



RESIDENTIAL TENANCIES BOND AUTHORITY ANNUAL REPORT 2023-24

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Department of Government Services

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The Hon Nick Staikos MP
Minister for Consumer Affairs
MELBOURNE VIC 3000

Dear Minister,

Annual Report 2023-24

In accordance with the *Financial Management Act 1994*, I am pleased to present the Residential Tenancies Bond Authority Annual Report for the year ended 30 June 2024.

Yours sincerely,



Nicole Rich
Constituting Member
Residential Tenancies Bond Authority

24 December 2024

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Introduction

The report of operations complements the information presented in the financial statements by providing explanation and analysis of the Residential Tenancies Bond Authority (the Authority), performance measures, compliance requirements and other activities.

1. Residential Tenancies Bond Authority vision

The Authority is established by the *Residential Tenancies Act 1997* (the Act) to hold all Victorian residential tenancy bonds, including those applying to long-term caravan and rooming house residents.

2. Performance measures

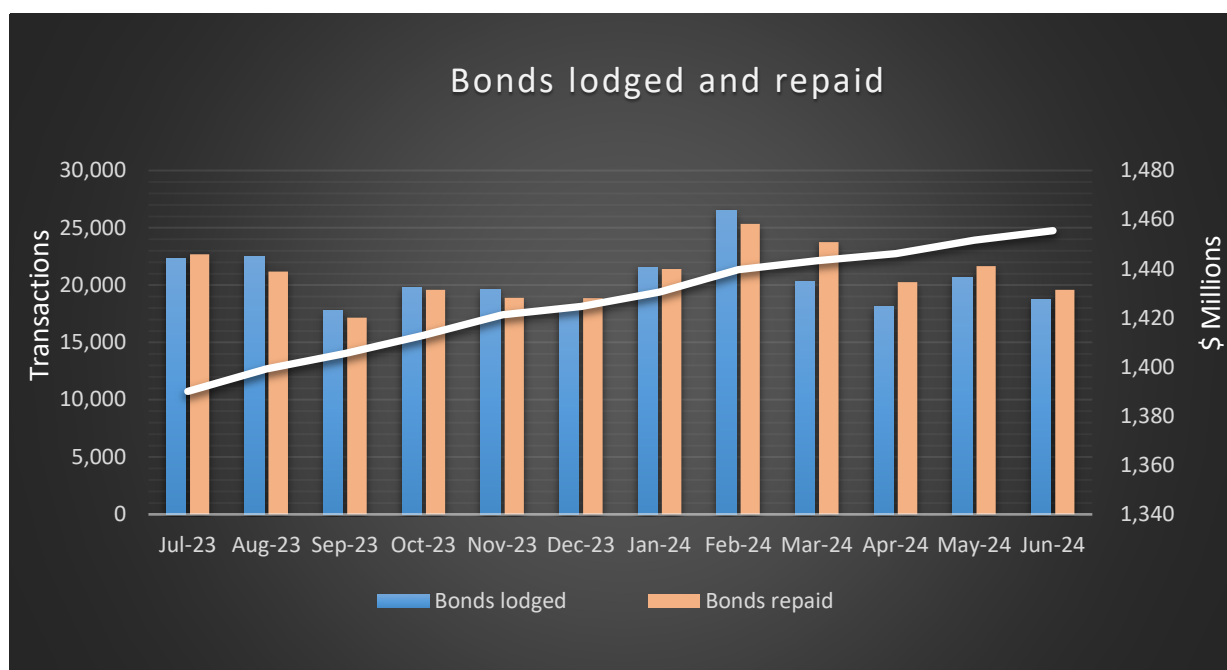
At 30 June 2024, the Authority held 732,125 bonds, valued at \$1,456 million. This represents a decrease of 0.9 per cent in the number of bonds since 30 June 2023, and an increase of 5.2 per cent in value.

Bond money received by the Authority is held in the Residential Bonds Account.

As required by section 436 of the Act, interest earned on the bonds is paid to the Residential Bonds Investment Income Account, where it is applied to the costs of administering the Authority and to making contributions to the Residential Tenancies Fund. Transfers to the Residential Tenancies Fund during 2023-24 totalled \$13.00 million (compared to \$12.00 million in 2022-23).

The monthly lodgment and repayment of bonds over the past year is shown in the following chart:

Figure 1: Monthly lodgment and repayment of bonds



3. Operations and service levels objectives

The Authority's operations and service level objectives are as follows:

- ninety-nine per cent of all bond forms received by midday are processed on the same day;
- forms that cannot be processed are returned by the following business day; and
- bond repayments are made by a direct credit issued on the evening of the day of approval, or by a cheque mailed the next business day.

3.1 Key bond processes and achievements for the year

Bond lodgments

The Authority registered 245,744 bond lodgments in 2023-24 (an average of 4,726 a week), compared with 255,722 in 2022-23 (an average of 4,918 a week).

During 2023-24 there was an increased use of electronic transactions to make lodgments, rising to 98.6 per cent in the last week of June 2024.

Bond repayment claims

The Authority repaid 252,036 bonds in 2023-24 (an average of 4,847 a week) compared with 224,127 in 2022-23 (an average of 4,310 a week).

