

**VICTORIAN
INSPECTORATE**

ANNUAL REPORT

2023–24

**STRENGTHENING TRUST IN
VICTORIA'S INTEGRITY SYSTEM**

Victorian Inspectorate

Level 8, 565 Bourke Street
Melbourne VIC 3000

Telephone: 0457 105 620
vicinspectorate.vic.gov.au

Acknowledgement

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

Published by order, or under the authority, of the Parliament of Victoria October 2024.
© Victorian Inspectorate 2024



You are free to reuse this work under a Creative Commons Attribution 4.0 Licence provided you credit the Victorian Inspectorate as author, indicate if changes were made and comply with the other licence terms. The licence does not apply to any third-party material, images or branding including government logos.

Copyright enquiries may be directed to communications@vicinspectorate.vic.gov.au.

ISSN 2207-0303
Published October 2024

If you would like to receive this information in a more accessible format,
please call 0457 105 620 or email communications@vicinspectorate.vic.gov.au.

This document is also available at vicinspectorate.vic.gov.au.

Declaration by responsible body

In accordance with the *Victorian Inspectorate Act 2011*, the *Financial Management Act 1994*, the *Public Interest Disclosures Act 2012*, and the *Major Crime (Investigative Powers) Act 2004*, I am pleased to present the Victorian Inspectorate's annual report for the year ending 30 June 2024.



Eamonn Moran PSM KC

Inspector

Contents

| | |
|--|-----------|
| Message from the Inspector | 2 |
| Message from the CEO and General Counsel | 4 |
| Year in numbers: Organisation | 6 |
| Year in numbers: Operations | 7 |
| Section 1: About the Victorian Inspectorate | 8 |
| Who we are | 9 |
| Operating environment | 11 |
| Organisational structure | 12 |
| Integrity system and VI jurisdiction updates | 15 |
| Section 2: Performance, achievements and challenges | 20 |
| Section 3: Jurisdiction and functions | 28 |
| Overview | 29 |
| Enquiries | 30 |
| Complaints | 34 |
| Public interest disclosures | 42 |
| Investigations and inquiries | 44 |
| Inspections | 49 |
| Coercive powers notifications | 53 |
| Improvements to the integrity system | 62 |
| Recommendations | 64 |
| Section 4: Bodies that we oversee | 66 |
| Independent Broad-based Anti-corruption Commission | 67 |
| Victorian Ombudsman | 84 |
| Office of Chief Examiner | 92 |
| Office of the Victorian Information Commissioner | 96 |
| Judicial Commission of Victoria | 98 |
| Victoria Police | 100 |
| Public Interest Monitor | 103 |
| Wage Inspectorate Victoria | 104 |
| Office of the Special Investigator | 106 |
| Victorian Auditor-General's Office | 109 |
| Other bodies | 110 |

| | |
|--|------------|
| Section 5: Governance and risk management | 112 |
| Section 6: People and culture | 120 |
| Section 7: The next 3 years | 130 |
| Section 8: Finance and procurement | 134 |
| Appendix A: List of bodies for which the VI has oversight responsibilities | 176 |
| Appendix B: List of Acts relating to the VI's work | 177 |
| Appendix C: Status of independent performance audit recommendations to the VI | 178 |
| Appendix D: Status of Integrity and Oversight Committee recommendations to the VI | 180 |
| Appendix E: VI jurisdiction and functions | 182 |
| Appendix F: Status of recommendations made to IBAC in 'Emma's special report' | 184 |
| Shortened forms | 186 |
| Glossary | 188 |
| Legislative reporting (disclosures) index | 191 |



Message from the Inspector

The aim of a public body's annual report is to place on the public record the story of the public body in that year. It's a particularly important document for an integrity agency as so much of what we do is done away from the gaze of the public. For the Victorian Inspectorate, it is one of the few opportunities we have to publicly report on our activities. It is important that we do publicly report so as to provide transparency in relation to how we work and provide assurance to the community that the integrity bodies that we oversee are operating appropriately, given our oversight, and they can have confidence in them.

This is the 7th annual report of the Victorian Inspectorate presented to Parliament during my term as Inspector. I believe that each has marked a further maturing in our operations. But I do believe that in 2023–24 significant achievements were notched up.

We raised our profile as a complaint-taking and investigative body through enhancing our website with the inclusion of a series of videos explaining our jurisdiction and how we operate. We provided a secure means for complaints to be made to us anonymously but with us having the capacity to correspond and seek further information from the complainant without breaching their anonymity. We improved our timeliness in assessing complaints. We carried a significant investigative load throughout the year and at year's end had closed all but one. We tabled 2 significant special reports in Parliament, one dealing with a disclosure of confidential information to a journalist by a former staff member of an integrity agency and the other highlighting significant compliance issues in another integrity agency.

'As I head into my final year I do so confident in the knowledge that we have the right group of people across all functional areas of the Victorian Inspectorate...'

In my message in last year's annual report, I raised our long-standing concern about the name 'Victorian Inspectorate'. It provides no clue about who we are or what we do. Thankfully, the Attorney-General listened and at year's end a Bill that would rename us as 'Integrity Oversight Victoria' had passed the Legislative Assembly and was in the Legislative Council awaiting debate. I am delighted about that development.

Our ultimate aim is to bring about improvements across the integrity system so I am particularly proud that this year we can report that we exceeded our BP3 measure for improvements by 28 per cent.

Being an oversight body for other integrity agencies can be challenging. The key thing, I believe, is to be open and transparent with each other and seek to work together towards the common goal of improving the operation of our integrity system. In the course of this year, 3 of the agencies we have oversight responsibilities in relation to have had new leaders appointed. It was a delight at a Law Week 2024 event to be able to sit down with those new leaders, as well as the chair of the Integrity and Oversight Committee of the Parliament and engage in constructive and respectful dialogue in a public forum.

This will be the last annual report for the Victorian Inspectorate that I will have the pleasure of presenting to Parliament as my term ends on 30 June 2025. As I head into my final year I do so confident in the knowledge that we have the right group of people across all functional areas of the Victorian Inspectorate to pursue the Inspectorate's vision and live up to its values. Chief among these is our Chief Executive Officer and General Counsel Cathy Cato. I could not have asked for a better and more effective senior colleague. Cathy is a natural leader in the integrity space. And last, but not least, to my executive assistant Cathy Kotsopoulos I say thank you for bringing order to my working life at the Victorian Inspectorate and for performing your role exceptionally well this year again.



Eamonn Moran PSM KC

Inspector

VICTORIAN INSPECTORATE



Message from the CEO and General Counsel

The Victorian Inspectorate's vision is a robust and trusted integrity system. Through 142 complaints, 7 investigations, 16 inspections and 186 notification reviews, we identified some non-compliance or other issues for improvement. Feedback, observations and recommendations were made to influence compliance and prevent issues recurring. This annual report highlights 9 systemic improvements across the integrity system, against a target of 7.

We strengthened the integrity system through 26 recommendations, most made privately, with 88 per cent accepted. Two (2) serious issues required the tabling of special reports.

The March 2024 special report is a compliance case study on the use and oversight of coercive powers. It helps set the standard for integrity bodies exercising coercive powers and resulted in the new Ombudsman accepting a recommendation to review coercive powers related quality assurance and resources.

Prevention is better than cure. Our special report on unauthorised disclosures made by an integrity officer contains valuable lessons for integrity agency officers. The report raises awareness about expected standards and, it is hoped, will deter officers from disclosing highly sensitive information.

We also shared our learnings through educational activities, public submissions and contributing to legislative reform. We published 6 informative videos, a second guidance note, and presented to practitioners at the Victorian Bar about the rights and expectations of appearing as counsel at a coercive examination. This insight into the private work of integrity bodies is important to help protect witnesses' rights and ensure integrity bodies meet their obligations. The coercive powers notifications chapter in Section 3 of this report also highlights 3 essential practices to be considered by bodies exercising coercive powers.

As co-administrators of the scheme under the *Public Interest Disclosures Act 2012 (Vic)*, we engaged with IBAC and the Ombudsman to ensure consistency of interpretation in implementing the scheme.

The Victorian Inspectorate is held accountable through 9 performance measures published in the Government's Budget Paper No. 3. Our measures included complaint and investigation timeliness, providing reasons for complaint outcomes, agencies' acceptance of recommendations and improvements to the integrity system. Through our operational activities, we exceeded 5 targets, met 2 targets and fell short on one target.

'...our strategic activities... contributed to protecting witness welfare, building community knowledge of rights within the integrity system and improving timeliness and ease of access for integrity participants.'

As Victoria's integrity oversight body, we aim to be exemplary in our practice. We have robust governance and processes for exercising coercive powers, ensuring compliance with human rights and protecting witness welfare. These were enhanced in 2023–24 by our new investigation manual and more improvements to our best practice witness welfare framework.

This report outlines our strategic activities in the final year of our 2022–24 strategic plan. They contributed to protecting witness welfare, building community knowledge of rights within the integrity system and improving timeliness and ease of access for integrity participants. We are close to fully implementing all of the recommendations made in October 2022 by the Integrity and Oversight Committee and 12 of the 14 made by the independent performance auditor. We also received a bronze award at the Australasian Reporting Awards for our 2022–23 annual report for distinguished achievement in reporting.

Our culture and skills were enhanced by our new Pride Network, a strong learning and development program and a seminar series of presentations by formidable speakers. A culture is defined by its people. To Inspector Eamonn Moran PSM KC, thank you for your leadership, support and legal brilliance. To General Manager Corporate Services, Lana Kolyunski, and General Manager Integrity Operations and Policy, Alison Lister, who led their talented teams with distinction—thank you for your astonishing work ethic and commitment. To our executive assistant Cathy Kotsopoulos and the staff in the Office of the Inspector, Legal Services, Corporate Services, and Integrity Operations and Policy, you deserve to feel proud of the achievements in this report—they are yours, and you have helped strengthen and provide access to Victoria's integrity system.



Cathy Cato
CEO and General Counsel
VICTORIAN INSPECTORATE

Year in numbers

ORGANISATION

 **30** Staff

On 30 June 2024, the Inspector was supported by 30 staff (27.9 FTE).

 **19** Acts

Our jurisdiction and powers are established by the VI Act and 18 other Acts.

 **14** Integrity bodies

We oversee 14 bodies. Our jurisdiction and related compliance activities differ for each one.



Bronze Australasian Reporting Awards

Received Bronze medal for our 2022–23 annual report from the Australasian Reporting Awards.



Year in numbers

OPERATIONS

ENQUIRIES

 **248** Enquiries

This is a 22% increase from the number of enquiries received in 2022–23 (203) and a 52% increase from the number of enquiries received in 2021–22 (163).


COMPLAINTS

 **119** Complaints

We received the same number of complaints in 2023–24 that we received in 2022–23 (119).

 **142** Closed

We closed 6 more complaints in 2023–24 than in 2022–23 and, for the second year in a row, we closed more complaints than we received in the year.

 **390** Allegations

There were 390 allegations addressed in the 142 complaints that we closed.

PUBLIC INTEREST DISCLOSURES

 **22** Disclosures

We received 22 disclosures made under the PID Act and assessed 17.

INVESTIGATIONS

 **8** Investigations

We conducted 8 investigations in 2023–24 and closed 7. One investigation resulted in a special report transmitted to Parliament on 25 June 2024.

INSPECTIONS AND REPORTS

 **16** Inspections

We conducted 16 regular inspections—2 more than last year (14 regular inspections).

 **8** Inspection Reports

The 8 completed inspection reports were provided to the relevant minister(s); 5 reports were tabled in Parliament and published on our website.

 **2** Special Reports

We tabled 2 special reports: ‘A compliance case study on the use and oversight of coercive powers’ and ‘Investigation of unauthorised disclosures by an integrity officer’.

COERCIVE POWERS NOTIFICATIONS

 **585** Received

We received 13 more coercive powers notifications than last year—73% (427) of the notifications came from IBAC.

 **186** Reviewed

Of the 585 coercive powers notifications we received, we triaged 584 and reviewed 186 (32%); 42 of these were recordings of examinations/interviews.

RECOMMENDATIONS

 **88%** Accepted

We made 26 recommendations across a number of functions—23 were accepted; one was rejected and 2 were awaiting a response on 30 June 2024.

About the Victorian Inspectorate

Who we are

The Victorian Inspectorate (VI) was established under the *Victorian Inspectorate Act 2011* (VI Act) to provide oversight of a range of bodies and officers exercising significant powers within the public sector. The powers that those bodies and officers have include powers to summons and examine witnesses or require the production of documents, to investigate and handle complaints about other public sector bodies and publicly report on their findings, to seek authorisation to exercise various intrusive investigatory powers, and to enforce compliance with particular legislation. Our role is to provide the Parliament and the people of Victoria with independent assurance that these bodies act lawfully and properly in the performance of their functions. To carry out that role, Parliament has conferred significant powers on us. We are accountable to Parliament, through its Integrity and Oversight Committee, for how we perform our functions and exercise our powers.

Victoria's integrity system

The bodies we oversee are part of Victoria's integrity system (see Appendix A for the list of bodies). In performing our oversight role, and exercising significant powers for that purpose, we too are part of Victoria's integrity system and indeed play a leading role within it. The integrity system provides the checks and balances necessary to ensure accountability in a society governed by the rule of law.

What we do

Our jurisdictional remit and powers are established by the VI Act and 18 other Acts of Parliament (see Appendix B for a full list). Under those Acts, we receive, assess and handle complaints, conduct investigations, monitor the exercise of significant powers and conduct inspections of records. Because of the secrecy provisions under which we operate, much of what we do is not obvious to the general public. However, as well as an annual plan and an annual report each year, we publish various reports including reports on the use of controlled operations and surveillance devices by other integrity bodies, reports on the exercise of counter-terrorism powers by Victoria Police, reports on various monitoring projects we carry out, and occasional special reports on investigations or reviews conducted by us.

Our purpose

Through our compliance activities, we aim to strengthen Victoria's integrity system.

To build trust in our decisions, we provide written reasons for all complaint outcomes. We ensure anyone who may be affected adversely by a decision made by us on an investigation or inspection or monitoring project has an opportunity to comment before the decision is finalised.

The bodies that we oversee that exercise coercive powers (that is, powers to compel persons to answer questions or produce documents or to keep particular matters confidential) are required by law to notify us when they use those powers. It is by reviewing these notifications that we can (without having received a complaint) identify when powers are used unlawfully, or without consideration of human rights. The requirement on an administrative body to notify us about their exercise of coercive powers is an important protection for those against whom the powers are exercised.

We review policies and procedures to ensure systems and processes support compliant use of powers.

Some bodies have intrusive and extraordinary investigatory powers that can, in certain circumstances, be used covertly. These powers allow the use of telecommunications interceptions, surveillance devices, the conduct of controlled operations and police counter-terrorism activities. To oversee these bodies, we regularly inspect records and report to the relevant Minister and, where permitted, the Victorian Parliament.

Another important role that we have is to support Victoria's public interest disclosure scheme under the *Public Interest Disclosures Act 2012* (PID Act). If we receive disclosures that relate to IBAC, a Public Interest Monitor (PIM), or Victoria's former Office of the Special Investigator (OSI)¹, we assess and investigate those that meet the threshold of a public interest complaint.

If we receive disclosures about other bodies that may be public interest complaints, we notify them to IBAC to make that decision. IBAC can refer public interest complaints to us for investigation if they are about a body that we oversee, such as the Victorian Ombudsman (VO).

When our compliance activities identify non-compliance or other issues for improvement, we provide feedback and, if necessary, make recommendations to influence bodies to comply. Occasionally, our recommendations are given in public reports. To ensure transparency and consistency in our responses, we refer to our integrity response guidelines to guide our decision making.

Our vision

An integrity system that is robust and trusted.

Our aspirations

A robust Victorian integrity system

- Parliament and integrity agencies have confidence in the Victorian Inspectorate
- The Victorian Inspectorate is positively influencing integrity agencies
- Intrusive and coercive powers are exercised lawfully
- The public sector is being held to account

Public confidence and trust in Victoria's integrity system

- The right checks and balances are in place
- Participants understand rights and responsibilities in the integrity system
- The community knows when to come to the VI to protect their rights

Our values

We act with integrity in everything we do

We demonstrate professional courage, leadership and persistence

We are dedicated to delivering work to the highest possible standard

We work collaboratively and respectfully with each other and with integrity bodies

We promote and uphold the Charter of Human Rights

¹ Up to 2 August 2024.

Operating environment

Integrity and Oversight Committee

The parliamentary Integrity and Oversight Committee (IOC) monitors and reviews the performance of the Victorian Inspectorate's duties and functions (other than in relation to Victorian Auditor-General's Office (VAGO) officers), and reports to both Houses of Parliament. The IOC examines reports made to Parliament (excluding VAGO reports) and has power to veto the appointment of an Inspector. The IOC receives and assesses public interest disclosures about conduct by or in the Victorian Inspectorate.

In accordance with Division 2 of Part 7 of the VI Act, the Victorian Inspectorate submits for the IOC's consideration and feedback each year a draft annual plan describing our annual work program. The Victorian Inspectorate's budget is to be determined in consultation with the IOC concurrently with the annual plan. We table the annual plan in the Parliament. Every 4 years, an independent performance auditor must conduct a performance audit of the Victorian Inspectorate. The Parliament may appoint the auditor, on the recommendation of the IOC, other than the Auditor-General or a VAGO officer.

Public Accounts and Estimates Committee

The parliamentary Public Accounts and Estimates Committee (PAEC) reviews the performance of the duties and functions of the Victorian Inspectorate, and examines any reports made to Parliament, in relation to VAGO officers.

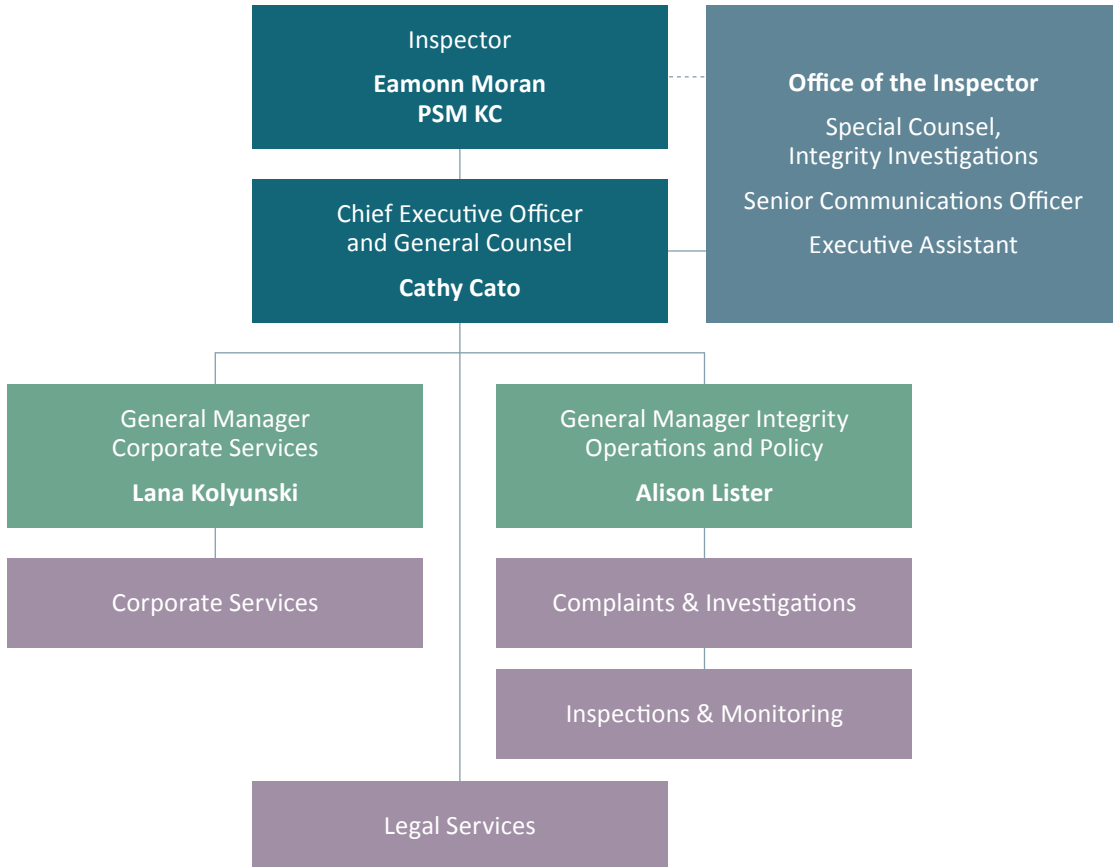
To ensure we are independent, the *Parliamentary Committees Act 2003* prescribes that the IOC or PAEC cannot investigate a matter relating to a VI report, or review any of our decisions, findings or recommendations.

Minister

The Honourable Jaclyn Symes MP was appointed as the Attorney-General of Victoria in December 2020. The Attorney-General is the responsible minister for the Victorian Inspectorate and in this role is supported by the Department of Justice and Community Safety. We are an independent special body not subject to the direction or control of the Attorney-General in respect of the performance of our duties and functions and the exercise of our powers.

Organisational structure

Figure 1: Organisational structure, 2023–24



From left to right: Alison Lister, Eamonn Moran, Cathy Cato, Lana Kolyunski

Inspector

Eamonn Moran PSM KC has held, or acted in, the role of Inspector since 1 January 2018. His term of office expires on 30 June 2025. The Inspector is an independent officer of the Parliament of Victoria.

Eamonn is responsible for undertaking the strategic leadership of the Victorian Inspectorate. He is also our public service body head and has the duties, functions and powers delegated by the Victorian Inspectorate, or conferred by the VI Act or any other Act. On 30 June 2024, the Inspector was supported by 30 staff (27.9 FTE).²

Over the course of a long career, Eamonn has worked in many diverse legal areas including as a legislative counsel, as a solicitor, as a barrister, as a law reform commissioner, as a member of various ministerial advisory committees and, since 1 January 2018, as the Inspector at the Victorian Inspectorate. He was Chief Parliamentary Counsel in Victoria between 1999 and 2008 and from then until June 2012 was Head of the Law Drafting Division of the Department of Justice in Hong Kong.

Eamonn received a Public Service Medal in 2005 for service to legislative drafting and public law and the promotion of plain legal language and in 2012 was awarded by the Hong Kong government a Silver Bauhinia Star for dedicated service in law drafting in Hong Kong and his contribution to the development of plain language drafting in Hong Kong.

Eamonn was appointed Queen’s Counsel in Victoria in 1998.

He was President of the Commonwealth Association of Legislative Counsel from 2007 to 2011 and President of Clarity International from 2016 to 2018.

With Jeffrey Barnes and Jacinta Dharmananda, Eamonn is co-author of *Modern Statutory Interpretation* published in 2023 by Cambridge University Press.

CEO and General Counsel

Cathy Cato commenced as the Victorian Inspectorate’s inaugural Executive Director, Legal and Integrity in November 2018, leading the legal, corporate, integrity operations and policy functions. In May 2023 Cathy was reappointed for 5 years, with her title changed to CEO and General Counsel to better represent her leadership and functions within the organisation.

As General Counsel, Cathy is supported by Dheepna Benoit who leads the legal team as Manager, Legal Services.

Cathy brings executive, legal, regulatory management and compliance experience from a 30-year career in the Commonwealth and state public sectors—as a lawyer at the Australian Government Solicitor, as a senior executive at the Department of Treasury and Finance, and as a lawyer, senior executive and deputy commissioner at a Commonwealth regulatory body.

Cathy has represented the Commonwealth in civil litigation and prosecutions, developed and advised on policy, and appeared as an examiner and counsel assisting in coercive hearings.

Cathy has 12 years of senior executive experience as a leader and deputy leader of state and national bodies, and as a public speaker influencing government, company and agency stakeholders to comply with legislative and policy requirements.

Cathy has served on a number of committees, including as an external member of the Australian Radiation Protection and Nuclear Safety Agency’s Strategic Management Committee, and as chair of Victoria’s Construction Contracts Advisory Panel.

Office of the Inspector

The Inspector and CEO are assisted by Senior Communications Officer Tracey Matters; Special Counsel, Integrity Investigations Rai Small; and Executive Assistant Cathy Kotsopoulos. Cathy provides executive and administrative support and ensures the office runs smoothly.

² This includes one part-time staff member who was on parental leave.

General Manager Integrity Operations and Policy

Alison Lister commenced as the General Manager Integrity Operations and Policy in May 2021. Alison's background includes senior leadership roles in Commonwealth agencies, and leading modernisation work internationally working with governments and international organisations to strengthen public institutions responsible for revenue collection and border management in line with the United Nations Sustainable Development Goals.

Alison leads the integrity operations and policy team in its delivery of the full range of oversight functions—inspections, coercive powers notification reviews, monitoring, complaints, and investigations. Alison manages our investigators, works closely with Special Counsel, Integrity Investigations, and is supported in leading the other operational functions by the Manager, Inspections and Monitoring, and Anna Mitchell as Manager, Complaints. They both bring a high level of technical expertise and substantial professional experience to their roles.

With a strong focus on integrity, effective regulation and compliance management, Alison has delivered programs in Australia and abroad to reduce corruption, counter fraud, build capacity, and to improve productivity, outcomes, accountability, and integrity in government agencies.

General Manager Corporate Services

Led by General Manager Lana Kolyunski, the corporate services team provides corporate support services to the VI, including finance, corporate governance, procurement management and reporting, human resources, records management and support, information technology management and building and facilities management.

When Lana joined the Victorian Inspectorate as General Manager, Corporate Services in August 2019 she brought with her an eclectic background. Lana's career kicked off in human resources before she moved into social justice roles delivering employment services and programs targeting the disadvantaged unemployed, establishing an employment program for people with physical disabilities, and managing disability services. For 12 years Lana worked as an advisor to senior executives and project managed a number of strategic and sensitive projects in the Department of

Justice and Community Safety. She was the Community Engagement Manager to the 2009 Victorian Bushfires Royal Commission, 2014 Hazelwood Mine Fire Inquiry, and 2016 Family Violence Royal Commission.

Lana received an IPAA Victoria International Women's Day 2010 Honour Roll Legend of Service Delivery award in recognition of her exceptional contribution to the workplace and people of Victoria for her work with the Victorian Bushfires Royal Commission.

Since 2017, Lana has been actively involved in her local branch of the Country Women's Association of Victoria Inc. raising funds to support community initiatives with a focus on supporting women and children. For 6 of those 7 years she has been a member of the branch executive, either as secretary (5 years) or president (one year).

Audit and Risk Committee

The Victorian Inspectorate's Audit and Risk Committee meets at least 4 times each year to review our financial performance and procedures and general risk management. Throughout 2023–24, the Audit and Risk Committee comprised:

- Terry Moran AC, Chair
- Taryn Rulton
- Joh Kirby.

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

- review and report independently to the Inspector on the financial statements published in the annual report and other financial information
- assist the Inspector in reviewing the effectiveness of our internal control environment
- determine the scope of the internal audit function and ensure its resources are adequate and used effectively, including coordination with 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.

Integrity system and VI jurisdiction updates

State legislative updates

Special Investigator Repeal Act 2024

On 27 June 2023, the Victorian Attorney-General announced the government’s decision to accept recommendations from both the Special Investigator and Royal Commission Implementation Monitor to wind up the Office of the Special Investigator (OSI).

To implement this decision, the *Special Investigator Repeal Act 2024* (SIR Act) came into operation on 2 February 2024, repealing the *Special Investigator Act 2021*. The Department of Justice and Community Safety (DJCS) consulted with us on the drafting of the SIR Act. Relevant to the VI, the SIR Act continued the function and power of the VI to:

- receive complaints and public interest disclosures about the conduct of the OSI or OSI personnel³ up until 2 August 2024
- conduct investigations into the conduct of the OSI and OSI personnel up until 2 August 2025—consequently, the SIR Act allows that the VI may access, receive, assess and deal with the records of the OSI
- make recommendations and report on investigations up until 2 February 2026—given the repeal of the OSI, the SIR Act allows the VI to make recommendations to the Attorney-General.

In addition, the SIR Act continued the requirement of the VI to report in our annual report details of the extent to which action recommended by the VI to be taken by the OSI has been taken during this reporting period.⁴

Parliamentary Workplace Standards and Integrity Bill 2024

On 17 October 2023, the government announced that it would establish a new integrity body aimed at investigating the misconduct of members of parliament, ministers and parliamentary secretaries. The establishment of this body, the Parliamentary Workplace Standards and Integrity Commission (PWSIC), was a key recommendation arising out of IBAC’s investigation known as Operation Watts.

The Parliamentary Workplace Standards and Integrity Bill 2024 (PWSI Bill) was introduced into parliament on 28 May 2024, and proposes to give us oversight over various aspects of the PWSIC. These include:

- monitoring the use of coercive powers such as confidentiality notices and investigation requests
- ensuring compliance by the PWSIC and its officers with procedural fairness requirements
- receiving complaints about the conduct of the PWSIC and its officers and investigating such conduct
- reporting on and making recommendations as a result of our oversight functions.

During this reporting period, the Department of Premier and Cabinet (DPC) engaged in a detailed consultation process with us in the development and drafting of the PWSI Bill.

At the end of this reporting period, the PWSI Bill moved to the Legislative Council for consideration.

³ The repealed definition of OSI personnel refers to an OSI officer or a person who was formerly an OSI officer; see s18 of the SIR Act and s3 of the VI Act.

⁴ The VI must continue to report on action taken until 2 August 2024. The VI can continue to report on investigations until 2 February 2026.

Justice Legislation Amendment (Defamation, Integrity and Other Matters) Bill 2024

On 15 May 2024, the government introduced the Justice Legislation Amendment (Defamation, Integrity and Other Matters) Bill 2024 (JLA Bill) that, if passed, will bring about significant changes to the VI. Among the most important of these changes will be renaming the Victorian Inspectorate to ‘Integrity Oversight Victoria’, and the Inspector as the ‘Chief Integrity Inspector’. These new titles will bring greater clarity to our role and purpose, in overseeing Victoria’s integrity and accountability bodies and their officers.

Other key changes in the JLA Bill relevant to the VI include:

- discretion to refuse to investigate a public interest complaint in certain circumstances, such as when the disclosure is vexatious
- introduction of an offence for a complainant or other person to disclose certain information or advice received from the VI without authorisation

- clarification of our role with respect to monitoring the Office of the Victorian Information Commissioner (OVIC), including OVIC’s power to vary or revoke a notice to produce and confidentiality notices
- allowing us to disclose information to royal commissions and other like bodies
- allowing us to provide an advance copy of a special report made under section 87 to a minister, the Premier, and Secretaries of DJCS and DPC
- allowing us to provide information about the commencement, conduct or results of an investigation, whether made in a publicly available report or privately, to a responsible minister or the Premier.

During the 2023–24 reporting period, DJCS consulted with us on aspects of the JLA Bill dealing with improving the operation and effectiveness of Victoria’s integrity bodies.⁵ At the end of this reporting period, the JLA Bill moved to the Legislative Council for consideration.

⁵ The VI was consulted on Parts 5 to 12 of the JLA Bill.

Commonwealth legislative updates

Telecommunications (Interception and Access) Act 1979

During this reporting period, we engaged with the Commonwealth Attorney-General's Department on proposed amendments to the *Telecommunications (Interception and Access) Act 1979* (TIA Act) to enable us to receive interception warrant information and interception information from IBAC in order to enhance our oversight function.

Following support from the Victorian Attorney-General on the proposed amendments, on 27 March 2024, the Crimes and Other Legislation Amendment (Omnibus No. 1) Bill 2024 was introduced. If passed, the amendments to the TIA Act relevant to the VI will include:

- expanding the definition of 'permitted purpose' under subsection 5(1) of the TIA Act to align with the definition within the VI Act to accurately reflect our oversight functions of IBAC
- expanding the scope of purposes for which IBAC and the VI can share interception information and interception warrant information under section 68 of the TIA Act to include sharing for the purposes of our oversight functions.

State parliamentary inquiries

Inquiry into the operation of the Freedom of Information Act 1982

The Victorian Parliament's Integrity and Oversight Committee is conducting an inquiry into Victorian freedom of information laws.

The inquiry is examining a range of issues, including:

- the effectiveness of the *Freedom of Information Act 1982* (FOI Act) and its current policy model in comparison with other options
- mechanisms for proactive and informal release of information
- efficient and timely mechanisms for persons to access their own personal and health information
- the time and costs involved in providing access to information.

On 23 November 2023, we made a submission to the inquiry which focused on:

- the importance of access to information and the need for legislative clarity in relation to sections 7, 8 and 11 of the FOI Act to ensure that agencies can properly understand what is required of them under the information publication scheme
- the exemption provision in section 102 of the VI Act and the need for legislative clarity in relation to OVIC's review jurisdiction for decisions made by the VI under section 102
- the definition of a 'document' in the FOI Act.⁶

⁶ Our submission is available at <http://www.parliament.vic.gov.au/get-involved/inquiries/foi/submissions>.

Commonwealth parliamentary inquiries

Commonwealth public sector whistleblowing

The Australian Government is conducting a staged approach to amending the *Public Interest Disclosure Act 2013* (Cth) (Commonwealth PID Act). The first stage of the reforms, which commenced on 1 July 2023, focused on the delivery of immediate improvements for public sector whistleblowers and support for disclosures of corrupt conduct to the National Anti-Corruption Commission (NACC).

Stage 2 of the reforms is aimed at reducing complexity and improving the effectiveness and accessibility of protections for whistleblowers. A consultation paper was published on 16 November 2023 seeking submissions.

On 19 December 2023, we provided a submission to the Commonwealth Attorney-General's Department which focused on:

- changes that could be made to the Commonwealth PID Act to make it less complex and easier to understand
- expanding the list of individuals who can make a public interest disclosure (PID)
- adopting a 'no wrong doors' approach and creating additional pathways for people to make PIDs
- ensuring clear and appropriate confidentiality obligations for disclosers and bodies that receive a PID
- having an appropriate body who oversees agencies' procedures for facilitating and dealing with PIDs.⁷

Review of the Crimes and Other Legislation Amendment (Omnibus No.1) Bill 2024

During this reporting period, we were invited by the Commonwealth Parliamentary Joint Committee on Intelligence and Security to make a submission regarding the Crimes and Other Legislation Amendment (Omnibus No.1) Bill 2024. On 8 May 2024, we made a submission to the committee.⁸ Our submission was limited to the proposed amendments to the information-sharing provisions in the TIA Act to enhance the ability of the VI to receive interception information and interception warrant information from IBAC given our broad statutory oversight function in relation to IBAC.⁹

Our submission focussed on seeking legislative clarity within the TIA Act to put beyond doubt the purposes for which we can receive or use such information in undertaking our role.

Other consultations

Freedom of information guidelines

OVIC has developed freedom of information guidelines on each section of the FOI Act and the *Freedom of Information (Access Charges) Regulations 2014* to provide general guidance to the public, agencies and ministers on their rights and responsibilities.

During the development of these guidelines, OVIC undertook public consultations on each part of the FOI guidelines to ensure the guidelines are clear, accessible and a useful resource. We provided feedback to OVIC aimed at improving the accuracy and effectiveness of the FOI guidelines.

As the VI monitors the exercise of coercive powers by OVIC officers and their adherence to procedural fairness requirements during the conduct of investigations, we provided substantial feedback on the FOI guidelines that dealt with Parts VIB and VIC of the FOI Act. The FOI guidelines were published during this reporting period and can be found on OVIC's website.¹⁰

⁷ Our submission is available at http://consultations.ag.gov.au/integrity/pswr-stage2/consultation/published_select_respondent.

⁸ Our submission is available at http://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Intelligence_and_Security/CrimesOmnibusBill2024/Submissions.

⁹ See 'Commonwealth legislative updates' for amendments to the TIA Act.

¹⁰ The FOI guidelines are available at www.ovic.vic.gov.au/freedom-of-information/foi-guidelines/.

This page has been intentionally left blank.

Performance, achievements and challenges

Overview

This chapter outlines our operational performance against our output performance measures, our strategic priorities and achievements, and our achievements against the witness welfare recommendations made by the parliamentary Integrity and Oversight Committee (IOC) and the independent performance auditor¹¹ in October 2022.

We have also outlined particular challenges facing the Victorian Inspectorate. To find out about our future plans under our 2025–27 strategic plan, see ‘Section 7: The next 3 years’.

Operational performance against output performance measures

Operationally, we have shared our learnings from oversighting a broad range of integrity bodies through special reports, private reports, recommendations and feedback, educational activities, submissions to inquiries and consultation on legislative reform.

Our operations are undertaken across 4 functions. Complaints feedback and observations improved individual circumstances for some complainants. We also closed 7 investigations of complaints, including one that resulted in a special report that exposed a senior investigating officer leaking confidential information to the media. In our inspections program, IBAC accepted recommendations that will improve its surveillance device and telecommunications interception compliance.

Notification reviews highlighted issues at the VO, resulting in a special report about compliance with the use of coercive powers and a review by the VO of their quality assurance and resources. These activities have contributed to our vision of strengthening the integrity system. See ‘Recommendations’ and ‘Improvements to the integrity system’ in Section 3, and each body’s chapter in Section 4 for further information.

The Victorian Inspectorate’s 8 output performance measures are published in the government’s Budget Paper No. 3 (BP3).¹² This table shows that we exceeded 5 targets, met 2 targets and fell short of meeting one target. A discussion of our performance against each BP3 measure follows.

Table 1: Performance against BP3 measures, 2023–24

| Performance measure | Target | Performance | Result |
|--|--------|-------------|----------|
| Quantity | | | |
| VI recommendations accepted by oversighted agencies | 75% | 88% | Exceeded |
| Reasons for decisions provided for complaint outcomes | 100% | 100% | Met |
| Educational activities delivered and materials or tools produced | 3 | 4 | Exceeded |
| Quality | | | |
| Improvements to the integrity system | 7 | 9 | Exceeded |
| Timeliness | | | |
| Acknowledge receipt of new complaints within 5 business days | 95% | 84% | Not met |
| Proportion of low complexity complaints completed within 2 months | 75% | 75% | Met |
| Proportion of medium complexity complaints completed within 5 months | 75% | 87% | Exceeded |
| Proportion of standard VI investigations completed within 12 months | 35% | 80% | Exceeded |

¹¹ The independent performance auditor was appointed by Parliament under s90D of the VI Act to undertake a 4-yearly performance audit of the VI.

¹² Service Delivery Budget Paper No. 3—Victorian Budget 2022–23.

Acceptance of recommendations measure

The target is set at 75 per cent to encourage a high standard of compliance. This is below 100 per cent as the integrity system can only be improved through increased compliance if the VI is prepared to make recommendations that an integrity body is not yet ready to accept. Recommendations influence future compliance even when not accepted at the time they were made.

During 2023–24, integrity bodies accepted 88 per cent (23 of our 26) recommendations. One recommendation was not accepted, and 2 recommendations were awaiting a response at 30 June 2024.

Reasons for decisions measure

The target for providing reasons for decisions for complaint outcomes to 100 per cent of complainants ensures they see the rationale for our assessment outcome and the facts on which it is based. Frequently, complainants have already been through a complaint process with one or 2 public sector bodies prior to making their complaint to the VI. As the final integrity body they can complain to, we provide reasons that demonstrate an understanding of their complaint journey. We achieved our target.

Educational activities measure

We have a target to deliver or produce 3 educational activities, materials or tools. In 2023–24, we undertook 4 educational activities.

Law week 2024

The Victorian Inspectorate hosted a ‘Meet your new integrity leaders’ session during Law Week 2024. It was aimed at educating the public about how integrity agencies work separately and together to improve the integrity system for the people of Victoria.

