not required | Not required | 100% |

**Notes**

(a) Incidents includes injuries and near misses.

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

# Incident management

| Data | 2025–26 | 2024–25 |
|---|---|---|
| % change in incident rate per 100 FTE | 68.25 | -57% |
| # notifiable incidents | 0 | 0 |
| # incidents and rate per 100 FTE | 18 and 15.78 | 9 and 7.75 |
| # standard claims | 0 | 0 |
| Standard claims rate per 100 FTE | 0 | 0 |
| # WorkCover claims lodged | 0 | 0 |
| % change in WorkCover claims lodged | 0 | -100% |
| Average cost per claim | 0 | 0 |
| % change in average cost per claim | 0 | 0 |
| # lost time claims | 0 | 0 |
| # claims exceeding 13 weeks | 0 | 0 |
| % claims exceeding 13 weeks rate per 100 FTE | 0 | 0 |
| Lost time claims rate per 100 FTE | 0 | 0.86 |
| % change in WorkCover premium rate | 25 | 20 |
| Claim ratio as a proportion of total staff | 0 | 0.86 |
| % premium rate | 1.16 | 0.92 |

# Workforce data

## Employment and conduct principles

The Victorian Ombudsman is committed to applying merit and equity principles when appointing staff. The selection processes ensure applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections below.

## Public sector values and employment principles

The *Public Administration Act 2004* established the Victorian Public Sector Commission (VPSC). The VPSC's role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity.

The Victorian Ombudsman introduced policies and practices that are consistent with the VPSC's employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues. The Victorian Ombudsman advises its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

## Comparative workforce data

The following table discloses the head count and full-time equivalent (FTE) of all active public service employees of the Victorian Ombudsman, employed in the last full pay period in June of the current reporting period, and in the last full pay period in June of the previous reporting period (2025).

## Active employees as at last full pay period ending Sunday 28 June 2026

| All employees | | | Ongoing | | | Fixed-term casual | |
|---|---|---|---|---|---|---|---|
| | Headcount | FTE | Full time - headcount | Part time - headcount | FTE | Headcount | FTE |
| **Gender** | | | | | | | |
| Women | 80 | 76.23 | 58 | 9 | 64.3 | 13 | 11.93 |
| Men | 36 | 35.16 | 26 | 4 | 29.16 | 6 | 6 |
| Self-described | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Age** | | | | | | | |
| 15–24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25–34 | 27 | 27 | 22 | 0 | 22 | 5 | 5 |
| 35–44 | 40 | 38.75 | 29 | 6 | 33.85 | 5 | 4.9 |
| 45–54 | 30 | 26.69 | 17 | 5 | 20.41 | 8 | 6.28 |
| 55–64 | 16 | 15.6 | 14 | 1 | 14.6 | 1 | 1 |
| 65+ | 3 | 2.6 | 2 | 1 | 2.6 | 0 | 0 |
| **VPS classification** | | | | | | | |
| ***VPS grades 1–6 (group total)*** | ***106*** | ***101.79*** | ***84*** | ***12*** | ***93.46*** | ***10*** | ***8.93*** |
| VPS1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS3 | 5 | 5 | 3 | 0 | 3 | 2 | 2 |
| VPS4 | 42 | 39.81 | 32 | 7 | 36.81 | 3 | 3 |
| VPS5 | 36 | 35.1 | 32 | 4 | 35.1 | 0 | 0 |
| VPS6 | 23 | 21.88 | 17 | 1 | 17.95 | 5 | 3.93 |
| ***Senior employees (group total)*** | ***10*** | ***9.6*** | ***0*** | ***1*** | ***0.6*** | ***9*** | ***9*** |
| STS | 1 | 0.6 | 0 | 1 | 0.6 | 0 | 0 |
| Executives | 9 | 9 | 0 | 1 | 0.6 | 9 | 9 |
| ***Total employees*** | ***116*** | ***111.39*** | ***84*** | ***13*** | ***94.06*** | ***19*** | ***17.93*** |

**Note**

* Employees have been correctly classified in workforce data collections. Excludes staff on leave without pay, volunteers, contractors and consultants. Employees reported as ‘secondees’ are included in the fixed term counts.

## Active employees as at last full pay period ending Sunday 29 June 2025

| All employees | | | Ongoing | | | Fixed-term casual | |
|---|---|---|---|---|---|---|---|
| | Headcount | FTE | Full time - headcount | Part time - headcount | FTE | Headcount | FTE |
| **Gender** | | | | | | | |
| Women | 83 | 79 | 54 | 8 | 59.6 | 19 | 17.4 |
| Men | 37 | 36.16 | 22 | 4 | 25.16 | 10 | 10 |
| Self-described | 1 | 1 | 1 | | 1 | | |
| **Age** | | | | | | | |
| 15–24 | 3 | 1.6 | 0 | 0 | 0 | 3 | 1.6 |
| 25–34 | 23 | 23 | 14 | 0 | 14 | 8 | 8 |
| 35–44 | 44 | 42.75 | 29 | 6 | 33.95 | 9 | 8.8 |
| 45–54 | 30 | 28.61 | 20 | 4 | 22.61 | 6 | 6 |
| 55–64 | 18 | 17.2 | 13 | 2 | 14.2 | 3 | 3 |
| 65+ | 3 | 3 | 1 | | 1 | 2 | 2 |
| **VPS classification** | | | | | | | |
| ***VPS grades 1–6 (group total)*** | ***110*** | ***105.56*** | ***76*** | ***11*** | ***84.16*** | ***21*** | ***19.4*** |
| VPS1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS2 | 1 | 0.4 | 0 | 0 | 0 | 1 | 0.4 |
| VPS3 | 5 | 4.2 | 2 | 0 | 2 | 3 | 2.2 |
| VPS4 | 46 | 43.61 | 29 | 8 | 34.61 | 9 | 9 |
| VPS5 | 38 | 37.6 | 29 | 2 | 30.6 | 5 | 5 |
| VPS6 | 20 | 19.75 | 16 | 1 | 16.95 | 3 | 2.8 |
| ***Senior employees (group total)*** | ***11*** | ***10.6*** | ***1*** | ***1*** | ***1.6*** | ***8*** | ***8*** |
| STS | 2 | 1.6 | 0 | 1 | 0.6 | 0 | 0 |
| Executives | 9 | 9 | 1 | 0 | 1 | 8 | 8 |
| ***Total employees*** | ***121*** | ***116.16*** | ***77*** | ***12*** | ***85.76*** | ***29*** | ***27.4*** |

* Employees have been correctly classified in workforce data collections. Excludes staff on leave without pay, volunteers, contractors and consultants. Employees reported as 'secondees' are included in the fixed term counts.

The following table discloses the annualised total salary for senior employees of the Victorian Ombudsman, categorised by classification. The salary amount is reported as the full-time annualised salary.

## Annualised total salary, by $20,000 bands, for executives and other senior non-executive staff

| Income band (salary) | Executives | STS | PS | SMA | SRA | Other |
|---|---|---|---|---|---|---|
| < $160 000 | | | | | | |
| $160 000 – $179 999 | | | | | | |
| $180 000 – $199 999 | | | | | | |
| $200 000 – $219 999 | 2 | | | | | |
| $220 000 – $239 999 | 1 | | | | | |
| $240 000 – $259 999 | 1 | | | | | |
| $260 000 – $279 999 | 2 | 1 | | | | |
| $280 000 – $299 999 | 1 | | | | | |
| $300 000 – $319 999 | | | | | | |
| $320 000 – $339 999 | | | | | | |
| $340 000 – $359 999 | 1 | | | | | |
| $360 000 – $379 999 | | | | | | |
| $380 000 – $399 999 | | | | | | |
| $400 000 – $419 999 | | | | | | |
| $420 000 – $439 999 | | | | | | |
| $440 000 – $459 999 | | | | | | |
| $460 000 – $479 999 | | | | | | |
| $480 000 – $499 999 | 1 | | | | | |
| ***Total*** | ***9*** | ***1*** | | | | |

**Notes**

(a) The salaries reported are for the full financial year, at a 1-FTE rate, and exclude superannuation.

(b) There are two employees employed on a part-time basis at a 0.6 FTE rate and a 0.8 FTE rate respectively

# Workforce inclusion

We are committed to maintaining an inclusive working environment and a workforce that celebrates diversity and reflects the communities we serve.

Throughout the year, we celebrate diversity by:

- recognising days of cultural significance
- supporting LGBTQIA+ events
- celebrating awareness days or weeks
- cultural safety and awareness workshops
- implementing our *Gender equality action plan*
- implementing our *Diversity, equity and inclusion strategy*.