Ninety-five per cent of bond claims were processed on agreement between the renter and the rental provider, and five per cent were made at the direction of the Victorian Civil and Administrative Tribunal (VCAT) or a court. From all of the repayments, 64 per cent of bonds were returned in full to the renters and 10 per cent in full to the rental provider, and 26 per cent of repayments were shared between the renter and rental provider.

On 29 March 2021 the Act was amended to allow renters to directly claim for their bond to the Authority, as one of the over 130 changes to Victoria's rental laws. From 29 March 2021 to the end of June 2024, a total 50,174 claims have been initiated by renters. There were 19,441 claims initiated by renters in 2023-24 compared with 14,401 claims initiated by renters in 2022-23.

During 2023-24 the use of electronic transactions to make repayment claims was 94 per cent in the last week of June 2024, the same as the previous year.

Most repayments (98 per cent) were issued as a direct credit to the payee's bank account on the same day as the repayment was approved. One per cent of repayments were issued by cheque, and a further one per cent were retained by the Authority due to the lack of a valid bank account number or a forwarding address (a retained repayment).

The use of electronic transactions and making repayments by direct credit, allows most bond repayments to be received by the payee within 24 hours of the renter and the rental provider agreeing to the distribution of the bond.

3.2 Transaction types

Bond transactions can be submitted to the Authority in various ways:

- 'Electronic Transactions' are paperless transactions undertaken through the Authority's transaction website, RTBA Online. A rental provider registered with the Authority initiates

the transaction by entering the transaction details. The system then sends an email to each renter, with a link to the transaction. An SMS is also sent to each renter where their mobile number has been provided. Using the link in the email, a renter can enter their response to the proposed transaction and provide other inputs, like the bank account details for bond repayments.

- Electronic Transactions operate like online banking, with no paper forms, no signatures to collect, and no need to provide a cheque or money order, as bond payments are collected through electronic funds transfer.
- RTBA Online can also be used to generate a paper form (web form) containing all the information required to complete the transaction. Data entry is minimised by re-using all the information already available in the Authority's Register. Web forms need to have the signatures of all parties, and bond lodgments need to be accompanied by a cheque or money order.
- Blank pre-printed paper forms are being phased out but are available upon request for those that do not have or cannot get internet access. These pre-printed forms are more likely to be rejected by the Authority as a result of poor legibility.

Most Authority clients use RTBA Online, with around 99 per cent of all transactions being created online.

3.3 Transfers

Under the Act, the Authority must be notified if renters or a rental provider changes. In the year ended 30 June 2024, there were 120,006 bond transfers (an average of 2,308 a week) compared to 100,445¹ in 2022-23 (an average of 1,932 a week).

During 2023-24 there was an increased use of electronic transactions to transfer renters, rising to 97 percent in the last week of June 2024.

3.4 Enquiries

The Authority's contact centre providing information and advice on bond matters is operated by the Department of Government Services (the Department). The most frequent enquiries relate to the status of a bond repayment claim.

In 2023-24, the Authority received 60,669 calls and 29,328 emails, compared to 50,813 calls and 27,111 emails in 2022-23. There were 52,048 calls answered in 2023-24, compared to 44,574 in 2022-23.

The contact centre's phone number (1300 137 164) is a local call service which ensures no Authority client is disadvantaged because of their geographic location or financial circumstances.

3.5 SMS notifications

The Authority uses SMS notifications to advise on the progress of the processing of transactions.

¹ Previously reported incorrectly as 57,967 bond transfers in 2021-22 and 67,079 in 2022-23, which are now corrected. In 2021-22 there were 89,880 bond transfers. The incorrectly reported bond transfers only included renter transfers rather than both renter and rental provider transfers.

SMS sent

	2019-20	2020-21	2021-22	2022-23	2023-24
SMS type					
Alert that an Electronic Transaction has been initiated	1,096,526	1,372,912	1,328,802	1,235,508	1,264,084
Advice of rejection of a Bond Repayment Claim	17,077	14,488	29,332	31,521	43,819
Advice of rejection of a Renter Transfer	1,814	903	948	881	750
Advice of rejection of a request to replace a previous repayment	1,649	549	2,683	3,558	4,711
Advice of the creation of a Retained Repayment (unpaid repayment)	6,985	2,726	3,187	3,379	7,158
Total	1,124,151	1,391,578	1,364,952	1,274,847	1,320,522

The use of SMS remained high given telephone numbers supplied by clients and the high use of electronic transactions.

3.6 Receipts and periodic statements

When a bond is lodged with the Authority, a receipt is sent to the renter and to the rental provider. For renters and rental providers, receipts are emailed whenever the Authority has a valid email address for them. Rental providers registered with the Authority are able to instruct the Authority how they want to receive their outputs to best meet their operating requirements. Registered rental providers may also choose to not receive receipts.

Through RTBA Online, registered rental providers are also provided with access to a weekly statement of all bond lodgments, repayments and transfers registered to their organisation, and a complete listing of their bonds.