As part of this online event our Inspector introduced Victoria’s new integrity leaders: IBAC Commissioner Victoria Elliott, Ombudsman Marlo Baragwanath and Information Commissioner Sean Morrison who spoke about their visions for their agencies. The Chair of Parliament’s Integrity and Oversight Committee, Dr Tim Read MP, also formed part of the panel, speaking about the Committee’s oversight function with respect to these agencies.

This was the first time the Victorian Inspectorate, the Victorian Ombudsman, the IBAC Commissioner and the Information Commissioner have all appeared together in a forum. Over 400 people registered for the online event and the video was viewed over 150 times in the months that followed.

Our panel session was the most visited page on the Victorian Law Foundation’s Law Week website.

Victorian Bar presentation

In May 2024, our Inspector and CEO & General Counsel presented to nearly 50 legal professionals at the Victorian Bar as part of its CPD in Session series. The series is part of an external program that expands engagement and knowledge of those within Victoria’s legal community.

‘Appearing as counsel at a coercive examination conducted by an integrity/investigatory body: your rights and obligations’ was well received by those who attended and Vicbar members continue to view the recorded session published online.

Information videos

A particular highlight was publishing 6 information videos to demystify how we obtain evidence from witnesses and better explain our complaints jurisdiction and process.

Three (3) videos have been created for witnesses attending the Victorian Inspectorate’s office to give evidence (voluntary interview, compulsory hearing¹³, and examination via summons). They help explain where to go, how to prepare, what to expect and who can attend for each scenario. A similar video has been published for legal representatives assisting witnesses.

In addition, we created a video to help explain our general complaints process, including the nature of complaints that we can receive, and a video to help explain how we handle public interest disclosures (whistle-blower complaints).

13 Under s47 of the VI Act, agency officers and some former officers can be required to attend the VI to answer questions and produce documents or other things.

Guidance Note 2

On 27 September 2023, we published a guidance note (GN2) to assist Victorian integrity bodies to comply with service requirements when they issue a summons (or similar) to interstate bodies corporate and to assist interstate bodies corporate to understand the service requirements when they are served with a summons by a Victorian integrity body.

This guidance note was foreshadowed in our 2022–23 annual report, when we gave an example of providing a number of integrity bodies with coercive powers feedback relating to the application of the *Service and Execution of Process Act 1992* (Cth) (SEP Act) on interstate bodies corporate.

Confusion regarding the application of the SEP Act to interstate bodies corporate prompted us to draft a guidance note to help improve compliance.

Guidance Note 2: Service of summonses on interstate bodies corporate: What is the proper process to follow? was published following consultation with the bodies we oversee. GN2 outlines the process for service these bodies are required to follow in connection with their investigation functions. It has led to increased compliance with witnesses being summoned in accordance with applicable laws.

Improvements to the integrity system measure

A special report and periodic reports on the exercise of coercive powers, and our inspections relating to telephone interception and surveillance device warrants and controlled operations, contributed to our 9 improvements to the integrity system. For further information about the purpose of and achievements against this performance measure, see ‘Improvements to the integrity system’ in Section 3.

Complaint timeliness measure

We met and exceeded our new timeliness measures for completing low and medium complexity complaint assessments. We completed 75 per cent of low complexity complaints within 2 months and 87 per cent of medium complexity complaints within 5 months. As this is a new measure, we decided it was appropriate to measure our timeliness for complaints received in 2023–24. The VI provided each complainant with an outcome letter containing reasons for our decision, and an outcome letter to the agency if we needed to engage with the agency on the complaint.

We fell short of meeting our complaint acknowledgement target of 5 business days (84 per cent against a target of 95 per cent) as 24 complaints were initially classified as enquiries, and our tailored acknowledgement workflow for responses within 5 business days was only in the complaints workflow of the case management system. To meet this target in future, the enquiries workflow in our case management system has been revised to also acknowledge enquiries within 5 business days.

Further information about our complaint statistics and performance can be found in ‘Complaints’ in Section 3, with further details in each overseen body’s chapter of the report.

Investigation timeliness measure

In 2023–24, we increased the target for the proportion of standard investigations completed within 12 months from 30 per cent to 35 per cent. Standard investigations are low and medium complexity investigations.

We closed 5 of these standard investigations in this reporting period. As 4 (80 per cent) of these were closed within 12 months, we exceeded the 35 per cent target.

As this is the second year that we have exceeded our target, we have increased the target from 35 per cent to 50 per cent for the 2024–25 reporting period.

Strategic priorities and achievements

The Victorian Inspectorate’s strategic framework comprises a 3-year strategic plan, supported by our annual plans which are tabled each year in parliament in accordance with *Victorian Inspectorate 2011* (VI Act) requirements and published on our website.

We are now at the end of our 2022–24 strategic plan. In the course of this past year, we have completed a broad range of strategic activities to help achieve the 4 strategic priorities under that plan, in addition to our many and varied business as usual activities.

This year’s key achievements underpinning each of our strategic priorities, outlined below, demonstrate the VI’s increased maturity over the 3-year period of our strategic plan.



1. Build community knowledge of rights within the integrity system

- Published a series of information videos to assist complainants, witnesses and their legal representatives.
- Coordinated a panel of integrity leaders for a Law Week 2024 presentation viewed by approximately 500 people.



2. Address issues thematically to create improvements across the integrity system

- Victorian Bar presentation on the rights and obligations of appearing as counsel at a coercive examination conducted by an integrity body.
- Presented to IBAC’s assessment and review team and the Victorian Ombudsman’s complaints team about how we approach oversight of complaints.
- Continued a monitoring project at IBAC relating to surveillance devices and telecommunications interceptions (irregular inspection).
- Progressed Memorandums of Understanding with IBAC and Victorian Ombudsman.



3. Improve timeliness and ease of access for integrity participants

- Introduced and met new BP3 timeliness measures for assessing low and medium complexity complaints.¹⁴
- New online complaint form with improved security that provides for communication with anonymous complainants.
- Finalised best practice witness welfare framework with a policy and guidelines that incorporate welfare and safety assessments and an escalation process supported by a welfare governance officer and mental health services provider.
- Developed and trained staff on witness welfare guidelines, commenced developing e-Learn module for new staff and provided psychological first aid training for relevant staff.
- Investigation Manual approved and implemented.



4. Continue to build organisational sustainability, capability and a positive culture

- Information and communication technology strategy and roadmap implemented.
- Document review system procured.
- Structured learning and development program embedded.
- Strategic workforce plan approved and implemented.
- Four (4) external speakers in the Inspector’s seminar series for staff.
- Adopted Microsoft Sharepoint as our corporate records and information management system.

¹⁴ BP3 measures refers to our external output performance measures in the Service Delivery—Budget Paper No. 3, Victorian Budget 2022–23.

Achievements against performance audit and the IOC's witness welfare recommendations

Response to independent performance auditor's recommendations

As a budget independent agency since 1 July 2020, performance audits of the VI are required to be undertaken every 4 years by an independent performance auditor, rather than the Auditor-General. The first independent performance audit report was tabled by the IOC in October 2022. The report by Callida Consulting related to 2017–21 and made 14 recommendations to the VI.

At 30 June 2024, the VI had implemented 12 of the recommendations, with 2 in progress. A table setting out the status of each recommendation can be found at Appendix C.

Response to IOC's witness welfare recommendations to the VI

Protecting the welfare of witnesses is a challenge for integrity agencies first highlighted by the VI in a 2018 special report. In October 2022, the IOC tabled its own report, *Performance of the Victorian integrity agencies 2020/21: focus on witness welfare*, with recommendations to the VI to ensure its 'well-intentioned' witness welfare policy meets best practice.

Throughout the year, we continued our focus on developing and implementing a witness welfare framework based on recognised best practice principles and informed by external psychological expertise.

Over the last financial year, we have:

- Finalised and implemented our witness welfare guidelines which incorporate flow charts and risk assessment tools to inform staff response. A key aspect of the guidelines is identifying, for staff, appropriate escalation points including referrals to an independent mental health services provider with the witness's permission. The guidelines were developed with psychological expertise from FBG Group incorporating staff consultation including workshops.
- Revised our witness welfare policy to better reflect the guidelines and to align with best practice.
- Appointed a Welfare Governance Officer (WGO). The role of the WGO is to provide support to staff in applying the witness welfare guidelines and to act as the key point of contact between the organisation and the independent mental health services provider. The WGO has received, and will continue to receive, dedicated training from FBG Group as well as our mental health services provider.
- Provided training to all staff who interact with members of the public on how to apply the guidelines in practice.
- Commenced development of an eLearn module on witness welfare, tailored specifically to our witness welfare guidelines and policy. The eLearn is expected to be finalised in early 2024–25 and will form part of the induction program for all new staff.

These initiatives, in addition to those completed in 2022–23 (including the engagement of a qualified mental health services provider, the establishment of a dedicated support line for witnesses and amendments to our case management system), demonstrate our continual commitment to witness welfare.

We have now addressed 5 of the IOC's recommendations. The last substantive recommendation will be completed in early 2024–25 when changes made to our case management system for automated reporting of welfare risks are pushed from development into the production environment. We will then finalise implementing these recommendations by giving a final update to the IOC. A table setting out the status of each recommendation can be found at Appendix D.

Our focus in 2024–25 will be further revising our witness welfare guidelines to reflect any lessons learned and to continue to support staff capability through further training including witness welfare annual refresher training and the eLearn module.

Challenges

To support our investigations and complaint functions, by early 2024–25 the VI’s goal is to implement in full the IOC’s recommendations about witness welfare.

We aim to enhance our governance and reporting by implementing the final 2 recommendations of the independent performance auditor—a costing model and a stakeholder survey. Continuing work on measuring costs of core functions will improve our ability to manage resources. Surveys, which yield the best results when respondents can be anonymous, are challenging in light of our different oversight role for each integrity body. We aim to finalise MOUs with IBAC and the VO and develop MOUs with other key integrity bodies. This process helps the bodies understand the context of our oversight, helps us to understand the challenges our oversight creates, and establishes appropriate parameters and expectations.

An expected challenge for 2024–25 is oversight of a new integrity body, the Parliamentary Workplace Standards and Integrity Commission. This is subject to the passing of its establishment Bill. See the ‘Integrity system and VI jurisdiction updates’ chapter in Section 1 for more detail.

The inefficiency of storing our operational data in a secure air-gapped system is an ongoing challenge. Our operational data is protected from cyber security risks but the regular transfer of data between systems remains operationally inefficient; particularly for complaints data. Exploring how we can utilise artificial intelligence securely is another focus for 2024–25.

Section 7 of this report outlines our new strategic plan for 2025–27. A new strategic priority is to leverage ICT solutions to enhance efficient, effective and economical delivery of functions without compromising security.

This page has been intentionally left blank.

Jurisdiction and functions

Overview

The 14 bodies that, through 2023–24, we had oversight responsibilities in relation to include IBAC, the Victorian Ombudsman (VO), the Public Interest Monitor (PIM), the Office of the Special Investigator (OSI), the Victorian Auditor-General’s Office (VAGO), the Office of the Victorian Information Commissioner (OVIC), Wage Inspectorate Victoria (WIV), the Judicial Commission of Victoria (JCV), the Chief Examiner (OCE) and Victoria Police (to a limited extent). For a complete list, refer to Appendix A.

Our oversight comprises a broad range of compliance activities such as assessments of complaints and disclosures, investigations, inspections, coercive powers notification reviews and other compliance monitoring activities. Our functions and powers, and the type of compliance activities we undertake, are outlined in the *Victorian Inspectorate Act 2011* (VI Act) and 11 other pieces of legislation. A further 7 Acts set out further obligations of the agencies we oversee. For a complete list of the Acts that relate to our work see Appendix B. As a result, our jurisdiction and related compliance activities differ for each body that we oversee. A summary of the functions we undertake for each body is at Appendix E.

Our responses to non-compliance and other issues identified for improvement during compliance activities aim to prevent issues of a similar kind arising in the future. In forming a response, we take account of a range of criteria including readiness of an integrity agency to comply, the need for accountability and prevention of harm to individuals and the integrity system. We call these integrity responses.¹⁵

Our integrity responses use a range of statutory and informal tools to ensure the bodies we oversee comply with statutory obligations and other laws. As a small integrity body, we focus our resources where we can influence improvements to the integrity system.

Sometimes, if issues are particularly serious, or if there is resistance to feedback and further incentives are required to deter future non-compliant action, it may be appropriate to respond by making a recommendation. Recommendations can be private or public, but if public must be made in a report.

Where issues are systemic and have relevance to other bodies, it may be appropriate for us to publish educational information or guidance. Another option is to publish a special report.

Public reporting ensures our position is communicated to all stakeholders. It guides bodies exercising similar powers or undertaking similar functions and informs the public of their rights when interacting with integrity, accountability and investigatory bodies.

We communicate transparently and in accordance with procedural fairness requirements before publishing any adverse comments, whether in public reports or in our annual report.

Although we are empowered to issue reports and make recommendations, they are not our primary goal. We more frequently respond to non-compliance and identify issues for improvement through informal liaison and private engagement, feedback letters, compliance warning letters and general guidance material with the bodies we oversee.

¹⁵ A copy of our integrity response guidelines can be found on our website.

Enquiries

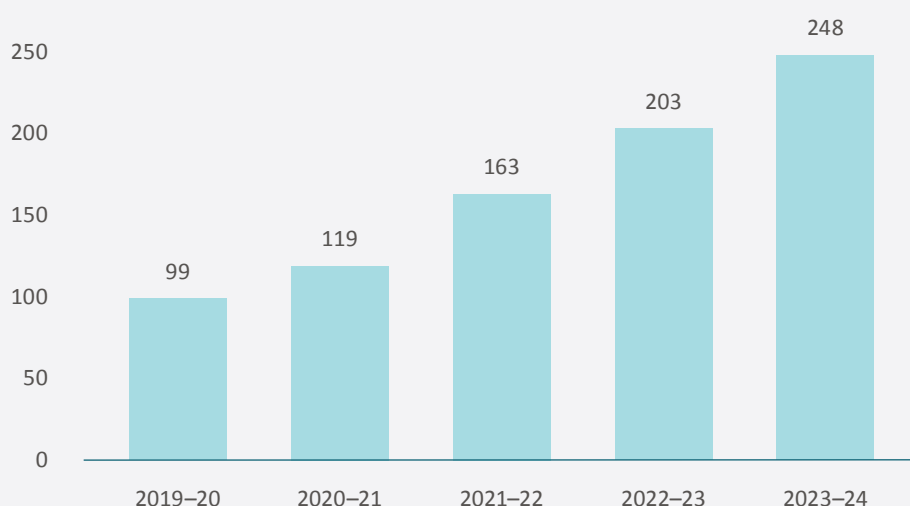
Enquiries are handled by our complaints team. An enquiry is made when a person contacts the Victorian Inspectorate, typically by phone or email, about:

- the complaints we can receive or our role in Victoria’s integrity system
- a concern they have relating to an organisation that is not within our complaints handling jurisdiction
- a concern they have about an integrity body within our complaints handling jurisdiction that does not meet the threshold of a complaint or disclosure.

In 2023–24 we received a total of 248 enquiries, a 22 per cent increase from 2022–23 (203). We also carried over 6¹⁶ from the previous reporting period. In total we closed 246 enquiries, also an increase of 22 per cent from 2022–23 (201). We had 8 enquiries open at the end of the reporting period.

The number of enquiries that we receive per year has continued to increase from 2019 onwards.

Figure 2: Enquiries received, 2019–20 to 2023–24



To respond to these year-on-year increases, 3 key changes have been made to the way we address enquiries. These changes are designed to improve our case-handling efficiency and the information we gather and report on in relation to enquiries. This information will inform our strategies to reduce the number of enquiries we receive that do not relate to our statutory role.

¹⁶ Our 2022–23 annual report stated that we had 10 open enquiries at the end of the period. Decisions made in 2023–24 to re-categorise 24 enquiries to complaints included some of the 10 enquiries reported open at 30 June 2023. More information on the re-categorisation of enquiries to complaints is contained later in this report.

Enquiries officer

A need was identified for the creation of a dedicated enquiries officer role. In April 2024, we successfully recruited to this role.

Broadly, the enquiries officer is responsible for our initial contact with the public, the management of enquiries, delivering projects, and providing operational support across the complaints team.

This change has allowed us to clearly delineate between work involving enquiries and complaints, creating efficiencies and flexibility to support other strategic work.

Refining the definition of 'enquiry'

In our 2022–23 annual report, we defined an enquiry as a contact from a member of the public requesting information about our complaint processes or seeking to provide information they believe is relevant to our functions. During the 2023–24 reporting period, we changed the definition to include contacts about integrity bodies within our complaints handling jurisdiction that do not contain enough information to meet the threshold of a complaint. This included reviewing the amount of supporting information required for a complaint whilst having regard to the person's circumstances. Where additional information received sufficiently supports the concerns raised, an enquiry may be re-categorised as a complaint.

We reconsidered the enquiries received or closed in the 2023–24 reporting period in light of this new definition together with the definition of a complaint. This resulted in 24 enquiries being recognised as complaints. These enquiries are reflected in this report as complaints.

Enquiry categories

We reviewed and reduced the number of enquiry categories. This work was supported by improvements to our case management system and was designed to increase the integrity of the information we record. The updated categories define whether an enquiry is jurisdictional, non-jurisdictional or unclear.

Table 2: Enquiry categories and descriptions

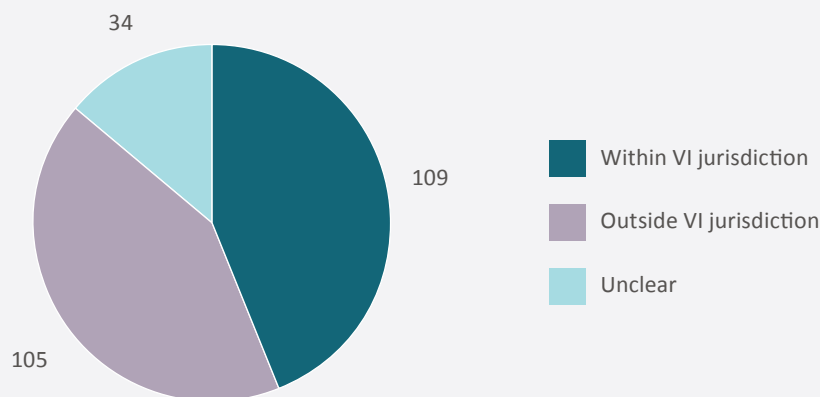
| Category of enquiry | Description |
|---------------------|--|
| Jurisdictional | Any contact we receive about: <ul style="list-style-type: none"> our complaint processes or our role in Victoria's integrity system how to complain about an integrity body that we can receive complaints about under our governing legislation how to lodge a public interest disclosure. |
| Non-jurisdictional | Any contact we receive about an entity outside of our complaints handling jurisdiction. |
| Unclear | Any contact we receive that does not fall into the above categories, where: <ul style="list-style-type: none"> we have attempted to clarify the information we have been unable to determine what the contact is about. |

Audit of enquiries

To realise the improvements made to our categories of enquiries, the complaints team audited the 248 enquiries received during the reporting period against our updated categories.

The introduction of the ‘unclear’ category shows we received a significant amount of communication that was challenging to understand; 14 per cent (34) of all enquiries we received this reporting period fell into this category.

Figure 3: Jurisdiction of enquiries received, 2023–24



In the 2023–24 reporting period, 42 per cent (105 of 248) of enquiries were outside our jurisdiction. Of these enquiries, we saw a 57 per cent decrease (from 23 to 10 enquiries) in people mistaking us for the Wage Inspectorate Victoria.

This may have been due to improved information in our new videos on our website relating to complaints that people can make to the VI. In cases where the VI was mistaken for another inspectorate, we made relevant referrals to the correct agencies.

Victoria Police comprised 34 per cent (36 of 105) of non-jurisdictional enquiries—the largest portion by far. This shows there is still work to be done to improve our communication about Victoria’s integrity system, to make it easier for complainants to contact the correct body to handle their matter.

Of the 109 enquiries in our complaints handling jurisdiction, IBAC and the Victorian Ombudsman continued to account for the largest share of enquiries at 73 per cent, while enquiries about the VI increased from 7 per cent of last year’s total, to 16 per cent of this year’s enquiries.

Figure 4: Jurisdictional enquiries received according to body, 2023–24



Complaints

During the 2023–24 reporting period, a person could make a complaint to the Victorian Inspectorate about different aspects of the conduct of:

- IBAC or IBAC personnel
- Victorian Ombudsman officers
- Chief Examiner or Examiners
- Victorian Auditor-General’s Office officers
- Office of the Victorian Information Commissioner officers
- Office of the Special Investigator and OSI personnel.

Our website sets out what complaints can be made for each public body and public officer.¹⁷

For information about public interest disclosures, which are disclosures about improper conduct or detrimental action, see the ‘Public interest disclosures’ chapter in this section.

Team restructure

In recognition of the complexity of our jurisdiction, the complaint assessment work at the VI and the number of enquiries the VI is receiving, the team was restructured.

Under the new structure, there is a dedicated enquiries officer, 3 senior complaints officers and the Manager, Complaints.

New tool for anonymous complainants

In June 2024, the VI launched a new way for people to lodge complaints and disclosures with us, via a platform that supports online forms, accessible on the VI’s website. When using these forms, a person can provide their name and contact details or choose to remain anonymous.

If a person remains anonymous, they can still communicate with the VI using a 2-way encrypted messaging system. People cannot be identified if they choose to engage with the VI in this way.

This provides an opportunity for the VI to seek further information from an anonymous complainant, assess their complaint, update them and ultimately, to provide them with an outcome. This is a significant improvement as previously we did not have the capacity to communicate with complainants who wished to remain anonymous and had to finalise our assessments on the information that was available to us.

We expect to see an increased uptake of this platform and remain committed to receiving complaints in other ways, such as in person, by telephone and email for accessibility purposes.

¹⁷ Refer to s43 of the VI Act for a full description of the complaints that we can receive.

Complaint statistics

In 2023–24, the VI received 119 complaints, which is the same number as the previous reporting period.

Figure 5: Complaints received, 2019–20 to 2023–24

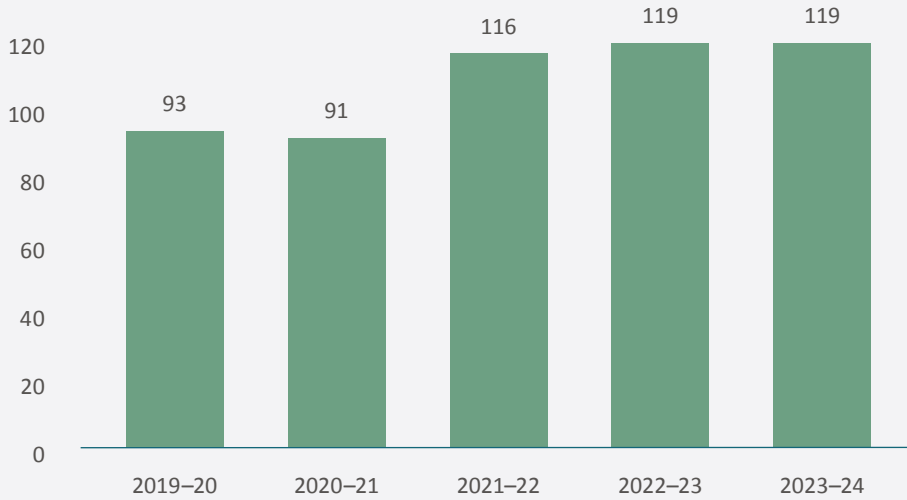


Figure 6: Complaints received according to body, 2023–24

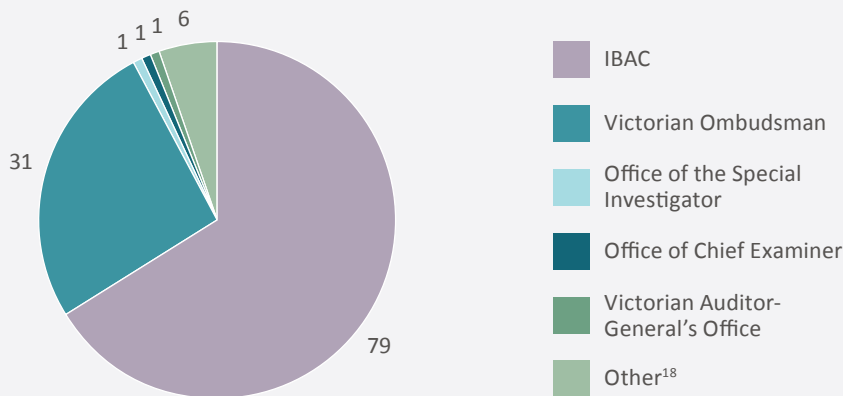


Figure 6 shows the composition of the 119 complaints.

The vast majority of the complaints (105) were made directly to the VI by a complainant; 13 complaints were notified by IBAC¹⁹ and one complaint was notified by the Victorian Ombudsman.²⁰

18 Comprising 4 disclosures about various councils, and one each regarding the JCV and OVIC. These disclosures did not meet the threshold for notification to IBAC under the PID Act.

19 s71 of the IBAC Act requires IBAC to notify us of a complaint or notification to IBAC about the conduct of IBAC or an IBAC Officer.

20 s16F of the Ombudsman Act requires the VO to notify us of a complaint or referred matter that appears to involve the misconduct of IBAC or IBAC personnel, or the misconduct (but not corrupt conduct) of a VO officer, the Chief Examiner or an Examiner, or a VAGO officer.

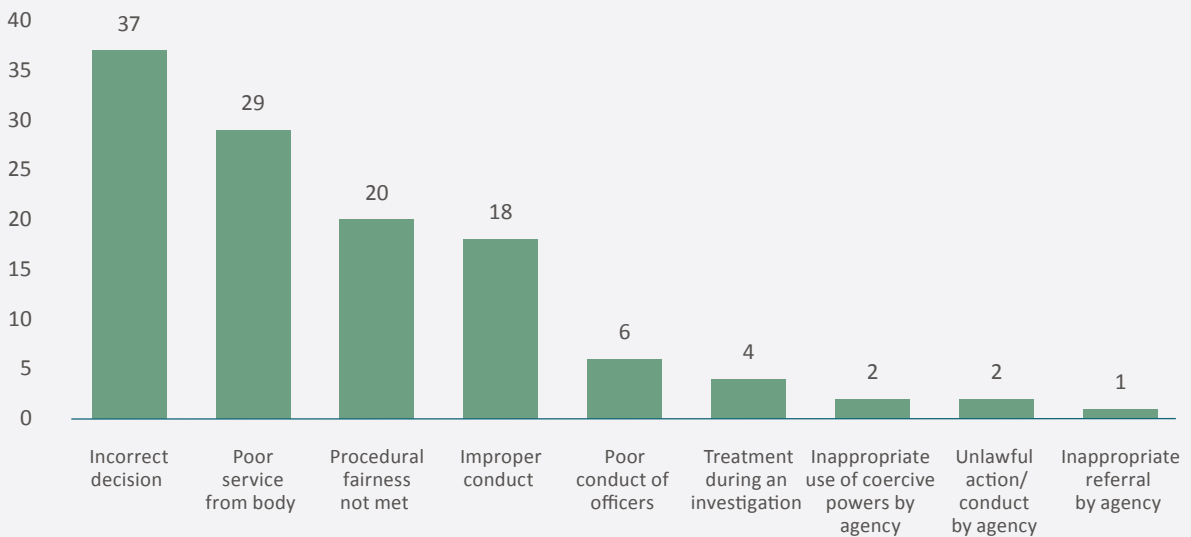
Primary issues of concern in complaints

We classify each complaint with a primary issue of concern. Over one third of complainants in this reporting period were concerned the integrity body they dealt with made the wrong decision.

As the VI cannot reconsider a decision of another body, we must often clarify our role with complainants. Unless there has been a deficiency in the application of the law or in the process undertaken by the integrity body complained about, there is no role for us.

To help complainants understand our role, we created and published on our website several videos including a video that addresses our complaint-handling jurisdiction and role when assessing complaints.

Figure 7: Primary issues of concern in complaints received, 2023–24



Assessment process

Once we receive a complaint, we review the information provided and acknowledge the complaint within 5 business days.

During our complaint handling, we:

- engage with complainants to confirm their concerns, which we report on in this report as 'allegations'; a complainant may raise several concerns in the one complaint
- clarify the outcome sought and explain whether we have the power to achieve that outcome
- request any further information from the complainant or the integrity body; depending on the concerns raised, we may already have relevant information due to our oversight role
- seek the complainant's consent to inform the relevant integrity body of their complaint
- assess the information available to the VI, to determine whether the concerns raised are substantiated
- update complainants throughout the life of the complaint
- decide the outcome and whether any further action is warranted
- provide written reasons to the complainant explaining our decision
- provide a written outcome to the integrity body if they were contacted for information during the complaint handling.

Complaints closed

We closed 142 complaints in the reporting period.

This was an increase of 6 per cent as compared with the 134 complaints closed in 2022–23.²¹ The complaints closed comprised:

- one complaint received in 2020–21
- 4 complaints received in 2021–22
- 59 complaints received in 2022–23
- 78 complaints received in 2023–24.

The 142 complaints closed comprised:

- 64 of the 75²² (85%) complaints received prior to this reporting period
- 78 of 119 (66%) complaints received in this reporting period.

This meant that we continued to reduce the backlog of complaints and expect to be able to finalise most carried over complaints early in the 2024–25 reporting period. This will place the complaints team in a position to assess and provide service to complainants as they contact the VI, in a way that meets our timeliness service standards and, if appropriate, undertake monitoring project(s).

At the end of the reporting period, 52 complaints remained open comprising:

- 3 complaints from 2021–22²³
- 8 complaints from 2022–23
- 41 complaints from 2023–24.

The graph below shows the number of complaints received over the past 5 years. During this period, this is the second year that the VI has closed more complaints than it received.

Figure 8: Complaints received and closed, 2019–20 to 2023–24



21 The total complaints closed in 2022–23 was 134, rather than 136, as reported. Two (2) complaints were incorrectly reported as closed in our 2022–23 annual report, however they were closed early in 2023–24.

22 Noting the reporting error in 2022–23 explained at footnote 6, this change was also impacted by the re-categorisation of 3 open enquiries (from 2022–23) to complaints in this reporting period.

23 These 3 complaints are complex complaints.

Figure 9: Complaints closed according to body, 2023–24

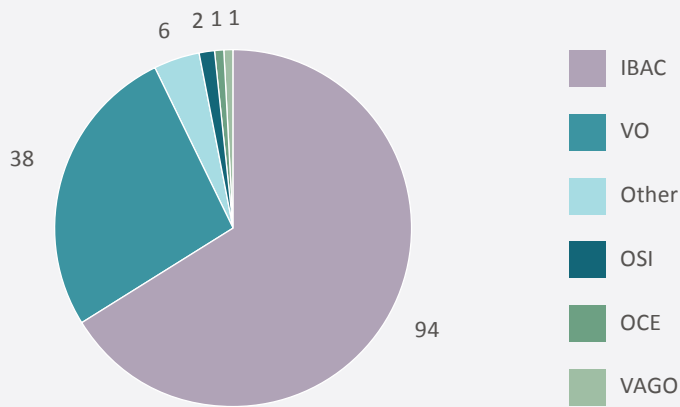


Table 3: Complaints closed according to period received

| Body | Complaints received in prior years and closed in 2023–24 | Complaints received and closed in 2023–24 | Total closed 2023–24 |
|--------------|--|---|----------------------|
| IBAC | 40 | 54 | 94 |
| VO | 21 | 17 | 38 |
| OSI | 1 | 1 | 2 |
| OCE | 0 | 1 | 1 |
| VAGO | 0 | 1 | 1 |
| Other | 2 | 4 | 6 |
| Total | 64 | 78 | 142 |

Allegations

To the extent possible, we engage with complainants to understand their concerns, which we describe as allegations in this report. A person may raise several allegations as part of their complaint. The VI usually assesses and makes a finding for each allegation. The table below describes our findings and how they are made.

Table 4: Allegation findings and what they mean

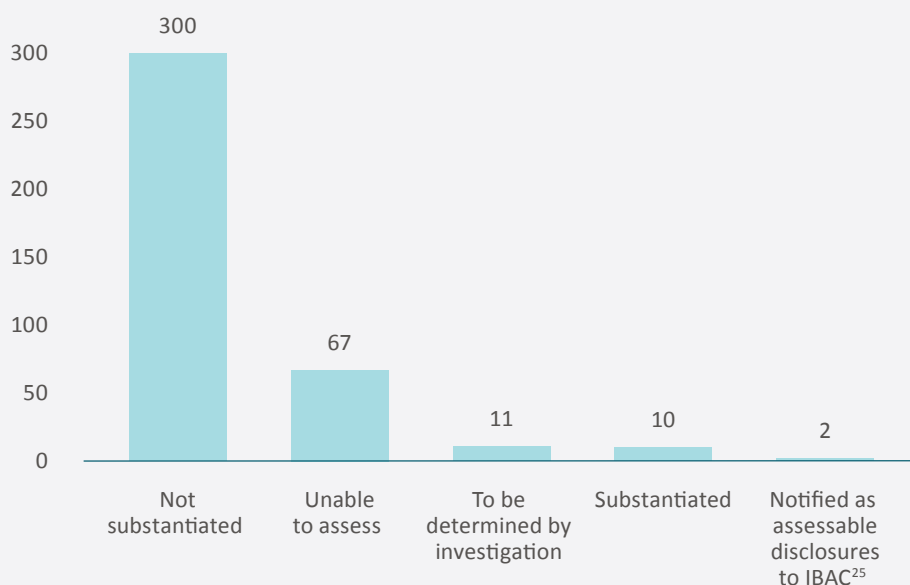
| Finding | What it means |
|--|--|
| Not substantiated | The VI has determined there is insufficient evidence to support the complainant's concerns. |
| Substantiated | The VI has determined a likely non-compliance with the law or deficiency in the integrity body's process. |
| To be determined by investigation | The VI has determined that an allegation is a public interest complaint (must be investigated) or warrants investigation under the VI's governing legislation. |
| Notify under the PID Act to the appropriate body | The VI has determined that an assessable disclosure must be notified to another body, most commonly to IBAC. |
| Unable to assess | Can arise for a variety of reasons. For example, if the concern raised with the VI is outside the VI's complaint-handling jurisdiction, the complainant withdraws their complaint or there is insufficient supporting information to evaluate the complainant's concerns despite requests for further information. |

Allegations closed

During the reporting period, we assessed and determined 390 allegations arising from the 142 complaints closed this reporting period.²⁴

The graph below shows that most allegations do not meet the threshold to be determined as substantiated. We engage with the relevant integrity bodies to share our observations about identified issues and potential areas for improvement, including for matters where the allegations are not substantiated.

Figure 10: Outcomes of closed allegations, 2023–24



The substantiated findings relate to 8 different complaints. Nine (9) of the substantiated allegations relate to IBAC and one relates to the Victorian Ombudsman. These findings are explored further in Section 4 of the report regarding the bodies we oversee.

²⁴ Six (6) other allegations were assessed by the VI without determination. This was because the complainant was later able to provide more particulars and additional concerns, so these allegations were assessed in a separate complaint.

²⁵ One of these assessable disclosures was notified to IBAC in 2022–23 and was reported in the 2022–23 annual report. The discloser was notified and the case closed in this reporting period, which is why this case also appears here.

Public interest disclosures

A person can also make a complaint to the Victorian Inspectorate about improper conduct or detrimental action under the *Public Interest Disclosures Act 2012* (Vic) (PID Act). These types of complaints are called public interest disclosures.

The PID Act establishes a whistleblowing framework for individuals to report improper conduct by a person, public official or public body, or detrimental action by a public official or a public body.²⁶ This is important to maintain the integrity of the Victorian Public Sector as it enables corruption and other types of improper conduct to be identified, interrupted, investigated, addressed and prevented in the future.

It takes courage to speak up and make a disclosure about improper conduct. For the scheme to be effective, those who shine a light on wrongdoing in public life need to be confident they will be protected from reprisal for doing so. The PID Act protects them from civil proceedings and other actions relating to making their disclosure unless a false disclosure is made.²⁷

We can receive disclosures about most public sector officers and bodies.²⁸ We can receive disclosures by phone, email or via an online form. In cases where a disclosure is received over the phone or via email, we follow up with the discloser in relation to the declaration that is required. The VI's online public interest disclosure form incorporates that declaration and prompts people to provide the type of information we need to undertake an assessment. Like our online complaint form, our online public interest disclosure form can be submitted anonymously. People making an anonymous public interest disclosure can continue to receive updates from the VI, add further information or answer any clarifying questions we may have without impacting their anonymity.

The PID Act imposes obligations on us to assess and properly handle those disclosures. When we receive a disclosure, we consider whether we are the appropriate body to handle it. This was the case throughout the 2023–24 reporting period for disclosures about:

- IBAC or IBAC officers
- a Public Interest Monitor or
- the Office of the Special Investigator or an OSI officer.²⁹

If we determine the disclosure shows or tends to show³⁰ improper conduct or detrimental action, it will be a public interest complaint (PIC), and we must investigate it. The discloser's identity will be kept confidential, as will the content of their disclosure.³¹ If the disclosure is not a PIC, we may be able to treat it as a complaint under the VI Act.

If the disclosure relates to any other public body such as the Victorian Ombudsman, Victoria Police or local councils, we will assess whether the discloser has provided enough supporting information for us to notify IBAC of the disclosure.³² IBAC will then decide whether the disclosure is a PIC and whether it will be investigated by IBAC or referred to another more appropriate body for investigation³³ such as the VI, VO or Victoria Police.

Our procedures on how we make and handle PIDs, known as 'public interest disclosure guidelines', are published on our website.

26 'Improper conduct' and 'detrimental action' are defined under the PID Act.

27 See Part 6 of the PID Act for the types of protections, or our PID guidelines.

28 Unless required to be made to another entity under s14 or s17 of the PID Act.

29 During this reporting period, the SIR Act came into operation, abolishing the OSI. However, the Act provided for public interest disclosures about the OSI or an OSI officer to be made to the VI until 2 August 2024.

30 Or that the discloser believes on reasonable grounds that the information disclosed shows or tends to show.

31 See Part 7 of the PID Act.

32 Under s21 of the PID Act, we must notify a disclosure to IBAC if we consider the disclosure shows or tends to show, or that the person making the disclosure believes on reasonable grounds that the disclosure shows or tends to show, that a person, public officer or public body has engaged, is engaging or proposes to engage in improper conduct or a public officer or public body has taken, is taking or proposes to take detrimental action against a person in contravention of s45 of the PID Act.

33 For example, IBAC must refer a public interest complaint to the VI if it considers that its subject matter is relevant to the performance of the VI's duties and functions, or the exercise of its powers, and it would be more appropriate for it to be investigated by the VI rather than by IBAC.

Investigating public interest complaints

During an investigation of a public interest complaint (PIC), we take all reasonable steps to protect disclosers from detrimental action in reprisal for making their disclosure. We also ensure that the subject of the disclosure is provided natural justice.

During 2023–24, we concluded 5 PIC investigations commenced in 2022–23, and we commenced and concluded one PIC investigation. At the end of the reporting period, we had one ongoing PIC investigation, which had commenced in 2022–23. See the ‘Investigations and inquiries’ chapter in this section for more information.

Oversight and monitoring

We also have the following monitoring and oversight functions relating to public interest disclosures:

- overseeing IBAC’s performance of its functions under the PID Act, including its compliance with the PID Act
- reviewing the procedures established by IBAC, the Judicial Commission and the Victorian Ombudsman under Part 9 of the PID Act and the implementation of those procedures.

