



**SNAPSHOT**  

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**ANNUAL REPORT**  
**2016/17**

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 **ibac**  
independent broad-based  
anti-corruption commission

Victoria

# ABOUT US

This is the summary of IBAC's 2016/17 annual report. The full report is available at [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)

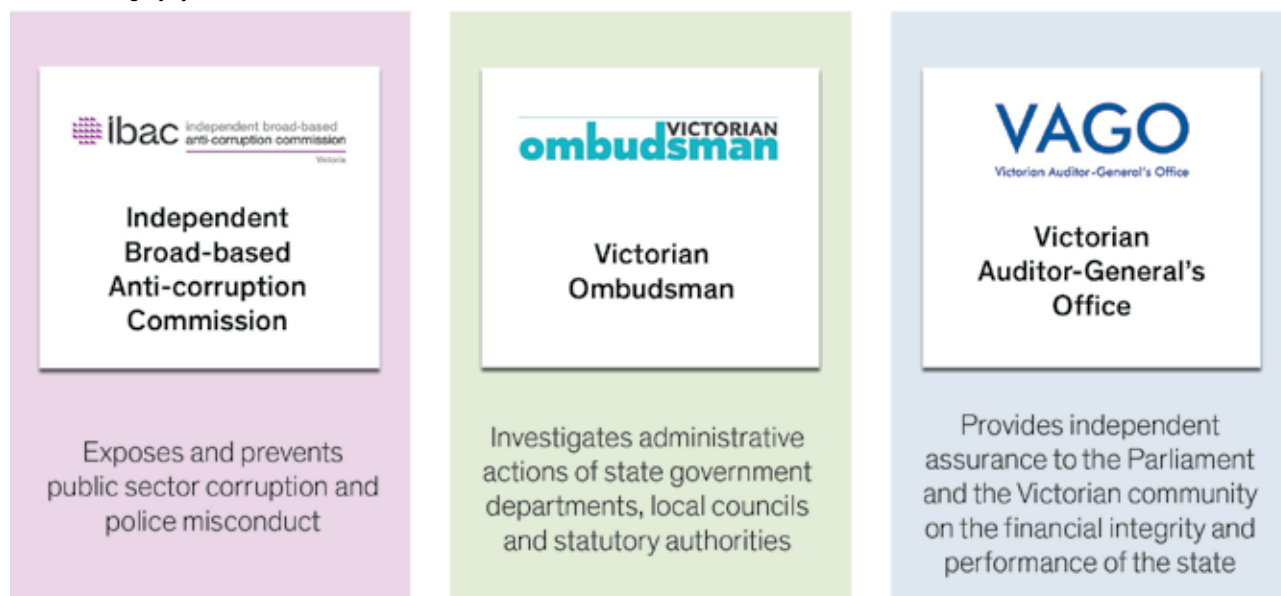
IBAC is Victoria's independent anti-corruption agency responsible for preventing and exposing public sector corruption and police misconduct. Working towards a vision of a corruption-resistant Victoria, we:

- assess complaints, notifications and protected disclosures against the IBAC Act for allegations of corruption or misconduct
- investigate allegations of serious or systemic corruption and misconduct, holding public examinations in exceptional circumstances
- undertake strategic intelligence and research to alert the public sector to corruption issues and risks
- inform the public sector and the wider community about corruption, and ways in which it can be prevented.

<b>Our vision</b>	A Victorian public sector that actively resists corruption			
<b>Our purpose</b>	To prevent and expose public sector corruption and police misconduct			
<b>Our strategic goals</b>	1. Investigating and exposing	2. Preventing and informing	3. Building our organisation	4. Ensuring accountability

IBAC is one of three core, independent agencies in the Victorian integrity system. The system aims to protect the integrity of the Victorian public sector and Victoria Police. We work closely with the other integrity agencies, especially the Victorian Ombudsman and the Victorian Auditor-General's Office.

## Victoria's integrity system



Other agencies supporting a sound integrity system include: Local Government Investigations and Compliance Inspectorate, and Commissions for Information, the Victorian Public Sector and Equal Opportunity and Human Rights

# ACHIEVEMENTS

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- **94 per cent of complaints and notifications assessed within 45 days**, exceeding the 90 per cent target.
- **26 new investigations opened** (among 46 active investigations for the year) an increase of more than one-third (35 per cent) compared to 2015/16.
- **18 investigations finalised**, with six special reports being tabled before Parliament.
- **47 recommendations made to public sector agencies** aimed at preventing public sector corruption and police misconduct – more than double last year’s number.
- **Three public research reports released** examining corruption and misconduct risks within Victoria Police, resulting in 14 recommendations.
- **93 corruption prevention initiatives delivered**, including our first anti-corruption community education campaign.
- Held regional corruption prevention and integrity insight forums in Mildura and Wangaratta.