3.7 RTBA Online

RTBA Online provides online access to the Authority's Register including:

- access at any time to bond information such as the status of a bond, and the lodgment, transfer, and claim history;
- the ability to self-serve, allowing users to see all available information first-hand (for example, the ability to print-out proof that a bond is lodged with the Authority, such as for a bond related application to the VCAT);
- speedier bond transactions, by allowing users to view and confirm the most up-to-date information held by the Authority, avoiding return of bond forms due to avoidable errors;
- the ability of approved users to undertake electronic transactions;
- generation of forms for submitting lodgments, repayment claims, and transfers; and
- the ability to find a retained repayment held by the Authority (when a bond is closed but a repayment cannot be made due to a lack of details, the Authority holds the money as a retained repayment, which can be redeemed by the person to whom it is owed).

All users of RTBA Online can:

- generate bond lodgment forms;
- find outstanding bond repayments (retained repayments);

- obtain their bond number;
- find information about accessing bond forms; and
- access general Authority information, including frequently asked questions.

Non Registered users can access the details for a single bond through access based on a combination of the bond number and renter name.

Registered users (rental providers/agents registered with the Authority as managing a portfolio of bonds) have access to all their bonds via a password-protected sign-in, and access to a wider range of functions, including:

- undertaking electronic transactions;
- searching across all bonds registered to the rental provider in a number of different ways;
- more bond related information than in the non-registered module;
- images of forms processed by the Authority;
- images of transaction rejection notices issued by the Authority;
- weekly statements, including access to back copies;
- a bond list showing all bonds registered to the rental provider; and
- various pro forma Authority documents in regular use by rental providers.

Both modes of RTBA Online comply with the Information Privacy Principles of the *Privacy and Data Protection Act 2014* and the confidentiality requirements of the Act.

RTBA Online Activity remains high as demonstrated in the following table.

Online activity	2019-20	2020-21	2021-22	2022-23	2023-24
Visitor sessions	2,450,445	2,767,600	2,759,733	2,827,722	3,171,389
Unique visitors	916,035	1,147,357	1,093,134	1,174,613	1,351,639
Enquiries by registered users	1,688,256	1,888,951	1,953,977	2,009,530	2,140,702
Enquiries by rental providers	31,569	31,794	31,832	30,533	31,819
Enquiries by renters	138,321	150,777	174,736	170,699	252,946
Lodgment forms created	289,677	281,228	289,417	287,773	276,946
Claim forms created	531,618	652,493	603,595	550,235	594,313
Renter transfer forms created	46,695	37,134	33,514	36,952	41,759
Rental provider transfer forms created	33,399	32,685	38,729	44,386	43,912
Number of registered users	15,785	14,616	15,250	17,730	19,357
Document images viewed	19,283	12,242	11,514	10,913	10,639

Online activity	2019-20	2020-21	2021-22	2022-23	2023-24
Weekly rental provider statements accessed	9,191	7,485	7,399	7,338	6,938
Rental provider bond lists accessed	19,085	18,543	20,289	21,658	22,685
Total activity	6,189,359	7,042,905	7,033,119	7,179,169	7,964,139

In 2023-24, online access to forms and reports generated by RTBA Online saved the Authority 3.85 million sheets of paper (7,704 reams) in pre-printed forms and circulation of reports.

4. Service enhancements

The Authority remains committed to improving service levels through its continuous improvement program.

During 2023-24, the Authority has continued to promote the use of electronic transactions. Uptake of the electronic transactions has remained very strong as described in the earlier sections. The Authority targeted communications to all rental providers assisting them to register for RTBA Online and to maximise the functionality available on RTBA Online.

5. Audit Committee membership and roles

The responsibilities of the audit committee are described in the Standing Directions under the *Financial Management Act 1994*, including to:

- oversee the internal audit function;
- review and approve the internal audit charter;
- review and approve the strategic internal audit plan prepared under Direction 3.2.2.2(b);
- review and approve the annual audit work program under Direction 3.2.2.2(c);
- review the effectiveness and efficiency of the internal audit function;
- advise the Authority on the appointment and performance of the internal auditors; and
- meet privately with internal auditors if necessary.

Through 2023-24, the Audit Committee consisted of the following members:

- Chair (independent member) - John Ireson (1 July 2023 to 30 June 2024)
- Independent member - Anna Higgs (1 July 2023 to 30 June 2024)
- Authority representative - Melissah Broadbent, Department of Government Services (1 July 2023 to 30 June 2024)
- Independent member - Steven Wlazly, Department of Government Services (18 January 2024 – 30 June 2024).

6. Other activities

Other activities of the Authority in 2023-24 included:

6.1 Compliance

The bond lodging requirements of the Act are enforced by identifying non-complying rental providers. Advice and warning notices were issued and referrals to Consumer Affairs Victoria (CAV) for investigation and enforcement were made.

6.2 Education

The Authority educated rental providers and renters, to help ensure they understood their rights and responsibilities, and the Authority and its procedures. During 2023-24, education activities included written advice to rental providers on the RTBA Online capabilities and the benefits of registering on RTBA Online and using electronic transactions.

6.3 Website

The Authority's website (www.rtba.vic.gov.au) provides an overview of the Authority, information on bond requirements and processes, access to a knowledge base with answers to the most frequently asked questions, and access to RTBA Online. This website is operated by the Department and provides information about the Authority in the context of all residential tenancy interactions between renters and rental providers.