The following table outlines our progress against the *Gender Equality Act 2020* target of at least 50 per cent of executive roles held by women.

We strive to be a safe and respectful workplace for staff across the gender spectrum, but acknowledge that, due to historic and persistent barriers to disclosure, some individuals may not feel comfortable disclosing gender-diverse and non-binary gender identities.

| Workforce inclusion policy initiative | Target | Actual progress in 2025–26 | Actual progress in 2024–25 |
|---|---|---|---|
| Executive level gender profile | Executive Officers:<br>■ 50% female by 2030<br>■ 50% male | Executive Officers:<br>■ 36.5% female<br>■ 18% male<br>■ 45.5% prefer not to say | Executive Officers:<br>■ 66.6% female<br>■ 33.3% male |

# Executive data

For a department, a member of the Senior Executive Service (SES) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004* (PAA). For a public body, an executive is defined as a person employed as an executive under Part 3 of the PAA or a person to whom the Victorian Government's Public Entity Executive Remuneration Policy applies. All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

The definition of SES does not include a statutory office holder or an Accountable Officer.

The following tables disclose the SES of the Victorian Ombudsman for 30 June 2026:

- Table 1 discloses the total numbers of SES, broken down by gender.
- Table 2 provides a reconciliation of executive numbers presented between the report of operations and Note 8.2 Remuneration of executives in the financial statements.
- Tables 1 also discloses the variations, denoted by 'var', between the current and previous reporting periods.

## Table 1: Total number of SES for the Victorian Ombudsman, broken down into gender

| All | | | Women | | Men | | Self-described | |
|---|---|---|---|---|---|---|---|---|
| **Classification** | **No.** | **Var.** | **No.** | **Var.** | **No.** | **Var.** | **No.** | **Var.** |
| SES-3 | 1[(a)] | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| SES-2 | 3 | 0 | 1 | 0 | 2 | 0 | 0 | 0 |
| SES-1 | 5 | 0 | 4 | 0 | 1 | 0 | 0 | 0 |
| ***Total*** | ***9*** | ***0*** | ***6*** | ***0*** | ***3*** | ***0*** | ***0*** | ***0*** |

**Note**

(a) Total SES-3 was incorrectly reported as '0', instead of '1' in the 2024–25 annual report. After accounting for this, the variance and total have been amended.

The number of executives in the report of operations is based on the number of executive positions that are occupied at the end of the financial year. Note 8.2 in the financial statements lists the actual number of SES and the total remuneration paid to SES over the course of the reporting period.

The financial statements note does not include the Accountable Officer, nor does it distinguish between executive levels or disclose separations. Separations are executives who have left the organisation during the relevant reporting period. To assist readers, these two disclosures are reconciled below.

## Table 2: Reconciliation of executive members

| | | 2026 | 2025 |
|---|---|---|---|
| | Executives (financial statement Note 8.2) | 11 | 11 |
| | Accountable officer (Ombudsman) | 1 | 1 |
| *Less* | Separations | 3 | 3 |
| | **Total executive numbers at 30 June** | **9** | **9** |

# Complaints and feedback about us

In 2025–26, we received 111 complaints about us requesting review, a 40 per cent decrease since last year. Of the complaints received, 92 were requesting a review of our decision and 19 were about our service delivery. Of the requests for review of a decision:

- 63 were declined
- 16 resulted in the matter being returned to the case officer for further work
- 13 progressed to internal review, of which 12 reviews determined the original decision was satisfactory; and 1 review resulted in us reconsidering the complaint or taking further action.

Of the complaints about our service delivery that we handled:

- in 11, we determined our service delivery was satisfactory
- in 8, we determined that service delivery was not satisfactory and attempted to resolve the concerns raised through providing an explanation or an apology or agreeing to take further action.

Requests for review are initially considered by the original complaint handler in conjunction with their manager. This provides an opportunity for the concerns raised in the request for review to be considered and potentially addressed prior to, and sometimes instead of, the request having to be formally considered. Most requests assessed as being not suitable for internal review were declined because the person seeking review had expressed their disagreement or dissatisfaction with the decision, rather than any error in how their complaint was managed.

If complaints about us allege corrupt conduct or staff misconduct, we must notify IBAC or Integrity Oversight Victoria, and they deal with the complaint independently of us.

# Other disclosures

## Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at $3 million or more in Metropolitan Melbourne or for statewide projects, or $1 million or more for projects in regional Victoria.

The Local Jobs First Act requires public bodies to report on their compliance. In 2025–26, the Victorian Ombudsman had no procurements or projects to which the policy applied.

## Government advertising expenditure

The Victorian Ombudsman did not conduct any activities that triggered the disclosure threshold of $100,000 or greater on government advertising expenditure. We make a nil report statement against this requirement.

## Consultancy expenditure

### Details of consultancies (valued at $10,000 or greater)

In 2025–26, there was one consultancy where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2025–26 in relation to this consultancy is $57,500 (excluding GST).

Details of the consultancy are outlined below.

### Details of consultancies under $10,000

Nil to report for 2025–26.

### Reviews and studies expenditure

Nil to report for 2025–26.

| Consultant | Purpose of consultancy | Start date | End date | Total approved project fee (excl. GST) | Expenditure 2025–26 (excl. GST) | Future expenditure (excl. GST) |
|---|---|---|---|---|---|---|
| Bendelta Ltd | Development of Workforce Plan | 12/03/2026 | 30/06/2026 | $57,500 | $57,500 | - |

# Information and communication technology expenditure

## Details of information and communication technology (ICT) expenditure

For the 2025–26 reporting period, the Victorian Ombudsman had a total ICT expenditure of $3.436 million with the details shown below.

ICT expenditure refers to the Victorian Ombudsman's costs in providing business enabling ICT services within the current reporting period.

It comprises:

- Non-Business as Usual (Non-BAU) ICT expenditure, which relates to extending or enhancing the Department's current ICT capabilities.
- Business as Usual (BAU) ICT expenditure, which is all remaining ICT expenditure that primarily relates to ongoing activities to operate and maintain the current ICT capability.

## Disclosure of major contracts

There are no major contracts greater than $10 million to report for 2025–26.

## Details of information and communication technology (ICT) expenditure

| All operational ICT expenditure | ICT expenditure related to projects to create or enhance ICT capabilities | | |
|---|---|---|---|
| Business as usual (BAU) ICT expenditure | Non-Business as usual (Non-BAU) ICT expenditure | Operational expenditure | Capital expenditure |
| (Total) | (Total = Operational expenditure and capital expenditure) | | |
| $3,435,875 | $417,129 | $41,124 | $376,005 |

# Freedom of information

The *Freedom of Information Act 1982* (the FOI Act) allows the public a right of access to documents held by the Victorian Ombudsman, with some limited exemptions. The purpose of the FOI Act is to extend as far as possible the right of the community to access information held by government departments, local councils, ministers and other bodies subject to the FOI Act.

An applicant has a right to apply for access to documents held by the Victorian Ombudsman. This comprises documents both created by the Victorian Ombudsman or supplied to us by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes.

The FOI Act allows the Victorian Ombudsman to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to a department in-confidence and information that is confidential under another Act.

Section 29A of the Ombudsman Act provides a limited exemption from the FOI Act and means the FOI Act does not apply to documents in the possession of the Ombudsman or any other person or body that disclose information about:

- a complaint, a referred complaint, a referred matter or a matter referred to the Ombudsman by Parliament under section 16 of the Ombudsman Act
- an enquiry or investigation under the Ombudsman Act
- a recommendation made by the Ombudsman under the Ombudsman Act
- a report or draft report made under the Ombudsman Act.

Under the FOI Act, the FOI processing time for requests received is 30 calendar days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, a 15-day automatic extension applies. Processing time may also be extended by periods of up to 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by the Victorian Ombudsman, under section 49A of the FOI Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

## Making a request

FOI requests can be lodged online at foi.vic.gov.au. An application fee of $32.70 applies. Access charges may also be payable if the document pool is large and the search for material time consuming.

When making an FOI request, applicants should ensure requests are in writing, clearly identify what types of material/documents are being sought and be accompanied by the application fee to be a valid request.

If you are unable to make a request online, you can request documents in the possession of the Victorian Ombudsman by writing to:

FOI Officer
Victorian Ombudsman
Level 2/570 Bourke Street
Melbourne Vic 3000
Email: legal@ombudsman.vic.gov.au
Tel: 1800 806 314

### Our FOI requests in 2025–26

This year, we received 39 FOI requests from members of the community. We did not receive any requests from Members of Parliament or the media.