In 2023–24, we did not make any recommendations to IBAC, the Judicial Commission or the Victorian Ombudsman under section 63 of the PID Act arising from a review of PID procedures.

Promoting the purposes of the PID Act

Our functions under the PID Act include promoting the purposes of the PID Act.³⁴ This reporting period, we published on our website a short video about making public interest disclosures to the Victorian Inspectorate. We also engaged a plain language expert to simplify our PID guidelines.

To support our engagement with integrity system participants, we attended IBAC’s Public Interest Disclosure Consultative Group to discuss issues relating to the interpretation and implementation of the PID Act with other members of the group. Engagement between IBAC, the VO and the VI on some complex issues of interpretation about the PID Act will inform our implementation of the PID Act and be reflected in updated PID guidelines in 2024–25.

Disclosures under the PID Act

In 2023–24, in relation to one assessable disclosure notified to IBAC at the end of the 2022–23 reporting period, we informed the discloser that their matter had been notified to IBAC.

We also received 22 disclosures made under the PID Act, of which:

- 13 did not meet the definition of a public interest disclosure under section 9 of the PID Act
- 4 were assessable disclosures, all made directly to the VI
- 3 were determined to be public interest complaints; the investigation of one of these public interest complaints was commenced and completed within the reporting period. The investigations of the other 2 public interest complaints had not yet commenced at 30 June 2024
- one was notified to IBAC and determined not to be a public interest complaint
- 5 disclosures were yet to be assessed at 30 June 2024.³⁵

There were no misdirected disclosures notified to the Integrity and Oversight Committee and no applications for injunctions under section 50.

³⁴ s56(1) of the PID Act.

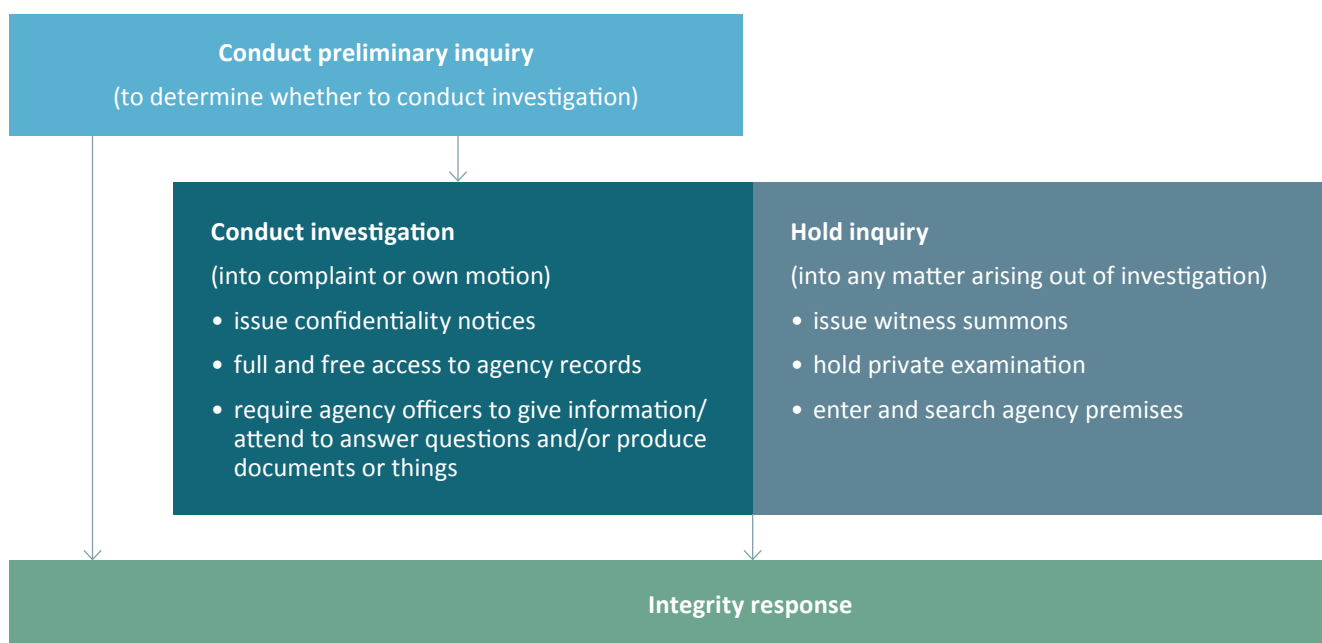
³⁵ Assessment outcomes will be reported in our 2024–25 annual report.

Investigations and inquiries

The Victorian Inspectorate can investigate a complaint and can also initiate ‘own motion’ investigations. We may conduct a preliminary inquiry to determine whether to commence an investigation, during which we will typically request and assess information from the oversight body. We must, and do, investigate all public interest complaints.³⁶

If warranted, we may conduct an inquiry into a matter arising from an investigation. This empowers us to examine witnesses and compel the production of information. Figure 11 shows our investigatory options.

Figure 11: VI’s investigatory options



An examination takes place when we summons a person to give evidence, with or without the requirement to produce documents or things. Examinations are conducted on oath or affirmation, and the confidentiality of the evidence provided may be protected by a confidentiality notice. We may also summons the production of documents or things to assist an investigation.

We may obtain evidence through voluntary interviews with witnesses. In addition, without a summons being issued, personnel of bodies that we oversee can be required to provide information to us or to attend the Victorian Inspectorate to answer questions or produce documents in relation to an investigation.

We are entitled to full and free access to the records of the bodies we oversee and in certain circumstances may enter their premises and search for and copy or seize documents and things relevant to our inquiry.

³⁶ Under s44(2) of the VI Act.

Preliminary inquiries

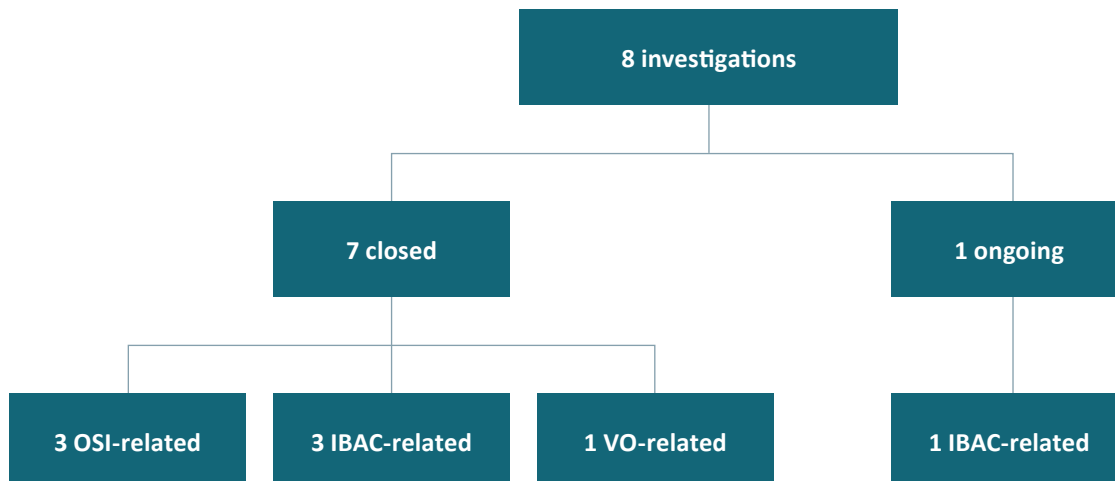
We undertook 2 preliminary inquiries in 2023–24. One related to the Office of the Special Investigator and concluded in 2023–24—it did not proceed to an investigation. The other preliminary inquiry related to the Victorian Ombudsman—it was ongoing at 30 June 2024.

Investigations

We conducted 8 investigations in 2023–24. Six (6) investigations commenced in 2022–23 and 2 commenced in 2023–24. All but one were mandatory investigations of public interest complaints made under the public interest disclosure scheme i.e. PIC investigations.

We closed all but one investigation, which was a PIC investigation about IBAC officers that commenced in 2022–23.

Figure 12: Status of investigations on 30 June 2024



The following table describes the outcome of each closed investigation.

Table 5: Outcomes of investigations closed, 2023–24

| Description | Outcome |
|--|--|
| Commenced in 2022–23 | |
| PIC investigation into the conduct of OSI officers* | <ul style="list-style-type: none"> Following the Victorian Government’s decision to wind up the OSI and the resulting termination or resignation of all staff on or before 7 July 2023, we determined that it was not in the public interest to proceed further with the investigation. No findings were made. |
| PIC investigation into the conduct of OSI and OSI officers* | <ul style="list-style-type: none"> The allegations were not substantiated. We made observations and 3 recommendations in a private report to the OSI that related to records and security. The recommendations were accepted and implemented. |
| PIC investigation into the conduct of an IBAC officer | <ul style="list-style-type: none"> The allegation was substantiated. We recommended that IBAC take specified action. IBAC accepted the recommendation. |
| PIC investigation into the conduct of IBAC and IBAC officers | <ul style="list-style-type: none"> The allegations were not substantiated. |
| PIC investigation into the conduct of VO officers* | <ul style="list-style-type: none"> As reported in our 2022–23 annual report, the allegations were not substantiated, and we were continuing to engage with the VO about our preliminary observations at the end of 2022–23. During this reporting period, we recommended that the VO remove or edit a video case study on its website that we considered contains misleading material. The VO disagreed with our interpretation of the material and did not accept this recommendation. |
| Commenced in 2023–24 | |
| PIC investigation into the conduct of an IBAC officer | <ul style="list-style-type: none"> The allegations were not substantiated. We sought information from IBAC about document management relating to an issue arising during the investigation and were satisfied with their documented process. |
| Complaint investigation into the conduct of OSI officers* | <ul style="list-style-type: none"> The allegation was substantiated. We transmitted a special report to Parliament that included 2 recommendations (see the case study in this chapter for details). The recommendations were made on 25 June 2024, and the Attorney-General was considering the recommendations at the end of the reporting period.³⁷ |

*These investigations also included an inquiry.

Our investigations resulted in 7 recommendations being made. For more information, please see our ‘Recommendations’ chapter in this section and in each body’s chapter in Section 4.

37 The SIR Act abolished the OSI and provided instead that recommendations following OSI-related investigations are to be made to the Attorney-General.

Powers exercised during investigations

We obtain information and evidence voluntarily where possible, but often witnesses are bound by confidentiality obligations and can only give evidence if those obligations are overridden by a requirement to assist the Victorian Inspectorate. We undertake a human rights assessment before we exercise coercive powers, and we use the least coercive option available that is consistent with the goals of the investigation. For example, where possible, we will obtain oral evidence from integrity body personnel via an interview around a table under section 47 of the *Victorian Inspectorate Act 2011* (VI Act), rather than an examination before the Inspector following the issuing of a summons.

During the reporting period, we:

- issued 9 witness summonses³⁸
- issued 22 confidentiality notices
- issued 34 cancellations of confidentiality notices.³⁹

Under section 47 of the VI Act, on 37 occasions we required the attendance or the production of documents by personnel of oversight integrity bodies, or the provision of information by oversight integrity bodies or their personnel.⁴⁰

38 Two (2) summonses were not served.

39 Five (5) of the cancellation notices were sent by email on 25 June 2024, but confirmation of receipt was not received during the reporting period.

40 The exercise of powers figures at p35 of the 2022–23 annual report should have included an additional 3 summonses (one not served) (21, not 18) and an additional s47 requirement (7, not 6).

Special Report: Unauthorised disclosures made by an integrity officer

On 25 June 2024, the Victorian Inspectorate transmitted a special report to Parliament titled ‘Investigation of unauthorised disclosures by an integrity officer’. The report was the result of an investigation known as ‘Operation Shell’ following a complaint concerning an article published by the *Herald Sun* on 17 July 2023. The article reported confidential information about the operational work and functions of the now abolished Office of the Special Investigator (OSI) and attributed content to a senior OSI whistleblower. The complaint alleged that an OSI officer or officers had disclosed confidential OSI information in breach of their ongoing confidentiality obligations. Operation Shell also investigated the source of the content of a *Herald Sun* article dated 11 July 2023 that related to the OSI.

The investigation found that a former senior investigator at the OSI disclosed confidential information to the *Herald Sun* in or around July 2023 without authority. The investigation also found that the same OSI officer disclosed confidential OSI information to a friend by stating the article published on 11 July 2023 was ‘all true’. The unauthorised disclosure had the potential to impact the reputation of other former OSI employees and individuals named in the articles. Unauthorised disclosures have the potential to undermine public confidence in Victoria’s integrity system. Breaches by integrity officers of their secrecy obligations can result in criminal penalties, with such obligations continuing after their employment ends.

The report set out valuable lessons for integrity agency officers, including the importance of setting boundaries when discussing their work, and the integrity system more generally, beyond their workplace. Employees who work within the Victorian integrity system are governed by legislative secrecy obligations, the Code of conduct for Victorian public sector employees of special bodies and the *Public Administration Act 2004* (Vic). Integrity bodies should ensure employees are aware of their confidentiality obligations during and following their employment. In addition to being likely unlawful, unauthorised disclosures may result in inaccurate information being relied upon by the public. Any misinformation may have detrimental impacts on individuals and public bodies, who are often unable to comment due to their own confidentiality obligations.

Victoria has a statutory ‘whistleblower’ scheme to facilitate disclosures concerning potential improper conduct by public officers and bodies under the *Public Interest Disclosures Act 2012* (Vic). It is important that if an integrity officer has a reasonable belief that such conduct has occurred, they raise concerns through the legislated mechanisms available, and not with the media.

The VI made 2 recommendations to the Attorney-General following the investigation. The first, that all former OSI officers should receive a copy of the report, and the second, that consideration should be given to creating uniformity for new integrity bodies oversighted by the VI in respect of the use that can be made by the VI of self-incriminating evidence obtained coercively. The recommendations, made on 25 June, were under consideration at 30 June 2024.

Inspections

We have a regular integrity program that includes physical inspections of records and documents associated with the use of covert, intrusive and extraordinary investigatory powers including the use of surveillance devices⁴¹, the conduct of controlled operations⁴², telecommunications interception⁴³ and the exercise of police counter-terrorism powers.⁴⁴

Additionally, we inspect the records of the Public Interest Monitor (PIM) to ascertain the extent to which it has complied with the prescribed obligations.⁴⁵ From time to time, we may also conduct an irregular inspection of an agency's records in response to a compliance concern connected to the use of a covert power.

We respond to identified issues by making formal findings of non-compliance and recommendations to prevent breaches of the law.

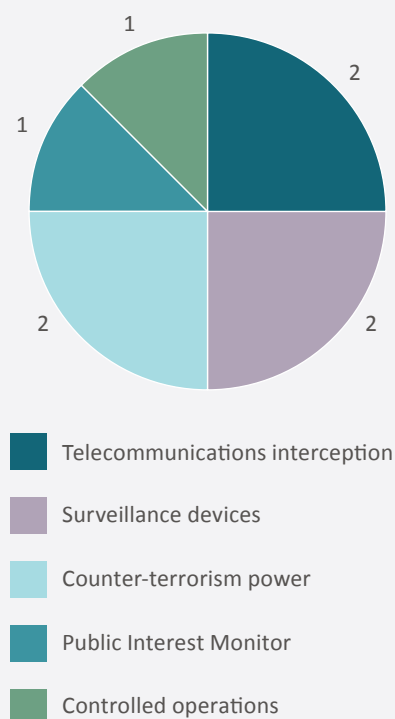
Surveillance devices, controlled operations, and counter-terrorism reports are tabled in Parliament and published on our website (bi-annually for surveillance devices and counter-terrorism, and annually for controlled operations). Outcomes of telecommunications interception inspections are also reported annually, however these reports are not tabled in Parliament (not made public) and are instead sent directly to the bodies' chief officers and ministers.⁴⁶

Inspection outcomes in relation to PIM records are reported after each inspection. We conducted an annual inspection of these records during 2023–24. In accordance with the relevant Act, this report is not made public.

In this financial year we conducted 16 regular inspections—2 more than the previous year. These inspections were conducted entirely at the premises of the inspected agencies and over a total of 36 days, compared to 34 days for the previous year.

From these inspections, we completed 8 inspection reports.⁴⁷ As permitted by the respective Acts, 5 reports were made to Parliament. In all cases, we gave a copy of each report to the relevant minister(s) and provided the finalised report, or section of the report, to the oversight agency. Copies of the reports that we tabled during this period (and prior years) can be found on our website.

Figure 13: Inspection reports completed, 2023–24



41 SD Act.

42 CCO Act in respect of IBAC and VicPol; Fisheries Act in respect of VFA; Wildlife Act in respect of DEECA and the GMA.

43 TIA Act empowers IBAC and VicPol to intercept telecommunications under the authority of a warrant, and to use and communicate lawfully intercepted information. We make reports under the TISP Act.

44 VicPol exercise these powers under the TCP Act.

45 As required by the VI Act.

46 As required by the TISP Act.

47 There can be more than one inspection within a round of inspections necessary to complete one inspection report.

Telecommunications interception

In Victoria, there are 2 bodies empowered by the *Telecommunications (Interception and Access) Act 1979* (Cth) (TIA Act) to intercept telecommunications under the authority of a warrant and to use and communicate lawfully intercepted information. These are Victoria Police and IBAC.

Reports are made under the Victorian *Telecommunications (Interception) (State Provisions) Act 1988* (TISP Act) and are not publicly available. These reports are sent to the chief officers of each body, the Minister for Police (for Victoria Police) and the Attorney-General (for both Victoria Police and IBAC). The Minister for Police and the state Attorney-General must then forward the reports to the Commonwealth Attorney-General, the minister responsible for the TIA Act.

In 2023–24, we completed 2 inspection rounds at both IBAC and Victoria Police. We made 2 regular reports, one each for Victoria Police and IBAC, on the results of our biannual inspections within the required timeframe.

Additionally, during this period we continued engaging with IBAC in relation to an irregular inspection conducted in May/June 2023. Due to requirements of the TISP Act, the detail will remain private.

In its most recent public report on telecommunications interceptions data, the Commonwealth Attorney-General's department reported that for the 2022–23 period, there were 11 telecommunications interception warrants issued to IBAC and 142 issued to Victoria Police.⁴⁸

Surveillance devices

Under the *Surveillance Devices Act 1999* (SD Act), we have oversight of the use of surveillance devices by Victorian state bodies. The following 6⁴⁹ bodies are permitted to apply for warrants to use optical, listening, tracking and data surveillance devices for the purpose of investigating offences:

- Victoria Police
- IBAC
- Game Management Authority (GMA)
- Victorian Fisheries Authority (VFA)
- Department of Energy, Environment and Climate Action (DEECA)
- Environment Protection Authority (EPA).

The SD Act requires us to inspect the records of those bodies from time to time and to report the results of inspections to each House of the Parliament as soon as practicable after 1 January and 1 July of each year. A copy of the report is required to be provided to the Attorney-General at the same time it is transmitted to the Parliament.

In 2023–24, we inspected the records of Victoria Police, IBAC, DEECA and the VFA. No inspections were conducted at the GMA and EPA since neither of these agencies made an application for a surveillance device warrant for the relevant period nor were there any previous issues to address.

We transmitted our inspection reports for tabling in Parliament in November 2023 and June 2024. Accumulatively, these reports covered our inspection of 79 warrants administered by Victoria Police, as well as 4 warrants administered by IBAC. For the period covered by these reports, there were no relevant records to inspect for all other bodies authorised under the SD Act.

As a result of the irregular inspection in May/June 2023, we have drafted a further report that deals with findings connected to the SD Act. This report will be tabled in Parliament once completed.

⁴⁸ 2022–23 annual report under the TISP Act and Part 15 of the Telecommunications Act.

⁴⁹ Although the OSI was not formally abolished until the SIR Act came into operation on 2 February 2024, the VI was advised by the Special Investigator in office immediately before the abolition that all OSI investigative and analytical functions ceased prior to this financial year.

Controlled operations

A controlled operation is a covert investigation method used by law enforcement bodies. It involves authorised participants (predominantly law enforcement officers but sometimes a civilian) covertly obtaining evidence to support the prosecution of an offence. For this purpose and subject to strict controls, a participant may need to engage in conduct which, but for the controlled operations authority, would be unlawful. Under the legislation, a controlled operations authority may be granted by a body head (or their delegate), which indemnifies authorised participants against liability for such unlawful conduct.

The power to conduct controlled operations is governed by the:

- *Crimes (Controlled Operations) Act 2004* in respect of Victoria Police and IBAC
- *Fisheries Act 1995* in respect of VFA
- *Wildlife Act 1975* in respect of DEECA and the GMA.

We are required to inspect the records of the above bodies, and we also receive biannual reports from each body's chief officer on their controlled operations activities during the 6-monthly period. We report to the relevant ministers and to the Parliament on the work, activities and level of compliance with statutory requirements achieved by each body.

In 2023–24, we inspected the records of Victoria Police and the VFA. As IBAC, DEECA and the GMA did not make any applications to conduct controlled operations, we did not review any records at these bodies.

During this period, we inspected additional records connected with 2 recommendations we made in June 2023 to ensure Victoria Police administers controlled operations so that the planned conduct remains within the remit of the authority. From our discussions and inspection of policy-related documents, we have closed one recommendation but kept the other open to track Victoria Police's progress in establishing further processes.

Our annual inspection report, which includes an assessment of compliance by each body's chief officer with their biannual reporting obligations, is finalised following receipt of each chief officer's report, which are due by the end of August each year. We transmitted a report to Parliament for tabling in June 2024 that detailed each body's compliance with controlled operations legislation for the 2022–23 period. This report provides findings for our inspection of 67 authorities administered by Victoria Police, and one authority granted to the VFA. No other agency conducted a controlled operation during the period covered by this report.

Counter-terrorism powers

The *Terrorism (Community Protection) Act 2003* (TCP Act) permits Victoria Police to exercise certain exceptional powers for the purpose of preventing or responding to acts of terrorism and assigns an inspections role to us for the purpose of providing independent oversight of the use of these counter-terrorism powers.

We conducted one inspection of Victoria Police records under the TCP Act during 2023–24. We did not undertake a planned inspection in August 2023, because Victoria Police did not exercise its powers under the TCP Act between the last inspection of records and the proposed inspection in August 2023.

In 2023–24, we delivered 2 reports to Parliament as well as to the Attorney-General: one in February 2024, and the other in June 2024. One report commented on the preparatory activities undertaken by Victoria Police to support compliance with the TCP Act, while the other provided an overview of the checks we make during our inspection of records. While 3 recommendations we made from an earlier inspection of Victoria Police records remain open after the tabling of these reports, we have since inspected procedural changes made by Victoria Police that demonstrate it has accepted these recommendations and taken action that will likely result in their closure.

PIM records

The role of the Public Interest Monitor (PIM) is to appear at hearings during which law enforcement officers apply for the use of certain coercive or covert powers and to test the content and sufficiency of the information relied on in the applications. We are required to inspect certain records kept by the PIM and to report on the outcomes of inspections to the Attorney-General at least once a year.

In 2023–24, we conducted one inspection of records held by the PIM. We delivered a report on the results of this inspection of PIM records to the Minister within the required timeframe, being 3 months after the inspection was conducted. This report is not made publicly available.

Further details of our inspection of PIM records are given in the ‘Public Interest Monitor’ chapter in Section 4.

Coercive powers notifications

One of our core functions is the oversight of coercive powers by Victorian integrity, accountability and investigatory bodies. These powers, which limit the freedom and rights of individuals, include:

- issuing a summons or notice to a person requiring them to give evidence or to produce documents or things
- issuing a confidentiality notice prohibiting a person from disclosing information about a matter being investigated, or that a summons or notice has been issued
- compulsorily examining or questioning a person using coercive powers.

The Independent Broad-based Anti-corruption Commission (IBAC), the Victorian Ombudsman (VO), Office of Chief Examiner (OCE), Office of the Victorian Information Commissioner (OVIC), Wage Inspectorate Victoria (WIV), Victoria’s Auditor-General’s Office (VAGO), the former Office of the Special Investigator (OSI), which ceased operations during the reporting period, and the Judicial Commission of Victoria (JCV) must notify us when they use these types of powers (coercive powers notifications).⁵⁰ They each have different notification requirements, and not all coercive powers need to be reported to us.⁵¹

As the *Victorian Inspectorate Act 2011* (VI Act) defines coercive powers in relation to the VO as any power under Division 3 of Part IV of the *Ombudsman Act 1973* (Ombudsman Act), it covers voluntary appearances. The VO notified us when they conducted voluntary interviews where the witness was required to give evidence on oath or affirmation.⁵²

50 When a summons or a confidentiality notice (CN) is issued, the notification usually includes the summons/CN, explanatory information given to the recipient, and a report to us explaining why the body issued the summons/CN. Where a person has been required to give evidence, we receive a recording of the examination, a transcript (if one was made), and a report providing certain details (this is the legislative requirement for IBAC, OVIC, the VO, VAGO, WIV and OCE).

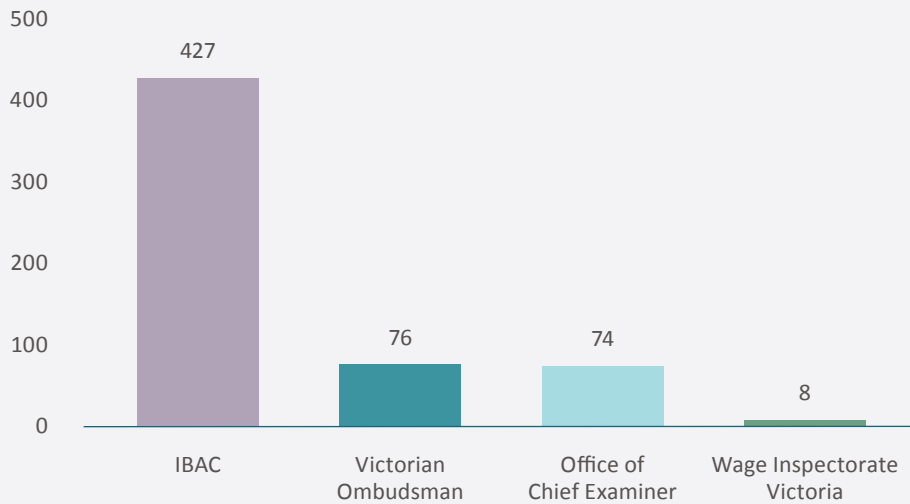
51 The requirement for bodies to provide documents to us arises both from the legislation governing the relevant body and ‘standing requests’ that we make where appropriate under the VI Act.

52 OVIC also reports any voluntary interview appearances to the VI, and, when prepared, provides a transcript of the interview.

Coercive powers notifications received

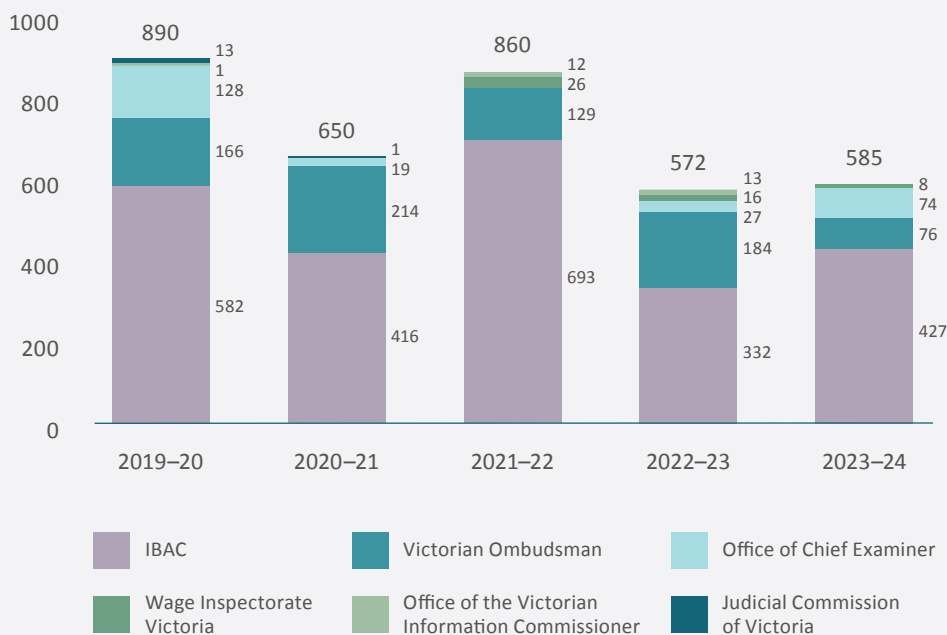
In 2023–24, we received 585 coercive powers notifications, 13 more than the 572 received in 2022–23. The notifications were made by IBAC, the VO, OCE and WIV. We did not receive any notifications on the use of coercive powers by OVIC, VAGO, the OSI and the Judicial Commission. See each body’s chapter in Section 4 for more detail.

Figure 14: Coercive powers notifications received according to body, 2023–24



The number of coercive powers notifications received has fluctuated between 890 and 585 over the last 5 years.

Figure 15: Coercive powers notifications received, 2019–20 to 2023–24



Monitoring the use of coercive powers

Our current approach to reviewing coercive powers notifications includes:

- receiving and registering notifications
- a completeness check to identify any missing records or information
- a risk-based triage process to select notifications for review
- reviewing selected notifications by assessing whether the relevant body complied with requirements in the legislation when using the relevant coercive powers.⁵³

Improvements to our processes

In our previous annual report, we reported on the introduction of a revised triaging methodology to better account for risks and provide increased flexibility in selecting notifications for review. This permitted the VI to give a greater focus to systemic issues, with scope to apply more rigorous assessments where most needed.

We have now further expanded this risk-based process to include OCE notifications. All notifications from OCE were previously subject to mandatory review under our process (see the ‘Office of Chief Examiner’ chapter of this report for further details). Given the high levels of OCE compliance a new approach was required to ensure that increased resources could be applied to notifications from bodies where compliance issues were more prevalent.

During 2024–25, we plan to further improve our processes by revisiting the specific steps and checks we undertake to perform a triage and review to simplify the individual compliance assessments we undertake for each notification and build in more strategically focussed assessments that connect issues across notifications. This will place more emphasis on identifying thematic issues presenting greater risks to compliance.

Triage

As we have a discretion to review coercive powers notifications, we assess whether the notification meets the threshold for a review by completing a triage. We do this by reviewing key elements of the notification and taking note of risk factors that may elevate or reduce risk.

For example, when triaging an examination recording, we view the commencement of the examination, a sample of interactions during the examination, and the examination closing, among other areas.

By assessing these areas, we can determine the risk profile of the examination and assign a risk rating. If that rating meets the threshold, the notification will be assigned for review (with some exceptions).⁵⁴

If a witness presents with a welfare issue, we usually review the notification and assess how it was managed and consider the supports offered to the witness.

We also apply mandatory review principles where the powers are rarely exercised, where there could be elevated risks, such as public examinations, immediate summonses, and directions about lawyers, or where the power relates to a new investigation.

Content of reviews

The VI Act specifies that a review must assess:

- whether the notification is compliant with the legislation governing the body
- whether a requirement to produce documents or things may reasonably be considered to assist the body to achieve the purposes of its investigation
- whether the questioning of a person attending the body for an examination may reasonably be considered to assist it to achieve the purposes of the relevant investigation.

We also consider the welfare of witnesses when reviewing coercive powers notifications.

⁵³ The VI Act specifies the issues we must review when we exercise our discretion to conduct a review of a coercive powers notification. In particular, see ss40A, 41A, 42AA, 42B(2), 42C and 42E.

⁵⁴ Where multiple similar notifications are received that are assigned a similar risk rating, a sample of these will be reviewed (with preference to the highest risk rating) in the first instance. Some notifications that meet the risk threshold will not be assigned for review if there are insufficient resources, or other, higher priority, workloads.

Triage and review statistics

Of the 585 coercive powers notifications received during 2023–24, we triaged 584.⁵⁵ After triage, we selected 186 or 32 per cent of these notifications for review, including:

- 144 documents (i.e. summonses, confidentiality notices)
- 42 examinations/interviews (i.e. recordings).

We reviewed all the notifications received from WIV due to its more recent establishment and maturing processes for the exercise of coercive powers. We also conducted a mandatory review of 9 OCE notifications before the introduction of the new triaging and review model in June 2024.

The number of coercive powers notifications we reviewed has decreased 42 per cent from the 319 notifications reviewed in 2022–23. The decrease in reviews aligns with the introduction of our targeted risk-based triage and review process, where only notifications meeting a designated risk profile are assigned for review. By reducing the number of reviews for low-risk notifications, we were able to apply a greater proportion of resources to complex reviews and the management of thematic issues.

For example, while we reviewed 60 per cent fewer summonses and confidentiality notices during this period, overall, we identified and reported on a larger number of complex or thematic compliance issues. These issues are outlined in the relevant sections for each body.

In addition to the above figures, we completed a review of 10 notifications which were received in 2022–23.⁵⁶ Several OCE notifications were triaged within 2023–24 and assigned for review, however the reviews were not commenced or completed as of 30 June 2024. The figures for those reviews will be included in our next report.

The number and types of reviews we conducted are detailed in the table below.

Table 6: Coercive powers notifications received and reviewed

| Type of power notified | Received 2023–24 | Reviewed | % Reviewed | Received 2022–23 Reviewed 2023–24 | Total reviewed |
|--|------------------|------------|------------|--------------------------------------|----------------|
| Confidentiality notices | 84 | 30 | 36% | 1 | 31 |
| Cancellations of confidentiality notices | 112 | 23 | 21% | 0 | 23 |
| Summons/Orders/ Notices | 272 | 72 | 27% | 4 | 76 |
| Examinations/ Interviews | 98 | 42 | 43% | 5 | 47 |
| Directions about lawyers | 19 | 19 | 100% | 0 | 19 |
| Total | 585 | 186 | 32% | 10 | 196 |

⁵⁵ One notification from 2023–24 was not triaged within the period as it had not been correctly recorded in our case management system.

⁵⁶ One confidentiality notice, 4 summonses, 5 examinations.

Risk profile of notifications received

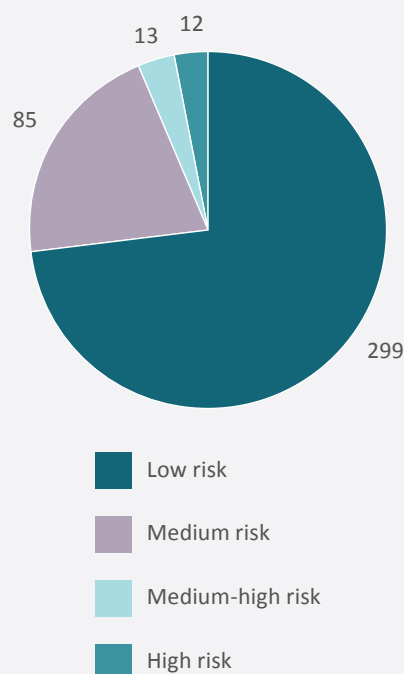
Under our risk-based model, certain notifications are reviewed on a mandatory basis. This includes notifications relating to a new investigation or preliminary inquiry, immediate summonses, public examinations and directions about lawyers. For notifications that are not reviewed on a mandatory basis⁵⁷, we undertake a further triage to assign a risk rating.

A notification may be assigned a higher risk rating in circumstances where there are elevated welfare risks, thematic compliance issues, or other factors that increase the vulnerability of a witness, such as the reliance on an interpreter in an examination.

Of the 585 coercive powers notifications received during 2023–24, we assigned a risk rating to 409. Notifications assigned a rating of medium and above will, in most instances, be assigned for review.⁵⁸ There were 19 notifications rated below this threshold which were assigned for review on a sample or targeted basis. Such notifications can be assigned for review where we have not received a notification relating to the relevant operation for a significant period of time, or where we receive a batch of 3 or more similar notifications and select one to ensure appropriate coverage.⁵⁹

The breakdown of risk ratings assigned to the 409 notifications is shown in Figure 16.⁶⁰ As this is the first complete 12-month period during which the VI has applied a risk rating to notifications, there is no comparative data from prior years.

Figure 16: Risk ratings assigned to coercive powers notifications, 2023–24



Additionally:

- 64 notifications were subject to mandatory review and therefore did not require a risk rating
- 112 notifications relating to the cancellation of a confidentiality notice did not receive a risk rating as these are reviewed on a sample basis only.

⁵⁷ Cancellations of a confidentiality notice are excluded from this risk-based assessment. We review these on a sample basis.

⁵⁸ Where multiple similar notifications are received that are assigned a similar risk rating, only a sample of these will be reviewed (with preference to the highest risk rating). Three (3) notifications met the review threshold but were not reviewed as part of a sample.

⁵⁹ If compliance issues are identified additional reviews may be conducted.

⁶⁰ As noted earlier, as one notification was inadvertently not triaged during 2023–24, the figures of notifications received, and ratings assigned differs by one. Further, as several notifications were triaged during 2023–24 but with reviews commenced in 2024–25, the number of notifications that are eligible for review and the figures of notifications reviewed do not align.

Duration of examinations reviewed

An examination conducted by a body continues until the witness is excused from attendance. Given the varying complexity of investigations conducted by each body, the duration of an examination conducted can range from less than an hour to several days.⁶¹

The total recording duration of the 47 examinations we reviewed during the reporting period was 183 hours and 16 minutes.⁶² Excluding breaks in the examination, the shortest examination was one hour 23 minutes long and the longest examination reviewed was 12 hours and 26 minutes long (over 2 days).

This total figure does not reflect the total time to complete a review, nor does it include the duration of examinations which were triaged but not reviewed. This means that the cumulative duration of examination recordings viewed during the period is significantly higher.

We intend to capture further data in our case management system to provide a more detailed analysis of examination and review durations in our next report to better demonstrate and manage the intensity of this workload.

Periodic reporting model

From March 2023, we adopted a periodic reporting model where compliance issues and feedback were consolidated and privately reported to the body at certain intervals. This resulted in a more systemic approach to providing feedback to bodies, with a view to improving future compliance.

Responding to feedback, we changed the reports from monthly to bi-monthly for IBAC and VO and have simplified the report and the response process. Due to the complexity, and varying volumes of OCE notifications, we continue to provide reports to the OCE on an ad-hoc basis.

While most issues are captured within these periodic reports, we may still elevate issues via direct correspondence where the matter is serious, requires ongoing engagement, or its management is time-sensitive. This includes where we find a summons that could be considered invalid, confidentiality notices that contain incorrect or misleading information, or summonses that do not provide the required period of notice to a person. All these issues have a bearing on the fairness and proportionality of the exercise of a coercive power.

When we report compliance issues or provide feedback to a body, we aim to explain why we believe something may be an issue and outline steps we think may address, or help to manage, the issue. We do this by making suggestions that consider a body's own practices, policies and procedures, as well as our own experience and knowledge of effective practices gained from our oversight role.

Each body is given an opportunity to respond to these reports, the key issues from which are summarised for inclusion in our annual reports.

During 2023–24, we issued a total of 15 periodic reports. Further details on the observations and issues raised in periodic reports are set out in the relevant bodies' sections.

61 Where an examination takes more than one day, a witness is required to attend before the body to recommence the examination at the time specified by the body.

62 For the purpose of this calculation, we have excluded 44 hrs and 30 mins of breaks taken during those examinations. Note that as an examination, or elements of the examination may be viewed more than once (and by more than one officer) during a review, these figures do not represent the total hours taken to complete a review.

Essential practices for coercive powers

We identified and acted on a range of issues associated with the use of coercive powers by IBAC, VO, OCE, and to a lesser extent, WIV.