6.4 Outsourced services

Since it was established in 1998, the Authority has outsourced its registry and bond management services, including the receipt, registration, transfer and repayment of bonds. The present provider is Capgemini Australia Pty Ltd.

During the year ended 30 June 2024, Capgemini maintained the Authority's target performance levels, including processing 99 per cent of transactions on the day of receipt.

The contract with Capgemini has been extended by up to two years until 30 June 2026. The extension allows time for the Authority to design and develop a new bond management system.

6.5 Authority's new bond management system

The Authority has continued a project to establish a new registry and bond management system. The Project aims to modernise its systems used to manage all bonds and associated records. The Authority has worked with users such as rental providers, renters and other stakeholders to define business needs. The new system is in development.

7. Length of Tenancy

For bonds repaid in 2023-24, the median duration of the tenancy was 621 days, compared to 560 for 2022-23.

Active bonds on 30 June 2024 had a median duration of tenancy of 732 days, compared to 679 days at 30 June 2023.

Other statistical information on residential tenancies is available in the Rental Report produced by Homes Victoria, available at <https://www.dffh.vic.gov.au/publications/rental-report>. This

report includes information (other than persons' names) supplied to Homes Victoria under section 431 of the Act.

8. Freedom of Information

The Authority maintains documents and electronic records about the receipt, registration, transfer, and repayment of residential bonds.

The Authority's register, transaction forms and supporting documents are confidential pursuant to section 499 of the Act and therefore not subject to Freedom of Information requests.

The *Freedom of Information Act 1982* allows the public a right of access to other documents held by the Authority. In the 12 months ended 30 June 2023, the Authority received no Freedom of Information request from the general public.

8.1 Making a request

Access to documents may be obtained through written request to the Freedom of Information Manager, as detailed in section 17 of the *Freedom of Information Act 1982*. In summary, requests should:

- be in writing;
- identify as clearly as possible which document is being requested; and
- be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents held by the Authority should be addressed to:

Freedom of Information Officer
Residential Tenancies Bond Authority
GPO Box 123
Melbourne VIC 3001

Requests can also be lodged online at www.foi.vic.gov.au

Access charges may also apply once documents have been processed and a decision on access is made, for example, photocopying, search and retrieval charges.

Further information about Freedom of Information can be found at www.foi.vic.gov.au

9. Operation of the Residential Tenancies Bond Authority

The financial statements in this report cover the Authority as an individual reporting entity. The Authority is a statutory body of the State of Victoria, established by section 429 of the Act.

The role of the Authority is to hold all bonds paid on Victorian residential premises in a neutral capacity as stakeholder for rental providers and renters. The bond is held by the Authority for the duration of the tenancy and is repaid either as agreed by the parties to the bond, or as directed by VCAT or a court.

Section 429 of the Act establishes the Authority as a body corporate constituted by the Director of Consumer Affairs Victoria. The Authority has no other members and employs no staff. The Authority is reliant on the staff and resources of the Department and contracted

services, with the cost of these inputs being met from the Authority's Residential Bonds Investment Income Account.

The bond monies held by the Authority on behalf of rental providers and renters are held in the Residential Bonds Account (See Note 4). This account is managed separately from Department accounts. Bond monies are invested with major Australian banks and the Victorian Funds Management Corporation (VFMC).

The Authority's own funds are held in the Residential Bonds Investment Income Account, with this account being operated as a sub-entity of the Department except for reporting purposes, and subject to the same policies and procedures as other accounts of the Department.

All investment earnings are paid to the Residential Bonds Investment Income Account, where they are applied to meet the costs of the Authority. Any surplus earnings may be paid to the Residential Tenancies Fund.

The Residential Tenancies Fund is administered by the Department (via CAV) independently of the Authority and recorded in the accounts of the Department.

10. Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards including Interpretations, issued by the Australian Accounting Standards Board. In particular, they are presented in a manner consistent with the requirements of AASB 1049 Whole of Government and General Government Sector Financial Reporting.

10.1 Compliance with the Building Act 1993

The Authority does not own or control any government buildings and, as such, is not required to notify its compliance with the building and maintenance provisions of the *Building Act 1993*.

10.2 Privacy and Data Protection Act 2014

The Authority is bound by the *Privacy and Data Protection Act 2014* in relation to the collection, use and disclosure of personal information it obtains. It will only disclose the information it holds when required or allowed by law.

10.3 Application of merit and equity principles

Staff from the Department who undertake Authority functions are covered by the Victorian Public Service Code of Conduct and by the Department's performance management system, which encourages and supports staff development and rewards merit.

10.4 Compliance with the Public Interest Disclosures Act 2012

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

Staff from the Department undertaking the Authority's functions are covered by the Department's policy in relation to making disclosures and the protection offered to them.

11. Attestation for financial management compliance with Standing Direction 5.1.4

I, Nicole Rich, on behalf of the Responsible Body, certify that the Residential Tenancies Bond Authority has no material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Nicole Rich
Constituting Member
Residential Tenancies Bond Authority

Financial Statements

Report Structure

The Residential Tenancies Bond Authority (the Authority) has presented its audited general purpose financial statements for the financial year ended 30 June 2024 in the following structure to provide users with the information about the Authority's stewardship of resources entrusted to it.