We made decisions on 19 of these requests within statutory time periods, and four were made within a further 15 days (45 days total). On average, we made decisions 24 days after receiving the application (6 days before the statutory deadline).

For three of the requests we received, no documents existed, and none were dealt with by providing documents outside the FOI Act. Fifteen of the requests were not proceeded with (for example because requests were unclear and there was no response to our request for clarification), and for 17 requests, the application of section 29A of the Ombudsman Act meant that the FOI Act did not apply. One request was not finalised within the reporting period.

### Further information

Further information regarding the operation and scope of FOI can be obtained from the FOI Act, regulations made under the Act and ovic.vic.gov.au.

## Compliance with the *Building Act 1993*

The Victorian Ombudsman 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

Competitive neutrality requires government businesses to ensure that where services compete, or potentially compete, with the private sector, any net advantage arising from government ownership is accounted for if it is not in the public interest. Government businesses that undertake significant business activities are required to implement competitive neutrality measures (such as setting competitive neutral prices), which accounts for any net advantage that comes from public ownership.

Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on removing resource allocation distortions.

The Victorian Ombudsman does not provide services in competition with the private sector.

## Compliance with the *Public Interest Disclosures Act 2012*

The *Public Interest Disclosures Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

The Independent Broad-based Anti-corruption Commission (IBAC) is the clearing house for Victoria's PID Scheme and publishes guidelines and procedures relating to the scheme. It is responsible for assessing most PIDs to determine whether they meet the requirements for a PID or a public interest complaint under the PID Act.

The Victorian Ombudsman also has a role in assessing, enquiring into, and investigating public interest disclosures and complaints. We must refer a matter to IBAC if we decide it may be a public interest disclosure. IBAC then assesses the disclosure and determines if it is 'a public interest complaint'. IBAC often refers those complaints back to us, and we decide if they warrant investigation.

Refer to the Public Interest Disclosure section on page 31 of this report for data on disclosure cases referred to IBAC, received from IBAC and closed by the Victorian Ombudsman.

## Compliance with the *Carers Recognition Act 2012*

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

## Compliance with the *Disability Act 2006*

The Victorian Ombudsman has complied with its obligations under the Disability Act to prepare a Disability Action Plan for the purpose of reducing barriers to access goods, services and facilities; reducing barriers to a person with a disability obtaining and maintaining employment; and promoting inclusion and participation in the community and achieving tangible changes in attitudes and practices that discriminate against people with a disability as outlined:

- *Diversity, equity and inclusion strategy 2024–26*, incorporating disability actions to promote disability awareness and establish multiple sourcing mechanisms, beyond VPS, including specific recruitment campaigns to target diverse applicants (for example explicit encouragement for people with disability to apply) and establish a performance target to increase in employment from 9 per cent of people with disabilities.
- Reasonable adjustments policy and consideration of reasonable adjustments as part of our recruitment and employment process.

### PID reporting procedures

The Victorian Ombudsman cannot receive disclosures about itself or its employees. Disclosures of improper conduct or detrimental action by the Victorian Ombudsman or any of our employees may be made to:

**Independent Broad-based Anti-corruption Commission**
GPO Box 24234, Melbourne Vic 3001
Phone: 1800 422 284
Email: info@ibac.vic.gov.au
Website: www.ibac.vic.gov.au

OR

**Integrity Oversight Victoria**
PO Box 617, Collins Street West
Melbourne Vic 8007
Phone: 1800 518 197
Email: info@vicinspectorate.vic.gov.au
Website: www.integrityoversight.vic.gov.au

# Compliance with other legislation

## Disclosure of Emergency Procurement

In 2025–26, we did not undertake any emergency procurement.

## Disclosure of social procurement activities under the Social Procurement Framework

The Social Procurement Framework governs how the Victorian Government undertakes social procurement. The framework applies to the procurement of all goods, services and construction undertaken by, or on behalf of, entities subject to the Standing Directions 2018 under the *Financial Management Act 1994.*

The Victorian Ombudsman leverages its buying power to deliver social, economic and environmental outcomes benefiting the Victorian community, the economy and the environment, above and beyond the goods, services and construction works procured.

The Victorian Ombudsman's Social Procurement strategy prioritises the opportunities for Victorian Aboriginal people and sustainable Victorian social enterprises and Aboriginal business sectors.

Our social procurement spend is small, but it is intentional and enables us to build ongoing supplier engagements. During 2025–26 we engaged two social benefit suppliers, one of which was an Aboriginal business, with a total spend of $5,323. In addition, we have engaged with Social and First Peoples-led businesses who are not formally registered with the Victorian Government for supply of goods and services.

## Disclosure of procurement complaints

Under the Governance Policy of the Victorian Government Purchasing Board, the Victorian Ombudsman must disclose any formal complaints relating to the procurement of goods and services received through its procurement complaints management system.

A procurement related complaint is defined as an issue or concern expressed by a supplier in relation to the process and probity applied by an organisation when carrying out a procurement activity.

The Victorian Ombudsman's Chief Procurement Officer (Chief Financial Officer) is responsible for the complaints management process. In 2025–26, the Victorian Ombudsman received no complaints from suppliers related to a procurement activity.

# Reporting of environmental data

The Victorian Ombudsman is committed to environmental sustainability in its operations.

Financial Reporting Direction 24 (FRD 24), Reporting of environmental data by government entities, recognises there is substantial variety in the size, environmental impact and capability of public sector entities to report on environmental data, and sets out the classification of different 'tiers' of entities for the purpose of reporting environmental data.

The Victorian Ombudsman is classified as a Tier 4 entity and can comply with FRD 24 with a simple disclosure in the annual report, including the following mandatory indicators:

- EL 1 – Total electricity consumption segmented by source
- EL 4 – Total electricity offsets segmented by offset type
- T2 – Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category
- B3 – NABERS Energy ratings of newly completed/occupied entity-owned office buildings and substantial tenancy fit-outs.

## Electricity consumption

In 2025–26, the Victorian Ombudsman's electricity consumption was 0.7 per cent lower than in 2024–25.

The Victorian Ombudsman does not utilise electricity offsets, such as Greenpower, due to financial constraints.

## Transportation

Where possible, we encourage our staff to use public transport for official business instead of office cars. The office has one hybrid electric/petrol vehicle available for staff, which is unchanged from the previous three financial years.

## Sustainable buildings and infrastructure

The Victorian Ombudsman leases one floor of office space in Melbourne. In 2025–26, the building received a 5-star NABERS Energy rating, which is unchanged from the previous three financial years.

## Electricity

| Electricity consumption and offsets (EL1 and EL4) | 2025–26 | 2024–25 | 2023–24 |
|---|---|---|---|
| Total electricity consumption (MWh) | 182.1 | 183.4 | 196.7 |
| Total electricity offsets (MWh) | 0 | 0 | 0 |

## Transportation

| Transportation (T2) | 2025–26 | 2024–25 | 2023–24 |
|---|---|---|---|
| Number of vehicles | 1 | 1 | 1 |
| ▪ Type: Passenger vehicles (Hybrid electric/petrol) | 1 | 1 | 1 |
| ▪ Proportion of passenger vehicles | 100% | 100% | 100% |

## Sustainable buildings and infrastructure

| NABERS energy rating (B3) | 2025–26 | 2024–25 | 2023–24 |
|---|---|---|---|
| Name of building | Level 2/570 Bourke Street | Level 2/570 Bourke Street | Level 2/570 Bourke Street |
| Building type | General office building | General office building | General office building |
| Rating scheme | NABERS – Energy | NABERS – Energy | NABERS – Energy |
| Rating | 5 | 5 | 5 |

# Compliance with DataVic Access Policy

The DataVic Access Policy was issued by the Victorian Government in 2012, with the purpose of:

- enabling public access to government data to support research and education, promote innovation, support improvements in productivity and stimulate economic growth
- enhancing the sharing of, and access to, information-rich resources to support evidence-based decision making in the public sector.

As a public body, the Victorian Ombudsman must determine whether it is subject to the policy, considering factors, including our size, sophistication, intellectual property, data and needs. The Victorian Ombudsman did not make any data sets available on the DataVic website in 2025–26.

# Additional information available on request

Subject to the provisions of the *Freedom of Information Act 1982*, 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 Victorian Ombudsman about itself and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the Victorian Ombudsman
- details of any major external reviews carried out on the Victorian Ombudsman
- details of major research and development activities undertaken by the Victorian Ombudsman
- 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 Victorian Ombudsman 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 Victorian Ombudsman and details of time lost through industrial accidents and disputes
- a list of major committees sponsored by the Victorian Ombudsman, 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.