From the issues we identified this year, we have selected 3 to highlight essential practices to be considered by all bodies exercising coercive powers. These cover the importance of effective and consistent quality assurance, clear and consistent approval processes, and measures that ensure that the status of confidentiality notices is periodically reassessed.

Effective and consistent quality assurance

In our special report: 'A compliance case study on the use and oversight of coercive powers' (coercive powers special report), we reported that although we received a higher number of notifications from IBAC during this period, we consistently identified more compliance issues at the VO rather than IBAC.⁶³

We considered that as issues frequently arose without being identified by the VO, this indicated that its quality assurance processes were either ineffective or not working as intended. The process resulting in the incomplete summonses discussed in Essential Practice 2 below is one serious example of this.

To ensure that the VO committed sufficient internal resources to support staff to improve quality assurance and compliance, in the coercive powers special report we made a recommendation, which was accepted, that the VO undertake a review of

its quality assurance framework and resources for supporting compliance when exercising coercive powers. Further details are in the VO section of the report. The essential practice below outlines the principal steps that support effective and consistent quality assurance.

Essential Practice 1

Bodies exercising coercive powers should ensure that they have an effective quality assurance process that can identify the majority of significant errors (and repeated minor errors) before any powers are exercised on a person or entity. Resourcing dedicated to quality assurance should also accord with the volume of use and the risk profile of the powers being exercised.

Clear and consistent approval practices

During the period, we corresponded with the VO on 2 summonses that were signed by the Ombudsman but did not contain the date the witness was required to attend. We reported on this matter in our coercive powers special report.

As a result of our engagement, the VO was prompted to identify issues with its summons approval process where VO officers had submitted, and the former Ombudsman had signed, summonses that did not contain all the necessary information. This process was not accounted for, or supported by, the VO's procedures. As a summons is a legal instrument, these kinds of changes could affect the validity of the summons.

In response to the VI raising this issue, the VO identified deficiencies in its summons approval processes which it sought to address through a revised process and updated procedures. The VO further commenced a review of 77 summonses issued over a 12-month period to determine the nature of any changes made to summonses, and the effects of those on the exercise of this power by the VO.

The VO's engagement with us in relation to this issue and the status of its review of summonses is addressed within the VO section of this report.

63 Coercive powers special report, p35.

Coercive powers are a significant information gathering tool for investigative bodies and issues with the approval to exercise these powers can have considerable flow-on effects on an investigation and the persons upon whom these powers have been exercised. Essential Practice 2 below will assist bodies in mitigating potential issues with an approval process.

Essential Practice 2

Bodies exercising coercive powers should ensure they have a clearly defined process through which these powers are approved. This should result in a definitive final version of the instrument approving the exercise of the power.

In line with Essential Practice 1, a body should also ensure that its quality assurance framework enables it to have a clear insight into how its processes are being applied so that it can readily identify, and correct, any deviations from approved procedures or processes.

Periodic review of active confidentiality notices

In 2022–23 we reported that after assessing IBAC’s active and cancelled confidentiality notices we had engaged with IBAC to resolve discrepancies. We continued this activity during 2023–24 and reconciled active confidentiality notices reported to us by IBAC against 5 years of our own information holdings.⁶⁴

As a result of raising discrepancies with IBAC, 12 confidentiality notices were identified as invalid without the recipients having been advised that they were no longer bound by the confidentiality notice. This meant that those individuals would have been restricted from discussing these matters freely when there was no longer any legal authority to restrain them.

In response to this, IBAC informed those 12 persons that they were no longer bound by the confidentiality notices and indicated that it would now include active confidentiality notices as an agenda item at its operational meetings to ensure that the requirement for a confidentiality notice was continually reassessed.

IBAC disclosed a separate error with confidentiality notices during the reporting period. See the IBAC chapter in Section 4 for more information.

Essential Practice 3

As a confidentiality notice may remain in place for an extensive period of time, each body issuing confidentiality notices should have practices in place to continually reassess whether notices should remain active. This ensures that any person’s human rights are not unnecessarily limited when the grounds for the notice no longer exist.

It is important to be aware that while a notice is given to a single recipient, if that recipient discloses the matters in the notice to any other persons (as may be permitted), they must provide a copy of the notice to that person. These additional persons then become bound by the notice which extends the limitations imposed by the notice beyond the original recipient.

64 A confidentiality notice given by IBAC remains in effect for 5 years (unless cancelled earlier).

Further planned activities

Due to the time a notice may remain active and the significant limitations these can place on a person, we plan to undertake further assessments in relation to confidentiality notices during 2024–25, including assessing the effectiveness of IBAC’s newly introduced practice, and comparing our holdings against information reported by IBAC and other bodies to verify the status of confidentiality notices.

Examples of issues identified through our monitoring of coercive powers are included in the relevant body’s section of this report.

Improvements to the integrity system

The qualitative measure of improvements to the integrity system reflects our focus on strengthening trust in the integrity system. It helps to ensure that our responses to compliance issues consider systemic improvements to prevent future non-compliance.

We exceeded our target of 7 improvements to the integrity system. This year, we achieved 9 improvements as per the table below. We were able to make this number of improvements due to the higher, and more consistent level of ongoing resourcing for the whole of 2023–24 compared with prior years.

Table 7: Types of improvements to the integrity system, 2023–24

| No. | Agency | Power or issue | Improvement type | Further information |
|-----|-----------------------|--|--|--|
| 1 | IBAC | Surveillance device (SD) warrants | Five (5) recommendations accepted for action and procedure changes | ‘Inspections’ chapter in Section 3 ‘IBAC’ chapter in Section 4 Surveillance devices irregular inspection report to be tabled 2024–25 |
| 2 | IBAC | Telecommunications interceptions (TI) warrants | Ten (10) related recommendations accepted about a TI powers issue | ‘Inspections’ chapter in Section 3 ‘IBAC’ chapter in Section 4 Due to requirements of the TISP Act, the detail will remain private |
| 3 | IBAC | TI warrants | Two (2) recommendations accepted about a TI powers issue (separate to the issue noted above) | ‘Inspections’ chapter in Section 3 ‘IBAC’ chapter in Section 4 Due to requirements of the TISP Act, the detail will remain private |
| 4 | IBAC VFA VicPol | TI warrants SD warrants Controlled operations (CO) | A range of smaller process improvements aimed at improving compliance in the exercise of TI, SD warrants and controlled operations arose from our inspections program | ‘Inspections’ chapter in Section 3 ‘IBAC’ chapter in Section 4 ‘Other bodies’ chapter in Section 4 ‘Victoria Police’ chapter in Section 4 |
| 5 | IBAC | Witness summonses Confidentiality notices (CNs) Examinations | A range of smaller improvements in response to feedback and observations in our periodic reports, relating to compliant administration of CNs and summonses, and examination processes | ‘Coercive powers notifications’ chapter in Section 3 ‘IBAC’ chapter in Section 4 |

| No. | Agency | Power or issue | Improvement type | Further information |
|-----|--------|---|---|---|
| 6 | VO | Witness summonses Confidentiality notices (CNs) | Accepted special report's recommendation to review quality assurance framework and resources for supporting compliance when exercising coercive powers | 'Coercive powers notifications' chapter in Section 3 'Victorian Ombudsman' chapter in Section 4 Coercive powers special report, page 61 |
| 7 | VO | Summonses | Instituted a new 'summons issue workflow' to ensure compliance when issuing summonses Commenced a review of summonses issued over a 12-month period ⁶⁵ | 'Coercive powers notifications' chapter in Section 3 'Victorian Ombudsman' chapter in Section 4 Coercive powers special report, Section 5 |
| 8 | VO | Witness summonses Confidentiality notices (CNs) | Eight (8) improvements to internal staff training to improve compliance with interstate service, summons variation, 8 clear days for service, restricted matters, VI notifications and training to reduce notice errors | Coercive powers notifications chapter in Section 3 'Victorian Ombudsman' chapter in Section 4 Coercive powers special report, Table 4, page 54; Appendix A |
| 9 | VO | Witness summonses Confidentiality notices Interviews Privacy policy Witness information | Twenty-six (26) procedural improvements for using coercive powers | 'Coercive powers notifications' chapter in Section 3 'Victorian Ombudsman' chapter in Section 4 Coercive powers special report, Table 4, pages 55 to 56; Appendix A |

⁶⁵ This period covers summonses issued by the VO between 1 Oct 2022 and 30 Sept 2023, being the 12-month period before it updated its 'summons issue workflow'.

Recommendations

Making a recommendation to take particular action is our most powerful tool to influence compliance. Recommendations are for action to prevent specified conduct from continuing to occur or occurring in the future, or to remedy any harm or loss arising from the conduct of the body or officer.

Recommendations are made in accordance with Part 7 of the *Victorian Inspectorate Act 2011* (VI Act), which specifies they must be made in private unless they are contained in a report. A report provides a person or body that is adversely named an opportunity to respond before the report is made public (natural justice process).

In 2023–24, the Victorian Inspectorate made 26 recommendations. The recommendations were made across all functions—complaints, investigations, inspections and coercive powers notifications. The target for our performance measure is that 75 per cent of recommendations will be accepted by oversight agencies. At 30 June 2024, 23 (88 per cent) had been accepted. One was rejected and 2 were awaiting a response as the recommendations were made in June 2024.

Three (3) recommendations were published in special reports. Twenty-three (23) recommendations were made privately. Five (5) of these recommendations will be published during 2024–25 when an inspection report about IBAC relating to surveillance devices is tabled.

Table 8: Summary of recommendations, 2023–24

| Agency | Source | Recommendation | Response | Accepted |
|--------|-------------------------------|---|--|---------------------|
| VO | Coercive powers notifications | Public ⁶⁶ The VO complete by 31 March 2025 a review of its quality assurance framework and resources for supporting compliance when exercising coercive powers | Accepted by new Ombudsman, providing detail of how the recommendation would be implemented | 1/1 (100%) |
| VO | Complaint | Private That VO, during a procedural fairness process for a special report, provide the VI information regarding its approach to the process | Accepted by VO explaining its approach to procedural fairness in various correspondence between 21 Nov 2023 and 8 Dec 2023 | 1/1 (100%) |
| VO | Investigation | Private That VO remove or edit a case study from its website that the VI considered to contain misleading information | Not accepted as the VO did not agree the information was misleading | 0/1 (0%) |
| OSI | Investigation | Private That OSI, while decommissioning the office, take steps relating to records and security | Accepted and implemented | 3/3 (100%) |
| OSI | Investigation | Public ⁶⁷ Two (2) recommendations made to the Attorney-General ⁶⁸ | Awaiting response at 30 June as report tabled 25 June 2024 | 0 of 2 to date (0%) |

66 Special report: *A compliance case study on the use and oversight of coercive powers*.

67 Special report: *Investigation of unauthorised disclosures by an integrity officer*.

68 Legislative substitute for Special Investigator under the SIR Act following closure of the OSI.

| Agency | Source | Recommendation | Response | Accepted |
|--------------|--|---|--------------------------|--------------------|
| IBAC | Investigation | Private That IBAC take specified action | Accepted and implemented | 1/1 (100%) |
| IBAC | Inspections Draft surveillance devices report | Private at 30 June 2024 Five (5) recommendations to improve compliance | Accepted | 5/5 (100%) |
| IBAC | Inspections | Private Ten (10) related recommendations about a telecommunications interceptions issue | Accepted | 10/10 (100%) |
| IBAC | Inspections | Private Two (2) related recommendations about a separate telecommunications interceptions issue | Accepted | 2/2 (100%) |
| Total | | | | 23/26 (88%) |

Bodies that we oversee

Independent Broad-based Anti-corruption Commission

We fulfil our broad range of oversight functions relating to IBAC, which include monitoring the compliance of IBAC and IBAC personnel with the *Independent Broad-based Anti-corruption Commission Act 2011* (IBAC Act), the *Victorian Inspectorate Act 2011* (VI Act), the *Public Interest Disclosures Act 2012* (PID Act), and other laws⁶⁹, through:

- receipt and management of complaints about IBAC and IBAC personnel
- preliminary inquiries and investigations about the conduct of IBAC and IBAC personnel
- assessment of public interest disclosures and investigation of public interest complaints about IBAC and IBAC officers
- review of coercive powers notifications
- inspections relating to IBAC’s exercise of covert and intrusive powers
- general monitoring activities.

During 2023–24, we continued to engage regularly with IBAC in relation to these activities through meetings and information exchange protocols between IBAC’s Director Assessment and Review and our General Manager of Integrity Operations and Policy, and regular interactions between the Integrity Operations and Policy Unit and IBAC personnel. Monthly meetings between the Legal Executive Directors and quarterly meetings between the Commissioner/Acting Commissioner and Inspector, attended by IBAC’s CEO/Acting CEO and our CEO and General Counsel, enabled discussion of complex and strategic matters.

Significant progress was made on a memorandum of understanding between the VI and IBAC. The MOU will be finalised in 2024–25.

The number of complaints about IBAC or IBAC personnel increased to 79 in 2023–24 with 9 allegations substantiated. A further concern identified by the VI during a complaint assessment was raised with IBAC and we determined this issue was substantiated.

We completed 3 public interest complaint investigations about IBAC or IBAC officers. Two (2) of those investigations commenced in 2022–23 and the third commenced in 2023–24. One allegation was substantiated and IBAC accepted the recommendation that we made. A further investigation that commenced in 2022–23 remained open at 30 June 2024.

We engaged with IBAC about the PID Act to ensure consistency of statutory interpretation in implementing the public interest disclosure scheme. IBAC has indicated that it will make amendments to its PID guidelines and other PID related guidance material in 2024–25.

Through our monitoring of coercive powers, we reconciled discrepancies with IBAC regarding its active confidentiality notices and engaged with it on a range of other issues.

In our 2022–23 annual report, we referred at page 50 to an irregular inspection conducted by us at IBAC. Engagement with IBAC on the findings from that inspection and our proposed recommendations was ongoing throughout the 2023–24 reporting period but IBAC accepted 17 recommendations that we have made.

69 ‘Other laws’ includes IBAC’s legislative obligations in relation to covert powers under the TIA Act, the SD Act and the CCO Act.

Compliance with statutory obligations

We are required to report on:

- details of IBAC's compliance with the VI, IBAC and PID Acts
- details of the comprehensiveness and adequacy of reports made to the Victorian Inspectorate by IBAC under the VI Act
- the extent to which action recommended by the VI to be taken by IBAC has been taken.

The information contained in this chapter details the results of the VI's oversight activities.

Enquiries

In our 2022–23 annual report, we reported that there were 5 open IBAC enquiries at 30 June 2023. Three (3) of these enquiries were converted to complaints during 2023–24 and accordingly are referred to in this report as complaints.

In addition to closing the remaining 2 enquiries from the previous reporting period, we received and closed a further 45 enquiries about IBAC during 2023–24.

No enquiries about IBAC remained open at 30 June 2024.

Complaints

We reported that there were 44 open IBAC complaints at 30 June 2023. Due to the conversion of 3 enquiries noted above to complaints and other amendments to our reporting noted below⁷⁰, the VI commenced the year with 48 open IBAC complaints.

In 2023–24, we received a further 79 IBAC complaints, closed 94, and had 33 IBAC complaints open at the end of the reporting period.

To provide context, the 79 complaints about IBAC represents 2.5 per cent of the 3,155 complaints, notifications and public interest disclosures that IBAC received in the reporting period.

We closed 54 of the 79 complaints received about IBAC or IBAC officers during 2023–24. Twenty-five (25) of the 79 complaints received during the reporting period remained open at 30 June 2024.

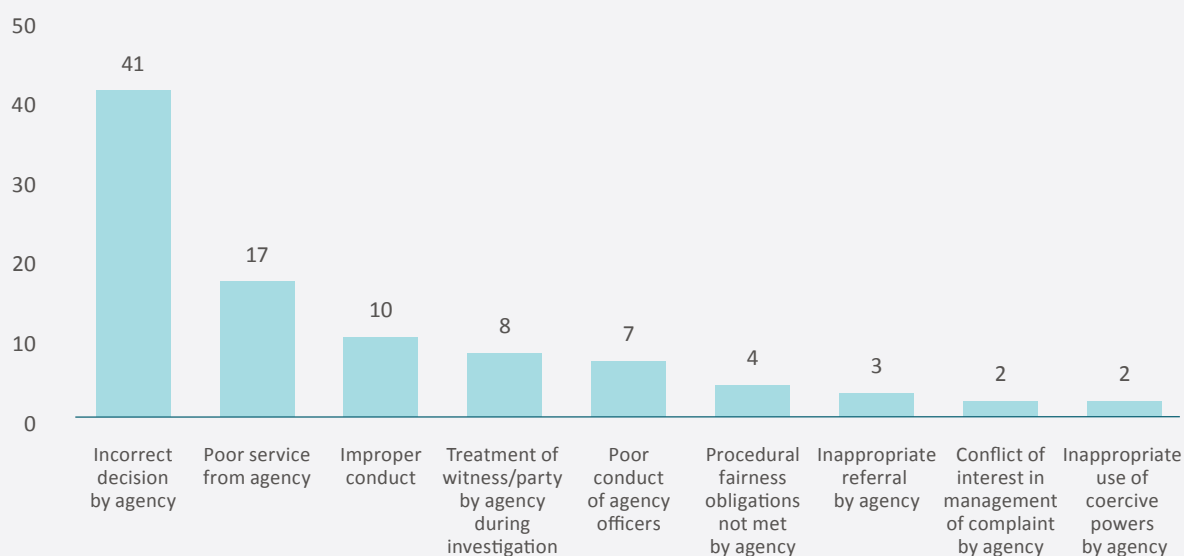
Of the 79 complaints received, 66 were made directly to the VI and 13 were notified to us by IBAC under section 71 of the IBAC Act as they were complaints made to IBAC that involve conduct of IBAC, or any person who is, or was at the time of the conduct, an IBAC officer.⁷¹

We closed 40 of the 48 IBAC complaints that had remained open from prior reporting periods. Eight (8) IBAC complaints from a prior reporting period remained open at 30 June 2024.

Primary issues

Of the complaints about IBAC closed in 2023–24, the primary issues are shown in Figure 17, noting this includes complaints received in prior years.

Figure 17: Primary issue reported in complaints about IBAC, closed in 2023–24



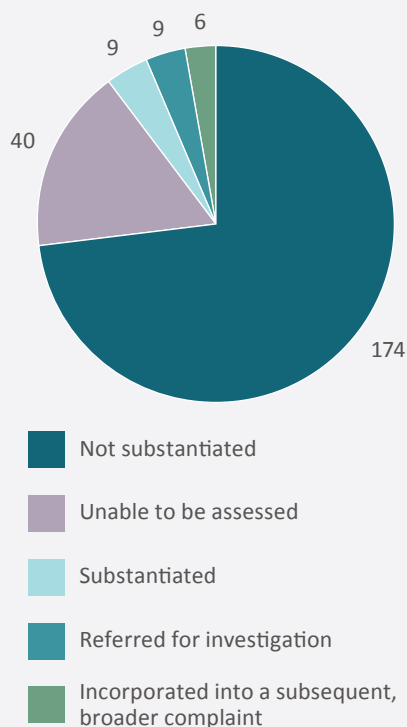
⁷⁰ The open IBAC complaints reported at 30 June 2023 has been impacted by 3 IBAC enquiries being re-categorised as complaints in the 2023–24 year and one complaint reported in 2022–23 with an incorrect status of ‘closed’. Though the decision was made by the end of the reporting period, the complainant did not receive their outcome until July 2023.

⁷¹ We note that IBAC continued to apply a low threshold to matters referred under s71 of the IBAC Act during the reporting period. IBAC took this approach due to uncertainty about the legislative threshold of s71 which has now been resolved.

Allegation outcomes

For the 94 complaints about IBAC closed this reporting period, we assessed 238 allegations.

Figure 18: Allegation outcomes relating to IBAC, 2023–24



The allegations had the following outcomes:

- 9 allegations were substantiated:
 - 7 allegations where feedback was provided to IBAC
 - one allegation resulting in an observation to IBAC
 - one allegation requiring no further action after engagement with IBAC
- 9 allegations were referred to be determined by investigation:
 - 6 allegations determined as public interest complaints⁷²
 - 3 allegations referred for investigation under the VI Act⁷³
- 174 allegations were not substantiated:
 - 88 allegations with no further action taken following assessment
 - 63 allegations with no further action taken following engagement with IBAC to seek further information
 - 10 allegations where feedback or observations were provided by the VI
 - 6 allegations with no further action after engagement with IBAC to resolve service level issue (usually a delay)
 - 5 allegations with no further action as unable to assess
 - 2 allegations for other reasons
- 40 allegations were unable to be assessed:
 - 17 allegations with no further action
 - 15 allegations were withdrawn by the complainant
 - 5 allegations being outside the VI's complaint-handling jurisdiction
 - 3 allegations were otherwise unable to be assessed.
- 6 allegations were assessed without any determination being made by the VI before the end of the reporting period.⁷⁴

⁷² Two (2) allegations were investigated but not substantiated, and the investigation of 4 allegations had not yet commenced at the end of the reporting period.

⁷³ One allegation was investigated but not substantiated, and the investigation of 2 allegations had not yet commenced at the end of the reporting period.

⁷⁴ These allegations were incorporated into a subsequent and broader complaint, with the agreement of the complainant, once the complainant was able to provide better particulars of their concerns.

Table 9: Complexity of closed complaints relating to IBAC, 2023–24

| Complexity of closed complaints | No. of complaints | No. of allegations |
|---------------------------------|-------------------|--------------------|
| Low | 61 | 111 |
| Medium | 17 | 55 |
| High | 16 | 72 |
| Total | 94 | 238 |

Table 10: Primary issues and integrity responses in substantiated allegations relating to IBAC, 2023–24

| Primary issue | No. of allegations substantiated | Integrity response |
|---|----------------------------------|---|
| Incorrect decision by agency | 6 | Engagement with IBAC which led to a commitment from IBAC to re-engage with the complainant. See Amira’s case study. Feedback to agency regarding complainant welfare and having appropriate regard to disclosed family violence issues. Feedback to agency regarding consideration of further allegations. See Demetra’s case study. Feedback to agency regarding the notification of complaints about IBAC to the VI. |
| Procedural fairness obligations not met by agency | 1 | Feedback to agency. See Malika’s case study. |
| Poor service from agency | 1 | Feedback to agency about communication. |
| Improper conduct ⁷⁵ | 1 | Feedback to agency about failing to adequately consider known welfare concerns. |

75 While the complainant reported ‘improper conduct’ as the primary issue in this complaint, the VI did not find that improper conduct occurred, instead we identified that IBAC failed to adequately consider known welfare concerns in dealing with a complainant.

Complaints feedback and observations

In circumstances where we identify any opportunity for improvement, including issues that are not the subject of the complaint, we share this information with IBAC for its consideration for future improvements to processes and procedures. Below are some examples of feedback and observations provided to IBAC during the reporting period.

Observations about improving communication and engagement

The VI provided observations to IBAC about the importance of keeping complainants and witnesses to investigations updated. We observed that delay in assessing complaints can be impactful on complainants, and that people involved in IBAC investigations reported welfare impacts due, at least in part, to delayed or insufficient communication about the investigation.

In one complaint, IBAC extended an apology to the complainant about its long delay in dealing with a matter after they had lodged their complaint with IBAC following a traumatic incident involving a family member.

In another complaint, the VI provided an observation in relation to better practice around proactively engaging to share relevant information with impacted witnesses.

Observations about clarity of information

We also provided observations about the value of giving clear information to complainants and to persons and bodies to whom IBAC refers complaints for investigation. These observations related to the explanation of what an IBAC review entailed and improving the practice of IBAC providing any important contextual information for persons or bodies to whom a complaint has been referred for investigation.

While the VI acknowledged a more mature and changed practice by IBAC for referring complaints for investigation, we advised it would be optimal for IBAC to provide the receiving person or body all relevant information. This includes, but is not limited to, any allegation that the person or body has an actual or perceived conflict of interest.

Complaint case studies

Amira case study addressing procedural fairness⁷⁶

Amira⁷⁷, a victim survivor of family violence with disclosed mental health concerns, had interactions with Victoria Police that led them to lodge 2 complaints with IBAC about the conduct of identified Victoria Police members which IBAC dismissed. Dissatisfied with these decisions, Amira then made a complaint to the VI.

Amira believed IBAC had made the wrong decisions with their complaints as they had also lodged a complaint with Victoria Police about the same issues and had been advised by Victoria Police that their complaint remained ‘unresolved’. Amira also felt that IBAC did not provide them with the opportunity to present further information before deciding to dismiss their second complaint.

To inform our assessment, we reviewed IBAC’s second complaint file, asked specific questions of IBAC and identified concerns with the way that IBAC handled Amira’s second complaint. IBAC acknowledged Amira’s challenging and vulnerable circumstances might have impacted Amira’s ability to provide information to IBAC. However, despite Amira advising IBAC that they had further information to provide, IBAC dismissed their complaint and issued Amira an outcome without seeking this information from them.

In doing so, the VI considered that IBAC had failed to properly consider Amira’s welfare when handling the complaint and found that Amira had not been given a fair hearing.

IBAC acknowledged that the approach taken in Amira’s case was not consistent with the standards expected in their assessment process. IBAC offered to:

- apologise to Amira
- assess their complaint afresh after providing Amira an opportunity to submit any further information to IBAC
- use the complaint (de-identified) for staff training.

Amira was committed to engaging again with IBAC, felt heard by the VI’s complaints handling process and appreciated the apology from IBAC. On this basis, no further action was warranted by the VI.

⁷⁶ Procedural fairness was a secondary issue raised by this complainant.

⁷⁷ The name ‘Amira’ is a pseudonym.

Demetra case study addressing a failure to consider all allegations raised

Demetra⁷⁸ had interactions with Victoria Police which caused them to lodge several complaints with IBAC. Demetra has a persistent and aggressive style of communication.

Despite raising different issues in their complaints to IBAC about alleged police misconduct, Demetra only received outcomes in relation to some of their complaints.

Demetra made a complaint to the VI, as they were concerned that IBAC had not properly assessed their complaints and had failed to review essential evidence.

To inform our assessment, the VI reviewed IBAC's complaint files and asked questions of IBAC.

Our assessment found that IBAC failed to respond to Demetra in relation to 2 of 4 complaints and we invited IBAC to respond to the finding that the complainant's concerns were substantiated.

IBAC agreed to assess the concerns raised by Demetra and stated that it would endeavour to obtain the evidence referred to by Demetra.

IBAC also indicated that it would use Demetra's complaint as a deidentified case study to further enhance its team's assessment skills.

Demetra was willing to receive contact from IBAC and supported the reassessment of their concerns.

We provided feedback to IBAC that it might wish to consider placing complainants on a contact management plan at the earliest opportunity when they are aggressive and abusive in their communication with IBAC.

In our correspondence to IBAC, we acknowledged the factors that may have affected its ability to determine whether new allegations and complaints were being raised by Demetra given their communication style. However, we confirmed our view that IBAC should carefully evaluate whether correspondence raises any new allegations that may require assessment. This is required even in circumstances where the complainant has a history of being abusive toward IBAC staff.

78 The name 'Demetra' is a pseudonym.

Malika case study supporting accessibility and addressing procedural fairness

Malika⁷⁹ has literacy challenges and lodged a complaint with IBAC by telephone. This complaint was transcribed into an IBAC complaint form by an IBAC officer during initial intake calls.

Malika indicated they had trouble writing and was more comfortable explaining the details of their complaint over the phone. The IBAC officer assured them that once their complaint was assigned for assessment, they would be contacted by phone by another IBAC officer, so that they could provide further information.

Malika was not given this opportunity, and IBAC dismissed their complaint based on the general details provided in initial conversations and information available to IBAC.

Malika lodged a complaint with the VI stating that IBAC had made a decision without allowing them to provide further information.

We reviewed IBAC's complaint file and found that IBAC did not adequately consider Malika's accessibility requirements despite being aware of Malika's literacy challenges and requests to provide additional information verbally. In dismissing Malika's complaint without seeking the further information, IBAC failed to afford Malika procedural fairness.

IBAC agreed to re-engage with Malika, to support them to provide further information, and to reassess their complaint. Malika was happy with this outcome and committed to providing further information to IBAC.

79 The name 'Malika' is a pseudonym.

Public interest disclosures

In 2023–24, the VI completed its handling of a disclosure in relation to an IBAC officer that was received in the 2022–23 reporting period. The determination was that the disclosure did not meet the threshold of a public interest disclosure and the matter was then assessed under the VI Act as a complaint. The allegations were not substantiated.

During the reporting period, the VI received and assessed fourteen (14) matters relating to IBAC under the PID Act:

- 8 disclosures did not meet the threshold of a public interest disclosure under the PID Act. They were then considered as complaints under the VI Act and the outcomes of these complaints have been included in the complaint and allegation outcomes detailed in Figure 18.
- 3 were assessable disclosures and determined by the VI to be public interest complaints. The investigation of one public interest complaint was commenced, and closed in 2023–24 and is discussed in Table 11. The investigations of the remaining 2 had not yet commenced at the end of the reporting period.
- 3 disclosures were under assessment at 30 June 2024.

Investigations

During this reporting period, we closed 2 investigations relating to IBAC or IBAC officers that commenced in 2022–23 and we closed one investigation that commenced in 2023–24. One IBAC-related investigation that commenced in 2022–23 was ongoing. See Table 11 for details.

Table 11: Status of IBAC investigations on 30 June 2024

| Description | Outcome |
|---|--|
| Commenced in 2022–23 | |
| PIC investigation into the conduct of an IBAC officer | <ul style="list-style-type: none"> The allegation was substantiated. We recommended that IBAC take specified action. IBAC accepted the recommendation. No powers were exercised during the reporting period for this investigation.⁸⁰ |
| PIC investigation into the conduct of IBAC and IBAC officers* | <ul style="list-style-type: none"> The allegations were not substantiated. We issued one summons and 2 confidentiality notices and cancelled 4 confidentiality notices, 2 of which had been issued in 2022–23. Under section 47 of the VI Act, we required IBAC to produce documents or information twice and required an IBAC officer to attend to answer questions once. |
| PIC investigation into the conduct of IBAC and IBAC officers* | <ul style="list-style-type: none"> The investigation was ongoing at 30 June 2024. We issued 2 summonses and 11 confidentiality notices, one of which was cancelled during 2023–24. Under section 47 of the VI Act, we required IBAC to produce documents or information 6 times, and we required IBAC officers to provide information or attend to answer questions or produce documents on 14 occasions. |
| Commenced in 2023–24 | |
| PIC investigation into the conduct of an IBAC officer | <ul style="list-style-type: none"> The allegations were not substantiated. We sought information from IBAC about document management relating to an issue arising during the investigation and were satisfied with their documented process. Under section 47 of the VI Act, we required IBAC to produce documents or information on 3 occasions and required an IBAC officer to attend to answer questions once. |

*These investigations also included an inquiry.

⁸⁰ At p57 of our 2022–23 annual report, we reported that in this investigation we required the attendance of an agency officer to answer questions once under s47 of the VI Act. This should have read that under s47 we also required IBAC to produce documents or information on one occasion.

Inspections

In 2023–24, we inspected IBAC’s surveillance device records and transmitted 2 inspection reports for tabling in Parliament. We completed 2 inspections of telecommunications interception records and made a regular report to the Attorney-General on the results of these inspections. As IBAC did not make an application for an authority to conduct a controlled operation, we did not review any such records.

As a result of our inspection findings and suggestions, IBAC implemented some process improvements and made some corrections including a supplementary report to the judge who issued a surveillance device warrant.

In May 2023, we notified IBAC that we would conduct an irregular inspection of records following a disclosure it made relating to an error in its delegations. We conducted our physical inspection onsite at IBAC’s premises between 29 May and 1 June 2023 and further required the attendance of 4 IBAC officers for interview under section 12A of the VI Act during 2023–24.

Throughout the reporting period, we engaged with IBAC regarding our findings from the irregular inspection and our proposed recommendations. Although our engagement with IBAC on the form of 2 recommendations remains ongoing, 17 recommendations have already been accepted by IBAC.

Outcomes will be finalised in accordance with the relevant inspection regimes.

Coercive powers notifications

During the reporting period, we received 427 coercive powers notifications from IBAC under the IBAC Act, a 29 per cent increase from the 332 notifications received in 2022–23. IBAC has consistently used its coercive powers more than other bodies that we oversee. While we saw a slight decrease in summonses for investigations year-on-year, we received 86 per cent more summonses for preliminary inquiries—and significantly more directions about lawyers than in any other recent period.⁸¹

IBAC did not hold any public examinations (hearings) during 2023–24 and has not done so since 2020–21.

Table 12: Coercive powers notifications received from IBAC, 2019–20 to 2023–24

| IBAC Act notification requirements | 2019–20 | 2020–21 | 2021–22 | 2022–23 | 2023–24 |
|--|------------|------------|------------|------------|------------------|
| s43 Confidentiality notices issued | 37 | 64 | 140 | 66 | 73 |
| s43 Confidentiality notices cancelled | 74 | 39 | 72 | 36 | 77 ⁸² |
| s59G Summons, preliminary inquiry | 52 | 4 | 26 | 22 | 41 |
| s122 Summons, investigation | 353 | 251 | 363 | 179 | 169 |
| s134 Recordings (and any transcripts) | 65 | 52 | 89 | 28 | 48 |
| s128 Directions about lawyers | 0 | 3 | 0 | 1 | 19 |
| s117(5) Public hearings | 1 | 3 | 3 | 0 | 0 |
| Total | 582 | 416 | 693 | 332 | 427 |

81 Under ss127(2), (7A) or (8) of the IBAC Act, IBAC may direct certain persons not to seek legal advice or be represented by, a specified Australian legal practitioner. The VI's annual reports covering periods prior to 1 July 2017 do not include details on the number of directions given under s 127(2); however, since that time there has been a consistently low number of directions about lawyers.

82 Seventeen (17) of these related to notifications from IBAC where it had earlier notified the confidentiality notice recipient of invalidity or cancellation but had not notified the VI. These were identified through discrepancies the VI raised with IBAC.

Coercive powers notification feedback and observations

We provided 6 periodic reports to IBAC giving our observations on notifications received from May 2023 to April 2024.⁸³ Outside of these reports, we engaged with IBAC on several complex or time-sensitive matters. To address the issues we raised, IBAC was responsive in either advising that it would implement changes in line with our suggestions or providing further clarifying information to satisfactorily address the matters raised.

Some changes were to remedy compliance on individual issues relating to the exercise of coercive powers. The systemic improvements IBAC advised it will make are explained under ‘Improvements made’ in this chapter.

Following is an overview of the most significant observations and improvements from this period.

Confidentiality notice practices

Through periodic reports, we raised discrepancies with IBAC that resulted in the identification of 12 instances where, through administrative error, it had not advised recipients that their confidentiality notices were invalid. Through this same process, IBAC reviewed additional discrepancies that we had raised and identified that it had not notified us of 17 instances where a recipient had been advised that their confidentiality notice was invalid or had been cancelled.

IBAC also proactively sought our advice on a potential error in relation to 8 confidentiality notices given to persons during a preliminary inquiry. The IBAC Act requires that a confidentiality notice can only be issued to a person in a preliminary inquiry if a summons has also been issued to them.⁸⁴ While IBAC had issued summonses to the entities that these individuals represented, because the summonses had not been issued directly to these persons, we advised that the confidentiality notices were not validly given.

Soon after, IBAC accepted that the confidentiality notices were invalid and advised the recipients accordingly. IBAC also advised that it would amend its process to ensure compliance with the IBAC Act. See ‘Improvements made’ in this chapter for further information.

Two (2) confidentiality notices were separately identified for cancellation by IBAC after we raised issues regarding the accuracy of wording in the confidentiality notice.

SEP Act compliance

In last year’s annual report, we discussed our engagement with IBAC on its compliance with the *Service and Execution of Process Act 1992* (Cth) (SEP Act) and how it had accepted our view that the SEP Act applied to summonses it served on bodies corporate outside of Victoria. At the time, IBAC advised that it was developing a process to ensure compliance with the SEP Act.

After introducing its new process, we observed that IBAC appropriately sought leave⁸⁵ under the SEP Act where it intended to serve a summons interstate. While this process was being refined, we observed some minor administrative inconsistencies which we raised for IBAC’s consideration.

Further information on the requirements for interstate service are set out in ‘Guidance Note 2’ which was published on our website on 27 September 2023 to provide guidance to bodies who may issue summonses on interstate bodies corporate. See ‘Section 2: Performance, achievements and challenges’ for more information.

Summonses issued to a Commonwealth body

We engaged with IBAC to understand the circumstances that contributed to it receiving an object under summons from a Commonwealth body without having first received an approval for this object to be moved. As this may have potentially breached Commonwealth legislation, IBAC returned the object, sought the required approval and issued a fresh summons. After assessing this matter, the VI raised certain legal risks with this practice and indicated that IBAC should carefully consider future instances.

IBAC acknowledged the matters we raised and noted that it would take steps to ensure that appropriate guidance is included in its procedures.

83 As IBAC’s response to our report on notifications received over March to April 2024 was provided after 30 June 2024, the matters raised there have not been included in this report.

84 s42(1A).

85 Approval from the Supreme Court of Victoria.

Process for varying a summons

We also engaged with IBAC in relation to its practices for varying or amending a witness summons to ensure it was consistent with the IBAC Act. As IBAC is still considering our views on this matter, the outcome of this issue will be detailed in our next annual report.

New reporting process and other issues

Of its own volition, from February 2024, IBAC implemented a new process for reporting to the VI when it issues a summons, confidentiality notice or other exercise of power. Instead of completing a separate report, IBAC now submits its approved internal application, along with a supplementary letter detailing additional matters. The resulting report generally provides detailed insights into IBAC's decision to exercise these powers. We did however seek clarification from IBAC in relation to the reasoning for several summonses, some of which were prior to the implementation of this process. This included why IBAC had sought particular financial information and why it had applied particular timeframes to financial information sought. Responses were being considered at 30 June 2024.

We also observed some quality assurance errors in documents and observed to IBAC that incorporating quality assurance practices into procedures may assist to mitigate recurrent risks by ensuring quality assurance is applied consistently. We also observed isolated instances where examiners omitted some of the information they were required to convey to witnesses under the IBAC Act before an examination.

Further monitoring of IBAC's compliance

Positive practices identified

During our compliance work, we flagged a positive process where IBAC addressed its management of health information in VI notification reports. In response to the VI seeking to understand how IBAC communicates PID Act obligations to relevant persons, including where a confidentiality notice has not been issued or has been cancelled but the PID Act still applies, IBAC advised it will consider this in light of recent advice.

The VI also flagged a positive practice where IBAC factored a human rights assessment into VI reports for summonses issued to individuals and encouraged IBAC to extend this assessment to individuals who are not recipients of summonses but may be affected.

Oversight of IBAC's performance of public interest disclosure functions

We engaged with IBAC at the Public Interest Disclosure Consultation Group (chaired by IBAC) which continues to provide an important forum for integrity bodies to discuss complexities associated with implementing the public interest disclosure scheme.

One aim of our engagement with IBAC about the PID Act during the reporting period, was to ensure consistency of statutory interpretation in implementing the public interest disclosure scheme. IBAC has indicated that it intends to make amendments to its PID guidelines and other PID-related guidance material in 2024–25.

Implementation of recommendations from Emma’s special report

In October 2022, we tabled in Parliament the special report ‘IBAC’s referral and oversight of Emma’s complaints about Victoria Police’s response to family violence by a police officer’ (Emma’s special report). In our 2022–23 annual report, we discussed some of the positive and important changes that were driven by the complaints from Emma (a pseudonym) to the VI which led to that special report.