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Declaration in financial statement

The attached financial statements for the Residential Tenancies Bond Authority 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 accompanying notes, presents fairly the financial transactions during the year ended 30 June 2024 and financial position of the Authority 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 29 November 2024.



Nicole Rich

Accountable Officer
Residential Tenancies Bond Authority

Melbourne
29 / 11 / 2024



Peter Zyka

Chief Finance and Accounting Officer
Residential Tenancies Bond Authority

Melbourne
29 / 11 / 2024

Independent Auditor's Report



Independent Auditor's Report

To the Constituting Member of the Residential Tenancies Bond Authority


Opinion	<p>I have audited the financial report of the Residential Tenancies Bond Authority (the Authority) 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 • cash flow statement for the year then ended • statement of changes in equity 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 Authority 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 Authority 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>
The Constituting Member's responsibilities for the financial report	<p>The Constituting Member of the Authority 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 Constituting Member 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 Constituting Member is responsible for assessing the Authority'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>

Other information	<p>The Constituting Member is responsible for the other information, which comprises the information in the Authority's annual report for the year ended 30 June 2024 but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion on the other information. However, in connection with my audit of the financial report, my responsibility is to read the other information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.</p>
Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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 Authority's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Constituting Member • conclude on the appropriateness of the Constituting Member'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 Authority'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 Authority 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.

Auditor's responsibilities for the audit of the financial report
(continued)

I communicate with the Constituting Member 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
5 December 2024



Timothy Maxfield
as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement

For the financial year ended 30 June 2024

	Note	2024 \$000	2023 \$000
Income from transactions			
Interest income	2.1.1	32,851	22,262
Other income	2.1.2	8,267	14,897
Total income from transactions		41,118	37,159
Expenses from transactions			
Operating expenses			
Employee expenses	3.2.1	3,499	2,384
Other operating expenses	3.3.1	9,429	8,123
Finance costs		27	21
Total operating expenses		12,955	10,528
Payment to the Residential Tenancies Fund	3.4	13,000	12,000
Total expenses from transactions		25,955	22,529
Net result from transactions (net operating balance)		15,163	14,631
Other economic flows included in net result			
Change in the fair value of investments - net gain/ (loss)	7.4.1	25,035	10,037
Net result		40,198	24,668
Comprehensive result		40,198	24,668

The accompanying notes form part of these financial statements:

- (a) The above comprehensive operating statement should be read in conjunction with the notes to the financial statements.

Balance Sheet

As at 30 June 2024

	Notes	2024 \$000	2023 \$000
Assets			
Financial assets			
Cash and deposits	4.1	114,504	104,225
Receivables	5.1	4,304	2,784
Investments and other financial assets	4.2	1,436,432	1,342,705
Total financial assets		1,555,240	1,449,714
Non-Financial Assets			
Prepayments		97	0
Intangible assets	4.3	12,239	4,241
Total Non-Financial Assets		12,336	4,241
Total assets		1,567,576	1,453,955
Liabilities			
Payables	5.2	4,543	2,696
Bonds held for rental providers and renters	6.1	1,455,515	1,383,939
Total liabilities		1,460,058	1,386,635
Net assets		107,518	67,320
Equity			
Accumulated surplus		107,518	67,320
Net worth		107,518	67,320

The 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

		2024	2023
	Notes	\$000	\$000
Cash flows from operating activities			
Receipts			
Interest received		31,331	21,614
Other receipts		175	117
Total receipts		31,506	21,731
Payments			
Payments to suppliers and employees		(11,107)	(10,440)
Payments to the Residential Tenancies Fund		(13,000)	(12,000)
Total payments		(24,107)	(22,440)
Net cash provided by / (used in) operating activities	6.2.2	7,399	(709)
Cash flow from investing activities			
Proceeds from disposal of/ (payment for acquisition of) investments		(60,600)	(74,300)
Purchase of non-financial assets		(8,096)	(2,211)
Net cash provided by / (used in) investing activities		(68,696)	(76,511)
Cash flow from financing activities			
Bonds received	6.1	580,029	542,041
Bonds repaid	6.1	(508,453)	(426,511)
Net cash provided by / (used in) financing activities		71,576	115,530
Net increase/(decrease) in cash held		10,279	38,310
Cash and cash equivalents at the beginning of the financial year		104,225	65,915
Cash and cash equivalents at the end of the financial year	4.1	114,504	104,225

The 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

	Accumulated Surplus \$000	Total \$000
Balance at 1 July 2022	42,652	42,652
Net result for the year	24,668	24,668
Balance at 30 June 2023	67,320	67,320
Net result for the year	40,198	40,198
Balance at 30 June 2024	107,518	107,518

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

Notes to the financial statements

1. About this report

The Residential Tenancies Bond Authority (the Authority) is a statutory body of the State of Victoria, established by section 429 of the *Residential Tenancies Act 1997*.

A description of the nature of its operations and its principal activities is included in the **Report of Operations**, which does not form part of these financial statements.

The Authority's principal address is:

Residential Tenancies Bond Authority
Level 12, 121 Exhibition Street
Melbourne VIC 3000

Basis of preparation

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

The accrual basis of accounting has been applied in preparing 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.

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates.'