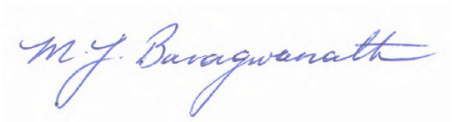
The information is available on request from:

FOI Officer
Victorian Ombudsman
Level 2/570 Bourke Street
Melbourne Vic 3000
Email: legal@ombudsman.vic.gov.au
Tel: 1800 806 314

# Financial reporting

## Financial management compliance attestation statement

I, Marlo Baragwanath, in my capacity as the Responsible Body, certify that the Victorian Ombudsman has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Marlo Baragwanath
**Victorian Ombudsman**

16 September 2026

# Independent auditor's report

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VAGO
Victorian Auditor-General's Office

## Independent Auditor's Report

***To the Victorian Ombudsman***

| | |
|---|---|
| **Opinion** | I have audited the financial report of the Victorian Ombudsman (the Ombudsman) which comprises the:<br>• balance sheet as at 30 June 2026<br>• comprehensive operating statement for the year then ended<br>• statement of changes in equity for the year then ended<br>• cash flow statement for the year then ended<br>• notes to the financial statements, including material accounting policy information<br>• Ombudsman's and Chief Financial Officer's Declaration.<br>In my opinion the financial report presents fairly, in all material respects, the financial position of the Ombudsman as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and Australian Accounting Standards – Simplified Disclosures. |
| **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.<br>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 (including Independence Standards)* (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.<br>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. |
| **Ombudsman's responsibilities for the financial report** | T The Ombudsman is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the *Financial Management Act 1994*, and for such internal control as the Ombudsman determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.<br>In preparing the financial report, the Ombudsman is responsible for assessing the 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. |

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

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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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ombudsman's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Ombudsman
- conclude on the appropriateness of the Ombudsman'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 Ombudsman'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 Ombudsman 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 Ombudsman 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
21 September 2026

Roberta Skliros
*as delegate for the Auditor-General of Victoria*

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# Financial statements

## for the year ended 30 June 2026

The Victorian Ombudsman (VO) has presented its audited general-purpose financial statements for the financial year ended 30 June 2026 in the following structure, to provide users with the information about VO's stewardship of resources entrusted to it.


| | | |
|---|---|---|
| **Financial Statements** | Comprehensive operating statement | |
| | Balance sheet | |
| | Cash flow statement | |
| | Statement of changes in equity | |
| **Notes to the financial statements** | **1. About this report** | |
| | The basis on which the financial statements have been prepared and compliance with reporting requirements | |
| | **2. Funding delivery of our services**<br>2.1. Summary of revenue that funds the delivery of our services<br>2.2. Appropriations<br>2.3. Summary of compliance with annual Parliamentary and special appropriations | |
| | **3. The cost of delivering services** | |
| | **Operating expenses of the VO** | |
| | 3.1. Expenses incurred in delivery of services<br>3.2. Other operating expenses | |
| | **4. Key assets to support service delivery** | |
| | 4.1. Property, plant and equipment<br>4.2. Intangible assets<br>4.3. Depreciation and amortisation | |
| | **5. Other assets and liabilities** | |
| | 5.1. Receivables<br>5.2. Payables<br>5.3. Prepayments<br>5.4. Other provisions<br>5.5. Other liabilities | |
| | **6. How we financed our operations** | |
| | 6.1 Borrowings<br>6.2 Leases<br>6.3 Commitments for expenditure | |
| | **7. Financial instruments, contingencies and valuation judgements** | |
| | 7.1 Financial instruments specific disclosures<br>7.2 Contingent assets and contingent liabilities<br>7.3 Fair Value determination | |
| | **8. Other disclosures** | |
| | 8.1 Responsible persons<br>8.2 Remuneration of executives<br>8.3 Related parties<br>8.4 Remuneration of auditors<br>8.5 Subsequent events | |

## Comprehensive operating statement
## For the financial year ended 30 June 2026

| | Notes | 2026 $ | 2025 $ |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue and income from transactions | | | |
| Output appropriations | 2.1 | 24,551,518 | 23,789,746 |
| Special appropriation | 2.1 | 579,878 | 585,075 |
| **Total revenue and income from transactions** | | **25,131,396** | **24,374,821** |
| Expenses from transactions | | | |
| Employee expenses | 3.1.1 | 19,300,458 | 18,388,444 |
| Depreciation | 4.3 | 1,544,477 | 1,842,536 |
| Interest expense | 6.1 | 212,446 | 236,796 |
| Other operating expenses | 3.2 | 4,256,345 | 3,921,794 |
| **Total expenses from transactions** | | **25,313,726** | **24,389,570** |
| **Net result from transactions** | | **(182,330)** | (14,749) |
| Other economic flows included in net results | | | |
| Net gain/(loss) from disposal of assets | | - | - |
| Net gain/(loss) arising from revaluation of leave liabilities | | - | - |
| **Total other economic flows included in net results** | | - | - |
| **Net result** | | (182,330) | (14,749) |
| Items that will not be reclassified to net result | | | |
| Changes in non-financial assets revaluation surplus | | - | - |
| **Total other economic flows - other comprehensive income** | | **-** | **-** |
| **Comprehensive result** | | **(182,330)** | **(14,749)** |

*The accompanying notes form part of these financial statements.*

## Balance sheet
## As at 30 June 2026

| | Notes | 2026 $ | 2025 $ |
|---|---|---|---|
| **Assets** | | | |
| **Financial assets** | | | |
| Receivables | 5.1 | 10,944,753 | 10,587,080 |
| **Total financial assets** | | **10,944,753** | **10,587,080** |
| **Non-financial assets** | | | |
| Property, plant and equipment | 4.1 | 5,274,749 | 6,076,495 |
| Intangible assets | 4.2 | 405,745 | 614,058 |
| Prepayments | 5.3 | 378,882 | 300,721 |
| **Total non-financial assets** | | **6,059,376** | **6,991,273** |
| Total assets | | **17,004,129** | **17,578,354** |
| **Liabilities** | | | |
| Payables | 5.2 | 884,407 | 641,046 |
| Other provisions | 5.4 | 517,000 | 620,400 |
| Borrowings | 6.1 | 6,623,364 | 7,430,445 |
| Employee related provisions | 3.1.2 | 3,677,095 | 3,391,729 |
| Other liabilities | 5.5 | 15,635 | 25,776 |
| Total liabilities | | **11,717,501** | **12,109,395** |
| Net assets | | **5,286,629** | **5,468,959** |
| Accumulated surplus/(deficit) | | (413,275) | (230,945) |
| Contributed capital | | 5,699,904 | 5,699,904 |
| Net worth | | **5,286,629** | **5,468,959** |

*The accompanying notes form part of these financial statements.*

## Cash flow statement
## For the financial year ended 30 June 2026

| | Notes | 2026 $ | 2025 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts | | | |
| Receipts from Victorian Government | | 24,473,332 | 23,164,395 |
| Goods and services tax from the Australian Taxation Office (ATO) | | 535,411 | 493,403 |
| **Total receipts** | | **25,008,743** | **23,657,798** |
| Payments | | | |
| Payments to suppliers and employees | | (23,351,397) | (22,229,799) |
| Interest and other financing costs | 6.1 | (212,446) | (236,796) |
| **Total payments** | | **(23,563,843)** | **(22,466,595)** |
| **Net cash flows from/(used in) operating activities** | | **1,444,900** | **1,191,203** |
| | | | |
| Cash flows from investing activities | | | |
| Payments for property,plant and equipment | 4.1.2 | (616,894) | (300,406) |
| Proceeds from disposal of property, plant and equipment | | - | 30,961 |
| Payments for intangible assets | 4.2 | (20,925) | (133,720) |
| **Net cash flows from/(used in) investing activities** | | **(637,819)** | **(403,165)** |
| | | | |
| Cash flows from financing activities | | | |
| Repayment of lease | | (807,081) | (788,037) |
| **Net cash flows from/(used in) financing activities** | | **(807,081)** | **(788,037)** |
| **Net increase in cash and cash equivalents** | | - | - |
| Cash and cash equivalents at the beginning of the financial year | | - | - |
| **Cash and cash equivalents at end of the financial year** | | - | - |

*The accompanying notes form part of these financial statements.*

## Statement of changes in equity
## For the financial year ended 30 June 2026

| | Contributed capital $ | Accumulated deficit $ | Total $ |
|---|---|---|---|
| Balance at 1 July 2024 | 5,699,904 | (216,197) | 5,483,707 |
| Net result for the year | - | (14,749) | (14,749) |
| **Balance at 30 June 2025** | **5,699,904** | **(230,945)** | **5,468,959** |
| **Balance at 1 July 2025** | **5,699,904** | **(230,945)** | **5,468,959** |
| Net result for the year | - | (182,330) | (182,330) |
| **Balance at 30 Jun 2026** | **5,699,904** | **(413,275)** | **5,286,629** |

*The accompanying notes form part of these financial statements.*

**Notes to financial statements**
**30 June 2026**

## 1. About this report

The Victorian Ombudsman (VO) is a government agency of the State of Victoria, established under the *Ombudsman Act 1973*.