In November 2023, the former IBAC CEO wrote to the VI advising that IBAC had acquitted the 4 recommendations the VI made to it in that report.⁸⁶ See Appendix F which summarises the actions taken by IBAC in relation to our recommendations.

IBAC has also informed us about its continued program of work to improve the experience of persons who make a complaint to IBAC. The program includes training for staff on family violence awareness, and in trauma-informed practice. The VI acknowledges the positive steps IBAC has taken as a result of the special report. Though improvements have been made by IBAC, we note that Emma still needs an outcome in relation to the complaint referred to in the special report as the ‘second IBAC complaint’ which she has not yet received.

In December 2023, we wrote to Emma to provide her information about the significant changes IBAC had made as a result of her complaints. The VI continues to engage with both Emma and IBAC about the outstanding complaint.

Recommendations

IBAC accepted the 18 recommendations made in 2023–24.

Following an investigation, we recommended that IBAC take specified action. IBAC accepted and implemented that recommendation.

Following the irregular inspection, we made 17 recommendations to IBAC. Five (5) related to action and procedure changes for surveillance device warrants to improve compliance with warrant application and execution and surveillance device information use as well as revising systems access for our inspections. Detail will be published in a surveillance devices irregular inspection report when it is tabled in 2024–25. Twelve (12) recommendations were accepted relating to 2 separate issues about telecommunications interception powers. Due to the requirements of the TISP Act, the detail will remain private. We are engaging with IBAC on the form of 2 further recommendations.

We made no recommendations to IBAC in relation to its exercise of coercive powers. All feedback on coercive powers was addressed through IBAC’s responses to the issues identified in periodic reports.

86 IBAC letter to VI of 10 Nov 2023.

Improvements made

IBAC made or agreed to make a range of improvements in response to our recommendations and feedback. Further to the information in this chapter, see Improvements 1 to 5 in the ‘Improvements to the integrity system’ chapter in Section 3 for details.

Arising from our inspections program, IBAC made a range of smaller process improvements aimed at improving compliance in the exercise of telecommunication interception and surveillance device warrants and made a supplementary report to the judge who issued a surveillance device warrant.

Through our periodic reporting, IBAC also indicated it would make improvements in the following areas. These are the improvements reflected in Improvement 5 in the ‘Improvements to the integrity system’ chapter in Section 3:

Compliant administration of confidentiality notices

- i. Amending its summons cover letter to remind witnesses about a previous active CN with subsequent summonses.
- ii. Inclusion of ‘Active CNs’ as a standing agenda item for operational working groups to ensure members turn their minds to whether CNs should remain active.

Compliant administration of summonses

- iii. Taking steps to ensure that appropriate guidance is included in a practice guide for summonses issued to Commonwealth bodies for documents or other things under the control of Commonwealth officers, and to consider information sharing between IBAC and Commonwealth bodies.
- iv. Amending its procedures to reflect that location of service depends on the circumstances of a witness and is decided in consultation with witnesses and IBAC’s witness liaison team.

- v. Inclusion of steps in its SEP Act process for interstate service to check that all orders include the date of authentication, and to request that the court date them where this has not occurred.
- vi. Updating the template draft order to correct some incorrect referencing.
- vii. Updating its template record of service to include reference to SEP Act related documents.

Examination processes

- viii. Accepting the VI’s suggestion that an examiner ought to make it clear whether a request is voluntary or compulsory and agreeing to provide feedback to counsel assisting in a specific operation as well as informing future counsel assisting.
- ix. Agreeing to reiterate to investigation support officers that use of a religious text is not required when taking oath.
- x. Reviewing its examination security policy and examiner’s script to ensure the issue of retention of phones is dealt with appropriately.
- xi. Following delays in providing the VI with letters relating to the appointment of an examiner prior to the relevant examination, IBAC implemented a new process to ensure their immediate despatch.

Directions about lawyers

- xii. IBAC commenced recording the time it had issued a direction under section 127(1) to enable the VI to assess whether the requirement to provide it to the VI within 24 hours was met.

Victorian Ombudsman

We oversee the exercise of coercive powers by Victorian Ombudsman (VO) officers and compliance by VO officers with procedural fairness requirements under the *Ombudsman Act 1973* (Ombudsman Act) or any other Act through:

- receipt and management of complaints about VO officers
- preliminary enquiries and investigations about the conduct of VO officers
- reviewing the exercise of coercive powers by VO officers in the course of investigations by the Ombudsman
- reviewing areas of Ombudsman business practice and inspections of that practice.

Positive regular engagement between our General Manager Integrity Operations and Policy and Manager Complaints, and the VO's legal team and Director Complaints, enabled the effective exchange of information.

Regular meetings occurred between the Deputy Ombudsman and our Chief Executive Officer and General Counsel to raise and discuss issues and facilitate information exchange.

We provided a range of feedback and made observations in relation to complaints as well as a recommendation in response to coercive powers notification reviews.

Compliance with statutory obligations

We are required to report on:

- the VO's exercise of coercive powers
- compliance by Ombudsman officers with procedural fairness requirements under the Ombudsman Act, or any other Act⁸⁷
- the comprehensiveness and adequacy of reports made to us by the VO
- the extent to which our recommendations have been accepted.

The information contained in this chapter details the results of our oversight activities.

Enquiries

We reported in 2022–23 that there was one open VO enquiry at 30 June 2023. This enquiry was converted to a complaint during 2023–24 and is reflected in this report as a complaint.

We received a further 45 enquiries about the VO during 2023–24 and closed 42.

Three (3) of these 2023–24 enquiries remained open at 30 June 2024.

87 Including in the conduct of enquiries and investigations and the making of reports and recommendations under the Ombudsman Act or any other Act.

Complaints

We received 31 new complaints about VO officers this reporting period and we closed 38 complaints, comprised of:

- 17 complaints received in 2023–24
- 21 complaints received in prior reporting periods.

To provide context, the 31 complaints about VO officers represents 0.17% of the 18,031 jurisdictional complaints that the VO received in the reporting period.

The VO notified one complaint to the Victorian Inspectorate under section 16F⁸⁸ of the Ombudsman Act. However, as the information provided by the complainant to the VO was very limited, and the complaint was anonymous, there was no ability for us to seek further information from the complainant. On assessment of the information provided to the VI, the matter did not fall within the VI's complaint-handling jurisdiction for the body complained about.

Allegation outcomes

For the 38 complaints about VO officers closed in this reporting period, we assessed 126 allegations.

Table 13: Complexity of closed complaints relating to the Victorian Ombudsman, 2023–24

| Complexity of closed complaints | No. of complaints | No. of allegations |
|---------------------------------|-------------------|--------------------|
| Low | 17 | 46 |
| Medium | 15 | 49 |
| High | 6 | 31 |
| Total | 38 | 126 |

The allegations assessed and closed this reporting period had the following findings and outcomes:

- one allegation was substantiated⁸⁹
- 101 allegations were not substantiated, comprised of:
 - 68 allegations with no further action taken following assessment
 - 25 allegations with no further action taken following engagement with the VO to seek further information
 - 8 allegations where feedback, observations or other integrity response was provided by the VI
- 23 allegations were unable to be assessed, comprised of:
 - 5 allegations being withdrawn
 - 16 allegations outside the VI's complaint-handling jurisdiction
 - one allegation was otherwise unable to be assessed
 - one allegation, although unable to be assessed, had an observation made in relation to it
- one allegation was notified to IBAC in accordance with section 21 of the PID Act.

⁸⁸ s16F of the Ombudsman Act relates to certain complaints or referred matters that must be notified to the VI. These include complaints about misconduct of IBAC or IBAC personnel, misconduct (other than corrupt conduct) of an Ombudsman officer, a VAGO officer, the Chief Examiner or an Examiner.

⁸⁹ Engagement with the VO on this matter commenced in the last reporting period and one matter complained about was dealt with and detailed in our 2022–23 annual report. However, the complaint continued to require engagement in 2023–24 until it was finalised in the 2023–24 reporting period.

Complaint feedback and observations

Our integrity response guidelines provide for a range of responses. We make observations where we consider they are of value to an integrity body. We provided observations to the VO in relation to several complaints this reporting period. Following are some case study examples.

Omar case study addressing procedural fairness

Omar⁹⁰ was concerned about the inclusion of what they believed to be adverse content in a draft report prepared by the VO relating to one of its investigations. In the draft report, there was reference to a statement of a witness to the investigation, which Omar said was not only adverse, but also enabled a particular person to be identified.

Omar complained to the VI and the VO about their concerns, claiming that the VO had failed to afford procedural fairness to the potentially identifiable person by not providing that person with a reasonable opportunity to respond to the material in the report.

In response to Omar's complaint, the VO changed the statement of concern to more generally refer to a group of individuals, rather than a single person. Omar then expressed to the VI their concern about this, stating the amendment was now inaccurate.

The VI raised concerns that the proposed amendment did not accurately reflect the statement of the witness and identified a further issue concerning the way a VO officer had expressed their interpretation of a section of the Ombudsman Act to Omar.

The statement of concern was removed from the report. The VO's response in relation to the interpretation of the Ombudsman Act satisfied the VI. The VO also confirmed that training on the concept of procedural fairness was regularly conducted.

The VO has advised that it removed the statement as a gesture of good faith and for reasons of expediency, rather than any concession that the comment was adverse or enabled identification.

Jo's conciliation communications case study

Jo⁹¹ contacted the VI as they believed they had not been afforded procedural fairness during a conciliation facilitated by the VO; Jo also had concerns that information discussed during the conciliation had been leaked.

The allegations were not substantiated. However, observations arose from the complainant's apparent misunderstanding of the conciliation process.

The VI suggested the VO consider further amending its conciliation templates to clarify that resolution of a complaint by the VO following a conciliation may not mean that all parties are completely satisfied with the resolution achieved, or that any underlying disputes have been conclusively dealt with in any one party's favour.

In relation to Jo's concern about information shared at the conciliation being 'leaked', the VI suggested the VO consider routinely reminding parties to a conciliation that the process is intended to be private and confidential and that information and resolutions flowing from a conciliation should not be divulged to third parties without a good, and lawful, reason to do so.

90 The name 'Omar' is a pseudonym.

91 The name 'Jo' is a pseudonym.

Jules case study about positive outcome facilitated for complainant

Jules⁹² had been a witness in a VO investigation into conduct at their workplace. Although Jules did not have adverse findings made about them, the structure of the VO's report placed comments that were adverse in close proximity to a photograph of Jules. We reported last year that the VO had removed the photo from the tabled report and that there was ongoing engagement with the VO about their commitment to meet with the complainant. See 'Engagement during a complaint' on page 63 of our 2022–23 annual report.

Jules had complained to the VI that, although the VO changed the report, damage had already been done to their career. They felt that because of the report, they had stopped getting interviews for promotions. It was Jules' view that this was on the basis that they had been incorrectly associated with the poor conduct detailed in content adjacent to the photograph.

The VI engaged with the VO over an extended period of time, first to understand the type of outcome the VO may be able to offer Jules, and then to encourage it to meet with Jules. The result was that the VO agreed to provide a letter to Jules' employer, drawing attention to the error in the initial VO report, and to confirm that Jules was not associated with the conduct to which the adverse statements related.

Jules confirmed that their employer had received the letter from the VO and that they were satisfied that the issue had been resolved.

Public interest disclosures

The VI received and assessed 2 matters relating to the VO under the PID Act in the reporting period:

- One disclosure was notified under section 21 of the PID Act to IBAC as an assessable disclosure. IBAC determined it was not a public interest complaint and referred it back to the VI for investigation. As it was not within our jurisdiction under the VI Act, the complaint was closed.
- One disclosure did not meet the threshold of a public interest disclosure under the PID Act. The allegations were considered under the VI Act and were not substantiated following assessment of the complaint.

Preliminary inquiries

We commenced one preliminary inquiry related to the VO in 2023–24 and it was ongoing at 30 June 2024.

Investigations

We concluded one PIC investigation and inquiry about VO officers, which had commenced in 2022–23. As was reported in our 2022–23 annual report, the allegations were not substantiated but the VI was continuing to engage with the VO about preliminary observations at the end of the previous reporting period. During 2023–24, the VI recommended that the VO remove or edit a video case study on its website that the VI considered contained misleading material. The VO disagreed with the VI's interpretation of the material and did not accept the recommendation.

92 The name 'Jules' is a pseudonym.

Coercive powers notifications

During the reporting period, we received 76 coercive powers notifications from the VO under the Ombudsman Act, a 59 per cent decrease from the 184 notifications received in 2022–23. As the VI Act includes voluntary appearances in its definition of coercive powers, the VO notified us when they conducted voluntary interviews where the witness was required to give evidence on oath or affirmation.

The last 10 months of 2023–24 saw a significant reduction in notifications from the VO as its most complex investigations came to a close. For example, in the period 1 September 2023 to 30 April 2024, only 45 notifications were received from the VO, 32 of which were cancellations of a confidentiality notice.⁹³

Table 14: Coercive powers notifications received from Victorian Ombudsman, 2019–20 to 2023–24

| Ombudsman Act notification requirements | 2019–20 | 2020–21 | 2021–22 | 2022–23 | 2023–24 |
|---|------------|------------|------------|------------|------------------|
| s26E Confidentiality notices issued | 28 | 68 | 11 | 40 | 11 |
| s26E Confidentiality notices cancelled | 38 | 32 | 50 | 9 | 35 |
| s18A Summons | 17 | 54 | 40 | 77 | 13 ⁹⁴ |
| s18Q Compulsory appearance recordings | 83 | 33 | 10 | 24 | 8 |
| s26FB Voluntary appearance recordings | - | 27 | 18 | 34 | 9 |
| Total | 166 | 214 | 129 | 184 | 76 |

93 In line with our risk-based methodology, we only review a sample of confidentiality notice cancellations as these are of a lower risk as the restrictions imposed on the recipient have ceased to have effect.

94 This figure includes 2 instances where the VO notified the VI of a variation to the summons that did not involve the issue of a new summons.

Coercive powers notification recommendation, feedback and observations

While there was a reduced volume of notifications from the VO in 2023–24, our periodic reporting also addressed notifications which were received from April to June 2023. The issues identified resulted in the most extensive range of feedback we have provided in the last several years. We issued 6 periodic reports to the VO outlining feedback and observations on the notifications we had received.

In March 2024, we published the special report: ‘A compliance case study on the use and oversight of coercive powers’ (coercive powers special report) which highlighted a broad range of issues with VO notifications received from early 2021 to August 2023. The report raised awareness across all integrity bodies of the standards expected by the VI in their exercise of coercive powers.

The report informed the government’s response to an Integrity and Oversight Committee (IOC) recommendation to review the effectiveness and efficiency of the coercive powers notifications scheme. The recommendation followed the former Ombudsman’s public comments to the IOC which had characterised our feedback as trivial and a diversion of resources—without acknowledging that the VO was facing challenges in its ability to comply with its legislative obligations when exercising coercive powers. The VI considered that an underlying contributor to the compliance issues was the VO’s quality assurance framework and its allocation of resources to support compliance. This formed the basis for one recommendation we made to the VO in the coercive powers special report. The following recommendation was accepted by the new Ombudsman, Marlo Baragwanath:

‘The Victorian Ombudsman complete by 31 March 2025 a review of its quality assurance framework and resources for supporting compliance when exercising coercive powers. This should be aimed at ensuring the VO allocates sufficient resources to support proactive and effective quality assurance, training and policy, and with a view to increasing the Victorian Ombudsman’s capacity to comply with its legislative obligations.’

The VO indicated that it planned to focus on quality assurance in investigations and the exercise of coercive powers as part of its annual plan for the next financial year and advised of a range of activities connected to improving its processes, including the review of summonses discussed above.

Several of the compliance issues that featured in the coercive powers special report were first raised with the VO in a concentrated series of 4 periodic reports in the first half of 2023–24.

The remaining 2 reports issued in the second half of 2023–24 conveyed far less feedback and observations—likely due to both improvements to the VO’s processes and a reduction of notifications received (through a reduced exercise of coercive powers) in that time.⁹⁵

The feedback we provided in the coercive powers special report, periodic reports and direct correspondence, led to the VO implementing improved practices and committing to improve its processes in several other areas. For more information, see ‘Improvements made’ in this chapter.

A description of 2 key thematic issues from this period follows.

⁹⁵ Due to the limited notifications being received, our 5th periodic report was extended to cover the period September 2023 to February 2024. No reportable observations were made in our periodic report for the period March/April 2024.

Insufficient quality assurance to prevent compliance issues

Through our triage and reviews, and analysis of previous issues dating back to early 2021, we identified that the VO had made insufficient progress to improve compliance when exercising its coercive powers. Issues that we had identified in 2021 had continued to persist during 2023, and the breadth of these indicated that the VO may not have committed sufficient resources to prevent compliance issues and to effectively ensure compliance.

Of the 192 notifications we had received between November 2022 and August 2023, approximately 75 per cent resulted in the VI making observations to the VO. We made a total of 51 thematic observations in relation to 144 of the 192 notifications we had received during that period.

As outlined above, the new Ombudsman accepted the special report's recommendation for a review of the VO's quality assurance framework and related resourcing.

See Essential Practice 1 in the coercive powers notifications section of this report for several important factors that support effective quality assurance.

Review of summonses by the VO

In the coercive powers special report, we also raised an issue relating to the VO's process for the approval of summonses. This first arose in June 2023 when we were notified of 2 summonses (which had the former Ombudsman's signature) but were incomplete as they did not state when the witness was to attend.

When we sought further information to understand how these had been approved without all the required information—the VO pushed back as it considered the matter was settled as it did not intend to serve the summonses and it had now changed its process.

The VO also considered that as the issue was atypical it was not something the VI ought to be concerned about—and unless it was providing information on its changed summons approval process, the VO did not see the benefit of providing the information sought by the VI.

In December 2023, we used our powers under section 12 of the VI Act to formally require the VO to provide the information we had sought.

When the VO responded to us in January 2024, it advised that our raising this issue was beneficial for the VO to rectify a concern with the summons issue process. However, because the process had now been rectified and the 2 summonses never served, the '*... amount of work that [the VO] has been engaged in to provide explanations, information and documentation to [the VI] has not been a meaningful use of [the VO's] limited resources ...*'⁹⁶

The information the VO provided in January 2024 revealed that the issue with the approval of the summons could in fact extend beyond the 2 the VI had identified. The VO also advised it was not previously aware that incomplete summonses had been provided for signature and that it had identified that its approval processes did not prevent incomplete summonses being provided for approval.

While the VO had advised the VI that it was not aware of any further summonses being affected—it had not undertaken an audit or review to confirm this fact. Following the VI's enquiries on this matter, the VO commenced a review of summonses issued over the 12-month period immediately prior to it introducing the new process.

The review's objectives were to identify for each summons in the period:

- whether the relevant summons has been amended after approval
- the nature of those amendments
- why these might have been made
- whether the issuer was aware of and/or authorised the making of any amendments.

The VO's project plan for this review identified 77 summonses to be reviewed against the above criteria.

The VO has proactively and transparently engaged with us in relation to its review and provided its draft findings to the VI after 30 June 2024. As we are still engaging with the VO on its findings, an update on the review will be provided in our next annual report.

For practices that would mitigate the risks outlined here, see Essential Practice 2 in the coercive powers notifications chapter in Section 3 of this report.

96 VO letter to VI of 17 January 2024.

Recommendations

The VI made 3 recommendations to the VO, of which 2 were accepted.

The coercive powers special report's recommendation for a quality assurance and resources review was accepted.

As a result of a complaint about the VO's procedural fairness process for a draft public report, on 17 November 2023, the VI made a private recommendation that the VO provide information relating to its approach to procedural fairness. The VO provided the information sought.

In relation to a VI investigation, we made a recommendation to the VO that it remove or edit a particular case study video on its website that contained misleading information. The VO disagreed with the VI's interpretation of the material and did not accept the recommendation.

Improvements made

The VO made or agreed to make a range of improvements to its exercise of coercive powers in response to our recommendation and an extensive range of feedback in the special report and periodic reports. These are Improvements 6 to 9 in the 'Improvements to the integrity system' chapter in Section 3. For further information see 'Recommendations' and 'Coercive powers notification recommendations, feedback and observations' in this chapter.

Improvement 6 is the VO's acceptance of the special report's recommendation to review its quality assurance framework and resources for supporting compliance when exercising coercive powers. See page 61 of the coercive powers special report for more information.

The coercive powers special report outlined 8 training improvements and 26 procedural improvements arising from 4 periodic reports we had issued to the VO. The first of those periodic reports⁹⁷ was provided to the VO in 2022–23 and the remaining reports were provided in 2023–24. All improvements were agreed to in this reporting period.

The 8 training improvements (Improvement 8) are described in the coercive powers special report, Table 4, page 54, with further detail in Appendix A. The 26 procedural improvements (improvement 9 in this report) are described in the coercive powers special report, Table 4, pages 55 to 56, with further detail in Appendix A.

The following small procedural and training improvements were influenced through our later periodic reporting:

- coercive powers training being prepared by the VO will include guidance on the use of qualifying statements in confidentiality notices; in the meantime, the VO's legal team are monitoring this issue
- coercive powers training to refer to the need for the basis for CN cancellations to align with the basis on which the notice was issued
- feedback to be given to the relevant team about a summons that did not include the prescribed warnings that highlight that it may be an offence to fail to comply with the summons
- VO updated its templates to advise witnesses prior to the interview that they may be asked to turn off their mobile phone (or other recording device) during the interview.⁹⁸

97 As this report was provided to the VO at the close of the 2022–23 period and it had not had the opportunity to respond to the report at 30 June 2023, the issues raised in that report were covered in limited detail. For that reason, some of the improvements arising from that periodic report are included here. See pp 67–69 of our 2022–23 annual report.

98 This issue was foreshadowed in the coercive powers special report, see item 6 in the table 'Potential improvements under consideration by the VO' on p 56 of that report.

Office of Chief Examiner

We oversee the compliance of Victoria’s Chief Examiner⁹⁹ with their obligations under the *Major Crime (Investigative Powers) Act 2004* (MCIP Act).¹⁰⁰ The Chief Examiner conducts coercive examinations of witnesses for the purposes of investigating and combatting the incidence of organised crime offences. The Chief Examiner is required to notify us within 3 days of issuing a summons or custody order compelling a person to appear to give evidence, or to produce documents or things (or to do both). Upon completion of an examination, the Chief Examiner must send us a copy of the transcript and/or video recording of the examination.

The Chief Examiner may only conduct examinations where the Supreme Court has issued a coercive powers order under the MCIP Act.

Compliance with statutory obligations

In this report, we are required to include details of:

- compliance with the VI Act and the MCIP Act by the Chief Examiner or an Examiner
- the comprehensiveness and adequacy of reports made to the VI by the Chief Examiner under the VI Act and the MCIP Act
- the extent to which examination questions and requirements to produce documents were relevant to the commission of the organised crime offence to which the relevant coercive powers order was made
- the extent to which action recommended by the VI to be taken by the Chief Examiner has been taken.

Enquiries

We did not receive any enquiries in relation to the Chief Examiner during 2023–24.

Complaints

We received and finalised one complaint about a Chief Examiner during 2023–24; the allegation about a previous Chief Examiner was not substantiated.

Investigations

We did not undertake any investigations in relation to the Chief Examiner or an Examiner during 2023–24.

⁹⁹ References in this report to the Chief Examiner can be taken to include other Examiners, who are appointed by the Governor in Council under Part 3 of the MCIP Act. There were no other Examiners during the reporting period.

¹⁰⁰ Our full list of functions is described in s51 of the MCIP Act.

Coercive powers notifications

During the reporting period, we received 74 coercive powers notifications from the Chief Examiner under the MCIP Act. This period saw a significant increase in notifications received from the Chief Examiner, with 28 more notifications than the previous 3 years combined.

To manage this additional workload, we expanded our risk-based triage and review to include notifications received from the Chief Examiner. Further details on this process change are below.

Table 15: Coercive powers notifications received from Office of Chief Examiner, 2019–20 to 2023–24

| MCIP Act notification requirements | 2019–20 | 2020–21 | 2021–22 | 2022–23 | 2023–24 |
|------------------------------------|------------|-----------|----------|-----------|-----------|
| s52 Summons or Orders (CE) | 71 | 7 | 0 | 16 | 36 |
| s53 Recordings | 56 | 12 | 0 | 11 | 33 |
| SCV issued Summons (Supreme Court) | 1 | 0 | 0 | 0 | 5 |
| Total | 128 | 19 | 0 | 27 | 74 |

We assess the Chief Examiner’s compliance by reviewing the content of any reports, transcripts and video-recordings notified to us by the Chief Examiner in relation to the exercise of coercive powers.

We also periodically engage with the Chief Examiner to assess the effectiveness of specific policies and procedures adopted by their office to comply with the MCIP Act’s requirements. When a notification is received from the Chief Examiner, the documentation is first provided to the Inspector for a preliminary review. If any issues are identified that must be addressed in a timely manner, these are raised directly with the Chief Examiner by the Inspector.

Following this step, these notifications are registered and queued in our case management system.

Until June 2024, it was our practice that all notifications received by the Chief Examiner were assigned for a complete review by a senior VI Officer. Given the higher volume received during this period, the complexity of these examinations and the very high levels of compliance demonstrated by the OCE over time, we applied a tailored risk-assessment process for notifications received from the Chief Examiner.

Under this process, the Inspector continued to perform a preliminary review of all Chief Examiner notifications, and the subsequent risk-based assessment ensured that our statutory reviews are targeted towards notifications that present the highest levels of risk.

We trained additional VI officers to conduct these reviews to increase our capacity to triage, review and report on notifications from the Chief Examiner in a timely manner.

Coercive powers notifications feedback and observations

In our previous annual report, we noted that 6 examination recordings and associated summonses were reviewed before 30 June 2023 but would be reported in 2023–24. We provided our report on these examinations to the Chief Examiner in October 2023.

We provided a report on a further 4 examinations and associated summonses on 24 October 2023.

From our reviews of these 10 examinations, we raised several issues with the Chief Examiner. In responding to the issues raised, the Chief Examiner either adopted our suggestions or provided further clarifying information that negated the need to implement any changes. Issues raised with the Chief Examiner that resulted in improvements are detailed further below.

Due to the volume of notifications received, and our previous process of reviewing all notifications from the Chief Examiner, we have an outstanding batch of examinations from 2023–24 which will be reviewed in 2024–25. The results of these reviews will be reported to the Chief Examiner in due course.

Witness welfare

During our reviews reported to the Chief Examiner in October 2023, we noted several instances where we believed the Chief Examiner had taken an inconsistent approach to witness welfare. While we had noted that some enquiries were made when a welfare concern was raised by a witness, this had not occurred consistently, and in some instances, concerns raised by witnesses appeared to have been left unaddressed.

The Chief Examiner provided further clarifying context in relation to some of those instances, which the VI accepts as explaining some of the apparent inconsistencies. In connection with our suggestion, the Chief Examiner indicated that they would consider the manner in which witness welfare is managed, with a view to revising their approach and incorporating best practice into policy and procedure documents.

The Inspector invited the Chief Examiner to take part in a discussion regarding our approach to improving how we managed witness welfare and met with the Chief Examiner to discuss these points on 1 February 2024. Following this discussion, our reviews have observed the Chief Examiner making increased enquiries about the physical and mental wellbeing of witnesses during examinations, especially with respect to any identified health conditions or vulnerabilities.

Explanation of relevance during an examination

We also identified that information provided on the Chief Examiner’s website for witnesses attending an examination indicated they could refuse to answer questions that are not relevant to the investigation of the subject matter of the organised crime offence.

We advised the Chief Examiner that this appeared to be inconsistent with explanations to witnesses during examinations. In response to our suggestions, the Chief Examiner advised that the website would be amended to reflect that it is the Chief Examiner who is responsible for determining what is relevant. Further, that consideration would be given to amending the examination opening remarks to witnesses to provide further information on relevance.

Charter of Human Rights and Responsibilities

The Chief Examiner adopted certain processes raised by the Victorian Inspectorate regarding the *Charter of Human Rights and Responsibilities Act 2006* (the ‘Charter’).

Comprehensiveness and adequacy of reports

Of the reports we received, we identified one instance where the report omitted one minor matter, being the time a claim of legal professional privilege was made.

We continue to be assisted by the Chief Examiner’s timely and transparent provision of information that they are not strictly obligated to notify to us. The additional information improves our capacity to assess the Chief Examiner’s compliance with statutory requirements.

Recommendations

We made no recommendations under sections 85A or 85B of the VI Act.

Improvements made

In addition to the improvements highlighted above, the Chief Examiner indicated she would make, or had made, the following improvements in response to feedback given in our October 2023 report:

- enquire with witnesses who elect to take an oath as to the identity of the god on which they wish to swear the oath
- endeavour to offer a witness who indicates they are feeling anxious a break where appropriate, and where doing so would not interfere with the examination process
- consider changes to their website in relation to information for witnesses on attire
- updated the format of orders made under section 47(1) of the MCIP Act to reference the authorising provisions
- address summonses directed to a company to the company's proper officer
- amend templates for section 53 reports to include the time a claim of legal professional privilege is made
- address inaccurate timestamping in its recordings.

Office of the Victorian Information Commissioner

The Victorian Inspectorate oversees the exercise of coercive powers used by the Office of the Information Commissioner (OVIC) under both the *Freedom of Information Act 1982* (FOI Act) and the *Privacy and Data Protection Act 2014* (PDP Act). In addition to this, we are required under the *Victorian Inspectorate Act 2011* (VI Act) to monitor OVIC's compliance with procedural fairness requirements when it exercises those coercive powers, conducts investigations, and makes recommendations, investigation reports, and compliance notices.

Enquiries

We received and closed 6 enquiries about OVIC in 2023–24.

Complaints

This year we received one complaint about OVIC as a disclosure under the PID Act, which remained open at 30 June 2024. It was determined not to meet the threshold of a public interest disclosure and was being assessed under the VI Act at the end of the reporting period.

Investigations

We did not conduct any investigations in relation to OVIC.

Coercive powers notifications

During the reporting period, the VI received no coercive powers notifications or notifications of voluntary appearances under the PDP or the FOI Act. Accordingly, the VI did not make any periodic reports.

Following our feedback given during 2022–23, OVIC identified actions that it was carrying out or intended to carry out. As we did not receive any notifications during the period, we did not assess the implementation or effectiveness of any of these actions. We will engage with OVIC during 2024–25 to seek an update on the implementation of its proposed actions.

Feedback relating to FOI guidelines

As indicated in the ‘Integrity system and VI jurisdiction updates’ chapter in Section 1 of this report, we also provided OVIC with feedback on its FOI guidelines that dealt with Parts VIB and VIC of the FOI Act.

Table 16: Coercive powers notifications received from OVIC, 2019–20 to 2023–24

| FOI Act notification requirements | 2019–20 | 2020–21 | 2021–22 | 2022–23 | 2023–24 |
|--|----------|----------|----------|------------------|----------|
| s61ZD Notice to produce or attend | 1 | 0 | 3 | 3 | 0 |
| s61ZH(7) Recordings | - | 0 | 0 | 3 | 0 |
| PDP Act notification requirements | | | | | |
| s83D Notice to produce or attend | - | 0 | 3 | 5 ¹⁰¹ | 0 |
| s83GA(7) Recordings | - | 0 | 3 | 2 | 0 |
| Total | 1 | 0 | 9 | 13 | 0 |

Recommendations

We made no recommendations under sections 85A or 85B of the VI Act.

Improvements made

As there were no complaints about or coercive powers notifications from OVIC, there were no improvements to be made.

¹⁰¹ Three (3) notices to attend and 2 notices to produce.

Judicial Commission of Victoria

The Judicial Commission of Victoria investigates complaints about the conduct or capacity of judicial officers and non-judicial members of the Victorian Civil and Administrative Tribunal (VCAT). The Judicial Commission also provides guidance on the highest standards of ethical and professional judicial conduct. They may dismiss a complaint, refer a complaint to the head of jurisdiction, or refer it to an investigating panel appointed by the Judicial Commission.¹⁰²

We monitor the use of the coercive powers by the Judicial Commission or an investigating panel to require the medical examination of a judicial officer or a VCAT member, and the investigating panel's use of its coercive powers to examine a judicial officer or member during a panel hearing.

The Director of the Judicial Commission is required to notify us about the exercise of coercive powers and why it has been exercised and we may request information from them about the use of coercive powers. We can make a special report about their use of coercive power.

The Judicial Commission may also make guidelines about:

- standards of conduct by judicial officers and VCAT members
- supporting investigating panels in the performance of their functions
- the making of complaints or referrals
- the assistance to be provided by the Director and staff of the Judicial Commission to any investigating panel including the hearing of a matter in public or private
- the use of coercive powers.

We may make recommendations to the Judicial Commission about the making of guidelines in relation to the use of coercive powers.

Public interest disclosures

The VI received a disclosure relating to the Judicial Commission of Victoria which was closed as it did not meet the threshold for notification to IBAC under the PID Act.

Coercive powers notifications

A notification process enables the Judicial Commission to report to us on the use of coercive powers by the Judicial Commission and investigating panels. They rarely exercise these powers.

The Judicial Commission did not report the exercise of any coercive powers to us during the reporting period. The Judicial Commission last reported the exercise of powers in 2020–21.

Monitoring

In previous annual reports, we have reported on our engagement with the Judicial Commission about our preference that information be provided to us as soon as practicable once coercive powers are used by the Judicial Commission or an investigating panel. Presently, the Director of the Judicial Commission only notifies us at the end of the hearing of an investigating panel or at the conclusion of an investigation by the Judicial Commission in accordance with statutory obligations.¹⁰³

As the Judicial Commission did not exercise any coercive powers during the last 3 reporting periods, we have not engaged further with them about whether they should create guidelines for their exercise of coercive powers. This issue has been discussed in previous annual reports.

¹⁰² Two (2) members of the panel are former or current judicial officers, while the third is appointed from a pool of persons of high standing in the community. Members of the pool are appointed for this purpose by the Governor in Council, on the recommendation of the Attorney-General.

¹⁰³ This is the requirement of the Director under s66 of the JCV Act.

Oversight of the Judicial Commission’s PID procedures

As the Judicial Commission may receive disclosures about judicial officers and non-judicial members of VCAT, we have a responsibility to review whether their public interest disclosure procedures are consistent with the PID Act, the *Public Interest Disclosures Regulations 2019* and IBAC’s guidelines as the lead entity for the public interest disclosure scheme.¹⁰⁴

As reported over the last 4 reporting periods, we provided comprehensive feedback on the Judicial Commission’s PID procedures.

During the 2021–22 reporting period, they published the procedures on their website. We reviewed the published procedures, providing further feedback to note that only some of our feedback had been incorporated.

In 2021–22, the Judicial Commission advised of its intention to consider our feedback and engage with us during its 2-year review of the procedures planned for the latter part of 2022. We engaged with the Judicial Commission about this during 2022–23 and note that we did not receive any proposed amendments to the procedures during this reporting period. During this reporting period, the Judicial Commission reviewed the procedures and advised that it had incorporated feedback provided in the previous reporting periods. We reviewed the revised procedures and provided further feedback, specifically highlighting the issue of inconsistent legislative provisions relating to how public interest complaints are referred to the Judicial Commission from IBAC.¹⁰⁵ As this issue is now dealt with in the Justice Legislation Amendment (Integrity, Defamation and Other Matters) Bill 2024 (JLA Bill)¹⁰⁶, the Judicial Commission advised that it would align the procedures with the JLA Bill once it commenced, and also consider the further feedback provided during this reporting period before publishing the updated procedures on their website.

Recommendations

We did not make any recommendations to the Judicial Commission of Victoria under section 85C of the VI Act or section 63 of the PID Act during the reporting period.

Improvements made

Further feedback was provided following a review of the revised PID procedures developed by the Judicial Commission. No feedback was provided in relation to coercive powers as no powers were exercised.

¹⁰⁴ Under s62(1) of the PID Act.

¹⁰⁵ See s74A of the IBAC Act and s9(2) of the JCV Act.

¹⁰⁶ For details about JLA Bill, see the Integrity system updates section in this report; see also cl 76 in the JLA Bill.

Victoria Police

Our oversight of Victoria Police relates to compliance with the *Major Crime (Investigative Powers) Act 2004* (MCIP Act), the exercise of powers under the *Terrorism (Community Protection) Act 2003* (TCP Act), and inspections relating to Victoria Police’s exercise of covert powers.

Compliance with the MCIP Act

Victoria Police apply to the Supreme Court for coercive powers orders under the MCIP Act. These orders enable the Chief Examiner to issue witness summonses and conduct examinations into organised crime offences. In addition to our oversight of the Chief Examiner, we also oversee compliance of the Chief Commissioner of Police (CCP) and other police officers with the MCIP Act.

The CCP acquitted their reporting obligations under section 66 of the MCIP Act by providing 6-monthly reports.

The CCP also acquitted their obligation to provide a report under Regulation 11(n) of the *Major Crime (Investigative Powers) Regulations 2015* on 3 occasions.

Counter-terrorism powers

In accordance with the TCP Act, Victoria Police can:

- conduct covert searches of premises under the authority of a warrant issued by the Supreme Court; covert search warrants can also permit the seizure of things, the copying of documents or information, and the testing or taking of samples, among other things
- detain and question people without charge, for prevention or to preserve evidence; adults can be detained for up to 4 days, and children aged 14 years or older can be detained for up to 36 hours
- use special police powers under the authority of a Supreme Court order, or an interim order made by the CCP or a Deputy Commissioner.

These powers were given to Victoria Police to assist them to prevent, or respond to, a terrorist act, or the threat of a terrorist act. The Act imposes strict requirements on Victoria Police in the exercise of these powers, as they are among the most intrusive and coercive afforded to law enforcement bodies.

Our inspection role is to assess Victoria Police’s compliance with Parts 2, 2AA and 3A of the TCP Act (which provide for the powers described above), and to report to the Attorney-General and Parliament on our findings. Our oversight role is an important integrity mechanism to ensure Victoria Police complies with the TCP Act and to provide the public with assurance that police powers are used lawfully.

In 2023–24, we conducted one inspection of records held by Victoria Police. At this inspection we assessed Victoria Police’s preparatory activities to support compliance with TCP Act requirements, such as updates to procedural documents, as well as records connected to an authorisation to use special police powers issued to Victoria Police under Part 3A of the TCP Act. Our report on the results of the inspection we conducted in April 2024 will be made to Parliament and the Attorney-General as soon as practicable after 1 July 2024.

As part of our discussions with Victoria Police on our findings and 3 open recommendations connected with an earlier inspection of covert search warrants, we jointly sought advice from the Solicitor-General on the interpretation of one aspect of the TCP Act. Following the receipt of that advice, we inspected procedural changes made by Victoria Police that demonstrated it has accepted our recommendations and taken action that will likely result in their closure.

We delivered 2 reports to the Attorney-General and Parliament in 2023–24 in accordance with the TCP Act.

Since Victoria Police did not exercise its powers under Parts 2, 2AA and 3A of the TCP Act for the periods covered by these reports, our first report (relating to an inspection conducted in February 2023) was limited to reporting on preparatory activities completed by Victoria Police.

The second report stated that a planned inspection in August 2023 did not proceed following confirmation from the Counter Terrorism Legal Unit that no records relevant to the TCP Act reporting and inspection regime were available to inspect.

Controlled operations and technical surveillance powers

In 2023–24, we inspected Victoria Police records associated with covert investigative powers by making a total of 26 site visits to various work areas within Victoria Police. We completed 2 inspection rounds for each of the following types of records: surveillance devices, controlled operations, and telecommunications interception.