# CHALLENGES AND OPPORTUNITIES

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- Implementing changes to our powers and processes following legislative change, including the introduction of mandatory reporting for principal officers and the expansion of our jurisdiction to include the offence of Misconduct in Public Office.
- Responding to advances in communication encryption technology.
- Ensuring Protected Disclosure Coordinators have accessible information and communication resources that best assist them to support and protect whistleblowers.
- Growing our data holdings and access, and building appropriate analytical skills and tools to support our expository and preventative functions.
- Recruiting staff who are highly skilled and experienced in their professional disciplines, and whose personal values align with those of IBAC.

# LOOKING AHEAD

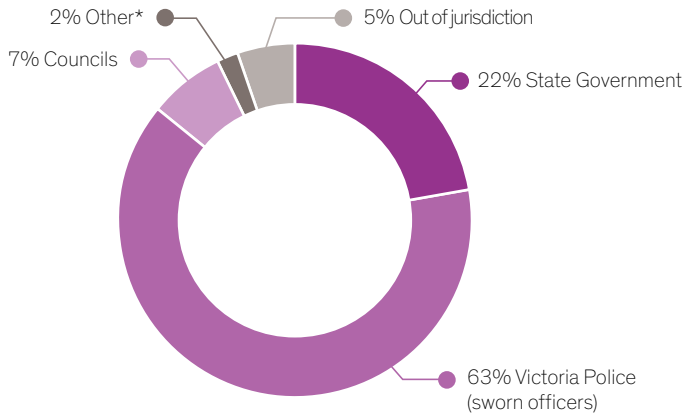
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- Continuing our independent oversight of Victoria Police, including publicly reporting on investigations that will be completed into a range of serious and systemic matters, and the findings of our further audits of police handling of complaints/incidents.
- Strengthening our operational capacity, and our capacity to review matters investigated by other agencies (in particular Victoria Police), by establishing another multi-disciplinary investigation team.
- Tabled the Operation Lansdowne special report following public examinations in June/July 2017.
- Publishing key research and strategic intelligence reports including on corruption risks associated with the corrections and health sectors.
- Convening a major Corruption Prevention and Integrity Conference in October 2017.
- Developing our new three-year Corporate Plan, for 2018–21.

# FAST FACTS

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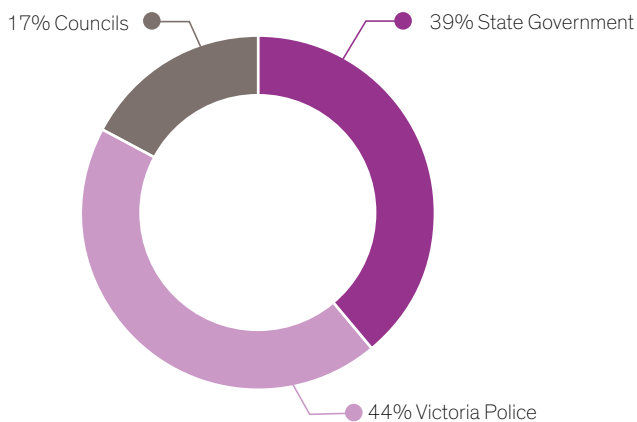
## Allegations by sector



\* includes Members of Parliament and the judiciary

In 2016/17, IBAC assessed 4990 allegations, with 94 per cent assessed within 45 days. Most allegations related to police personnel are due, in part, to mandatory reporting requirements under the *Victoria Police Act 2013*. Mandatory notifications for public sector agencies commenced on 1 December 2016.

## Investigations by sector



In 2016/17, just under half of IBAC's 46 active investigations were into alleged serious corruption or misconduct by Victoria Police (47 per cent in 2015/16).

## FAST FACTS (CONT)

### Outcomes from IBAC investigations – prosecutions

Prosecutions arising from Operations Liverpool, Royston, Fitzroy, Yarrowitch, and Apsley have continued to expose the impact of corrupt conduct in the public sector and the consequences for people involved.