The principal address is:

Level 2, 570 Bourke Street
Melbourne Victoria 3000

A description of the nature of the principal services of the VO is included in the "Report of Operations" of the Annual Report which does not form part of these financial statements.

### Basis of preparation

These financial statements are Tier 2 general purpose financial statements prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and Financial Reporting Direction - *Application of Tiers of Australian Accounting Standards* (FRD 101).

These financial statements are in Australian dollars, and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in the preparation of these financial statements 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 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 revenue and expenses of the VO.

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

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

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

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

These financial statements cover the Victorian Ombudsman as an individual reporting entity and includes its controlled activities.

## Compliance information

These general-purpose financial statements have been prepared on a going concern basis in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AASs) which include Interpretations issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and faithful representation, thereby ensuring that the substance of the underlying transactions or other events is reported.

# 2. Funding delivery of our services

## Introduction

The VO is funded by accrual based Parliamentary appropriations for the provision of outputs. These appropriations are received directly by the VO.

## Structure

2.1 Summary of revenue and income that funds the delivery of our services
2.2 Appropriations
2.3 Summary of compliance with annual Parliamentary and special appropriations

## 2.1. Summary of revenue and income that funds the delivery of our services

| | *Notes* | *2026 $* | *2025 $* |
|---|---|---|---|
| Output appropriations | 2.2, 2.3 | 24,551,518 | 23,789,746 |
| Special appropriations | 2.2, 2.3 | 579,878 | 585,075 |
| **Total revenue from transactions [(a)]** | | **25,131,396** | **24,374,821** |

*Notes:*

*(a) The total revenue and income from transactions includes the VO's Annual and Special appropriations, and other supplementary funding such as Treasurer's Advance, fee for service revenue collected and retained through a section 29 arrangement. All these funds have been received directly as appropriations from Department of Treasury and Finance (DTF).*

Revenue that funds delivery of the VO's services is accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

## 2.2. Appropriations

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

**Output appropriations**: Income from outputs that the VO has provided to the Government. It is recognised when those outputs have been delivered, and the Treasurer has certified delivery of those in accordance with specified performance criteria.

**Special appropriations**: Under *Ombudsman Act 1973* section 5, income pertaining to the Ombudsman (salary and related entitlements) is recognised when the amount appropriated for that purpose is due and payable by the VO.

## 2.3 Summary of compliance with annual Parliamentary and special appropriations

The following table discloses the details of the various annual Parliamentary appropriations received by the VO for the year.

| | Appropriations Act | | Financial Management Act | | | | |
|---|---|---|---|---|---|---|---|
| | Annual appropriation | Advance from Treasurer | Section 29 | Section 35 | Total Parliamentary authority | Appropriations applied | Variance [(a)] |
| | | | | | | | |
| **Controlled** | | | | | | | |
| Provision for outputs | 22,451,333 | 1,958,063 | 210,456 | - | 24,619,852 | 24,551,518 | 68,334 |
| Addition to net assets | - | - | - | - | - | - | - |
| **Administered** | | | | | | | |
| Payments made on behalf of the State | - | - | - | - | - | - | - |
| **2026 total** | **22,451,333** | **1,958,063** | **210,456** | - | **24,619,852** | **24,551,518** | **68,334** |
| ***2025*** | | | | | | | |
| **Controlled** | | | | | | | |
| Provision for outputs | 21,691,294 | 1,940,963 | 157,489 | | 23,789,746 | 23,789,746 | - |
| Addition to net assets | - | - | - | - | - | - | - |
| **Administered** | | | | | | | |
| Payments made on behalf of the State | - | - | - | - | - | - | - |
| **2025 total** | **21,691,294** | **1,940,963** | **157,489** | - | **23,789,746** | **23,789,746** | - |

In accordance with accrual output-based management procedures, 'provision of outputs' and 'additions to net assets' are disclosed as 'controlled' activities of the VO. Administered transactions are those that are undertaken on behalf of the State over which the VO has no control or discretion.

***Notes***

*(a) The variance represents under spend of depreciation equivalent funding driven by a downward adjustment in the make-good provision.*

**Section 29**

The VO is permitted under section 29 of the Financial Management Act 1994 (FMA) to have certain income annotated to the annual appropriation. The VO applied to the Treasurer to retain revenue generated from its Training Program; table above includes FMA section 29 annotated income agreement approved by the Treasurer.

**Advance from Treasurer**

$317,209 relates to Bail reform funding allocated during the year.

$1,640,854 relates to the Parliamentary Referral expenditure pertaining to the four referrals from the Legislative Council of the Parliament of Victoria, pursuant to section 16 of the Ombudsman Act 1973, these were- Flooding at Kensington Banks and Rivervue estates, Management of domestic building insurance by Victorian Managed Insurance Authority (VMIA), Department of Education's Quality Assessment and Regulation Division's oversight regime, and Ambulance Victoria and the 2021 memorial gatherings.

**Special Appropriations**

| | | *Appropriations applied* | |
|---|---|---|---|
| Authority | Purpose | 2026<br>$ | 2025<br>$ |
| Ombudsman Act 1973-Section 5 | Ombudsman's salary and employee related entitlements | 579,878 | 585,075 |
| | | **579,878** | **585,075** |

# 3 The cost of delivering services

## Introduction

This section provides an account of the expenses incurred by the VO in delivering services and outputs.
The funds that enable the provision of these services were disclosed in Note 2.

## Structure

3.1 Expenses incurred in delivery of services
3.2 Other operating expenses

## 3.1 Expenses incurred in delivery of services

| | *Notes* | *2026 $* | *2025 $* |
|---|---|---|---|
| Employee benefit expenses | 3.2.1 | 19,300,458 | 18,388,444 |
| Other operating expenses | 3.3 | 4,256,345 | 3,921,794 |
| **Total expenses incurred in delivery of services** | | **23,556,803** | **22,310,238** |

### 3.1.1 Employee expenses in the comprehensive operating statement

| | *2026 $* | *2025 $* |
|---|---|---|
| Defined contribution superannuation expense | 1,850,813 | 1,643,816 |
| Termination benefits | 108,160 | - |
| Salaries and wages, annual leave and long service leave | 17,341,485 | 16,744,628 |
| **Total employee expenses** | **19,300,458** | **18,388,444** |

Employee expenses include all costs related to employment, including wages and salaries, fringe benefits tax, leave entitlements, termination payments, and Workcover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation represents the employer contributions made to defined contribution superannuation plans that are paid or payable during the reporting period. The VO does not contribute to any defined benefit funds.

### 3.1.2 Employee-related provisions

Provision is made for benefits accruing to employees in respect of annual leave and long service leave (LSL) for services rendered up to the reporting date, and these are recorded as an expense during the period the services are delivered in accordance with AASB 119 - *Employee Benefits.*

| | *2026 $* | *2025 $* |
|---|---|---|
| **Current provisions:** | | |
| Annual leave | 1,009,233 | 1,049,390 |
| Long service leave | 1,856,989 | 1,624,032 |
| Provison for on-costs | 584,223 | 552,403 |
| **Total current provisions for employee benefits** | **3,450,445** | **3,225,825** |
| **Non current provisions:** | | |
| Employee benefits | 189,276 | 139,853 |
| On-costs | 37,374 | 26,051 |
| **Total non current provisions for employee benefits** | **226,650** | **165,904** |
| **Total provisions for employee benefits** | **3,677,095** | **3,391,729** |

**Current provisions**: The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid. This classification applies because the VO does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Unconditional long service leave (LSL) is disclosed as a current liability. This applies even where the VO does not expect to settle the liability within 12 months, because the VO does not have an unconditional right to defer the settlement of the entitlement should an employee elect to take leave.

No provision is made for sick leave. All sick leave is non-vesting, and it is not considered probable that the average sick leave taken in the future will exceed the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the comprehensive operating statement 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.

**Non-current provisions**: Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL 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, in which case it is recognised as an 'other economic flow' in the comprehensive result.