Surveillance devices

We inspected records held by Victoria Police’s Special Projects Unit, Technical Projects Unit and their Technical Surveillance Unit under the SD Act. We made 2 reports to the Attorney-General and Parliament for the reporting period, one in November 2023, and the other in June 2024. With the exception of reporting an error with the information given in a report to the judge for one issued surveillance device warrant, we found that Victoria Police had otherwise complied with its obligations under the SD Act.

Controlled operations

Controlled operations records were inspected at Victoria Police’s Crime Command and Technical Projects Unit in 2023–24. The results of these inspections will be reported during 2024–25.

In response to 2 disclosures of unauthorised conduct, we made 2 recommendations to Victoria Police in June 2023 in relation to how it manages its controlled operations. During 2023–24, we held discussions with different units within Victoria Police with a role in administering controlled operations and inspected changes these units made to their policy and procedures. As a result of these changes, we have closed one recommendation. One remains open to track Victoria Police’s progress in establishing further effective processes.

Our annual report on controlled operations for the 2022–23 period was delivered to the relevant ministers and to the Parliament in June 2024. We reported on an error Victoria Police made with the form of an authority regarding the type of operation authorised and provided an update on how Victoria Police responded to our recommendations on how it administers controlled operations.

Telecommunications interception

We inspected telecommunications interception records at Victoria Police’s Special Projects Unit and Technical Projects Unit. In September 2023, we delivered our annual inspection report to the Minister for Police and the Attorney-General, who must then provide a copy of the report to the Commonwealth Attorney-General. These reports are not publicly available.

Carltona principle

We previously reported on delays with Victoria Police’s progress in making an instrument of delegation to approve the destruction of restricted records under the *Telecommunications (Interception) (State Provisions) Act 1988* and the *Telecommunications (Interception and Access) Act 1979* (Cth). We can now report that a destruction delegation was signed by the CCP on 7 September 2023, thus removing Victoria Police’s reliance on implied agency (the *Carltona principle*) to authorise the destruction of restricted records.

Recommendations

No recommendations were made in 2023–24.

Improvements made

In response to our suggestions, and recommendations from the previous reporting period, Victoria Police made improvements in 2023–24 with respect to how it administers controlled operations. These improvements include changes to how Victoria Police discloses compliance concerns to us and the types of matters that it will record in its issues register. Additionally, Victoria Police responded to our recommendations related to the disclosures of unauthorised conduct by implementing procedural changes that improve how the scope of planned controlled conduct is communicated to all relevant officers, as well as further improvements to its quality assurance measures.

As a result of our inspections, Victoria Police also took the following actions:

- made corrections to its 6-monthly report on controlled operations
- made a supplementary report to the judge who issued a surveillance device warrant
- adopted a process to ensure that in all cases the details of each person who engaged in controlled conduct is included in the relevant database.

Public Interest Monitor

We are required to inspect certain records kept by the Public Interest Monitor (PIM) and to report on the outcomes of inspections to the Attorney-General at least once a year.

The role of the PIM is to represent the public interest:

- when courts and the Federal Administrative Appeals Tribunal consider applications for warrants and orders authorising the covert collection of evidence in Victoria (e.g. through telecommunications interceptions and the use of surveillance devices) and the exercise of coercive examination powers¹⁰⁷
- when the Chief Commissioner of Police makes decisions to provide, suspend or terminate protection under the *Witness Protection Act 1991* (WP Act)
- when courts consider applications for covert search warrants, preventative detention orders and prohibited contact orders, and review police preventative detention decisions under the *Terrorism (Community Protection) Act 2003* (TCP Act).

The PIM's functions are to test the content and sufficiency of information relied on and the circumstances of applications, to pose questions to applicants, and to make submissions to the decision-maker regarding the appropriateness of granting the application.

We monitor the PIM's compliance with obligations prescribed by the *Public Interest Monitor Act 2011* (PIM Act), WP Act and TCP Act. These prescribed obligations include:

- making receipts for notifications and documents received
- keeping adequate procedures for ensuring information security
- maintaining a document register
- keeping law enforcement data securely stored
- returning all documents promptly to the applicant.

Inspection results

In 2023–24, we conducted one inspection of records held by the PIM, during which we inspected a representative sample of 138 of the 265 relevant files for the period. While we presently review all available records for other inspection functions, our decision to inspect a sample of PIM records for the period was based on a number of factors. These included the significant volume of records as well as our assessment of PIM records being lower risk due to consistently high levels of compliance confirmed in previous inspections.

We delivered a report on our inspection to the Attorney-General within the required timeframe, being 3 months after the inspection was conducted. This report is not made publicly available.

The results of the inspection carried out in 2023–24 show that the PIM continues to achieve a high level of compliance with legislative and regulatory requirements, a reflection of its very robust internal quality assurance processes. The PIM's quality assurance processes also extended to correcting an instance where another agency provided a document outside of agreed secure delivery protocols.

We didn't receive any enquiries or complaints about a PIM during 2023–24.

Recommendations

No recommendations were made with regard to the Public Interest Monitor.

Improvements made

There were no issues identified which required improvement.

¹⁰⁷ Including under the MCIP Act, the SD Act and the TIA Act.

Wage Inspectorate Victoria

The Victorian Inspectorate has overseen the Wage Inspectorate Victoria (WIV) since it commenced operation on 1 July 2021 with the introduction of the *Wage Theft Act 2020* (WT Act).

The WT Act provides WIV the power to enter, search and seize materials from the premises of a body without consent or a warrant, and compel the production of information, documents, other things or attendance at WIV to answer questions. Our jurisdiction is limited to overseeing WIV's exercise of these coercive powers.

As reported over the last 3 years, in preparation for our WIV oversight role and in consultation with WIV, we established a model to oversight WIV's use of its coercive powers. This provided a foundation for our oversight during subsequent years.

In December 2023, the Victorian government announced plans to repeal Victoria's wage theft offences. From October 2023 to 30 June 2024, the VI received no further notifications from WIV.

Table 17: Coercive powers notifications received from WIV, 2019–20 to 2023–24

| Wage theft Act notification requirements | | 2019–20 | 2020–21 | 2021–22 | 2022–23 | 2023–24 |
|--|-------------------------------------|------------|------------|-----------|-----------|----------|
| s42 | Notice of entry, search and seizure | N/A | N/A | 1 | 0 | 0 |
| s54 | Notice to produce | N/A | N/A | 25 | 16 | 8 |
| Total | | N/A | N/A | 26 | 16 | 8 |

Given WIV’s relatively recent establishment, its maturing framework for exercising coercive powers, and the comparatively low use of these, the VI continued to review each notification received. This meant that we reviewed all 8 notices to produce that were received between 1 July 2023 and 4 October 2023. We did not receive any further notifications from WIV after that time.

All notifications concerned WIV’s power to give a notice to produce specified documents or information.¹⁰⁸ To assist our assessment of the exercise of this power, when WIV issues a notice to produce, it provides us with a report setting out certain details, including the reasons it exercised the power.

When we review such a report, we must assess WIV’s compliance with the requirements of the WT Act, and whether the notice to produce may be reasonably considered to assist WIV to achieve the purposes of its investigation.¹⁰⁹

As we only received one notification in the October to December quarter, rather than providing separate quarterly reports, we provided WIV with a combined report covering the period July to December 2023. No significant compliance issues were identified from our reviews.

Following a review of a notice to produce, we suggested that WIV consider whether it was appropriate to access telecommunications data under a notice to produce.¹¹⁰

We also identified:

- an inconsistency in WIV’s procedures regarding when a notice to produce was to be reported to the VI and suggested it clarify this to ensure consistency
- some minor administrative errors as well as incomplete or incorrect details in documents that WIV provided regarding the service of notices to produce.

WIV acknowledged these matters and advised that it was in the process of updating its procedures with consideration to our observations.

Recommendations

We did not make any recommendations to WIV in 2023–24.¹¹¹

Improvements made

Beyond the process improvements acknowledged above, given the limited number of notifications, and the commensurately low number of issues, there are no further reportable improvements to be reported.

¹⁰⁸ Under s52(1)(a) of the WT Act.

¹⁰⁹ Under s42E of the VI Act.

¹¹⁰ In this instance, WIV had sought information on the carriage service provider, and subscriber details, for 2 mobile phone numbers.

¹¹¹ Under s85F or s85G of the VI Act.

Office of the Special Investigator

The Office of the Special Investigator (OSI) was an independent statutory body established under the *Special Investigator Act 2021* (SI Act) in response to the recommendations of the Royal Commission into the Management of Police Informants. The OSI was established to investigate potential criminal conduct and breaches of discipline relating to the recruitment, management and use by Victoria Police of Nicola Maree Gobbo as a human source.

On 27 June 2023, the Attorney-General announced the Victorian Government's decision to accept recommendations from both the Special Investigator and the Royal Commission into the Management of Police Informants Implementation Monitor to wind up the OSI. Following this announcement the *Special Investigator Repeal Act 2023* (SIR Act) came into operation on 2 February 2024 (for further information see 'Integrity system and VI jurisdiction updates' section).

In summary, during the reporting period, we had the power to:

- receive, assess and investigate complaints about the conduct of the OSI and OSI personnel
- receive and assess public interest disclosures about the OSI and OSI officers and investigate those determined to be public interest complaints
- monitor compliance of the OSI and OSI personnel with Part 3 of the SI Act and other laws in the performance of the OSI's investigation powers, duties and functions
- assess the effectiveness and appropriateness of OSI policies and procedures (up until 2 February 2024).

Enquiries

We didn't receive any enquiries relating to the OSI in 2023–24.

Complaints

During 2023–24, we received one complaint about OSI officers. This complaint was determined to be within jurisdiction and was referred to the investigation team for investigation. We also closed one complaint in relation to the OSI which was received in a prior year, containing 3 allegations. The finding for all 3 allegations was 'not substantiated', and the outcome for each of these allegations was 'no further action following assessment'.¹¹²

Preliminary inquiries

In 2023–24, we commenced and concluded one preliminary inquiry related to the OSI. It did not proceed to an investigation.

¹¹² This case was reported in our 2022–23 annual report as closed; however this was an error—the case was closed in early 2023–24.

Investigations

During the reporting period, we concluded 3 OSI-related investigations, all of which included inquiries. See the table below for more details.

Table 18: Status of OSI investigations on 30 June 2024

| Description | Outcome |
|--|--|
| Commenced in 2022–23 | |
| PIC investigation into the conduct of OSI officers | <ul style="list-style-type: none"> Following the Victorian Government’s decision to wind up the OSI and the resulting termination or resignation of all staff on or before 7 July 2023, we determined that it was not in the public interest to proceed further with the investigation. No findings were made. Eleven (11) confidentiality notices were cancelled that had been issued in 2022–23.¹¹³ |
| PIC investigation into the conduct of OSI and OSI officers | <ul style="list-style-type: none"> The allegations were not substantiated. We made observations and 3 recommendations in a private report to the OSI that related to records and security. The recommendations were accepted and implemented. Nine (9) confidentiality notices were cancelled that had been issued in 2022–23. |
| Commenced in 2023–24 | |
| Complaint investigation into the conduct of OSI officers | <ul style="list-style-type: none"> The allegation was substantiated. We transmitted a special report: <i>‘Investigation of unauthorised disclosures by an integrity officer’</i> under section 87 of the VI Act to Parliament. It included 2 recommendations. For more information see the chapter on investigations and inquiries in Section 3. The recommendations were made on 25 June 2024, and the Attorney-General was considering the recommendations at the end of the reporting period. Nine (9) confidentiality notices were issued and cancellation notices were sent to all recipients¹¹⁴, 6 witness summonses were issued (2 of which were not served) and 10 section 47 requirements were issued. |

¹¹³ Cancellation notices were emailed to recipients on 25 June 2024. Only 4 confirmations of receipt, which are required for electronic service, were received during the reporting period.

¹¹⁴ At page 85 of our 2022–23 annual report, we reported for this investigation that 4 summonses were issued and that documents were required twice under s47 of the VI Act. This should have read 5 summonses and 3 s47 requirements.

Coercive powers notifications

We did not receive any notifications on the use of coercive powers by the OSI during the 2023–24 period.

Monitoring

During the reporting period, no monitoring action was taken in respect of the OSI.

Recommendations

During the reporting period, we made 3 recommendations to the OSI¹¹⁵ and 2 to the Attorney-General.¹¹⁶

Two (2) of the recommendations to the OSI related to communicating with the Department of Premier and Cabinet about information security risks. We also recommended that OSI put in place clear processes for managing any security incidents that could arise during the decommissioning of the OSI. The 3 recommendations were accepted and implemented.

Two (2) recommendations were made to the Attorney-General on 25 June 2024 in the special report: 'Investigation of unauthorised disclosures by an integrity officer'. The VI was awaiting a response from the Attorney-General at 30 June as there was less than a week between the transmission of the special report to Parliament and the end of the reporting period.

Improvements made

In response to the recommendation above relating to managing any security incidents during the commissioning process, OSI put in place a reporting procedure for security incidents and staff were briefed on the procedure and their security obligations more generally.

115 Under s85H of the VI Act.

116 Under s85H of the VI Act continued by s46 of the SIR Act.

Victorian Auditor-General's Office

The Victorian Auditor-General's Office (VAGO) undertakes annual audits of the financial statements of the public sector and conducts a review of the state's estimated financial statements, providing an opinion for inclusion in the state's budget papers. VAGO also conducts performance audits to evaluate whether an organisation or government program is performing effectively, economically and efficiently, and in compliance with all relevant legislation.

The *Audit Act 1994* (Audit Act) provides a suite of specific coercive powers for VAGO to gather information, obtain evidence and enter premises for the purpose of financial or performance audits.

We have a function to monitor the exercise of these coercive powers and compliance by VAGO officers with certain sections of the Audit Act¹¹⁷, which relate to information gathering, entry to premises and reporting to us.

We can receive complaints relating to the use of coercive powers or compliance with certain sections of the Audit Act¹¹⁸ which relate to information gathering, entry to premises and reporting to us.

We can also investigate and assess their conduct and make reports and recommendations.

Coercive powers notifications

VAGO utilises a self-reporting tool created by us to report on the exercise of any coercive powers. VAGO reported that it did not exercise any coercive powers this financial year.

Enquiries

We didn't receive any enquiries relating to VAGO in 2023–24.

Complaints

Under section 16F of the *Ombudsman Act 1973*, we received a mandatory notification from the VO which was a complaint about VAGO. The complaint was closed with no further action as it was outside our jurisdiction.

Recommendations

We made no recommendations to the Auditor-General¹¹⁹ during the reporting period.

Improvements made

As VAGO did not exercise any coercive powers and the complaint about them was outside our jurisdiction, we did not provide any feedback.

117 ss30 to 37, 39, 43 to 46, 50(1) and 51 of the Audit Act.

118 ss30 to 37, 39, 41 to 46, 48, 49, 50 and 51 of the Audit Act.

119 Under s81 of the VI Act.

Other bodies

We oversee all Victorian agencies that are authorised to use covert powers including the use of surveillance devices and the conduct of controlled operations. In addition to inspecting the records of Victoria Police and IBAC on the use of these powers, we also perform an inspection function on the records of the following bodies:

- Department of Energy, Environment and Climate Action (DEECA)
- Environment Protection Authority (EPA)¹²⁰
- Game Management Authority (GMA)
- Victorian Fisheries Authority (VFA).

To meet our requirement to report to Parliament, we conduct 6-monthly inspections of each body's available records. In the 2 reports we made under the *Surveillance Devices Act 1999* (SD Act) in 2023–24, we did not report any inspection findings for DEECA, EPA, GMA, or VFA because they had no ceased warrants or other surveillance device records to be inspected.¹²¹ Our annual controlled operations report produced in 2023–24 included findings on the work and activities of DEECA, GMA and VFA. Of these agencies, only the VFA used its controlled operations powers during the period covered by the report. We made a finding of non-compliance for the one controlled operation inspected at the VFA.

Recommendations

We made no recommendations to the other bodies during the reporting period.

Improvements made

In response to our inspection findings and feedback, the VFA made the following process changes to improve its compliance in the exercise of controlled operations:

- amended the template for making an authority to more clearly identify the controlled conduct that may be engaged in
- modified the template for making reports to its chief executive officer so that it includes details of the persons who engaged in any controlled conduct
- updated its procedures for extending an authority to conduct a controlled operation and further improved its quality assurance processes.

¹²⁰ While the EPA may make an application to use a surveillance device under the SD Act, it is not an authorised agency for the purpose of conducting a controlled operation.

¹²¹ Although all investigative and analytical functions of the (former) OSI ceased on 27 June 2023, we reported on our oversight of the OSI in these reports because our inspections deal with the records for the preceding 6-monthly period.

This page has been intentionally left blank.

Governance and risk management

Occupational health and safety

Occupational health and safety is an important component of how we conduct operations for staff, contractors and all visitors. All employees have access to physical and psychological wellbeing services including an independent employee wellbeing and support service, influenza vaccinations and ergonomic assessments. The majority of staff have completed mental health first aid training (which is included in the induction program for all new employees) and are accredited mental health first aiders.

Our frontline staff have access to additional support via an independent mental health provider, including a dedicated specialist counselling support service, with customised support for each operational team. Witnesses involved in our investigations can access a 24/7 hotline for specialist counselling support.

Following on from the development and implementation of the witness welfare framework in 2022–23, in 2023–24 we re-engaged psychological expert consultancy, FBG Group, to develop a customised eLearn on our witness welfare guidelines for all VI employees. The eLearn will be finalised in the latter half of 2024.

In July 2023 we launched a health and safety wellbeing hub on our intranet to:

- provide a central location for resources relating to workforce safety and wellbeing
- communicate health, safety and wellbeing related updates to all employees
- provide a platform for staff consultation on matters relating to health, safety and wellbeing.

Consistent with previous years, we have not had any accidents or near misses and have not had any lost time in relation to OH&S injuries. As we didn't receive any claims, there were no associated costs for the year beyond the cost of our insurance premium.

Compliance with the *Disability Act 2006*

We acknowledge the importance of strengthening the rights of people with a disability and are committed to creating and maintaining an accessible and inclusive environment for all people with a disability who come into contact with us, whether as employees, stakeholders or members of the public more generally. We leverage off DJCS policies to ensure that our policies and services are accessible and responsive to the needs of people with a disability.

In 2023–24 we launched a series of 6 information videos on our website. These videos and the video of our 2024 Law Week event have all been close captioned. The Law Week video also features an Auslan translation.

In 2024–25 we will engage an expert plain English writer to review and rewrite our website and public-facing documents. Ensuring information is in plain English is the first and most important step to improving accessibility for all readers—regardless of ability, age, or language.

Application and operation of the *Carers Recognition Act 2012*

To the extent applicable, we have taken all practical measures to comply with our obligations under the *Carers Recognition Act 2012*.

Conflicts of interest

All Victorian Inspectorate officers must place public interest above their private interest when carrying out official duties. Accordingly, we ensure that actual, potential or perceived conflicts of interests are declared, and where possible, avoided. Where such conflicts cannot be avoided, they must be declared and managed in accordance with our conflict of interest policy. The policy requires reasonable steps to be taken to restrict the extent to which a private interest could compromise, or could be seen to compromise impartiality, when carrying out official duties.

Officers involved in any procurement process or recruitment activity are required to complete a conflict of interest declaration regardless of whether a conflict exists. Employees who engage in outside employment, including voluntary roles, must seek approval to do so on at least an annual basis.

Where an officer identifies a conflict of interest (whether actual or perceived) in relation to an operational matter, they are excluded from any involvement in that matter (including being privy to discussions or having access to information) unless an alternative approach is in place to manage the conflict.

All conflicts of interest are centrally recorded in our corporate register or our case management system.

Gifts, benefits and hospitality

Our approach to both receiving and offering gifts, benefits and hospitality is governed by our gifts, benefits and hospitality policy which is available on our website. The purpose of this policy is to ensure that we avoid conflicts of interest and maintain high levels of integrity and public trust. Under the policy, there are very limited circumstances in which a non-token offer would be accepted as it would require a legitimate business benefit and that the acceptance does not raise an actual, potential or perceived conflict of interest (like staff training or attendance at a conference, for example). Regardless of whether an offer is accepted or not, it must be declared and recorded in our gifts, benefits and hospitality register which is also published on our website.

Internal audit program

Since the appointment of internal auditors in 2019, there have been 14 internal audits completed including (but not limited to) Compliance with Standing Directions 2018 under the *Financial Management Act 1994* (in 2019 and in 2022), procurement, privacy management, IT governance, risk management, fraud and corruption control, records and information management, and HR management. The internal audit program has resulted in a total of 69 recommendations, the majority of which have been implemented. The audit findings and recommendations arising have informed policy and process improvements and contributed to the growth in our corporate maturity.

Application and operation of *Public Interest Disclosures Act 2012*

We encourage and support the reporting and prevention of corruption and other improper conduct within the Victorian Public Sector. We take all appropriate steps to help facilitate the making, handling, notification and investigation of public interest disclosures and to protect people from reprisals for making those disclosures. Our public interest disclosure guidelines for this purpose are published on our website.

We expect the highest standards of integrity from our own officers and the other integrity, accountability and investigatory bodies and officers that we oversee and take all appropriate steps to uphold this integrity.

Making a disclosure to the VI

Public interest disclosures about IBAC, an IBAC Officer, a Public Interest Monitor, the Office of the Special Investigator or an OSI officer¹²² must be made to the Victorian Inspectorate. Public interest disclosures about most public bodies and officers may be made to the Victorian Inspectorate. Our public interest disclosure guidelines, available on our website, provide important information for those who are thinking about making a public interest disclosure to us, including which disclosures we can receive. Further information on making a disclosure to us can be found at www.vicinspectorate.vic.gov.au or by contacting us:

Victorian Inspectorate

1800 518 197
info@vicinspectorate.vic.gov.au
PO Box 617, Collins Street West
Melbourne Victoria 8007

Alternatively, disclosures (excluding those required to be made to the Victorian Inspectorate) may also be made directly to IBAC:

1300 735 135
www.ibac.vic.gov.au
Level 1, North Tower, 459 Collins Street
Melbourne, VIC 3000

Making a disclosure about the VI or VI officers

Public interest disclosures about the VI or VI officers must be made to the Integrity and Oversight Committee of the Victorian Parliament, or to a Presiding Officer.¹²³ Their contact details are:

Integrity and Oversight Committee

03 8682 2830
ioc@parliament.vic.gov.au
Parliament of Victoria
Parliament House, Spring Street
East Melbourne VIC 3002

Speaker of the Legislative Assembly

03 9651 8580 or 03 9651 8575
speaker@parliament.vic.gov.au
The Speaker's Office
Parliament House, Spring Street
Melbourne VIC 3002

President of the Legislative Council

03 9651 8675
president@parliament.vic.gov.au
President's Office
Parliament House, Spring Street
Melbourne VIC 3002

¹²² During this reporting period, the SIR Act came into operation, abolishing the OSI. However, the Act provided for public interest disclosures about the OSI or an OSI officer to be made to the VI until 2 Aug 2024.

¹²³ See s14(a) of the PID Act.

Application and operation of Freedom of Information Act 1982

Under the *Freedom of Information Act 1982* (FOI Act) the public has a right of access to certain documents held by the Victorian Inspectorate. Information about the type of material we produce is available on our freedom of information website page under Statement 2. During this reporting period, we updated our website to include additional information under Statement 2 in accordance with the requirements under the FOI Act.

During this reporting period, we received 2 requests for access to documents under the FOI Act. Both requests were from the general public. In response to the first request, we were unable to locate any documents that were relevant to the terms of the request. The other request received by the VI sought documents that were more closely connected with the functions of another agency rather than the VI. This request was transferred to another government agency in accordance with section 16 of the FOI Act.

VI documents

Section 102 of the VI Act exempts certain classes of documents in our possession from access through the FOI Act. Specifically, the FOI Act does not apply to a document that is in the possession of a 'relevant person or body'¹²⁴ to the extent to which the document discloses information that relates to:

- a complaint made under the VI Act
- an inspection made under the VI Act
- an investigation conducted under the VI Act
- a recommendation made by the VI under the VI Act
- a report, including a progress report, on an investigation conducted under the VI Act.

Making a request

Section 17 of the FOI Act outlines the requirements for making a request. FOI requests can be lodged online at ovic.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.

Alternatively, a request can be made to the VI, which must:

- be in writing
- identify as clearly as possible which document is being requested
- be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Access charges may also apply once documents have been processed and a decision on access is made, for example photocopying and search and retrieval charges. Requests for documents in possession of the VI should be addressed to:

Victorian Inspectorate

Freedom of Information
PO Box 617 Collins Street West
Melbourne Vic 8007
Email: privacy@vicinspectorate.vic.gov.au

Under the FOI Act the processing time for FOI requests received is 30 days. In some cases, this time may be extended.

If an applicant is not satisfied by a decision that we have made, they have a right under section 49A of the FOI Act to seek a review by OVIC within 28 days after the day on which they are given written notice of the decision.

Further information

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

¹²⁴ A relevant person or body for the purposes of s102 means the VI and a VI officer, IBAC, a PIM, the VWA, the CCP, the DPP, the AFP, a VAGO officer, the office of the Ombudsman, an Ombudsman officer, the Chief Examiner and any Examiner, OVIC or any officer of OVIC, WIV and a WIV officer, DJCS, the JCV and any other prescribed person.

Availability of other information

In compliance with the requirements of the Standing Directions 2018 under *the Financial Management Act 1994*, details in respect of the items listed below have been retained by us and are available on request, subject to the provisions of the FOI Act:

- 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 us about the Victorian Inspectorate, and how these can be obtained.
- Details of changes in prices, fees, charges, rates and levies charged by us.
- Details of any major external reviews carried out by us.
- Details of any major external reviews carried out on us.
- Details of any major research and development activities undertaken by us.
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.
- Details of any major promotional, public relations and marketing activities undertaken by us to develop community awareness of us and our services.
- Details of assessments and measures undertaken to improve the occupational health and safety of employees.
- A general statement on industrial relations within the Victorian Inspectorate and details of time lost through industrial accidents and disputes.
- A list of major committees sponsored by the VI, 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:

General Manager, Corporate Services

Email: corporate@vicinspectorate.vic.gov.au

Disclosure of procurement complaints

Nil reports—we did not receive any procurement complaints.

Environmental sustainability

In 2023–24, we focused on reducing our environmental footprint by:

- minimising the use of electricity and water by using efficient appliances and office equipment
- turning off computer monitors when workstations are not in use
- using energy efficient lighting which turns off when staff are not present
- using 100% recycled copy paper, double-sided printing and PIN printing in order to reduce paper usage
- encouraging staff to adopt digital ways of working and implementing platforms that better support this
- using segregated waste systems
- recycling waste material where possible
- encouraging staff to use public transport when travelling to/from our office or undertaking business activities, including through participating in the DJCS Commuter Club
- including social and sustainable procurement objectives as weighted selection criteria where appropriate.¹²⁵

¹²⁵ This information meets FRD24 reporting of environmental data by government entities requirements for a Tier 4 public entity.

Risk management

We take an integrated approach to risk management, meaning that risk management practices are incorporated into all activities as 'business as usual'. Through this risk-based approach we ensure that consideration of risk and opportunity informs decision-making, and that risk management is not a mere formality or afterthought.

Key elements that underpin our risk management approach include:

- risk management framework
- strategic risk register
- risk champions
- Victorian Managed Insurance Authority risk management benchmarking self-assessment.

Risk management framework

The risk management framework is the central document which sets out the components that provide the foundations and organisational arrangements for designing, implementing, monitoring and continuing risk management throughout the Victorian Inspectorate. This framework defines our positive risk culture, contains our risk appetite statement and allocates roles and responsibilities relating to risk management.

Strategic risk register

The risk register identifies and supports the management of risks to our strategic priorities across all areas including but not limited to operations, finance, HR, IT and compliance. The risk register is a dynamic document which is presented quarterly at Audit and Risk Committee meetings to provide an update on the current risk level as well as any mitigation activities that have been or are proposed to be undertaken.

Risk champions

Our risk champions, established under our risk champions charter, are representatives from the various business areas within the Victorian Inspectorate. The role of the risk champions includes facilitating the sharing of information to better inform our organisational understanding of our strategic risk profile as well as to ensure that risk management accountabilities are organisation-wide and do not sit solely with senior management. The risk champions also act as a first point of call for staff to raise and discuss any risk-related concerns and they play a role in promoting a positive risk culture within their respective business units.

Victorian Managed Insurance Authority risk management benchmarking self-assessment

To ensure continuous improvement of our approach to risk management, on an annual basis we participate in the Victorian Managed Insurance Authority risk management benchmarking self-assessment. This assessment is used to identify risk management improvement opportunities and has informed our establishment of a risk champions model and adoption of risk management performance indicators.

Other risk-management practices

Other risk management practices that we adopt include:

- security risk assessments
- privacy impact assessments
- risk management assessments
- contract management plans (for contracts valued at over \$100,000)
- quality and assurance workflows.

This page has been intentionally left blank.

People and culture

Strategic activities

In 2023–24 we maintained our focus on our strategic priority of continuing to improve organisational sustainability, capability and a positive culture, with the aim of establishing the Victorian Inspectorate as an employer of choice. Activities included:

- continuing our focus on staff retention
- participating in the annual people matter survey
- sharing our strategic workforce plan with staff
- commencing a comprehensive review of our HR policies and procedures
- embedding our structured learning and development plan with an increased focus on development opportunities across the organisation
- establishing our Pride Network
- establishing a social club
- engaging external subject matter experts to deliver training to support the psychological safety of our staff.

Comparative workforce data

The data provided in Table 19 and Table 20 is actual full time equivalent (FTE) and headcount data at 30 June 2024 for Victorian Public Sector employees and does not include statutory appointments. Employees have been correctly classified in workforce data collections. At 30 June 2024, we employed 30 staff (27.9 FTE) (28 ongoing and 2 fixed-term). This represents an increase in staff of 7 per cent from 30 June 2023. As the VI temporarily replaced a part-time staff member on paid parental leave, our staff head count in real terms was 29 at 30 June 2024 (27.3 FTE). This represents a staff increase of 4 per cent from 30 June 2023.

Table 19: Employee numbers and type, June 2023 and June 2024

| June 2023 | | | | | | | June 2024 | | | | | | |
|--------------|------|--------------|-----|--------------|-----|--------------|-----------|--------------|------------|--------------|--------|--------------|-------|
| Ongoing | | Fixed Term | | Casual | | Total | Ongoing | | Fixed Term | | Casual | | Total |
| Number | FTE | Number | FTE | Number | FTE | Number | FTE | Number | FTE | Number | FTE | Number | FTE |
| (Head-count) | | (Head-count) | | (Head-count) | | (Head-count) | | (Head-count) | | (Head-count) | | (Head-count) | |
| 26 | 24.5 | 2 | 2 | 0 | 0 | 28 | 28 | 26.9 | 2 | 1 | 0 | 0 | 30 |

Table 20: Employee classifications, June 2023 and June 2024

| | June 2023 | | | | June 2024 | | | |
|-----------------------|-------------|------|---------------------|-----|-------------|------|---------------------|-----|
| | Ongoing | | Fixed term & Casual | | Ongoing | | Fixed term & Casual | |
| | (Headcount) | FTE | (Headcount) | FTE | (Headcount) | FTE | (Headcount) | FTE |
| Gender | | | | | | | | |
| Male | 7 | 7 | 0 | 0 | 10 | 10 | 1 | 0.4 |
| Female | 19 | 17.5 | 2 | 2 | 18 | 16.9 | 1 | 0.6 |
| Self-described | n | n | n | n | n | n | n | n |
| Age | | | | | | | | |
| Under 25 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0.4 |
| 25–34 | 10 | 9.6 | 0 | 0 | 10 | 9.6 | 0 | 0 |
| 35–44 | 3 | 2.9 | 0 | 0 | 7 | 6.7 | 1 | 0.6 |
| 45–54 | 9 | 8.4 | 2 | 2 | 8 | 8 | 0 | 0 |
| 55–64 | 4 | 3.6 | 0 | 0 | 3 | 2.6 | 0 | 0 |
| Over 64 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Classification | | | | | | | | |
| SES-2 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 |
| SES-1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS Grade 6 | 7 | 6.9 | 0 | 0 | 8 | 7.7 | 0 | 0 |
| VPS Grade 5 | 11 | 10.4 | 0 | 0 | 13 | 13 | 0 | 0 |
| VPS Grade 4 | 5 | 4.6 | 2 | 2 | 3 | 2.6 | 1 | 0.6 |
| VPS Grade 3 | 2 | 1.6 | 0 | 0 | 3 | 2.6 | 1 | 0.4 |
| VPS Grade 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Senior executive data

The senior executive data is current at 30 June 2024. The number of senior executives reported is the number of senior executives at the end of the financial year. Refer to our financial statements for further details regarding senior executive remuneration.

Table 21: Senior executive data, 2022–23 and 2023–24

| | Male | | Female | | Self-described | | Vacancies | |
|--------------------|----------|----------|----------|----------|----------------|----------|-----------|----------|
| | 2022–23 | 2023–24 | 2022–23 | 2023–24 | 2022–23 | 2023–24 | 2022–23 | 2023–24 |
| Senior Executive 1 | 0 | 0 | 0 | 0 | n | n | 0 | 0 |
| Senior Executive 2 | 0 | 0 | 1 | 1 | n | n | 0 | 0 |
| Senior Executive 3 | 0 | 0 | 0 | 0 | n | n | 0 | 0 |
| Total | 0 | 0 | 1 | 1 | n | n | 0 | 0 |

Strategic workforce planning

In 2023–24 we provided our strategic workforce plan to staff. The purpose of the plan is to support the Victorian Inspectorate in ensuring we have the right people in the right roles at the right time to enable us to meet both our legislative and strategic objectives. The plan considers:

- our short-term and long-term organisational objectives and priorities
- our current workforce and what the future workforce may look like
- initiatives for attracting and retaining a suitably skilled and experienced workforce.

The plan also recognises that our ability to manage and plan our workforce is largely dependent upon factors outside our control and considers the limitations that exist due to our size as an organisation with a staffing profile of approximately 30. Key aspects of the plan:

- resourcing and attraction:
 - identifying resource requirements
 - recruitment and selection
- retention:
 - developing and engaging
 - mobilising and retaining
- vacancy management

In 2024–25, the VI will explore labour market trends and our recruitment strengths and challenges in the context of our critical skills.

Employment and conduct principles

The *Public Administration Act 2004* (PA Act) 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.

Our policies and practices are consistent with the VPSC’s employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues. In addition to the VPSC policies, we leverage relevant Department of Justice and Community Safety (DJCS) employment policies and templates, as applicable to the VI. In 2023–24 we also accessed support through DJCS including expert advice on employment principles and processes, in accordance with a memorandum of understanding between the Victorian Inspectorate and DJCS.

We advise our employees on how to avoid conflicts of interest and respond to offers of gifts and benefits, on how we deal with misconduct, the prevention of sexual harassment, on the need for respect in the workplace, and on prevention of fraud, corruption and other losses. In 2023–24 this was supported through in-house training provided to VI staff on a range of topics including respect in the workplace and the prevention of sexual harassment.

We are committed to public sector values and employment principles and to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination, and in accordance with the requirements of the Jobs and Skills Exchange. We also promote our own values to staff and the need to uphold them at all times.

To ensure the suitability of employees, as part of our selection process, a number of screening stages are undertaken including Fit2Work checks (national and international as required) and pre-employment misconduct declarations. All our staff are required to apply for and maintain, at a minimum, a Negative Vetting Level 1 Security Clearance.

Learning and development

In 2023–24 we continued our focus on supporting the personal and professional development of our staff by embedding our structured learning and development plan.

The plan addresses 3 tiers of learning and development opportunities including delivering organisation-wide training to all staff, supporting skills and capability building across functional areas, and meeting individual learning and development needs.

In addition to participation in formal training such as attendance at courses, seminars, conferences (in person and online) and webinars, other learning and development opportunities have included formal and informal on the job training and mentoring and coaching.

Formal training undertaken in 2023–24 included attendance at/participation in:

- the National Integrity Summit
- the Independent Commission Against Corruption Symposium, Hong Kong
- IT Cyber Resilience Summit Victoria 2023
- risk management and artificial intelligence
- procurement and probity
- managing psychosocial risk
- psychological first aid training
- mental health first aid training
- investigative interviewing masterclass
- dealing with complex behaviours.

Inspector's seminar series

The Inspector continued his staff seminar series sessions with presentations from James Gaynor, Matthew Carroll, Sir Nigel Sweeney, and the Hon. Pamela Tate AM KC.

Presenters generously shared with VI staff how they have met challenges and fulfilled their functions during their extraordinary careers. The sessions they presented were inspiring and very much appreciated by the staff in attendance.

James Gaynor, Inspector-General of the Australian Defence Force

James Gaynor commenced work as the Inspector-General of the Australian Defence Force in December 2016. A legal practitioner with more than 25 years' experience, James has held prominent justice roles including Deputy Director of Military Prosecutions and Director of the Military Justice Performance Review.

Matthew Carroll, President of the Mental Health Tribunal

Matthew Carroll was appointed President of the former Victorian Mental Health Review Board and Chairperson of the Psychosurgery Review Board in 2010. Immediately prior to taking up these appointments, he was principal lawyer and manager of the Human Rights Unit at the Victorian Equal Opportunity and Human Rights Commission.

Sir Nigel Sweeney

Sir Nigel Sweeney was called to the Bar in England in 1976. In 1997 he was appointed First Senior Prosecuting Counsel to the Crown and was appointed Queen's Counsel in 2000. As a barrister he specialised in terrorism, official secrets, murder and major health and safety trials. He prosecuted a number of notable criminal trials, including the perpetrators of the 1984 IRA Brighton bombing and the attempted bombings of 21 July 2005.

Sir Nigel was appointed to the High Court in September 2008. Following his retirement as a High Court Judge, Sir Nigel was appointed in February 2023 as a Judicial Commissioner supporting the Investigatory Powers Commissioner in their oversight of the use by public authorities of investigatory powers. Investigatory powers include covert surveillance, the interception of communications, equipment interference, the acquisition of communications data and the use of covert human intelligence sources.

The Honourable Pamela Tate AM KC

The Honourable Pamela Tate AM KC is an Adjunct Professor of Law at Monash University. She retired as a Judge of the Court of Appeal of the Supreme Court of Victoria in 2021, having been appointed in 2010. She was the first woman to be appointed Solicitor-General of Victoria, a post she held from 2003 to 2010.

Inspectors conference

On 14 November 2023, the Inspector, the CEO & General Counsel and the General Manager Integrity Operations and Policy attended the annual meeting of the Inspector's counterparts in the Commonwealth and other states and the territories, hosted by the NSW Independent Commission Against Corruption Inspector, Gail Furness SC. These annual meetings provide a valuable opportunity to discuss matters of common interest and learn about developments in each of our jurisdictions.

Workforce inclusion policy

We are an equal opportunity employer and our recruitment processes focus on essential skills and abilities.

We welcome applicants from a diverse range of backgrounds and experiences, including Australia's First Nations peoples, people from culturally and linguistically diverse backgrounds, LGBTQIA+ communities, and people with disability.

We value our people and are committed to attracting, developing and retaining diverse talent. We actively promote diversity and inclusion in the workplace and do not discriminate based on age, carer or parental status, disability, race, religious belief, sexual orientation, gender identity or other characteristics. In 2023–24 we established our pride network.

We value staff with non-binary gender identities at all levels from VPS officers through to executives. We acknowledge that due to historic and current barriers to disclosure of non-binary gender identities, staff may not choose to disclose this information. As a result, targets or quotas are not currently a useful way to promote opportunities for gender diverse staff.

