

Funding fairness in Victoria: A case study

The Victorian Ombudsman exists as an independent check on fairness, ensuring everyday people are treated properly in their dealings with government and that human rights are upheld.

Each year, the office assists thousands of people to navigate the bureaucracy and resolve complaints, often in situations where there is a significant imbalance of power between the individual and the State.

Despite being the most community-facing of Victoria's core integrity agencies, and having an oversight jurisdiction comparable to its peers, the Ombudsman has consistently received the least investment among these agencies accounting for only 16 per cent of combined expenditure over the last 10 years.

Overall, the Ombudsman's budget is approximately 35 per cent that of the Independent Broad-based Anti-corruption Commission and 39 per cent that of the New South Wales Ombudsman, despite having a similar remit.

The practical challenge with limited budget transparency – described by the joint paper *Advancing budget transparency for Victoria's core integrity agencies* – is demonstrated by the Ombudsman's recent efforts to seek funding for expanded responsibilities.

In July 2024, the Integrity and Oversight Committee (IOC) published its inaugural independent performance audit of the Victorian Ombudsman, with 22 recommendations for improvement. A number of these related to the Ombudsman's prevention mandate, introduced in 2019-20.

The Ombudsman accepted the recommendations in principle, noting that she would need to give significant thought to the feasibility of each in the context of resources, and ensuring balance with the views and needs of the community and public sector.

In March 2025, and after considerable consultation with and endorsement from both community and government stakeholders, the Ombudsman launched its *Strategic plan 2025-29*, emphasising prevention and engagement to realise a vision that 'Victoria is fair'.

To support this, and in recognition of the performance audit findings and other critical risks, the Ombudsman submitted a modest budget request via the standard process used by any other government department.

While the bid was being considered, the Ombudsman was required to submit a draft 2025-26 annual plan to the IOC, which, at the Committee's

request, was to include 'strategic challenges' and a 'high-level overview of funding'. Although the 2019 Integrity and Accountability Legislation Amendment Act introduced new annual planning and budget consultation provisions intended to strengthen oversight, in practice Cabinet-in-confidence budget rules meant the Ombudsman could not share the funding bid or the reasons for it with the Committee.

Without being able to tell the IOC what funding had been requested or the reasons for it, the Ombudsman could only acknowledge that in the event the office did not receive the funding required, some of the initiatives could not proceed in full or in part.

The Ombudsman's budget request to improve public administration and address critical risks was not supported by government; the necessarily pared-back annual plan ultimately tabled in Parliament identified inadequate sustainable funding as a key strategic challenge.

Without prompt, a few weeks later *The Australian* newspaper published a story titled *State watchdog 'too broke to do its job properly'*. The story quoted a briefing in which the then-Treasurer was advised by his Department that the Ombudsman's office had a budget base review 'a few years ago and VO has not materially changed operations since then'. The advice to the Treasurer as quoted in the article was incorrect: although the Ombudsman's office had a review in 2018, this predated (and therefore did not consider) significant new objectives and functions introduced by later amendments to the Act.

The article quoted a Victorian Government spokesperson justifying its funding of the Ombudsman. 'We've delivered stronger powers and record funding to support our integrity agencies, including almost doubling funding for the Victorian Ombudsman,' the spokesperson said.

Throughout the Cabinet-in-confidence process, the Ombudsman was not able to correct the Department's misunderstandings or engage meaningfully with its oversight committee on resourcing needs.

Public scrutiny should extend beyond media commentary, which can sometimes misconstrue the facts, as illustrated by the Victorian Government spokesperson quoted above.

The reality is that funding for the Ombudsman has not kept pace with expenditure on the large sector we are required to oversee. In real terms, our funding has gone backwards and is now significantly behind our Victorian peers, our NSW counterpart and the baseline funding for integrity agencies recommended by Transparency International Australia.

Diminishing investment in integrity functions means it's increasingly difficult for the Ombudsman to hold power to account and provide the critical oversight the community expects of us.



Read the joint paper:

Advancing budget transparency for Victoria's core integrity agencies