## 3.2 Other operating expenses

| | *2026* *$* | *2025* *$* |
|---|---|---|
| **Supplies and services** | | |
| Purchase of services | 2,114,791 | 1,877,142 |
| Information technology | 897,111 | 826,755 |
| Supplies and services | 640,858 | 610,899 |
| Occupancy costs | 603,585 | 606,998 |
| **Total other operating expenses** | **4,256,345** | **3,921,794** |

Other operating expenses represent the day-to-day running costs incurred in delivering services of the VO. They are recognised as an expense in the period in which they are incurred.

# 4 Key assets available to support output delivery

## Introduction

The VO controls property, plant and equipment to fulfill its objectives and conduct its activities. These assets represent the key resources used by the VO for the delivery of those activities.

## Structure

4.1 Property, plant and equipment
4.2 Intangible assets
4.3 Depreciation and amortisation

## 4.1 Property, plant and equipment

| | *Gross carrying amount* | | *Accumulated depreciation* | | *Net carrying amount* | |
|---|---|---|---|---|---|---|
| | *2026 $* | *2025 $* | *2026 $* | *2025 $* | *2026 $* | *2025 $* |
| Leasehold improvements | 4,865,018 | 4,968,418 | (4,525,748) | (4,182,623) | 339,270 | 785,795 |
| Right of Use Buildings | 10,102,709 | 10,102,709 | (5,810,925) | (4,980,793) | 4,291,784 | 5,121,916 |
| Office furniture and equipment at fair value | 1,082,567 | 1,163,379 | (774,356) | (1,162,726) | 308,211 | 653 |
| Lease Motor vehicles | 394,793 | 200,390 | (66,889) | (39,934) | 327,904 | 160,455 |
| Cultural assets at fair value | 8,200 | 8,200 | (619) | (525) | 7,581 | 7,675 |
| **Net carrying amount** | **16,453,286** | **16,443,096** | **(11,178,537)** | **(10,366,601)** | **5,274,749** | **6,076,495** |

**Property, plant and equipment other than right of use assets**

**Initial recognition:** Items of property, plant and equipment are recognised initially at cost. Where an asset is acquired for no or nominal consideration, the cost is its fair value at the date of acquisition.

The cost of furniture and equipment comprises its purchase price and any additional costs directly incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

**Subsequent measurement:** Property, plant and equipment is subsequently measured at fair value less accumulated depreciation and impairment losses. Fair value is determined with regard to the asset's highest and best use, considering any legal or physical restrictions imposed on the asset, public announcements, or commitments made in relation to its intended use.

The following sections disclose the right-of-use assets included within the total property, plant and equipment balance, presented by asset class.

### 4.1.1 Total right of use assets: buildings

| | *Gross carrying amount 2026 $* | *Accumulated depreciation 2026 $* | *Net carrying amount 2026 $* | *Gross carrying amount 2025 $* | *Accumulated depreciation 2025 $* | *Net carrying amount 2025 $* |
|---|---|---|---|---|---|---|
| Right of Use Buildings | 10,102,709 | (5,810,925) | 4,291,784 | 10,102,709 | (4,980,793) | 5,121,916 |
| **Net carrying amount** | **10,102,709** | (5,810,925) | **4,291,784** | **10,102,709** | (4,980,793) | **5,121,916** |

### 4.1.2 Reconciliation of movements in carrying amount of property, plant and equipment

| | *Leasehold improvements $* | *Rights of use Building $* | *Office furniture and equipment at fair value $* | *Lease Motor vehicles $* | *Cultural assets at fair value $* | *Total* |
|---|---|---|---|---|---|---|
| **Opening balance – 1 July 2025** | **785,796** | **5,121,916** | **653** | **160,455** | **7,675** | **6,076,495** |
| Adjustment to Provision | (103,400) | | - | | - | (103,400) |
| Additions | | - | 404,970 | 211,924 | - | 616,894 |
| Depreciation | (343,126) | (830,132) | (97,412) | (44,476) | (94) | (1,315,240) |
| **Closing balance – 30 June 2026** | **339,271** | **4,291,784** | **308,211** | **327,903** | **7,581** | **5,274,749** |

**Right-of-use asset acquired by lessees – Initial recognition**

The VO 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 incentives received; plus, any initial direct costs incurred; and
- Any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

**Right-of-use asset – Subsequent measurement**

Right-of-use assets are subsequently measured at cost in accordance with Financial Reporting Direction- *Leases (*FRD 104*)*. To apply the cost model, the VO measures the right-of-use asset arising from non-concessionary (market) leases at accumulated depreciation and any accumulated impairment losses; and remeasurement of the lease liability. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the underlying asset. Impairment of right-of-use assets is determined and accounted for in accordance with AASB 136 *Impairment of Assets.*

**Impairment of property, plant and equipment**

Impairment of right-of-use assets
VO has assessed all right-of-use assets for impairment, and not indicators of impairment are identified as at 30 June 2026.

The recoverable amount of primarily non-cash-generating assets of the VO, which are specialised in nature and held for the continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*. Consequently, formal impairment testing under AASB 136 *Impairment of Assets* does not apply to non-current physical assets that are regularly revalued.

## 4.2 Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

**Initial recognition:** Purchased intangible assets are initially measured at cost less accumulated amortisation and impairment losses. Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits associated

with the item will flow to the VO. When the recognition criteria in AASB 138 *Intangible Assets* are met, internally generated intangible assets are recognised at cost.

Amortisation begins when the asset is available for use, meaning it is in the location and condition necessary for it to be capable of operating in the manner intended by management.
**Subsequent measurement:** Intangible assets with finite useful lives are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Purchased intangible assets have useful lives ranging between three and seven years.

**Impairment:** Intangible assets with finite useful lives are tested for impairment whenever there is an indication that the asset may be impaired.

Reconciliation of movements in carrying amount:

| | *2026* *$* | *2025* *$* |
|---|---|---|
| Carrying account at start of year | 614,058 | 688,355 |
| Additions including work in progress | 20,925 | 133,719 |
| Amortisation expense | (229,238) | (208,016) |
| **Carrying amount at the end of year** | **405,745** | **614,058** |

## 4.3 Depreciation and amortisation

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

Depreciation is 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 typical estimated useful lives for the different asset classes for the current reporting period are detailed in the table below:

| Asset | Useful life (years) |
|---|---|
| Right of use Buildings [(a)] | 2 to 10 [(b)] |
| Plant, equipment and vehicles (including leased assets) | 3 to 10 |
| Cultural assets (with finite useful lives) | 100 |
| Leased motor vehicles | 2 to 3 |
| Capitalised software | 3 to 7 |

***Notes***
*(a) Right-of-use buildings relate to the VO's commercial accommodation lease.*
*(b) The VO depreciates right-of-use assets over the shorter of the asset's useful life and the lease term.*

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

Where the VO obtains ownership of the underlying leased asset, or if the cost of the right-of-use asset reflects that the VO will exercise a purchase option, the VO depreciates the right-of-use asset over its useful life.

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

# 5 Other assets and liabilities

## Introduction

This section sets out those assets and liabilities that arise from the VO's operations.

## Structure

5.1 Receivables
5.2 Payables
5.3 Prepayments
5.4 Other provisions
5.5 Other liabilities

## 5.1 Receivables

| | *2026* *$* | *2025* *$* |
|---|---|---|
| **Contractual** | | |
| Receivables | 1,887 | 8,591 |
| **Statutory** | | |
| Amount owing from Victorian Government | 10,764,451 | 10,431,129 |
| GST recoverable | 178,415 | 147,360 |
| **Total receivables** | **10,944,753** | **10,587,080** |
| *Represented by* | | |
| Current receivables | 10,944,753 | 10,587,080 |
| Non current receivables | - | - |

**Contractual receivables** are classified as financial instruments and measured at amortised cost. They are initially recognised at fair value plus any directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method, less any allowance for expected credit losses (ECL).

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

**Statutory receivables** do not arise from contracts. They are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments. The VO applies AASB 9 *Financial Instruments* for the initial measurement of statutory receivables; consequently, they are initially recognised at fair value plus any directly attributable transaction costs.

**Amounts due from the Victorian Government** represent funding for all commitments incurred by the VO that have not yet been drawn from the Consolidated Fund. These amounts are drawn down as the relevant commitments fall due and are not subject to expected credit loss allowances.

## 5.2 Payables

| | 2026 $ | 2025 $ |
|---|---|---|
| **Contractual** | | |
| Supplies and services | 763,596 | 517,508 |
| Amounts payable to government and agencies | 120,811 | 123,537 |
| **Total payables** | **884,407** | **641,046** |
| *Represented by:* | | |
| Current payables | 884,407 | 641,046 |

**Contractual payables**
Payables represent liabilities for goods and services provided to the VO that remain unpaid at the end of the financial year. Payables are initially measured at fair value, being the cost of the goods and services, and are subsequently measured at amortised cost.