In 2023–24 we accessed advice and support from DJCS to ensure a robust approach to workforce inclusion.

Pride network

In August 2023, we launched our pride network. The network is an employee-led initiative to create a community for staff who identify as LGBTQIA+, their allies and supporters, creating opportunities to promote visibility and an inclusive culture where diversity is affirmed and celebrated.

The aim of the pride network is to positively champion and enable LGBTQIA+ inclusion in the workplace through engaging with network members and making meaningful contributions to our policies and procedures to ensure they are respectful and inclusive of LGBTQIA+ staff.

Events throughout the year included participation in the Mid Summa march and a celebration of IDAHOBIT day with a rainbow-themed morning tea and quiz.



Meet some of our staff

Kate

What's your role at the VI?

I am an Integrity Operations and Policy Support Officer at the VI. This role encompasses many responsibilities such as providing secretariat support to the VI's executive committee and undertaking policy and project related tasks.

Why did you apply to work at the VI?

My desire to work in the integrity system stems from my time as a police officer. Working with the most vulnerable groups in the community gave me a sense of purpose as I had seen firsthand the consequences of ineffective government programs.

I also gained a deeper understanding of the considerable powers that police and government agencies hold. I believe that independent oversight is critical to ensuring that those powers are exercised with the highest degree of professionalism and ethics.

'When I learnt about the VI's role, I was drawn to the opportunity to be part of an organisation that is committed to creating a strong anti-corruption culture.'

What is your favourite thing about working for the VI?

For me, it's the VI's commitment to prevention and improvement that I value most.

Its focus is not simply about pointing out where an agency has gone awry or chastising it over individual failings. A narrow and punitive focus alone does not change the organisational culture that enables poor administration and impropriety to thrive.

The breadth of our work gives us the potential to stimulate change across the integrity system through oversight that is comprehensive and meaningful.

Is there anything that you are particularly proud of at work?

One of the highlights of my career has been co-founding the VI Pride Network. This employee-led network provides a safe space for employees to work together to promote equity, diversity and inclusion in the workplace.

When we approached the VI's leadership about creating a group for LGBTQIA+ staff and allies, our request was met with tremendous enthusiasm and sensitivity.

Being part of an organisation that is passionate about nurturing diversity was what made this such an exciting and rewarding endeavour for me.



Shafqat

What's your role at the VI?

As the Manager of VI's IT systems, my role involves managing secure systems, implementing IT strategies, and ensuring that our tools and platforms enhance the VI's capacity to conduct thorough oversight, handle complaints, and drive systemic improvement across the integrity system.

By aligning technology with the agency's broader goals, I help create an environment where our work can be both efficient and impactful.

What did you do before working at the VI?

Prior to commencing at the VI, I worked at Essendon Football Club as the IT Manager, Strategic Projects and Transformation.

Why did you apply to work at the VI?

My decision to join the VI stems from my belief that technology can play a pivotal role in advancing openness, accountability, and moral behaviour.

As the VI's Manager IT Systems, I am motivated by the challenge of ensuring that our digital infrastructure is secure, efficient, and in line with the agency's purpose of maintaining public trust.

What is your favourite thing about working for the VI?

My favourite aspect of working for the VI is being part of an organisation that drives meaningful change through proactive oversight.

I take pride in aligning our technology with the VI's mission to promote prevention and systemic improvement.

'My favourite aspect of working for the VI is being part of an organisation that drives meaningful change through proactive oversight.'

Is there anything that you are particularly proud of at work?

My most significant accomplishment at the VI was creating and implementing a thorough cyber incident response plan for our agency.

In the face of rising cybersecurity risks, I recognised the importance of establishing a clear and rigorous strategy to lead our organisation during potential incidents. I worked with key stakeholders from several departments to ensure that the strategy was not only comprehensive, but also practical for real-world use.

What's the best advice that you've ever received?

The best advice I ever received was to 'always plan ahead like everything's about to go wrong, because it probably will'. As the VI's Manager IT Systems, this advice has become my mantra.

Tell us a surprising or a fun fact about you.

I speak five different languages Urdu, Hindi, Pashto, Punjabi and English.



Tracey

What's your role at the VI?

I am the Victorian Inspectorate's sole communications adviser. I'm responsible for a number of functions including media management, communications, stakeholder engagement and coordinating key documents like this annual report.

What did you do before working at the VI?

Before working at the VI, I held a number of media and communications and emergency management roles in numerous federal and state government departments. Over the past 15 years I have had the privilege of working on 6 royal commissions and inquiries.

Why did you apply to work at the VI?

It may sound cliché, but I've always looked for roles that have a clear purpose and make a real difference to the community. Being an independent lead integrity body that operates like a royal commission and draws intelligent, ethical and professional staff from various backgrounds attracted me to the VI.

Is there anything that you are particularly proud of at work?

I love the fact that the VI is a relatively small organisation where everyone knows and supports one another.

One of the great things about the VI is that key decision-makers work alongside staff, everyone's opinions are valued and respected, and there is opportunity to be involved in key business decisions.

I'm very pleased to be involved in the project advancing our name change. As someone who is a bit creative and who likes to think outside the box—this is one of the main things that I am proud of and appreciate—the opportunity to be involved in pioneering and driving change.

What's the best advice that you've ever received?

The best work advice that I've ever been given is that you don't always get the team that you want, but you do always get the team you deserve.

Tell us a surprising or a fun fact about you.

I love having evening bonfires with my jersey cows and teaching them to do tricks. I'm a CFA volunteer and on warm sunny days, I enjoy driving my 1959 Bug Eye Sprite along country roads.

'One of the great things about the VI is that key decision-makers work alongside staff, everyone's opinions are valued and respected, and there is opportunity to be involved in key business decisions.'



The next 3 years

Strategic priorities for 2025–27

The Victorian Inspectorate’s strategic framework comprises a 3-year strategic plan, supported by our annual plans. For 2025–27, we have increased the number of strategic priorities to 5 (up one) from previous years. Our focus for the next 3 years is to:

1. Enhance reach and awareness of who we are and what we do.
2. Increase focus on proactive and strategic work to deliver integrity system improvements.
3. Leverage ICT solutions to enhance efficient, effective and economical delivery of functions without compromising security.
4. Continue to strengthen organisational sustainability, expertise and a positive culture.
5. Help build a network to promote integrity across the Victorian Public Service.

Strategic activities for next year

Since the Victorian Inspectorate was established, our name has given no insight into who we are or what we do. We are frequently mixed up with other inspectorates of various kinds.

On 15 May 2024, the government introduced the Justice Legislation Amendment (Defamation, Integrity and Other Matters) Bill 2024 (JLA Bill) that, if passed, will bring about significant changes for us. Among the most important of these changes will be renaming the Victorian Inspectorate to ‘Integrity Oversight Victoria’, and the Inspector as the ‘Chief Integrity Inspector’. These new titles will bring greater clarity to our role and purpose, in overseeing Victoria’s integrity and accountability bodies.

In the first year of our new strategic plan, we aim to do the following.

Priority 1.

Enhance reach and awareness of who we are and what we do



Planned activities

Increase awareness through a new name and brand supported by promotional activities including increased online presence, a video and an inaugural integrity conference and using our new name in full, not an acronym.

Ensure external information is in plain English to increase understanding of rights and expectations.

Improve data collection to better understand communication needs of target audiences.

Increase structured stakeholder engagement through MOUs with key oversight agencies that outline functions and powers, communication principles and oversight methodology and governance.

Priority 2.

Increase focus on proactive and strategic work to deliver integrity system improvements



Planned activities

Deliver monitoring project(s) on an identified priority compliance issue or monitoring function.

Share, and facilitate sharing of, expertise and knowledge across integrity agencies to support better practice.

Develop balanced and transparent agency compliance plans for proactive work.

Continue to pursue proposed law reform to enhance the integrity system.

Streamline decision making for low and medium complexity complaints to improve efficiency, supported by an internal review process.

Priority 3.

Leverage ICT solutions to enhance efficient, effective and economical delivery of functions without compromising security



Planned activities

Explore options to integrate ICT systems for complaint case management to improve timeliness.

Embed document review system across operations to help manage matters.

Review the VI's security framework, including ICT, information and cybersecurity risks.

Map permission and access controls across the secure network, including the case management system.

Implement a secure change governance process for the case management system.

Identify more efficient information sharing platforms/opportunities for information exchange with agencies that maintain security of information.

Build the VI's understanding of artificial intelligence risks and opportunities.

Priority 4. Continue to strengthen organisational sustainability, expertise and a positive culture



Planned activities

Maintain a flexible, engaged, positive work environment for a united and safe VI by responding to feedback in the people matter survey.

Continue to strive to be an exemplar organisation by supporting a structured learning and development program with a gap analysis of skills and expertise critical to the organisation's increasingly complex functions.

Build skills internally to address identified gaps in expertise.

Develop and implement a coordinated policy framework across corporate and operational policies/procedures/guidelines, including documenting the policies leveraged from other bodies.

Priority 5. Help build a network to promote integrity across the Victorian Public Service



Planned activity

Establish an inaugural conference to provide a platform for presentations that will promote integrity across the Victorian Public Service.

For more information, see our 2024–25 annual plan available from our website.

Finance and procurement

Financial overview

Financial performance

The Victorian Government considers the net result from transactions to be the appropriate measure of financial management that can be directly attributed to government policy.

This measure excludes the effects of revaluations (holding gains or losses) arising from changes in market prices and other changes in the value of assets and liabilities on the comprehensive operating statement, which are outside the control of the VI.

Based on the above, the VI recorded a net operating result of \$0.142 million in 2023–24.

The gain of \$0.020 million in other economic flows is mainly due to the impact of movements in the bond rate used for the valuation of leave liabilities.

Financial position

Total assets of the VI have increased from \$6.36 million to \$8.16 million due to the recognition of the Right of Use asset associated with the new accommodation lease signed during the year and an increase in the funds available for expenditure, for which payments had not been disbursed, and accordingly not drawn from the consolidated fund.

The increase in total liabilities from \$1.81 million to \$3.44 million was predominantly due to the recognition of borrowing costs related to the Right of Use Asset attributable to the new accommodation lease and higher employee benefit provisions in 2023–24.

Cash flow

The net cash flow from operating activities has significantly reduced compared to the previous year due to the receipt of a one-off grant in 2022–23. The cash and cash equivalent at the end of the financial year has decreased due the payments made from the grant during the year.

Table 22: Five-year financial summary for the Victorian Inspectorate

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|------------------|------------------|------------------|------------------|------------------|
| Total income from transactions | 7,840,468 | 8,639,662 | 5,746,475 | 4,940,038 | 4,718,312 |
| Total expenses from transactions | 7,698,732 | 7,093,788 | 5,746,475 | 4,940,038 | 4,718,312 |
| Net result from transactions | 141,736 | 1,545,874 | - | - | - |
| Other economic flows included in net result* | 20,244 | 5,478 | 38,301 | 35,635 | (5,938) |
| Net result for the period | 161,980 | 1,551,352 | 38,301 | 35,635 | (5,938) |
| Net cash flow from operating activities | 321,710 | 1,658,354 | 842,043 | 590,524 | 119,995 |
| Cash and cash equivalent at the end of the financial year | 565,388 | 907,856 | - | - | - |
| Total assets | 8,156,284 | 6,362,330 | 4,597,061 | 4,970,121 | 5,295,379 |
| Total liabilities | 3,439,858 | 1,807,883 | 1,593,967 | 2,019,900 | 2,380,793 |

* Includes gains or losses from the revaluation of leave liabilities as a result of changes in the government bond rate.

Financial Management Compliance Attestation Statement

VICTORIAN INSPECTORATE

Financial Management Compliance Attestation Statement

The Victorian Inspectorate has not identified any material compliance deficiencies for the financial year ended 30 June 2024.

I, Eamonn Moran, the Inspector of the Victorian Inspectorate, certify that the Victorian Inspectorate has complied, in all material respects, with the applicable Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994* and associated instructions.

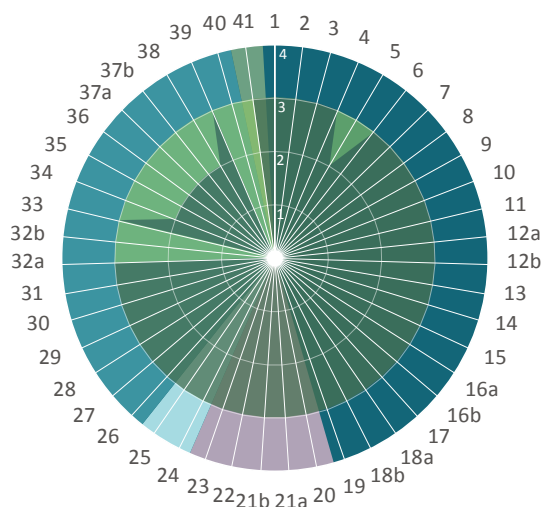


Eamonn Moran PSM KC

Inspector

1 October 2024

Asset Management Accountability Framework (AMAF) maturity assessment



| Status | Scale |
|----------------|-------|
| Not Applicable | N/A |
| Innocence | 0 |
| Awareness | 1 |
| Developing | 2 |
| Competence | 3 |
| Optimising | 4 |
| Unassessed | U/A |

The following sections summarise the VI’s assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>).

Based on DTF guidance that the approach taken be ‘proportionate to the risk profile of their asset and service delivery objectives’, the VI’s target maturity rating is ‘competence’. This means systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.

Leadership and Accountability (requirements 1–19)

The VI has met its target maturity level in this category.

Planning (requirements 20–23)

The VI has met its target maturity level in this category.

The VI has a 3-year ICT asset management strategy until FY25–26. A long-term asset management strategy will also be developed as part of the strategic planning process in 2024–25 for the 2025–26 financial year.

Acquisition (requirements 24 and 25)

The VI has met its target maturity level in this category.

Operation (requirements 26–40)

The VI has met its target maturity level under most requirements within this category.

The VI is partially compliant with some of the requirements including having a comprehensive asset information management system. The VI has all information elements required and is working towards consolidating these into a comprehensive system which is anticipated to be in place during the 2024–25 financial year.

Disposal (requirement 41)

The VI has met its target maturity level in this category.

Independent Auditor's Report



Independent Auditor's Report

To the Inspector of the Victorian Inspectorate

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

Auditor’s responsibilities for the audit of the financial report

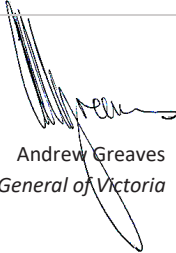
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Inspectorate’s internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Inspector
- conclude on the appropriateness of the Inspector’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 Inspectorate’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 Inspectorate 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 Inspector 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
7 October 2024


Andrew Greaves
Auditor-General of Victoria

Annual Financial Statements 2023–24

Report structure

The Victorian Inspectorate (Inspectorate) has presented its audited general purpose financial statements for the financial year ended 30 June 2024 in the following structure to provide users with information about the Inspectorate's stewardship of resources entrusted to it.

| | |
|--|--|
| Certifications | Declaration in financial statements Independent auditor's report |
| Financial statements | Comprehensive operating statement Balance sheet Cash flow statement Statement of changes in equity |
| Notes to the financial statements | <p>1 About this report The basis on which the financial statements have been prepared and compliance with reporting regulations</p> <p>2 Funding delivery of services Income recognised from grants and other sources 2.1 Income that funds the delivery of our services 2.1.1 Summary of compliance with annual parliamentary appropriations 2.2 Grants</p> <p>3 Cost of delivering services Operating expenses of the Inspectorate 3.1 Expenses incurred in the delivery of services 3.2 Employee benefits 3.3 Other operating expenses</p> <p>4 Key assets available to support delivery of our services Property, plant and equipment 4.1 Property, plant and equipment 4.2 Intangible assets 4.3 Asset Depreciation & amortisation</p> <p>5 Other assets and liabilities Working capital balances, and other key assets and liabilities 5.1 Receivables 5.2 Payables 5.3 Other Provisions</p> <p>6 Financing operations Borrowings, cash flow information and leases 6.1 Borrowings 6.2 Reconciliation of net result for the year to cash flow from operating activities 6.3 Commitments for expenditure</p> <p>7 Risks, contingencies and valuation judgements Financial risk management, contingent assets and liabilities as well as fair value determination 7.1 Financial instruments specific disclosures 7.2 Categorisation of financial instruments 7.3 Financial risk management objective and policies 7.4 Contingent assets and contingent liabilities 7.5 Fair value determination</p> <p>8 Other disclosures 8.1 Responsible persons 8.2 Remuneration of executives 8.3 Related parties 8.4 Remuneration of auditors 8.5 Australian Accounting Standards issued that are not yet effective 8.6 Subsequent events</p> |

Declaration in the financial statements

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

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

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 30 September 2024.



Samuel Ho
Chief Finance Officer

Melbourne
30 September 2024



Eamonn Moran PSM KC
Accountable Officer

Melbourne
30 September 2024

Comprehensive operating statement

For the financial year ended 30 June 2024

| | Note | 2024 | 2023 |
|---|-------|--------------------|--------------------|
| (\$) | | | |
| Income from transactions | | | |
| Output appropriations | 2.1 | 7,840,468 | 7,732,662 |
| Grants | 2.2 | - | 907,000 |
| Total income from transactions | | 7,840,468 | 8,639,662 |
| Expenses from transactions | | | |
| Employee benefit expense | 3.2.1 | (4,805,839) | (4,515,710) |
| Depreciation and amortisation | 4.3 | (826,414) | (688,983) |
| Interest expense | 6.1.2 | (109,501) | (9,288) |
| Other operating expenses | 3.3 | (1,956,978) | (1,879,807) |
| Total expenses from transactions | | (7,698,732) | (7,093,788) |
| Net result from transactions (net operating balance) | | 141,736 | 1,545,874 |
| Other economic flows included in net result | | | |
| Net gain from the revaluation of leave liabilities | | 20,244 | 5,478 |
| Total other economic flows included in net result | | 20,244 | 5,478 |
| Net result | | 161,980 | 1,551,352 |
| Comprehensive result | | 161,980 | 1,551,352 |

The above comprehensive operating statement should be read in conjunction with the notes to the financial statements.

Balance sheet

As at 30 June 2024

| | Note | 2024 | 2023 |
|-----------------------------------|-------|------------------|------------------|
| (\$) | | | |
| Assets | | | |
| Financial assets | | | |
| Cash | | 565,388 | 907,856 |
| Receivables | 5.1 | 5,127,893 | 4,320,797 |
| Total financial assets | | 5,693,281 | 5,228,653 |
| Non-financial assets | | | |
| Prepayments | | 52,694 | 144,323 |
| Property, plant and equipment | 4.1 | 2,368,306 | 920,821 |
| Intangible assets | 4.2 | 42,003 | 68,533 |
| Total non-financial assets | | 2,463,003 | 1,133,677 |
| Total assets | | 8,156,284 | 6,362,330 |
| Liabilities | | | |
| Payables | 5.2 | 306,083 | 512,204 |
| Borrowings | 6.1 | 1,562,948 | - |
| Employee benefit provisions | 3.2.2 | 1,102,385 | 930,314 |
| Other provisions | 5.3 | 468,442 | 365,365 |
| Total liabilities | | 3,439,858 | 1,807,883 |
| Net assets | | 4,716,426 | 4,554,447 |
| Equity | | | |
| Accumulated surplus | | 925,575 | 763,596 |
| Contributed capital | | 3,790,851 | 3,790,851 |
| Net worth | | 4,716,426 | 4,554,447 |

The above balance sheet should be read in conjunction with the notes to the financial statements.

Cash flow statement

For the financial year ended 30 June 2024

| | Note | 2024 | 2023 |
|---|-------|--------------------|--------------------|
| (\$) | | | |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Receipts from government | | 7,033,371 | 6,712,792 |
| Receipts from other entities | | - | 907,000 |
| Total receipts | | 7,033,371 | 7,619,792 |
| Payments | | | |
| Payments to suppliers and employees | | (6,602,160) | (5,952,149) |
| Interest and other costs of finance paid | 6.1.2 | (109,501) | (9,289) |
| Total payments | | (6,711,661) | (5,961,438) |
| Net cash flows from/(used in) operating activities | 6.2 | 321,710 | 1,658,354 |
| Cash flows from investing activities | | | |
| Purchases of non-financial assets | | (280,095) | (406,143) |
| Net cash flows from/(used in) investing activities | | (280,095) | (406,143) |
| Cash flows from financing activities | | | |
| Appropriation for capital expenditure purposes | | - | - |
| Repayment of leases | 6.1.3 | (384,083) | (344,355) |
| Net cash flows from/(used in) financing activities | | (384,083) | (344,355) |
| Net increase/(decrease) in cash and cash equivalents | | (342,468) | 907,856 |
| Cash and cash equivalents at beginning of financial year | | 907,856 | - |
| Cash and cash equivalents at end of financial year | | 565,388 | 907,856 |

The above cash flow statement should be read in conjunction with the notes to the financial statements.

Statement of changes in equity

For the financial year ended 30 June 2024

| | | | | (\$) |
|--------------------------------|------|------------------------|------------------------|------------------|
| | Note | Contributed capital | Accumulated surplus | Total |
| Balance at 1 July 2022 | | 3,790,851 | (787,757) | 3,003,094 |
| Net result for year | | - | 1,551,352 | 1,551,352 |
| Balance at 30 June 2023 | | 3,790,851 | 763,595 | 4,554,447 |
| Balance at 1 July 2023 | | 3,790,851 | 763,595 | 4,554,447 |
| Net result for year | | - | 161,980 | 161,980 |
| Balance at 30 June 2024 | | 3,790,851 | 925,575 | 4,716,426 |

The above statement of changes in equity should be read in conjunction with notes to the financial statements.

1. About this report

The Victorian Inspectorate (the Inspectorate) is a body corporate established under Section 8 of the *Victorian Inspectorate Act 2011* (the Act). The Inspectorate's objectives, functions, powers, and duties are set out in sections 5, 11 and numerous other provisions of the Act. Since 1 July 2020 (in accordance with sections 90A to 90D of the Act), the Inspectorate is legislatively required to be budget independent and is now funded directly through parliamentary appropriations.

The principal address of the Inspectorate is

Victorian Inspectorate
Level 8
565 Bourke Street
Melbourne VIC 3000

A description of the nature of the principal services of the Inspectorate 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 prepared 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 income and expenses of the Inspectorate.

Judgements, estimates, and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The 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 when applicable are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

These financial statements cover the Inspectorate as an individual reporting entity and include all the controlled activities of the Inspectorate.

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) including Interpretations issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those Australian Accounting Standards' 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 reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Other accounting policies

Material and other accounting policies that summarise the recognition and measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

2. Funding delivery of services

Introduction

The Inspectorate is predominantly funded by accrual based Parliamentary appropriations for the provision of outputs.

2.1 Income that funds the delivery of our services

| | | | (\$) |
|---------------------------------|-------|------------------|------------------|
| | Notes | 2024 | 2023 |
| Income from transactions | | | |
| Output appropriation | 2.1.1 | 7,840,468 | 7,732,662 |
| Total income | | 7,840,468 | 7,732,662 |

Appropriations

Once annual parliamentary appropriations are approved by the Treasurer, they become controlled by the Inspectorate and are recognised as income when applied for the purposes defined and the relevant minister has certified delivery of those outputs under the legislation governing the use of appropriations.

2.1.1 Summary of compliance with annual parliamentary appropriations

| | | | | | | (\$) |
|-----------------------------|-------------------------|--------------------------|---------------------------|-------------------------------------|---------------------------|--------------------------|
| | Appropriations Act | Financial Management Act | | Total parliamentary authority | Appropriations applied | Variance ⁽ⁱⁱ⁾ |
| | Annual appropriation | Section 30 | Section 32 ⁽ⁱ⁾ | | | |
| 2024 | | | | | | |
| Controlled | | | | | | |
| Provision of outputs | 8,187,854 | - | - | 8,187,854 | 7,840,468 | 347,386 |
| Additions to net asset base | - | - | 300,000 | 300,000 | - | 300,000 |
| Total | 8,187,854 | - | 300,000 | 8,487,854 | 7,840,468 | 647,386 |
| 2023 | | | | | | |
| Controlled | | | | | | |
| Provision of outputs | 8,255,072 | (611,000) | 521,000 | 8,165,072 | 7,732,662 | 432,410 |
| Additions to net asset base | 150,000 | 611,000 | 150,000 | 911,000 | - | 911,000 |
| Total | 8,405,072 | - | 671,000 | 9,076,072 | 7,732,662 | 1,343,410 |

Notes:

(i) Section 32 constitutes the approved carryover of unapplied appropriations from the prior year to be applied against Additions to Net Asset Base in the current year.

(ii) Variances in output appropriations relate to the underspend in depreciation, which cannot be repurposed and is required to be returned into the consolidated fund.

Variances in the usage of additions to net assets is due to availability of depreciation equivalent funding as a source to meet capital spend requirements.

2.2 Grants

| | | (\$) | |
|--|-------|------|----------------|
| | Notes | 2024 | 2023 |
| Income recognised as income of not-for-profit entities | | | |
| - General purpose | | - | 907,000 |
| Total grants | | - | 907,000 |

Grants recognised under AASB 1058 *Income of not-for-profit entities*

The Inspectorate has determined that the grant income included in the table above under AASB 1058 *Income of not-for-profit entities* has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Inspectorate has an unconditional right to receive cash which usually coincides with receipt of cash.

3. Cost of delivering services

Introduction

This section provides an account of the expenses incurred by the Inspectorate in delivering its services. The funds that enable the provision of the services were disclosed in Note 2.

3.1 Expenses incurred in the delivery of services

| | Notes | 2024 | 2023 |
|--------------------------|-------|------------------|------------------|
| Employee benefit expense | 3.2.1 | 4,805,839 | 4,515,710 |
| Other operating expenses | 3.3 | 1,956,978 | 1,879,807 |
| | | 6,762,817 | 6,395,517 |

3.2 Employee benefits

3.2.1 Employee benefit expense in the comprehensive operating statement

| | Notes | 2024 | 2023 |
|---|-------|------------------|------------------|
| Salary and wages, annual leave and long service leave | | 4,438,803 | 4,193,146 |
| Defined contribution superannuation expense | 3.2.3 | 367,036 | 322,564 |
| Total employee benefit expense | | 4,805,839 | 4,515,710 |

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

3.2.2 Employee benefit provisions in the balance sheet

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

| | | 2024 | 2023 |
|---|-----|------------------|----------------|
| Current provisions | | | |
| Annual leave | | 512,167 | 513,851 |
| Long service leave | | 372,780 | 262,967 |
| Total current provisions | | 884,947 | 776,818 |
| Non-current provisions | | | |
| Long service leave | 5.1 | 217,438 | 153,496 |
| Total non-current provisions | | 217,438 | 153,496 |
| Total provisions for employee benefits | | 1,102,385 | 930,314 |

Current provisions

The annual leave liability is classified as a current liability as the Inspectorate 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 is disclosed as a current liability; even where the Inspectorate does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

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

Employment on-costs such as payroll tax, workers compensation and superannuation are included as a component of the provision for employee benefits.

Non-current provisions

Conditional long service leave 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 long service leave is measured at present value.

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

3.2.3 Superannuation contributions

Employees of the Inspectorate are entitled to receive superannuation benefits and the Inspectorate contributes to both defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

As noted before, the defined benefit liability is recognised by the DTF as an administered liability. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits expense in the comprehensive operating statement of the Inspectorate.

The basis for contributions is determined by the various schemes.

| | (\$) | | | |
|-----------------------------------|-----------------------|----------------|-------------------------|------|
| | Paid contribution for | | Contribution | |
| | 2024 | year 2023 | outstanding at year end | |
| | 2024 | 2023 | 2024 | 2023 |
| Defined contribution plans | | | | |
| - VicSuper | 91,114 | 91,461 | - | - |
| - Various other | 275,922 | 231,103 | - | - |
| Total | 367,036 | 322,564 | - | - |

3.3 Other operating expenses

| | (\$) | |
|-----------------------------------|------------------|------------------|
| | 2024 | 2023 |
| Purchase of services and supplies | 1,150,698 | 1,363,249 |
| Low-value lease expenses | 37,665 | 23,293 |
| Information technology costs | 424,224 | 295,784 |
| Occupancy costs | 344,391 | 197,481 |
| Total expenses | 1,956,978 | 1,879,807 |

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

All leases (except below) are accounted for under AASB 16 *Leases* in the Inspectorate's balance sheet.

The following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months; or
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset)

There are no short-term leases for the financial year.

4. Key assets available to support delivery of our services

Introduction

The Inspectorate controls assets that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the Inspectorate to be utilised for delivery of these services.

4.1 Property, plant and equipment

(\$)

| | Gross carrying amount | | Accumulated depreciation | | Net carrying amount | |
|---|-----------------------|------------------|--------------------------|--------------------|---------------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Right of use buildings | 1,967,274 | 1,673,769 | (491,819) | (1,673,769) | 1,475,455 | - |
| Leasehold improvements | 598,764 | 4,047,635 | (328,447) | (3,908,195) | 270,317 | 139,440 |
| Buildings' work in progress | - | 291,462 | - | - | - | 291,462 |
| Office and computer equipment at fair value | 844,658 | 479,323 | (222,124) | (258,576) | 622,534 | 220,748 |
| Plant and equipment works in progress | - | 269,170 | - | - | - | 269,170 |
| Total | 3,410,696 | 6,761,360 | (1,042,390) | (5,840,540) | 2,368,306 | 920,821 |

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

The cost of leasehold improvements is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

The cost of the office furniture and equipment is the purchase price and any other additional cost incurred to bring the asset to the place and condition it is available for use.

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

Right-of-use asset – Initial recognition

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

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

Right-of-use asset – Subsequent measurement

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

The right-of-use assets are also subject to revaluation.

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

Impairment: Property, plant, and equipment, is tested for impairment whenever there is an indication that an asset may be impaired.

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

The recoverable amount for most assets is measured at the higher of current replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

4.1.1 Reconciliation of movements in carrying amounts of property, plant and equipment

| | | | | | | (\$) |
|---|---------------------------|---------------------------|---------------------------------|-------------------------------------|------------------------------------|------------------|
| | Right of use buildings | Leasehold improvements | Buildings' Works In Progress | Office and computer equipment | Plant and equipment works in | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| 2024 | | | | | | |
| Carrying amount at the start of the year | - | 139,440 | 291,462 | 220,749 | 269,170 | 920,821 |
| Additions | 1,967,274 | 6,618 | 91,686 | 5,216 | 176,575 | 2,247,369 |
| Transfers to/from Asset Classes | - | 287,158 | (383,148) | 541,735 | (445,745) | - |
| Depreciation expenses | (491,819) | (162,899) | - | (145,166) | - | (799,884) |
| Carrying amount at the end of the year | 1,475,455 | 270,317 | - | 622,534 | - | 2,368,306 |
| 2023 | | | | | | |
| Carrying amount at the start of the year | 311,797 | 208,997 | 195,472 | 371,509 | 95,990 | 1,183,765 |
| Additions | - | - | - | 22,189 | 269,170 | 291,359 |
| Adjustments | 114,785 | - | - | - | - | 114,785 |
| Transfers to/from Asset Classes | - | 87,991 | 95,990 | (87,991) | (95,990) | - |
| Depreciation expenses | (426,582) | (157,548) | - | (84,958) | - | (669,088) |
| Carrying amount at the end of the year | - | 139,440 | 291,462 | 220,749 | 269,170 | 920,821 |

4.2 Intangible assets

| | (\$) | |
|--------------------------------|---------------|---------------|
| | 2024 | 2023 |
| Capitalised software | 88,428 | 88,428 |
| Less: accumulated depreciation | (46,425) | (19,895) |
| Net carrying amount | 42,003 | 68,533 |

Purchased intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begin when the assets are available for use - that is, when they are in the location and condition necessary for them to be capable of operating in the manner intended by management.

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

- (a) there is an intention to complete the intangible asset for use or sale
- (b) there is an ability to use or sell the intangible asset
- (c) the intangible asset will generate probable future economic benefits
- (d) there is availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset
- (e) there is an ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally generated intangible assets with finite useful lives, are amortised on a straight-line basis over their useful lives.

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

4.2.1 Reconciliation of movements in carrying amounts of intangible assets

| | (\$) | |
|--|---------------|---------------|
| | 2024 | 2023 |
| Carrying value at the start of the year | 68,533 | 88,428 |
| Depreciation expenses | (26,530) | (19,895) |
| Carrying amount at the end of the year | 42,003 | 68,533 |

Impairment

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

4.3 Asset depreciation & amortisation

| | (\$) | |
|--|----------------|----------------|
| | 2024 | 2023 |
| Right-of-use buildings | 491,819 | 426,582 |
| Leasehold improvements | 162,899 | 157,548 |
| Office and computer equipment at fair value | 145,166 | 84,958 |
| Intangible assets | 26,530 | 19,895 |
| Total depreciation & amortisation | 826,414 | 688,983 |

Depreciation / amortisation 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. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below.

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term.

The estimated useful lives, residual values and depreciation method are reviewed at least annually. Typical estimated useful lives applicable for the different classes are included in the table below:

| | 2024 | 2023 |
|-------------------------------|----------------------------|------|
| Asset class | Useful life (years) | |
| Leasehold improvement | 5-10 | 5-10 |
| Office and computer equipment | 5 | 5 |
| Leased motor vehicles | 2-3 | 2-3 |
| Intangible assets | 5 | 5 |

5. Other assets and liabilities

Introduction

This section sets out those assets and liabilities that arose from the Inspectorate's delivery of services.

5.1 Receivables

| | 2024 | 2023 |
|--|--------------------|------------------|
| (\$) | | |
| Statutory | | |
| Amounts owing from Victorian Government ^(a) | 5,127,893 | 4,303,673 |
| GST input tax credit recoverable | - | 17,125 |
| Total receivables | 5,127,893 | 4,320,797 |
| Represented by | | |
| Current receivables | 4,910,455 | 4,167,301 |
| Non-current receivables | 3.2.2 217,438 | 153,496 |

Notes:

(a) Represents the balance of available appropriations relating to providing outputs as well as funds available for capital purchases, for which payments had not been disbursed at the balance date, and accordingly had not been drawn from the Consolidated Fund.

Statutory receivables do not arise from contracts and are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment and are not classified as financial

5.2 Payables

| | (\$) | |
|--|----------------|----------------|
| | 2024 | 2023 |
| Contractual | | |
| Creditors and accruals | 304,237 | 510,965 |
| Statutory | | |
| Amounts payable to government agencies | 1,846 | 1,239 |
| Total statutory payables | 306,083 | 512,204 |
| Total payables | | |
| Represented by | | |
| Current payables | 306,083 | 512,204 |

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

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

5.3 Other provisions

| | (\$) | |
|-------------------------------|----------------|----------------|
| | 2024 | 2023 |
| Make-good provision | 442,442 | 365,365 |
| Other | 26,000 | - |
| Total other provisions | 468,442 | 365,365 |

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

6. Financing operations

Introduction

This section provides information on the sources of finance available to the Inspectorate during its operations, along with interest expenses (the cost of finance lease liabilities) and other information related to financing activities of the Inspectorate.

This section also includes disclosures on commitments for expenditure.

6.1 Borrowings

Borrowings refer to interest bearing liabilities, which for the Inspectorate consist only of lease liabilities. Borrowings are measured at amortised cost.

| | 2024 | 2023 |
|-------------------------------|------------------|----------|
| Current Lease liabilities | 358,096 | - |
| Non-current Lease liabilities | 1,204,852 | - |
| Total borrowings | 1,562,948 | - |

Leases are recognised as assets and liabilities of the Inspectorate at amounts equal to the fair value of the lease property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The leased asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease.

Minimum lease payments are apportioned between reduction of the lease liability and periodic finance charges which are calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement.

Leases are secured borrowings as the right to the leased assets will revert to the lessor in the event of a default.

There were no defaults and breaches of any lease conditions during the current or previous financial years.

The Inspectorate's leasing activities

The Inspectorate leases various IT equipment. The lease contracts are typically made for a fixed period of 1-10 years with an option to renew the lease after that date.

Leases of IT equipment with shorter contract terms of up to 12 months or low-value items of \$10k or less are not recognised as right-of-use assets and lease liabilities. These lease expenses are recognised when they become payable by the Inspectorate.

6.1.1 Right-of-use assets

Right-of-use assets are presented in note 4.1.

6.1.2 Amounts recognised in the comprehensive operating statement

The following are recognised in the comprehensive operating statement relating to lease;

| | 2024 | 2023 |
|---|----------------|---------------|
| Interest expense on lease liabilities | 109,501 | 9,288 |
| Expenses relating to leases of low-value assets | 37,665 | 23,293 |
| Total | 147,166 | 32,581 |

6.1.3 Amounts recognised in the cash flow statement

The following lease amounts are recognised in the cash flow statement relating to lease;

| | 2024 | 2023 |
|--------------------------------------|----------------|----------------|
| Lease liability payments | 384,083 | 344,355 |
| Total cash outflow for leases | 384,083 | 344,355 |

Contracts containing leases

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

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Inspectorate and for which the supplier does not have substantive substitution rights; and
- Whether the Inspectorate 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 Inspectorate has the right to direct the use of the identified asset throughout the period of use; and
- Whether the Inspectorate has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Separation of lease and non-lease components

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

Recognition and measurement of leases**Lease Liability - Initial measurement**

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

Lease payments included in the measurement of the lease liability comprise of 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
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options that are reasonably certain to be exercised

Lease Liability - Subsequent measurement

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

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

Short-term leases and leases of low-value assets

The Inspectorate has elected to account for short-term leases and leases of low-value assets using the 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 profit or loss when the expenditure is incurred.

Presentation of right-of-use assets and lease liabilities

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

6.2 Reconciliation of net result for the year to cash flow from operating activities

| | (\$) | |
|---|----------------|------------------|
| | 2024 | 2023 |
| Net result for the period | 161,980 | 1,551,352 |
| Non-cash movements | | |
| Depreciation and amortisation of non-current assets | 826,414 | 688,983 |
| Net (gain)/loss on other | (20,244) | (5,478) |
| Movements in assets and liabilities | | |
| (Increase) in receivables | (807,096) | (1,019,871) |
| Decrease/(increase) in non-financial assets | 91,629 | (120,383) |
| (Decrease)/increase in payables | (206,121) | 174,189 |
| Increase/(decrease) in provisions | 275,148 | 389,562 |
| Net cash flows from/(used in) operating activities | 321,710 | 1,658,354 |

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 inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

| | 2024 | 2023 |
|--|----------------|----------------|
| | | (\$) |
| Capital commitments | | |
| Contractual capital commitments for system upgrade projects are payable as follows: | | |
| Within one year | - | 383,184 |
| Later than one year but not later than five years | - | - |
| Total commitments (inclusive of GST) | - | 383,184 |
| Less GST recoverable | - | (34,835) |
| Total commitments (exclusive of GST) | - | 348,350 |
| Other commitments | | |
| Commitments for minimum payments in relation to non-cancellable expenses, not recognised as liabilities, are payable as follows: | | |
| Within one year | 548,786 | 520,791 |
| Later than one year but not later than five years | 205,215 | 211,205 |
| More than five years | - | 118,064 |
| Total commitments (inclusive of GST) | 754,001 | 850,060 |
| Less GST recoverable | (68,546) | (77,278) |
| Total commitments (exclusive of GST) | 685,455 | 772,782 |

7. Risks, contingencies and valuation judgements

Introduction

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

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

7.1 Financial instruments specific disclosures

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 Inspectorate'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*. For example, statutory receivables do not meet the definition of financial instruments as they do not arise under contract. Other than the statutory receivables the Inspectorate does not hold financial assets. The Inspectorate's statutory receivables are disclosed in note 5.1.