These financial statements cover the Residential Tenancies Bond Authority as an individual reporting entity.

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

Compliance information

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AASs) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

2. Funding delivery of our services

Introduction

The functions of the Authority, as set out in section 431 of the *Residential Tenancies Act 1997* (the Act), are as follows:

- (a) to collect and disburse bond money paid to the Authority under this Act;
- (b) to establish and administer –
 - (i) a Residential Bonds Account; and
 - (ii) a Residential Bonds Investment Income Account;
- (c) to invest money held in those Accounts in accordance with this Act;
- (ca) to collect the information contained in bond lodgement forms and bond substitution forms given to the Authority and other information kept by the Authority in relation to bonds (including substitute bonds under section 410B) held by the Authority;
- (cb) to disclose the information (other than persons' names) referred to in paragraph (ca), whether it was collected before, on or after the commencement of section 16 of the *Residential Tenancies (Amendment) Act 2003*, to the Director of Housing for the purpose of the use of that information by the Director of Housing in research, compiling statistics and public education;
- (d) to carry out any other function conferred on it by this Act.

Under section 432 of the Act, the Authority has the power to do anything necessary or convenient in connection with carrying out its functions.

The Authority can only repay bonds as agreed by the rental provider and renter, or as directed by the Victorian Civil and Administrative Tribunal or a court.

The Authority's overall objective is to hold all Victorian residential tenancy bonds, including those applying to long-term caravan and rooming house residents.

To enable the Authority to fulfil its objective and provide outputs, it receives income from earnings on its investments.

Structure	Page
2.1 Income from transactions	27

Revenue and income that fund delivery of the Authority's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

2.1 Income from transactions

	Notes	2024 \$000	2023 \$000
Interest income	2.1.1	32,851	22,262
Other income	2.1.2	8,267	14,897
Total income from transactions		41,118	37,159

2.1.1 Interest Income

Interest income includes interest received on bank term deposits and other investments.

The Authority earns its income from the interest earned on the investment of the Residential Bonds Account and the Residential Bonds Investment Income Account.

All income received by the Authority is required by the *Residential Tenancies Act 1997* to be paid into the Residential Bonds Investment Income Account.

Interest income is recognised using the effective interest method, which allocates the interest over the relevant period.

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions but are reported as part of income from other economic flows in the net result.

2.1.2 Other Income

Distribution income is recognised when the right to receive payment is established.

Distributions represent the income arising from the Authority's investments in financial assets.

Other income includes amounts of unclaimed money less than \$20 and distributions from the VFMC Growth Fund of \$8.09 million which were reinvested in the fund (2023: \$14.78 million).

3. The cost of delivering services

Introduction

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

Structure	Page
3.1 Expenses incurred in delivery of services.....	28
3.2 Employee expenses	28
3.3 Other operating expenses.....	29
3.4 Payments to the Residential Tenancies Fund	30

3.1 Expenses incurred in delivery of services

Table 3.1.1: Expenses incurred in delivery of services

	Notes	2024 \$000	2023 \$000
Employee expenses	3.2	3,499	2,384
Other operating expenses	3.3	9,429	8,123
Total expenses incurred in delivery of services		12,928	10,507

3.2 Employee expenses

Table 3.2.1: Employee expenses

	2024 \$000	2023 \$000
Salaries, wages and overtime	2,985	2,045
Superannuation	274	183
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	222	141
Staff training	18	15
Total employee expenses	3,499	2,384

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

The Authority reimburses the Department of Justice and Community Safety for employee benefits expenses incurred for those employees working for the Authority.

Superannuation Contribution

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 Authority 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).

The Authority employs no staff but reimburses the Department of Government Services on a time and cost basis for the staff inputs provided to the Authority. Under this arrangement, the Department reports outstanding superannuation information.

Employee benefits in the balance sheet

Benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date are recorded as an expense during the period the services are delivered.

The Authority's functions are undertaken by staff from the Department of Justice and Community Safety and Consumer Affairs Victoria (CAV) who were transferred to the Department of Government Services (DGS) from 1 January 2023, together with the employee benefits provisions being held by the Department.

3.3 Other operating expenses

Table 3.3.1: Other operating expenses

	2024	2023
	\$000	\$000
Supplies and services		
Outsourced registry services	5,873	5,441
Consultants and professional services	622	(18)
Other outsourced services	1,962	1,858
Accommodation and property services	66	23
Printing, stationery and other office expenses	44	58
Information Technology	146	556
Other expenses	716	205
Total operating expenses	9,429	8,123

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes bad debts expense from transactions that are mutually agreed.

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when the inventories are distributed.

3.4 Payments to the Residential Tenancies Fund

Under section 437 of the *Residential Tenancies Act 1997*, the Authority may transfer from the Residential Bonds Investment Income Account into the Residential Tenancies Fund any amount which the Authority determines. The Residential Tenancies Fund is administered by Consumer Affairs Victoria and recorded in the accounts of the Department of Government Services. Payment to the Residential Tenancies Fund is recognised as an expense when the cash is transferred.

4. Key assets available to support output delivery

Introduction

The Authority controls cash and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the Authority to be utilised for delivery of those outputs.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.4 in connection with how those fair values were determined.