#### Prosecution outcomes

Investigation	Date	Who	Outcome
<b>Operation Liverpool:</b> investigation into the conduct of two officers of Bendigo Health	October 2016	Adam Hardinge	Mr Hardinge plead guilty to seven charges of theft, one charge of obtain property by deception and one charge of attempt to obtain financial advantage by deception. He was convicted on all criminal charges. He was fined \$15,000 in relation to the theft charges, and gave an undertaking to pay \$5000 to the Bendigo Health Foundation on the other two charges.
<b>Operation Royston:</b> investigation into allegations of corrupt procurement transactions at the City of Ballarat	March 2017	Rik McCaig	Mr McCaig plead guilty to giving a council employee \$8000 in return for being awarded contracts. He was found guilty without conviction, fined \$8000 and sentenced to 200 hours of community work.
	June 2017	Derryn Ladson	Mr Ladson plead guilty to paying \$21,245 in secret commissions to a council employee. He was found guilty without conviction, and fined \$15,000.
<b>Operation Fitzroy:</b> investigation into alleged serious corruption in the former Department of Transport and Public Transport Victoria	April 2017	Albert Ooi	Mr Ooi plead guilty to conspiring to defraud the State of Victoria, and another charge of receiving a secret commission in awarding works contracts during his employment with Public Transport Victoria, the Department of Transport and the Department of Infrastructure. He was sentenced to eight years jail with a non-parole period of six years. An order to repay \$2.3 million was also made. Mr Ooi is appealing his sentence.
<b>Operation Yarrowitch:</b> investigation into alleged use of illicit drugs by Victoria Police members	June 2017	First Constable Jacqueline Rogash	Ms Rogash plead guilty to one charge of perjury regarding answers given during two private examinations before IBAC. She was convicted, placed on an 18-month Community Corrections Order and ordered to complete 200 hours of unpaid community work. Ms Rogash is appealing her sentence.
<b>Operation Apsley:</b> investigation into alleged drug trafficking involving Victoria Police officers	June 2017	Senior Constable Sheree Cocks	Ms Cocks plead guilty to one charge of inciting another to mislead IBAC. She was convicted and fined \$5000. Ms Cocks is appealing her sentence.

# FAST FACTS (CONT)

## INDEPENDENT POLICE OVERSIGHT

IBAC plays a vital role in building community confidence by providing oversight of Victoria Police. Under the IBAC Act, the Chief Commissioner of Victoria Police is required to notify IBAC of complaints about corrupt conduct or police personnel misconduct, and must report to IBAC on Victoria Police investigations into police misconduct.

IBAC's powers enable independent oversight in relation to all matters we refer to Victoria Police. IBAC can request a review of a Victoria Police investigation and, pursuant to that review, may recommend that Victoria Police take action. IBAC may withdraw the referral and decide to investigate the matter itself.

This police oversight model also enables IBAC to focus strategically on investigating matters that primarily involve systemic, serious and/or sensitive issues.

Our oversight role includes the following activities:

- receiving complaints and notifications about corrupt conduct and police personnel conduct (including complaints received by Victoria Police and mandatorily reported to IBAC). **In 2016/17, almost two-thirds (63 per cent) of the approximately 5000 allegations assessed by IBAC related to Victoria Police (sworn officers)**
- assessing those complaints and notifications to determine which will be referred to Victoria Police for action, which will be dismissed, and which will be investigated by IBAC. **In 2016/17, almost half (44 per cent) of IBAC's active investigations were into alleged serious corruption or misconduct by Victoria Police**
- reviewing investigations of selected matters referred to Victoria Police to ensure those matters were handled appropriately and fairly. **In 2016/17, IBAC completed 73 reviews of Victoria Police investigations**
- conducting 'own motion' investigations about police personnel conduct or corrupt conduct. **In 2016/17, IBAC finalised Operation Ross, an 'own motion' investigation into the alleged mistreatment of a woman in custody in Ballarat police station cells in January 2015**
- conducting private and public examinations to assist investigations into police personnel conduct and corrupt conduct and, in the case of public examinations, exposing systemic issues, encouraging people with relevant information to come forward and to serve as a deterrent to others
- ensuring police officers have regard to the Charter of Human Rights. **In November 2016, following the Operation Ross investigation, IBAC recommended that Victoria Police review and enhance its human rights training for officers. Victoria Police is required to report back to IBAC on actions taken in relation to this (and other) recommendations by November 2017**
- undertaking research and other strategic initiatives to inform Victoria Police and the public on particular systemic issues and risks to help prevent misconduct and corruption, including audits of how Victoria Police handles its complaints. **In 2016/17, IBAC released three public research reports examining corruption and misconduct risks within Victoria Police, resulting in 14 recommendations.**