Categories of financial liabilities

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value less any directly attributable transaction costs.

Financial instrument liabilities measured at amortised cost include all of the Inspectorate's contractual payables and borrowings.

Derecognition of financial liabilities

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

7.2 Categorisation of financial instruments

| | | | 2024 | 2023 |
|------------------------------------|-------------|---|------------------|----------------|
| | | | (\$) | |
| Financial liabilities | Note | Category | | |
| Payables | 5.2 | Financial liabilities at amortised cost | 304,237 | 510,965 |
| Borrowings | 6.1 | Financial liabilities at amortised cost | 1,562,948 | - |
| Total financial liabilities | | | 1,867,185 | 510,965 |

Note: Receivables and payables disclosed exclude statutory receivables and payables (i.e. amounts receivable from / payable to government agencies and GST recoverable).

7.3 Financial risk management objective and policies

As a whole, the Inspectorate's financial risk management program seeks to manage the risks arising from volatility in financial instruments.

The Inspectorate's main financial risks include credit risk, liquidity risk and market risk. The Inspectorate manages these financial risks in accordance with its financial risk management policy.

Credit risk

Credit risks arise from the contractual financial assets of the Inspectorate, which comprises cash and receivables. The Inspectorate's exposure to credit risk arises from the potential default of a counterparties on their contractual obligations resulting in financial loss to the Inspectorate. Credit risk is measured at fair value and is monitored on a regular basis.

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

Liquidity risk

Liquidity risk arises when the Inspectorate is unable to meet its financial obligations as they fall due. The Inspectorate operates under the government's fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Inspectorate's exposure to liquidity risk is deemed insignificant based on prior period data and a current assessment of this risk. Maximum exposure to liquidity risk is the carrying amounts of its financial liabilities. The exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. The Inspectorate manages its liquidity risk by maintaining an adequate level of uncommitted funds that can be used at short notice to meet its short-term obligations.

Market risk

The Inspectorate has no material exposure to interest rate, foreign currency or other price risks. Interest rates on the Inspectorate's finance lease liabilities are fixed.

7.4 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed in this note and, if quantifiable, are measured at nominal value.

Contingent assets and contingent liabilities are presented inclusive of GST.

Contingent assets

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

Contingent assets are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

There were no contingent assets relating to the Inspectorate as at 30 June 2024 (30 June 2023: Nil)

Contingent liabilities

Contingent liabilities are:

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

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

There were no contingent liabilities relating to the Inspectorate as at 30 June 2024 (30 June 2023: Nil).

7.5 Fair value determination

The Inspectorate determines the policies and procedures for fair value measurements such as property, plant, and equipment in accordance with the requirements of AASB 13 *Fair Value Measurement* and the relevant Financial Reporting Directions issued by DTF.

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. Changes in unobservable values will result in changes to the asset carrying values.

The Inspectorate currently holds financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the subsequent reporting period. These financial instruments are disclosed in note 7.1.

The Inspectorate's property, plant and equipment and intangible assets are held at fair value and classified as level 3. The fair value is determined using the current replacement cost method. There were no changes in valuation techniques throughout the period to 30 June 2024. For all assets measured at fair value, the current use is considered the highest and best use. Significant unobservable inputs associated with these assets are cost and useful life which have remained unchanged for the financial period.

8. Other disclosures

Introduction

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

8.1 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Names

The people who held the positions of Ministers and Accountable Officers in the Inspectorate (from 1 July 2023 to 30 June 2024 unless otherwise stated) were as follows:

| | | | |
|----------------------------|-------------------------------|----------------|--------------------|
| Attorney-General | The Hon. Jaclyn Symes, MP | 1 July 2023 | to 30 June 2024 |
| Acting Attorney-General | The Hon. Anthony Carbines, MP | 1 July 2023 | to 21 July 2023 |
| | The Hon. Anthony Carbines, MP | 22 March 2024 | to 31 March 2024 |
| | The Hon. Enver Erdogan, MP | 1 April 2024 | to 13 April 2024 |
| Accountable Officer | Eamonn Moran PSM KC | 1 July 2023 | to 30 June 2024 |
| Acting Accountable Officer | Catherine Cato | 4 October 2023 | to 3 November 2023 |

Remuneration

Remuneration received or receivable by the Accountable Officer, in connection with the management of the Inspectorate during the reporting period was in the range of \$501,000-\$509,999. In 2022-23 the range was \$510,000-\$519,999.

Amounts relating to the Ministers are reported in the financial statements of the State's Annual Financial Report.

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 provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following

- short-term employee expenses include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services;
- post-employment benefits include employer contributions for members of both defined benefit and defined contribution superannuation plans;
- other long-term benefits include long service leave and other long term benefits.
- termination benefits include termination of employment payments, such as severance packages.

| | (\$) | |
|---|----------------|----------------|
| Remuneration of executive officers | 2024 | 2023 |
| Short-term employee benefits | 410,222 | 358,511 |
| Post-employment benefits | 25,994 | 25,292 |
| Other long-term benefits | 10,072 | 5,268 |
| Total remuneration | 446,288 | 389,071 |
| Total number of executives | 1 | 1 |
| Total annualised employee equivalents ^(a) | 1.0 | 1.0 |

Notes:

- ^(a) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for the reporting period.

8.3 Related parties

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

- all key management personnel and their close family members;
- all cabinet ministers and their close family members; and
- 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.

Key management personnel (KMP)

The Key Management Personnel (KMP) of the Victorian Inspectorate include the Accountable Officer Eamonn Moran PSM KC and the Chief Executive Officer and General Counsel Catherine Cato.

The compensation detailed below excludes the salaries and benefits that the Portfolio Minister receives. The Ministers' remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and have been disclosed within the 2023-24 Financial Report for the State of Victoria.

| | (\$) | |
|------------------------------|----------------|----------------|
| Compensation of KMPs* | 2024 | 2023 |
| Short-term employee benefits | 918,631 | 863,266 |
| Post-employment benefits | 25,994 | 25,292 |
| Other long-term benefits | 27,111 | 16,864 |
| Total | 971,736 | 905,422 |

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

Transactions and balances with KMPs and other related parties

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

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

The Inspectorate receives appropriations from government such as the appropriations shown in note 2.1.1. Amounts receivable are shown in note 5.1. The payable to government agencies are shown in note 5.2 and the significant related party transactions relate to IT services and administration support amounting to \$414,750 within the year.

8.4 Remuneration of auditors

| | (\$) | |
|---|---------------|---------------|
| | 2024 | 2023 |
| Audit fees paid or payable to the Victorian Auditor-General's Office | | |
| Audit of the annual financial statements | 26,000 | 25,000 |
| Total | 26,000 | 25,000 |

8.5 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2023-24 reporting period. These accounting standards have not been applied to these financial statements. The Inspectorate is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- *AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*
AASB 2022-10 amends AASB 13 *Fair Value Measurement* by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. This Standard applies prospectively to annual reports beginning on or after 1 January 2024, with earlier application permitted.
- In addition to the new standard and amendment above, the Australian Accounting Standard Board has issued a list of other amending standards that are not effective for the 2023-24 reporting period. In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting.

8.6 Subsequent events

In April 2024, the Community and Public Sector Union and the Victorian Government reached an in-principle agreement on the core terms and conditions which will form part of a new enterprise agreement covering Victorian Public Service (VPS) employees. The in-principle agreement includes a one-off lump sum payment of \$5,600 (pro-rated for part-time and eligible casual employees) paid to all employees who are employed on 28 June 2024. The new agreement was put to a ballot of all employees in accordance with the requirements of the Fair Work Act 2009 and this was accepted by the employees post 30 June 2024, and endorsed by the Fair Work Commission on 12 August 2024. Based on the number of employees at the Inspectorate as at 30 June 2024, a high level estimate of approximately \$180k will be incurred by the Inspectorate towards this lump sum payment and this will be paid to all eligible employees in the 2024-25 financial year.

Procurement

Social procurement framework

We consider social and sustainable procurement objectives wherever possible in accordance with the Victorian government social procurement framework and within the constraints of our limited purchasing activities. In 2023–24 we included social and/or sustainable procurement objectives as weighted selection criteria for all select request for quote/request for proposal activities. We also engaged a social enterprise, Just Gold Digital Agency, as part of our newly formed creative services panel.

Major contracts

Nil

Consultancies over \$10,000

Nil

Consultancies under \$10,000

In 2023–24, there was one consultancy where the total fees payable to the consultants were under \$10,000 as detailed in the table below.

Table 23: Details of consultancies under \$10,000, 2023–24

| Consultant | Start date | End date | (\$ thousand) | (\$ thousand) | (\$ thousand) |
|------------|------------|---------------------------|--|---------------------------------|--------------------------------|
| | | | Total approved project fee (excl. GST) | Expenditure 2023–24 (excl. GST) | Future expenditure (excl. GST) |
| FBG Group | 1/01/2024 | 30/12/2025 ¹²⁶ | Up to 45 ¹²⁷ | 5 | Up to 40 |

FBG Group is the expert consultancy used by the Victorian Inspectorate to help us develop a best practice witness welfare framework and provide staff training. In 2023–24, FBG provided training and commenced development of an 'e-Learn module' to support induction and refresher witness welfare training for staff.

¹²⁶ There is one option to extend the contract by a further 12 months.

¹²⁷ The contract contains optional services.

ICT expenditure

For the 2023–24 reporting period, we had a total information and communication technology (ICT) expenditure of \$643,681. See the table below for details.

ICT expenditure refers to our costs in providing business-enabling ICT services within the current reporting period. It comprises business as usual (BAU) ICT expenditure and non-business as usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing our current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Table 24: ICT expenditure, 2023–24

| (\$ thousands) | (\$ thousands) | (\$ thousands) | (\$ thousands) |
|---------------------------------|---|-------------------------|---------------------|
| All operational ICT expenditure | ICT expenditure related to projects to create or enhance ICT capabilities (Non-BAU) | | |
| BAU ICT expenditure | Non-BAU ICT expenditure | Operational expenditure | Capital expenditure |
| 323 | 320 | 139 | 182 |

Government advertising expenditure

Nil

Disclosure of emergency procurement

Nil

Appendix A

LIST OF BODIES FOR WHICH THE VI HAS OVERSIGHT RESPONSIBILITIES

- Chief Examiner
- Department of Energy, Environment and Climate Action
- Environment Protection Authority Victoria
- Game Management Authority
- Independent Broad-based Anti-corruption Commission
- Judicial Commission of Victoria
- Office of the Special Investigator (Victoria)
- Office of the Victorian Information Commissioner
- Public Interest Monitor
- Victorian Auditor-General's Office
- Victorian Fisheries Authority
- Victorian Ombudsman
- Victoria Police
- Wage Inspectorate Victoria

Appendix B

LIST OF ACTS RELATING TO THE VI'S WORK

Our jurisdictional remit and powers are established by the *Victorian Inspectorate Act 2011* and 18 other Acts of Parliament. All the Acts are Victorian unless otherwise stated.

We perform our duties, functions and powers under these Acts:

- *Victorian Inspectorate Act 2011*
- *Major Crime (Investigative Powers) Act 2004*
- *Public Interest Monitor Act 2011*
- *Witness Protection Act 1991*
- *Public Interest Disclosures Act 2012*
- *Crime (Controlled Operations) Act 2004*
- *Fisheries Act 1995*
- *Wildlife Act 1975*
- *Surveillance Devices Act 1999*
- *Terrorism (Community Protection) Act 2003*
- *Telecommunications (Interception and Access) Act 1979 (Cth)*
- *Telecommunications (Interception) (State Provisions) Act 1988*

These Acts set out further obligations of the agencies we oversight:

- *Independent Broad-based Anti-corruption Commission Act 2011*
- *Ombudsman Act 1973*
- *Freedom of Information Act 1982*
- *Privacy and Data Protection Act 2014*
- *Audit Act 1994*
- *Judicial Commission of Victoria Act 2016*
- *Wage Theft Act 2020*

Appendix C

STATUS OF INDEPENDENT PERFORMANCE AUDIT RECOMMENDATIONS TO THE VI

| Section reference | Description of recommendation | Status at 30 June 2024 | Action |
|-------------------|---|------------------------|--|
| 1.5 | Clarify provisions of Audit Act. | N/A | No action for VI as recommendation made to government. |
| 4.3 | Capturing results from triage of coercive powers notifications in CMS. | Completed | Amendments made to our Complaints Management System (CMS) to enable this functionality. |
| 4.3 | Ensure consistency of conducting QA processes when assessing coercive powers notifications. | Completed | Amendments made to our CMS to ensure consistency through documented quality assurance. |
| 5.2 | Develop set of definitions for describing outcomes of complaints, to be used in annual reporting. | Completed | Review of definitions undertaken in the development of our 2022–23 annual report. The VI’s annual report format was refreshed in 2022–23 to increase the accessibility and transparency of information. The VI was awarded a Bronze medal for that annual report from the Australasian Reporting Awards. |
| 5.4 | Capture and report on circumstances that people make a complaint to VI. | Completed | CMS amended to enable the capturing of, and reporting on, primary issues. The VI has also implemented a detailed process for establishing the allegations of a complaint in agreement with the complainant. |
| 5.4 | Consider amending process to allow CAO to close simple low risk complaints. | Completed | Complaints handling framework incorporates a process for closing out of jurisdiction matters with manager sign off. Further streamlined decision making will be supported by a review of delegations. |
| 5.4 | Capture date final outcome letter is issued to complainant and relevant integrity body in CMS. | Completed | Amendments made to CMS to ensure both sets of dates are captured. |
| 6.2 | Finalise draft investigation guideline to provide single source of truth. | Completed | Investigations manual endorsed. A chapter relating to the CMS will be formally endorsed and the manual formally approved in July 2024 when CMS provider completes additional customisation works. |
| 6.3 | Ensure investigation plans are approved for each investigation. | Completed | Processes amended to ensure that investigation plans are approved for each investigation. |

| Section reference | Description of recommendation | Status at 30 June 2024 | Action |
|-------------------|---|------------------------|--|
| 10.7 | Continue with development of stakeholder engagement strategy. | Completed | The VI finalised its external communications and stakeholder engagement strategy and is early in the implementation process. In 2023–24, the VI created a video library, including 6 videos on how to make a complaint and a public interest disclosure, information for witnesses and information for legal representatives, law week videos, and a special report video. The VI presented to barristers on appearing at coercive examinations and published a guidance note. |
| 10.7 | Develop stakeholder survey for agencies overseen. | In progress | The VI and IBAC exchanged versions of a draft MOU in relation to engagement and communication. Exchange of a draft compliance and engagement plan with the VO resulted in agreement to produce an MOU. Considering appropriate avenues for collecting stakeholder feedback as survey feedback may not protect responders' anonymity. |
| 11.3 | Begin measuring costs of activities, particularly core functions. | In progress | Developed a draft function-based costing model which has been considered by the senior management team. The draft model is being expanded to capture costs in addition to salary costs such as barrister/legal costs, consultant costs and systems costs. |
| 11.9 | Review existing performance measures to ensure compliance with the VGRMF. | Completed | The VI's internal audit on performance reporting did not identify any deficiencies with the VI's existing performance measures. The VI reviews its performance measures annually and adopts additional measures or increases targets where appropriate. |
| 12.5.1 | Develop a formal strategic workforce plan. | Completed | In 2023–24, the VI endorsed its first strategic workforce plan which is focused on staff retention and building staff capacity as a retention strategy. The plan will continually be updated according to the VI's resourcing, in response to People Matter Survey results and to ensure continued maturity in workforce planning. |
| 12.6 | Improve learning and development opportunities for staff. | Completed | Although this is an ongoing activity for the VI, the activities required to uplift the VI's learning and development activities have been completed and incorporated as business as usual. This includes development of the VI's structured learning & development program and associated register. |

Appendix D

STATUS OF INTEGRITY AND OVERSIGHT COMMITTEE RECOMMENDATIONS TO THE VI

| Section reference | Description of recommendation | Status at 30 June 2024 | Action |
|-------------------|---|------------------------|--|
| 8 | Develop, as a matter of priority capacity in the CMS to run automated reports to identify, record and analyse any welfare risks (complainants and witnesses). | In progress | Witness welfare risks are highlighted in the CMS on the main page of each complaint. In 2023, the VI engaged a business analyst to undertake further customisation work of the VI's CMS, including the development of welfare reporting. The welfare report capability currently exists in the UAT environment and will shortly be pushed into production. |
| 9a | Engage external person/body with psychological expertise to review the witness welfare policy, templates and standard practices. | Completed | A consultant with suitable psychological expertise helped develop the VI's best practice witness welfare framework in consultation with the VI's frontline staff, which includes witness welfare guidelines and an updated witness welfare policy. The experts trained frontline staff and the welfare governance officer to implement the guidelines. |
| 9b | Drawing on psychological expertise, develop and implement a risk assessment matrix that meets best practice for use in relation to witnesses. | Completed | In accordance with the best practice witness welfare framework, the welfare risk assessment has been developed in the form of workflows which are appendices to the witness welfare guidelines. These workflows are utilised by frontline staff in different situations (in-person, over-the-phone etc). They guide staff on how to identify welfare concerns and determine the appropriate escalation point including referral to the VI's mental health services provider or police. The risk assessment in relation to the individual's wellbeing is undertaken by the VI's mental health provider, not the VI. |
| 9c | Inquire into feasibility of creating at least 0.5FTE complainant and witness welfare officer position. | Completed | In accordance with expert advice, the VI delegated portfolio responsibility, being the welfare governance officer, to an existing VI staff member outside of the complaints and investigation functions. This staff member has relevant working experience from previous employment and has received tailored training/support from the consultant engaged to support the development of the VI's witness welfare framework as well as the VI's mental health services provider. |

| Section reference | Description of recommendation | Status at 30 June 2024 | Action |
|-------------------|--|------------------------|---|
| 9d | Inquire into feasibility of engaging independent counselling/support service to support witnesses. | Completed | The VI engaged an independent 24/7 counselling/support service to provide confidential support to witnesses and, in very limited circumstances, complainants. The specialist service provider is a separate service provider to the VI's employee wellbeing support service. The VI is aware, through invoicing, that there has been some uptake of this service. |
| 9e | Report to IOC on recommendations. | In progress | Reporting will continue until all witness welfare recommendations have been completed. |
| 10 | Develop BP3 timeliness performance measure for assessment of complaints (reflecting complexity). | Completed | The VI introduced additional BP3 performance measures relating to the timeliness of low and medium complexity complaints for 2023–24. Further changes to these BP3 measures are proposed for 2024–25 to clarify the connection between each of the measures and the VI's objectives. |

Appendix E

VI JURISDICTION AND FUNCTIONS

|  ibac |  ombudsman VICTORIAN |  OFFICE OF THE CHIEF EXAMINER |  OSI OFFICE OF THE SPECIAL INVESTIGATOR VICTORIA |  OVIC Office of the Victorian Information Commissioner |  VAGO Victorian Auditor-General's Office |  WV WAGE INSPECTORATE VICTORIA |
|--|--|--|---|--|--|---|
| Receive and assess complaints about its conduct and the conduct of its officers | Receive and assess complaints about some conduct of its officers | Receive and assess complaints about some conduct of the Chief Examiner or Examiners | Receive and assess complaints about its conduct and the conduct of its officers (until 2/8/24) | Receive and assess complaints about some conduct of its officers | Receive and assess complaints about some conduct of its officers | |
| Investigate conduct | Investigate conduct | Investigate conduct | Investigate conduct (until 2/8/25) | Investigate conduct | Investigate conduct | Investigate conduct |
| Monitor the exercise of coercive powers | Monitor the exercise of coercive powers | Monitor the exercise of coercive powers | | Monitor the exercise of coercive powers | Monitor the exercise of coercive powers | Monitor the exercise of coercive powers |
| Assess the effectiveness and appropriateness of policies and procedures | | Assess the effectiveness and appropriateness of policies and procedures | Assess the effectiveness and appropriateness of policies and procedures (until 2/2/24) | | | |
| Monitor compliance with the IBAC Act and other related laws | Monitor compliance with procedural fairness | Monitor compliance with Major Crime (IP) Act | Monitor compliance with Part 3 of the Special Investigator Act and other related laws (until 2/2/24) | Monitor compliance with procedural fairness | Monitor compliance with ss.30–37, 39, 43–46, 50(1) and 51 of the Audit Act | |
| Review PID procedures | Review PID procedures | | | | | |
| Oversee performance of its PID Act functions | | | | | | |
| Receive and assess PIDS | | | Receive and assess PIDS (until 2/8/24) | | | |
| Investigate PICs | | | Investigate PICs (until 2/8/25) | | | |
| Monitor interaction between it and other integrity bodies | | | | | | |
| Inspect its records on telephone interception, use of surveillance devices and controlled operations | | | | | | |
| | | | | | | |

|  |  |  |  |  |  |  |
|---|---|---|---|--|---|---|
| | | | | | | |
| Monitor the exercise of coercive powers | | | | | | |
| | | | | | | |
| | Monitor compliance with Major Crime (IP) Act | | | | | |
| Review PID procedures | | | | | | |
| | | | | | | |
| | | Receive and assess PIDS | | | | |
| | | Investigate PICs | | | | |
| | | | | | | |
| | Inspect its records on telecommunications interception, use of surveillance devices and controlled operations | Inspect records relating to order/warrant applications | Inspect its records on use of surveillance devices and controlled operations | Inspect its records on use of surveillance devices and controlled operations | Inspect its records on use of surveillance devices and controlled operations | Inspect its records on use of surveillance devices |
| | Inspect its records on use of counter-terrorism powers | | | | | |

Appendix F

STATUS OF RECOMMENDATIONS MADE TO IBAC IN 'EMMA'S SPECIAL REPORT'

Following is the status of recommendations made by the Victorian Inspectorate in its special report: 'IBAC's referral and oversight of Emma's complaints about Victoria Police's response to family violence by a police officer' (Emma's special report).

| Recommendation | Action taken by IBAC |
|---|---|
| <p>Recommendation 1</p> <p>That IBAC amend its formal processes to provide for better recording and documentation of its consideration of whether to refer a matter to an external body or person under s73 that includes:</p> <ul style="list-style-type: none"> a) consideration of whether it is more appropriate for the other body or person to investigate the complaint or notification rather than IBAC b) consideration of the impact of such a decision where there are clear and ongoing risks to the complainant c) consideration of any relevant rights or obligations under the <i>Charter of Human Rights and Responsibilities Act 2006</i> (Vic) d) for police complaints, consideration of whether any alleged conduct could be a breach of s227 of the VP Act, which relates to unauthorised access to, use of or disclosure of police information e) a written record of the considerations. | <p>Introduction of a referral checklist for complaints relating to Victoria Police; relevant IBAC staff have undergone training on its use. The referral checklist forms part of IBAC's procedure for referrals and its completion is reviewed as part of quality assurance processes.</p> <p>IBAC's procedures relating to referrals have been updated to:</p> <ul style="list-style-type: none"> • Articulate the elements under s73 that must be satisfied for a referral. • Guide IBAC officers to escalate concerns raised by a complainant following a referral of a complaint for investigation. • Provide guidance around relevant considerations to assess whether a referral to a more appropriate body is required, including where there is a clear and ongoing risk to the complainant, whether a legislative obligation (e.g., s227 of the VP Act) has been breached as well as any alleged breach of a person's human rights. <p>The referral procedure requires IBAC officers to complete the checklist when assessing whether a complaint should be referred to another agency for investigation, and together with the relevant delegate decision constitutes the written record of IBAC's considerations.</p> |
| <p>Recommendation 2</p> <p>Given the frequency of referrals to Victoria Police, that IBAC develop a policy and/or guideline in line with Recommendation 1 to support:</p> <ul style="list-style-type: none"> • consideration of whether allegations in a complaint about police misconduct, considered together, may constitute a pattern or system of detrimental action and/or corrupt conduct • consideration of whether to refer matters to Victoria Police • consideration of the risks raised by this report in referring matters to Victoria Police, such as conflict of interest, risks to health and safety and matters which may require prioritisation (for example, complaints involving ongoing risks such as family violence). | <p>IBAC's referral procedure sets out detailed guidance to IBAC officers about relevant considerations for assessing a complaint and supports them to consider a range of factors including those identified by the VI in Recommendation 2, including:</p> <ul style="list-style-type: none"> • whether there are systemic issues emerging from the conduct • whether the conduct is serious • whether the health, safety or welfare of a complainant has been, will be or is being, affected by the conduct • whether the conduct involves a vulnerable person. |

| Recommendation | Action taken by IBAC |
|---|---|
| <p>Recommendation 3</p> <p>That IBAC develop and implement policies and/or guidelines outlining:</p> <ul style="list-style-type: none"> • circumstances in which IBAC Officers should consider withdrawing a referral under s79 of the IBAC Act • factors that may tend towards it being appropriate to withdraw a referral. | <p>The referral procedure includes detailed guidance on circumstances in which a withdrawal of a referral may be appropriate. It also requires that complaints made to IBAC about the conduct of the agency conducting the investigation are to be escalated to an IBAC manager.</p> <p>In its consideration of whether to withdraw a referral, the procedure sets out that IBAC will take certain matters into account, including:</p> <ul style="list-style-type: none"> • the welfare/health or safety of a complainant • the seriousness of the complaint • any obscuring behaviours • the status of the investigation • whether the body has the ability to rectify the conduct complained about. <p>IBAC has introduced a new forum to consider recommendations for complaint matters and an active monitoring policy has been introduced to support IBAC officers' decision making regarding s79 of the IBAC Act.</p> |
| <p>Recommendation 4</p> <p>That IBAC develop guidance to ensure that it notifies the VI at the earliest opportunity of any complaint or notification involving the conduct of IBAC or an IBAC officer in line with s71 of the IBAC Act.</p> | <p>Section 71 Policy updated to address issues raised in 'Emma's special report'.</p> <p>IBAC policies and procedures now include a section that requires complaints about IBAC or an IBAC officer to be immediately notified to a particular senior executive who will make the necessary notifications to the VI.</p> |

Shortened forms

| | |
|-------------------------|---|
| AFP | Australian Federal Police |
| Audit Act | <i>Audit Act 1994</i> |
| BP3 | Budget Paper No. 3: Service Delivery |
| CCO Act | <i>Crimes (Controlled Operations) Act 2004</i> |
| CCP | Chief Commissioner of Police |
| CN | confidentiality notice |
| CO | controlled operation |
| CSCPP Act | <i>Change or Suppression (Conversion) Practices Prohibition Act 2021</i> |
| DEECA | Department of Energy, Environment and Climate Action |
| DJCS | Department of Justice and Community Safety |
| DPC | Department of Premier and Cabinet |
| DPP | Director of Public Prosecution |
| EPA | Environment Protection Authority Victoria |
| Fisheries Act | <i>Fisheries Act 1995</i> |
| FOI Act | <i>Freedom of Information Act (1982)</i> |
| GN2 | Guidance Note 2 |
| Human Source Act | <i>Human Source Management Act 2023</i> |
| IBAC | Independent Broad-based Anti-corruption Commission |
| IBAC Act | <i>Independent Broad-based Anti-corruption Commission Act 2011</i> |
| ICAC Act | <i>Independent Commission Against Corruption Act 1988 (NSW)</i> |
| IOC | Integrity and Oversight Committee |
| JCV | Judicial Commission of Victoria |
| JLA Bill | Justice Legislation Amendment (Integrity, Defamation and Other Matters) Bill 2024 |
| MCIP Act | <i>Major Crime (Investigative Powers) Act 2004</i> |
| NACC | National Anti-Corruption Commission |
| OCE | Office of Chief Examiner |
| Ombudsman Act | <i>Ombudsman Act 1973</i> |
| OSI | Office of the Special Investigator (Victoria) |
| OVIC | Office of the Victorian Information Commissioner |
| PA Act | <i>Public Administration Act 2004</i> |
| PAEC | Public Accounts and Estimates Committee |

| | |
|-------------------------------|--|
| PIC | Public interest complaint |
| PID | Public interest disclosure |
| PID Act | <i>Public Interest Disclosures Act 2012</i> |
| PIM | Public Interest Monitor |
| PIM Act | <i>Public Interest Monitor Act 2011</i> |
| PWSI Bill | Parliamentary Workplace Standards and Integrity Bill 2024 |
| PWSIC | Parliamentary Workplace Standards and Integrity Commission |
| SEP Act | <i>Service and Execution of Process Act 1992 (Cth)</i> |
| SD | surveillance devices |
| SD Act | <i>Surveillance Devices Act 1999</i> |
| SI Act | <i>Special Investigator Act 2021</i> |
| SIR Act | <i>Special Investigator Repeal Act 2023</i> |
| Telecommunications Act | <i>Telecommunications Act 1997 (Cth)</i> |
| TCP Act | <i>Terrorism (Community Protection) Act 2003</i> |
| TI | telecommunications interception |
| TIA Act | <i>Telecommunications (Interception and Access) Act 1979</i> |
| TISP Act | <i>Telecommunications (Interception) (State Provisions) Act 1988</i> |
| VAGO | Victorian Auditor-General's Office |
| VCAT | Victorian Civil and Administrative Tribunal |
| VEOHRC | Victorian Equal Opportunity and Human Rights Commission |
| VI | Victorian Inspectorate |
| VI Act | <i>Victorian Inspectorate Act 2011</i> |
| VicPol | Victoria Police |
| VO | Victorian Ombudsman |
| VP Act | Victoria Police Act |
| VPSC | Victorian Public Service Commission |
| VWA | Victorian Workcover Authority |
| Wildlife Act | <i>Wildlife Act 1975</i> |
| WIV | Wage Inspectorate Victoria |
| WP Act | <i>Witness Protection Act 1991</i> |
| WT Act | <i>Wage Theft Act 2020</i> |

Glossary

Coercive powers

Coercive powers are powers used to compel persons to answer questions or produce documents or things, or to keep particular matters confidential. They include:

- issuing a summons or notice to a person requiring them to give evidence or to produce documents or things
- issuing a confidentiality notice prohibiting a person from disclosing information about a matter being investigated, or that a summons or notice has been issued
- compulsorily examining or questioning a person.

Coercive powers notification

When an integrity body that we oversee uses a coercive power they are required to give us certain information to enable us to assess how they used the power. We call this a coercive powers notification.

Complaint

A complaint is made when a person contacts the Victorian Inspectorate about an issue that is within our jurisdiction and supporting information is provided by that person who has made it clear that their intention is to make a complaint.

Confidentiality notice

A confidentiality notice is a legal document given by an integrity body to a person that prevents certain information from being shared with third parties. This power is exercised to protect the integrity of an investigation. Exceptions are provided for the recipient to share the information with certain persons, such as a spouse or domestic partner, a registered health practitioner and permitted support services.

Controlled operation

A controlled operation is a covert investigation method used by law enforcement bodies. It authorises law enforcement officers (and sometimes civilians) to engage in conduct or activities that otherwise would be offences. This provides them protection while they investigate certain criminal offences. Without the protection of an authority, participants in the controlled operation could be criminally responsible and civilly liable for any offences committed.

In most cases, a controlled operation does not allow law enforcement to perform activities that can be authorised under a different law or power. For example, a controlled operation cannot authorise a search of a premises or telecommunications interceptions, as these powers can be authorised under a warrant.

Enquiry

An enquiry is made when a person contacts the Victorian Inspectorate, typically by phone or email, about:

- the complaints we can receive or our role in Victoria's integrity system
- a concern they have relating to an organisation that is not within our complaint-handling jurisdiction
- a concern they have about an integrity body within our complaints handling jurisdiction that does not meet the threshold of a complaint or public interest disclosure.

Examination

An examination takes place after a person is served a summons requiring them to give evidence, with or without the requirement to produce documents or things. Examinations are conducted on oath or affirmation and the confidentiality of the evidence provided may be protected by a confidentiality notice, and other confidentiality obligations.

An examination is often more tightly regulated and has a higher level of formality than a compulsory interview or interview conducted voluntarily. Examinations are also overseen by an Examiner.

Inspection

As part of our oversight functions, and in accordance with legislative requirements, we conduct physical inspection of records and documents associated with the use of covert, intrusive and extraordinary investigatory powers including the use of surveillance devices, the conduct of controlled operations, telecommunications interceptions and the exercise of police counter-terrorism powers.

From time to time, we may also conduct irregular inspections of an agency's records in response to a compliance concern connected to the use of a covert power.

Inquiry

The Victorian Inspectorate may conduct an inquiry into a matter arising out of an investigation. Inquiries empower us to examine witnesses and compel the production of information under legislation. As part of an inquiry, we may issue summonses for the production of documents or things, hold private examinations, and/or enter and search agency premises.

Integrity response

The Victorian Inspectorate provides independent assurance to parliament and the people of Victoria by providing appropriate responses to non-compliance and other issues. We call these integrity responses.

Integrity responses can range from taking no further action, providing informal feedback, writing letters and providing guidance to making formal recommendations and issuing reports. We may also decide to initiate further oversight projects or programs.

Interview

An interview takes place when a person is asked, or required, to answer questions relevant to an investigation. An interview by the VI or another body may be held in person or remotely. A person may be invited to take part in an interview without a summons or legal requirement to attend. This is a voluntary interview.

A compulsory interview is an interview where a witness is required by the VI or a body to present for interview. While formal, a compulsory interview is not as formal or tightly regulated as an examination. Each body's powers determine whether they can hold compulsory interviews and/or examinations.

Investigation

The Victorian Inspectorate can investigate a complaint, including a public interest complaint and can also initiate own motion investigations.

In conducting an investigation, we may issue confidentiality notices, access agency records, require agency officers to give information/attend to answer questions and/or produce documents or things.

Monitoring project

A monitoring project is a strategically targeted and finite activity with well-defined objectives, methodology and deliverables. Monitoring projects are a proactive way of monitoring compliance with one of a broad range of issues within our statutory functions.

Own motion investigation

An own motion investigation is an investigation that is initiated by the Victorian Inspectorate, without a complaint having to be made about the specific matter to be investigated.

Preliminary inquiry

The Victorian Inspectorate may conduct a preliminary inquiry to determine whether or not to commence an investigation.

Public interest complaint

A public interest complaint is a disclosure made under the *Public Interest Disclosures Act 2012* that, according to the decision maker, shows or tends to show, or discloses information that the discloser believes on reasonable grounds shows or tends to show, improper conduct or detrimental action.

Public interest disclosure

A public interest disclosure is information provided about improper conduct or detrimental action in the public sector that meets the threshold in the *Public Interest Disclosures Act 2012* (Vic) (PID Act).

Improper conduct includes corrupt conduct by public officers or public bodies and several other forms of conduct by public officers or public bodies as set out in the PID Act. It also includes the actions of a person that is intended to adversely affect the effective or honest performance of a public officer or public body. An example of this includes bribing a public officer so that they grant a permit or approval.

Detrimental action includes action taken, or proposed to be taken against a person, in reprisal for that person (or another person):

- intending to make a public interest disclosure
- having made a public interest disclosure or
- having cooperated with the investigation of a public interest disclosure.

In the past, a person who made a public interest disclosure was known as a whistleblower.

Recommendation

When we identify serious issues, we make recommendations that outline the steps we consider a body needs to take in order to improve compliance or prevent a recurrence of the issue. Recommendations can be private or public, but if public must be made in a report.

Legislative reporting (disclosures) index

This annual report is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the Victorian Inspectorate's compliance with statutory disclosure requirements.

| Legislation | Requirement | Page |
|--|---|----------------------------|
| Standing Directions and Financial Reporting Directions | | |
| Report of operations | | |
| Charter and purpose | | |
| FRD 22 | Manner of establishment and the relevant ministers | 9, 11 |
| FRD 22 | Purpose, functions, powers and duties | 9, 11, 177, 28–65, 182–183 |
| FRD 8 | Departmental objectives, indicators and outputs | 20–25 |
| FRD 22 | Key initiatives and projects | 20–26 |
| FRD 22 | Nature and range of services provided | 28–65 |
| Management and structure | | |
| FRD 22 | Organisational structure | 12 |
| Financial and other information | | |
| FRD 8 | Performance against output performance measures | 21–23 |
| FRD 8 | Budget portfolio outcomes | N/A |
| FRD 10 | (Legislative) disclosure index | 191 |
| FRD 12 | Disclosure of major contracts | 174 |
| FRD 15 | Executive disclosures | 123, 171 |
| FRD 22 | Employment and conduct principles | 124 |
| FRD 22 | Occupational health and safety policy | 113 |
| FRD 22 | Summary of the financial results for the year | 135 |
| FRD 22 | Significant changes in financial position during the year | 135 |
| FRD 22 | Major changes or factors affecting performance | 15, 21–23 |
| FRD 22 | Subsequent events | 173 |
| FRD 22 | Application and operation of <i>Freedom of Information Act 1982</i> | 116 |

| Legislation | Requirement | Page |
|---|---|---------|
| FRD 22 | Compliance with building and maintenance provisions of <i>Building Act 1993</i> | N/A |
| FRD 22 | Statement on National Competition Policy | N/A |
| FRD 22 | Application and operation of the <i>Public Interest Disclosures Act 2012</i> | 114–115 |
| FRD 22 | Application and operation of the <i>Carers Recognition Act 2012</i> | 113 |
| FRD 22 | Details of consultancies over \$10 000 | 174 |
| FRD 22 | Details of consultancies under \$10 000 | 174 |
| FRD 22 | Disclosure of government advertising expenditure | 175 |
| FRD 22 | Disclosure of ICT expenditure | 175 |
| FRD 22 | Reviews and studies expenditure | N/A |
| FRD 22 | Statement of availability of other information | 117 |
| FRD 22 | Asset Management Accountability Framework maturity assessment | 137 |
| FRD 22 | Disclosure of emergency procurement | 175 |
| FRD 22 | Disclosure of procurement complaints | 117 |
| FRD 24 | Environmental reporting | 117 |
| FRD 25 | Local Jobs First | N/A |
| FRD 29 | Workforce data disclosures | 121–123 |
| SD 5.2 | Specific requirements under Standing Direction 5.2 | 1–190 |
| Compliance attestation and declaration | | |
| SD 5.4.1 | Attestation for compliance with Ministerial Standing Direction | 136 |
| SD 5.2.3 | Declaration in report of operations | i |

Financial statements

| Declaration | | |
|--|--|---------|
| SD 5.2.2 | Declaration in financial statements | 141 |
| Other requirements under Standing Directions 5.2 | | |
| SD 5.2.1(a) | Compliance with Australian accounting standards and other authoritative pronouncements | 146 |
| SD 5.2.1(a) | Compliance with Standing Directions | 136 |
| SD 5.2.1(b) | Compliance with Model Financial Report | 136–175 |

| Legislation | Requirement | Page |
|--|---|---------|
| Other disclosures as required by FRDs in notes to the financial statements ^(a) | | |
| FRD 9 | Departmental disclosure of administered assets and liabilities by activity | 155–159 |
| FRD 11 | Disclosure of ex gratia expenses | N/A |
| FRD 13 | Disclosure of parliamentary appropriations | 148–154 |
| FRD 21 | Disclosures of responsible persons, executive officers and other personnel (contractors with significant management responsibilities) in the financial report | 170–173 |
| FRD 103 | Non financial physical assets | 151–162 |
| FRD 110 | Cash flow statements | 144 |
| FRD 112 | Defined benefit superannuation obligations | 153 |
| FRD 114 | Financial instruments—general government entities and public non-financial corporations | 155–166 |
| Legislation | | |
| List of Acts relating to the VI's work | | 177 |

This page has been intentionally left blank.



**VICTORIAN
INSPECTORATE**

vicinspectorate.vic.gov.au