Structure	Page
4.1 Cash and deposits.....	31
4.2 Investments and other financial assets.....	31
4.3 Intangible assets	32

4.1 Cash and deposits

Table 4.1.1 Cash and deposits

	2024	2023
Assets	\$000	\$000
Cash and deposits	114,504	104,225

Cash and deposits recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and those highly liquid investments (with an original maturity of three months or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes and are readily convertible to known amounts of cash with an insignificant risk of changes in value.

4.2 Investments and other financial assets

The Authority classified its managed investment at fair value on initial recognition. Subsequently, any changes in fair value are recognised in the net result as other economic flows. Any dividend or interest on a financial asset is recognised in the net result from transactions. Refer to Notes 7.4 for the classification and measurement policies of other types of investments.

Table 4.2.1 Current investments and other financial assets

	2024	2023
	\$000	\$000
Current investments and other financial assets		
Managed investment scheme (a)	365,132	283,405
Total current investments and other financial assets	365,132	283,405
Non-current investments and other financial assets		
Australian dollar term deposits > 12 months (b):		
National Australia Bank investments	423,500	423,500

	2024	2023
	\$000	\$000
Westpac Banking Corporation investments	647,800	635,8000
Total non-current investments and other financial assets	1,071,300	1,059,300
Total investments and other financial assets	1,436,432	1,342,705

Notes:

- (a) *The Authority's funds are invested with the Victorian Funds Management Corporation (VFMC). The Authority measures all its listed equities and managed investment schemes at fair value through net result. Unless such assets are part of a disposal group held for sale, all equities and managed investment schemes are classified as non-current.*
- (b) *Term deposits under 'investments and other financial assets' class include only term deposits with maturity greater than 90 days.*

4.3 Intangible Assets

The Authority is currently developing a new registry system and has capitalised these software development costs. Development of the new system commenced in May 2022 and is expected to be completed by the end of June 2025. Once the new registry system is operational capitalised software development costs will be amortised.

	2024	2023
	\$000	\$000
Opening balance	4,241	315
Plus additions	7,998	3,826
Less amortisation	0	0
Closing Balance	12,239	4,241

5. Other Assets and Liabilities

Introduction

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

Structure	Page
5.1 Receivables.....	33
5.2 Payables	33
5.3 Maturity analysis of contractual payables	34

5.1 Receivables

Table 5.1.1 Receivables

	2024	2023
	\$000	\$000
Contractual		
Accrued investment income – term deposits	3,221	2,248
Statutory		
Receivables	1,083	536
Total receivables	4,304	2,784

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs. They are initially recognised at fair value plus any directly attributable transaction costs. The Authority holds the contractual receivables with the objective to collect the contractual cash flows and therefore are subsequently measured at amortised cost using the effective interest method, less any impairment.

5.2 Payables

Table 5.2.1 Payables

	2024	2023
	\$000	\$000
Contractual		
Other payables	4,543	2,696
Total payables	4,543	2,696

Contractual payables are classified as financial instruments and measured at amortised cost.

5.3 Maturity analysis of contractual payables

Table 5.3.1 Maturity analysis of contractual financial liabilities

	Carrying amount	Maturity Dates	
		Nominal amount	Less than 1 month
	\$000	\$000	\$000
2024			
– Other payables (a)	4,543	4,543	4,543
Total	4,543		
2023			
– Other payables (a)	2,696	2,696	2,696
Total	2,696		

Note:

(a) The total amounts disclosed here excludes statutory amounts payable such as residential bonds held for rental providers and renters. Refer to section 6.1.

6. How we financed our operations

Introduction

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

Structure	Page
6.1 Bonds held for rental providers and renters	35
6.2 Cash flow information and balances	35
6.3 Commitments for expenditure	36

6.1 Bonds held for rental providers and renters

The *Residential Tenancies Act 1997* requires the bonds received by the Authority to be held in the Residential Bonds Account. Monies held in the Residential Bonds Account are recognised as liabilities that are not contractual and arise as a result of statutory requirements. Though these liabilities are similar to financial instrument, they are not in the scope of AASB 7.

The value and movements in the Residential Bonds Account are as follows:

Table 6.1.1 Bonds held for rental providers and renters

	2024	2023
	\$000	\$000
Bonds brought forward	1,383,939	1,268,409
Bonds received	580,029	542,041
Bonds repaid	(508,453)	(426,511)
Total Residential Bonds Account	1,455,515	1,383,939

6.2 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash includes cash on hand and in banks and investments in term deposits of less than 3 months, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the balance sheet as follows:

Table 6.2.1 Cash and cash equivalents

	2024	2023
	\$000	\$000
Cash and cash equivalents (a)		
Cash at bank	114,504	104,225
Balance as per cash flow statement	114,504	104,225
Restriction on use of cash		
Bonds held for rental providers and renters	72,678	69,794

Note:

(a) *In addition to the cash and cash equivalents, the Authority has investments of \$1,436 million (2023: \$1,343 million), refer note 4.2.*

Table 6.2.2 Reconciliation of net result for the period to cash flow from operating activities

	2024	2023
	\$000	\$000
Net result for the period	40,198	24,668
Non-cash movements:		
Net (gain)/loss on financial instruments	(25,035)	(10,037)
Distributions reinvested	(8,092)	(14,779)
Movements in assets and liabilities		
Increase/(decrease) in payables	1,848	88
(Increase)/decrease in receivables	(1,520)	(649)
Net cash flows from/ (used in) operating activities	7,399	(709)

6.3 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded 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.