# FAST FACTS (CONT)

## Financial report summary

IBAC's financial position remains strong. Revenue, expenditure and equity are up and we are well placed to respond to financial challenges. IBAC is still growing and revenue and expenditure are forecast to further increase in 2017/18 in particular with an additional investigation team. The office refurbishment project (managed by the Department of Treasury and Finance) was completed in 2017 and has resulted in modern and refreshed open-plan offices.

## Financial performance

IBAC's net financial result for the year was a surplus of \$0.13 million compared to a surplus of \$0.55 million in 2015/16. These surpluses are due to accounting adjustments.

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

### Financial summary 2013–17

	2013/14 \$m	2014/15 \$m	2015/16 \$m	2016/17 \$m
<b>Financial performance</b>				
Total income	27.682	31.547	32.580	36.372
Total expenditure	27.335	31.285	31.992	36.372
Net result from transactions	0.347	0.262	0.588	-
Comprehensive result	0.367	0.241	0.554	0.132
<b>Financial position</b>				
Total assets	21.727	25.558	27.138	27.418
Total liabilities	4.714	5.827	6.923	7.092
Total equity	17.013	19.731	20.215	20.326
<b>Cash flow</b>				
Net cash flow from operating activities	1.073	1.606	1.915	1.459

Detailed information related to IBAC's financial performance is included in the full annual report on the IBAC website.

## Income

IBAC is funded through parliamentary appropriations.

Income or grant funding increased by 12 per cent in 2016/17 which was due to a corresponding increase in expenditure.

## Expenditure

IBAC's expenditure increased by 14 per cent in 2016/17, with 62 per cent spent on employees. A number of staff movements and appointments late in 2015/16 resulted in an increase in staff. The financial impact of these appointments affected 2016/17 when these staff received their remuneration for the full 12-months.

Employee expenditure is expected to further increase in 2017/18 as IBAC is recruiting an additional investigations team and auxiliary staff.

The implementation of IBAC's corruption prevention strategy and associated community education campaign resulted in an \$0.82 million increase of expenditure compared to last year.

## Financial position

IBAC's financial position remains strong with total assets of \$27.42 million, liabilities of \$7.09 million and equity of \$20.33 million. During 2016/17, \$1.10 million was spent on capital works. This was mainly for asset replacements. For 2017/18, IBAC is planning additional capital investments to ensure our systems are up to date and fit for purpose.

# FAST FACTS (CONT)

## BP3 Performance measures

IBAC's performance measures are set out in 2016/17 *State Budget Paper No. 3 Service Delivery* detailed below. Brief notes on major variances are included.

### Budget Paper No. 3 performance measures

	Unit of measure	2016/17 target	2016/17 actual	Notes
<b>(a) Quality</b>				
Corruption prevention initiatives delivered by IBAC	Number	70	93	Exceeded our target by delivering initiatives to support the introduction of legislative changes requiring heads of public sector bodies to notify IBAC of suspected corruption (mandatory reporting) and initiatives in the corruption prevention strategy, including an anti-corruption community campaign.
<b>(b) Quality</b>				
Satisfaction rating with IBAC's prevention and education initiatives delivered to stakeholders	per cent	90%	99%	Continued to exceed our target, reflecting ongoing improvements to corruption prevention initiatives including the regional outreach program, annual Protected Disclosure forum and supporting tools.
<b>(c) Timeliness</b>				
Complaints or notifications assessed by IBAC within 45 days	per cent	90%	94%	Exceeded our target by continuing to strengthen our case management and assessment processes. We have also focused resources on assessments required to meet impacts associated with changes in legislation and community engagement initiatives.
Proportion of IBAC investigations completed within 12 months	per cent	70%	71%	Completed fewer investigations within the 12-month period (71 per cent in 2016/17 compared to 86 per cent in 2015/16), primarily due to the complexity and protracted nature of the allegations subject to investigation.

# 93

corruption prevention initiatives delivered

# 99%

satisfaction rating with prevention and education initiatives