**Statutory payables**
Statutory payables (such as goods and services tax and payroll tax obligations) are immaterial and are not separately disclosed.

## 5.3 Prepayments

| | 2026 $ | 2025 $ |
|---|---|---|
| **Current other assets** | | |
| Prepayment | 378,882 | 300,721 |
| **Total Prepayments** | **378,882** | **300,721** |

Prepayments represent payments made in advance of the receipt of goods or services, or payments for expenditure relating to future reporting periods.

## 5.4 Other provisions

| | 2026 $ | 2025 $ |
|---|---|---|
| **Current provision** | | |
| Make good provision | 517,000 | 620,400 |
| **Total Provision** | **517,000** | **620,400** |

**Make-good provision**

A make-good provision is recognised in accordance with the lease agreement over the occupied premises. The VO has a present legal obligation to remove leasehold improvements and restore the premises to its original condition at the end of the lease term. The provision is measured at the present value of management's best estimate of the expenditure required to settle the obligation.

### 5.4.1 Reconciliation of movements in make-good provision

| | 2026 $ | 2025 $ |
|---|---|---|
| **Opening balance** | 620,400 | 499,422 |
| Addition /(Reduction) | (103,400) | 120,978 |
| **Closing balance** | **517,000** | **620,400** |

## 5.5 Other liabilities

| | 2026 $ | 2025 $ |
|---|---|---|
| **Current liabilities** | | |
| Deferred income | 15,635 | 25,776 |
| **Total Other liabilities** | **15,635** | **25,776** |

### Contract liabilities (Deferred income)

Contract liabilities represent consideration received from customers in advance of the VO satisfying its performance obligations, specifically regarding the delivery of its tailored training and education programs. This income is recognised when the training is delivered.

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# 6 Financing our operations

## Introduction

This section provides information on the sources of finance utilised by the VO during its operations, along with interest expenses (the cost of borrowings) and other information related to the financing activities of the VO. This section also includes disclosures on commitments for expenditure.

## Structure

6.1 Borrowings
6.2 Leases
6.3 Commitments for expenditure

## 6.1 Borrowings

Borrowings refer exclusively to lease liabilities. Information about leases for which the VO is a lessee is presented below in Note 6.2.

'Interest expense' includes costs incurred in connection with the interest component of lease repayments and the increase in financial liabilities due to the unwinding of discounts to reflect the passage of time. Interest expense is recognised in the period in which it is incurred.

| | *2026 $* | *2025 $* |
|---|---|---|
| Interest on leases liabilities | 212,446 | 236,796 |
| **Total interest expense** | **212,446** | **236,796** |

The VO recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction, or production of a qualifying asset

| | *2026 $* | *2025 $* |
|---|---|---|
| **Secured** | | |
| Current lease liabilities | 1,109,293 | 1,000,747 |
| Non-Current lease liabilities | 5,514,071 | 6,429,697 |
| **Total borrowings** | **6,623,364** | **7,430,445** |

Leases are secured borrowings, as the rights to the leased assets revert to the lessor in the event of a default. There were no defaults or breaches of any lease conditions during the current or previous financial years.

## 6.2 Leases

### 6.2.1 Right-of-use assets

The VO leases right-of-use buildings and motor vehicles.
Right-of-use building lease contracts are typically made for a fixed period of 1 to 10 years, with an option to renew the lease after that date.
Motor vehicle leases are managed through the state's vehicle fleet provider (VicFleet) and are recognised as right-of-use assets with corresponding lease liabilities.

### 6.2.2 Recognition and measurement of leases as a lessee

For any new contracts entered, the VO 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, the VO 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 at the time the asset is made available to the VO, and for which the supplier does not have substantive substitution rights;

- Whether the VO 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 the right to direct the use of the identified asset throughout the period of use; and

- Whether the VO has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

**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 the VO's incremental borrowing rate.

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

- fixed payments (including in-substance fixed payments) less any lease incentive receivable.
- variable payments based on an index or rate, initially measured using the index or rate 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**

After 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 in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or within the net result if the right-of-use asset has already been reduced to zero.

**Short-term leases and leases of low-value assets**

The VO has elected to account for short-term leases (less than 12 months) and leases of low-value assets (such as small office equipment) using practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the net result when the expenditure is incurred.

**Presentation of right-of-use assets and lease liabilities**

The VO presents right-of-use assets within 'Property, plant and equipment' and Lease liabilities are presented under 'Borrowings' on the Balance Sheet.

| | *2026 $* | *2025 $* |
|---|---|---|
| **Secured** | | |
| Not longer than 1 year | 1,109,293 | 1,000,747 |
| *Non-Current lease liabilities* | | |
| Longer than 1 year but not longer than 5 years | 5,514,071 | 6,429,697 |
| **Minimum lease payments** | **6,623,364** | **7,430,445** |
| Less future finance charges | (617,753) | (818,628) |
| **Present value of minimum lease payments** | **6,005,611** | **6,611,817** |

*Note:*
*(a)Minimum future lease payments include the aggregate of all base payments and any guaranteed residual.*

## 6.3 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and are inclusive of GST. Future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the Balance Sheet.

| *2026* | *Less than 1 year* | *1-5 years* | *5+ years* | *Total* |
|---|---|---|---|---|
| Capital expenditure commitments payable | | | | |
| Intangible assets commitments payable | 173,277 | | | 173,277 |
| Other commitments payable | 1,057,315 | 815,224 | | 1,872,539 |
| **Total commitments (Inclusive of GST)** | **1,230,592** | | | **2,045,816** |
| Less GST recoverable | | | | (185,983) |
| **Total commitments (Exclusive of GST)** | | | | **1,859,833** |

| *2025* | *Less than 1 year* | *1-5 years* | *5+ years* | *Total* |
|---|---|---|---|---|
| Capital expenditure commitments payable | | | | |
| Intangible assets commitments payable | 3,941 | | | 3,941 |
| Other commitments payable | 1,233,479 | 632,472 | | 1,865,951 |
| **Total commitments (Inclusive of GST)** | **1,237,420** | **632,472** | - | **1,869,892** |
| Less GST recoverable | | | | (169,990) |
| **Total commitments (Exclusive of GST)** | | | | **1,699,902** |

# 7 Financial Instruments, contingencies, and valuation judgements

## Introduction

The VO 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.

## Structure


7.1 Financial instruments specific disclosures
7.2 Contingent assets and contingent liabilities
7.3 Fair Value Determination


## 7.1 Financial instruments specific disclosures

### Introduction

Financial instruments arise out of contractual agreements between entities 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 the VO'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 assets and financial liabilities

***Financial assets at amortised cost***

Financial assets are measured at amortised cost 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 the VO within a business model to collect the contractual cash flows.
- The assets' contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes the VO's trade receivables and cash assets but explicitly excludes statutory receivables (such as GST input tax credits recoverable from the Australian Taxation Office).

### 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 contractual rights to receive cash flows from the asset have expired.

***Financial liabilities measured at amortised cost***

Financial liabilities are initially recognised at fair value plus or minus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

This category includes the VO's trade payables, accrued expenses, and lease liabilities. It explicitly excludes statutory payables (such as payroll tax and fringe benefits tax owed to revenue offices).

**Derecognition of financial liabilities**

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

**Impairment of Financial Assets**

The VO recognises an allowance for expected credit losses (ECLs) for all financial assets measured at amortised cost. The VO applies the simplified approach permitted under AASB 9 *Financial Instruments*, measuring the loss allowance at an amount equal to lifetime expected credit losses from initial recognition.

Expected credit losses are determined using a provision matrix based on historical credit loss experience, adjusted for forward-looking economic indicators specific to the debtors' operating environment. VO had no ECL recognition for receivables.

## 7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed in these notes. If the quantifiable probability of an economic outflow or inflow is remote, no disclosure is required.

**Contingent assets**

Contingent assets are possible asset arising 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 VO.

There were no contingent assets based on the above definition relating to the VO at 30 June 2026 (30 June 2025: Nil)

**Contingent liabilities**

Contingent liabilities are:

- A possible obligation arising 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 VO; or
- A present obligation arising from past events where an outflow of economic resources is not probable, or the settlement amount cannot be estimated with sufficient reliability.

There were no contingent liabilities based on the above definition relating to the VO at 30 June 2026 (30 June 2025: Nil)

## 7.3 Fair Value determination

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.

Consistent with the requirements of AASB 13 *Fair Value Measurement*, the VO uses a three-level fair value hierarchy to maximise the use of relevant observable inputs and minimise the use of unobservable inputs:

- Level 1 Inputs: Unadjusted quoted market prices in active markets for identical assets or liabilities accessible at the measurement date.

- Level 2 Inputs: Valuation techniques utilising inputs other than Level 1 quoted market prices that remain observable for the asset or liability, either directly or indirectly.

- Level 3 Inputs: Valuation techniques utilising significant unobservable market inputs where structural data is unavailable due to little or no market activity.

The VO's non-financial physical assets (such as plant, equipment, and leasehold improvements) are measured at fair value on a recurring basis. Specific valuation techniques and asset hierarchy levels are detailed in Note 7.3.1.

### 7.3.1 Fair value determination non- financial physical assets

The VO's owned non-financial physical assets are valued at current replacement cost. Right-of-Use (RoU) assets arising from non-concessionary leases are subsequently measured using the cost model, in accordance with Financial Reporting Direction- *Leases (*FRD 104*)*.

**Change in Accounting Policy – FRD 104 Leases**
Effective 1 July 2025, VO adopted the amended Financial Reporting Direction- *Leases (*FRD 104). This amendment mandates the cost model for the subsequent measurement of Right-of-Use (RoU) assets arising from non-concessionary leases.

# 8 Other disclosures

### Introduction

This section includes additional material disclosures required by financial reporting frameworks, accounting standards, or legal mandates, providing a comprehensive understanding of this financial report.

### Structure

8.1 Responsible persons
8.2 Remuneration of executives
8.3 Related parties
8.4 Remuneration of auditors
8.5 Subsequent events

## 8.1 Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994* (FMA), the following disclosures are made regarding responsible persons for the reporting period.

**Dates of Tenure**

The names of persons who held the positions of Responsible Minister and Accountable Officer in relation to the Victorian Ombudsman (VO) during the financial year are as follows:

Responsible Minister:
The Hon. Sonya Kilkenny MP, Attorney-General 1 July 2025 to 14 April 2026
The Hon. Ingrid Stitt, Special Minister of State 15 April 2026 to 30 June 2026

Accountable Officer:
Marlo Baragwanath, Ombudsman 1 July 2025 to 30 June 2026

**Remuneration**

The total remuneration package of the person holding the office of Ombudsman, in connection with the management of the Office during the reporting period, fell within the following bands: $560,000-$570,000 ($550,000-$560,000 in 2024-25).

## 8.2 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 the table below. Total annualised employee equivalents (AEE) provide a measure of full-time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *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

| | Total remuneration | |
|---|---|---|
| Remuneration of the executive officers | ***2026*** ***$*** | ***2025*** ***$*** |
| *(including Key Management Personnel disclosed in Note 8.3)* [(a)] | | |
| **Total remuneration** [(a)] | 2,615,453 | 2,360,728 |
| **Total number of executives**[(b)] | **11.00** | **11.00** |
| **Total annualised employee equivalents** [(c)] | 8.29 | 7.29 |

*Note:*

*(a) Remuneration includes termination benefits.*

*(b) The total number of executives represents the headcount of all individuals who served in an executive capacity during the reporting period. This figure includes executives who departed mid-year, any subsequent backfills, and those meeting the definition of Key Management Personnel (KMP) under AASB 124 Related Party Disclosures (as further detailed in Note 8.3).*

*(c) Annualised employee equivalent is based on the time fraction worked over the reporting period.*

## 8.3 Related parties

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

- all key management personnel and their close family members.
- all cabinet Ministers and their close family members.
- all departments and public sector entities that are controlled and consolidated into the whole of State consolidated financial statements.

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

**Significant transactions with government-related entities**

The VO received appropriation funding from the Department of Treasury and Finance of $24.551 million (2025: $23.789 million).

**Key management personnel (KMP)** of the VO included the Portfolio Ministers being The Hon. Sonya Kilkenny Attorney-General, Hon. Ingrid Stitt, Special Minister of State and Executive Team of the VO, which includes:

- Ombudsman, Marlo Baragwanath (1 July 2025 to 30 June 2026)
- Deputy Ombudsman Prevention, Andrew Adason (1 July 2025 to 22 February 2026 - parental leave)
- Deputy Ombudsman Operations, Dan Nicholson (1 July 2025 to 30 June 2026)
- Deputy Ombudsman Corporate, Kerryn Ellis (1 July 2025 to 30 June 2026)
- Deputy Ombudsman Prevention, Linda Timothy (2 February 2026 to 30 June 2026)

**Remuneration of key management personnel**

The compensation detailed below excludes the salaries and benefits received by the Portfolio Ministers. Ministerial remuneration and allowances are set independently by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State of Victoria's Annual Financial Report.

| Compensation of KMPs | *2026* *$* | *2025* *$* |
|---|---|---|
| **Total** [(a)] | **1,780,350** | **1,590,044** |

*Note:*
*(a) KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.2).*

**Transactions and balances with KMPs and other related parties**

Outside of normal citizen-type transactions with the VO, there were no related party transactions involving key management personnel, their close family members, or their personal business interests.

Procurement processes adhere to the Victorian Government Procurement Board requirements. Staff employment across the Victorian public sector occurs on terms and conditions consistent with the Public Administration Act 2004 and standard Codes of Conduct issued by the Victorian Public Sector Commission.
No provision has been required, nor any expense recognised, for the impairment of receivables from related parties.

## 8.4 Remuneration of auditors

| - | *2026* *$* | *2025* *$* |
|---|---|---|
| Victorian Auditor General's Office | | |
| Audit of the financial statements | 37,000 | 32,100 |
| **Total remuneration of auditors** | **37,000** | **32,100** |

Audit fees are paid or payable to the Victorian Auditor-General's Office (VAGO) for the explicit verification of the financial report. No other direct services were provided by VAGO.

## 8.5 Subsequent events

Subsequent to 30 June 2026, the VO exercised its 5-year lease extension for its Right-of-Use asset at 570 Bourke Street, effective 1 September 2026. Management will reflect remeasurement of the lease liability on its accounts effective 1 September 2026 commencement date; therefore, no immediate balance sheet adjustments are required for the current reporting period.

## Ombudsman and Chief Financial Officer's Declaration

The attached financial statements for the Victorian Ombudsman have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister of Finance 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 2026 and financial position of the Victorian Ombudsman at 30 June 2026.

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

We authorise the attached financial statements for issue on 16 September 2026.

Sheetal Kapoor

**Sheetal Kapoor**
Chief Financial Officer

**Melbourne**
16 September 2026

M. J. Baragwanath

**Marlo Baragwanath**
Ombudsman

**Melbourne**
16 September 2026

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**Note**

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

# Appendix 2: Business glossary

| | |
|---|---|
| **Allegations discontinued** | Number of public interest complaint allegations we discontinued investigating in accordance with section 17 of the *Ombudsman Act 1973* (Vic). |
| **Assessable disclosures notified to IBAC (S21 Assessable Disclosure) 33** | An assessable disclosure is a whistleblower complaint to us about public organisations/officers that might involve improper or corrupt conduct, which we refer to IBAC under the *Public Interest Disclosures Act 2012* (Vic). |
| **Enquiries made** | Enquiries made means any action taken by us (e.g. seeking information from an authority, research, inspecting records) to decide whether the issue may be informally resolved or whether it should be investigated. |
| **Investigations finalised** | An Investigation is a formal investigation notified to an authority under section 17 of the Ombudsman Act, in which the Ombudsman is able to exercise coercive powers. |
| **Jurisdictional cases received** | Jurisdictional cases received means the number of cases opened we could deal with, including complaints, public interest complaints, assessable disclosures and own motions. |
| **Public interest complaints** | A public interest complaint is a whistleblower complaint about a public organisation/officer which IBAC has referred to us to deal with. Public interest complaints receive specific legal protections. |
| **Public interest complaints (PIC) received** | Number of public interest complaints IBAC referred to us to deal with. We are required to investigate public interest complaints referred by IBAC, with some exceptions. |
| **Recommendations accepted %** | A recommendation is a formal suggestion by the Ombudsman to remedy an issue identified in an investigation. |
| **# PIC allegations that were not substantiated** | Number of public interest complaint allegations not substantiated by us. |
| **# PIC allegations that were substantiated or partially substantiated** | Number of public interest complaint allegations substantiated or partly substantiated by us. |
| **# PIC investigations finalised** | Number of investigations into public interest complaints we finalised. |
| **# Potential PID allegations assessed** | Number of allegations assessed by us for possible referral as an assessable disclosure to IBAC under the *Public Interest Disclosures Act 2012* (Vic). Each assessable disclosure may contain multiple allegations. |

VICTORIAN ombudsman

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