A contract commenced on 10 January 2008 for the development and maintenance of the registry system and provision of services to the Authority relating to the receipt, registration, repayment, and transfer of residential bonds until 30 June 2018. The contract has subsequently been extended five times, the last variation extending the period of the contract to June 2026 with an early exit option.

The Authority has begun a project to establish a new registry system. In May 2022 a new contract commenced for the development of a new cloud-based registry system for the lodgement, transfer and repayment of residential bonds was formally signed. The system is in development. Once the new system is operational, the contractor will provide maintenance and support for at least the first three years.

The commitment disclosed represents the unspent portion of these contracts.

Table 6.3.1 Total commitments payable

Nominal amounts	Less than 1 year \$000	1-5 years \$000	5+ years \$000	Total \$000
2024				
Commitments for outsourced services	12,580	3,768	-	16,348
Total commitments (inclusive of GST)	12,580	3,768	-	16,348
Less GST recoverable	1,144	343	-	1,487
Total commitments (exclusive of GST)	11,436	3,425	-	14,861
2023				
Commitments for outsourced services	7,093	2,069	-	9,162
Total commitments (inclusive of GST)	7,093	2,069	-	9,162
Less GST recoverable from the Australian Tax Office	645	188	-	833
Total commitments (exclusive of GST)	6,448	1,881	-	8,329

7. Risk, Contingencies and Valuation Judgements

Introduction

The Authority 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 Authority related mainly to fair value determinations.

Structure	Page
7.1 Financial instruments specific disclosures	38
7.2 Finance risk management objectives and policies	41
7.3 Contingent assets and contingent liabilities	45
7.4 Fair value determination	46

7.1 Financial instruments specific disclosures

Introduction

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

Categories of financial assets

Financial assets at amortised cost

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

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

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

The Authority recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables); and
- term deposits.

Financial assets at fair value through net result

Financial assets are required to be measured at fair value through net result unless they are measured at amortised cost.

However, as an exception to those rules above, the Authority may, at initial recognition, irrevocably designate financial assets as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Categories of financial liabilities

Financial liabilities at fair value through net result are categorised as such at trade date, or if they are classified as held for trading or designated as such upon initial recognition.

Financial instrument assets are designated at fair value through net result on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through net result are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows unless the changes in fair value relate to changes in the Authority's own credit risk. In this case, the portion of the change attributable to changes in the Authority's own credit risk is recognised in other comprehensive income with no subsequent recycling to net result when the financial liability is derecognised.

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value minus any directly attributable transaction costs.

Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. The Authority recognises the following liabilities in this category:

- payables (excluding statutory payables).

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

- the rights to receive cash flows from the asset have expired; or
- the Authority retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Authority has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Table 7.1.1 Financial instruments: Categorisation

2024	Note	Cash and deposits \$000	Financial assets/liabilities at fair value through profit/loss (FVTPL) \$000	Financial assets at amortised cost (AC) \$000	Financial liabilities at amortised cost (AC) \$000	Total \$000
Contractual financial assets						
Cash and deposits	4.1	114,504	-	-	-	114,504
Receivables						
Accrued investment income (a)	5.1	-	-	3,221	-	3,221
Investments and other contractual financial assets						
Managed investment scheme	4.2	-	365,132	-	-	365,132
Term deposits	4.2	-	-	1,071,300	-	1,071,300
Total contractual financial assets		114,504	365,132	1,074,521	-	1,554,157
Contractual financial liabilities						
Payables						
Other payables (a)	5.2	-	-	-	4,543	4,543
Total contractual financial liabilities		-	-	-	4,543	4,543
2023						
2023	Note	Cash and deposits \$000	Financial assets/liabilities at fair value through profit/loss (FVTPL) \$000	Financial assets at amortised cost (AC) \$000	Financial liabilities at amortised cost (AC) \$000	Total \$000
Contractual financial assets						
Cash and deposits	4.1	104,225	-	-	-	104,225
Receivables						
Accrued investment income(a)	5.1	-	-	2,248	-	2,248
Investments and other contractual financial assets						
Managed investment scheme	4.2	-	283,405	-	-	283,405
Term deposits	4.2	-	-	1,059,300	-	1,059,300
Total contractual financial assets		104,225	283,405	1,061,548	-	1,449,178
Contractual financial liabilities						
Payables						

Other payables	5.2	-	-	-	2,696	2,696
Total contractual financial liabilities		-	-	-	2,696	2,696

Note:

(a) Exclude statutory receivables and payables (including residential bonds).

7.2 Finance risk management objectives and policies

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

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Notes 7.1 and 7.4 to the financial statements and the basis on which income is recognised is disclosed in Note 2.

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

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

The Authority's uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer of the Authority.

Financial instruments: Credit risk

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

Credit risk associated with the Authority's contractual financial assets is minimal because it is the Authority's policy to only deal with entities with high credit ratings of a minimum AA- rating (S&P) and to obtain sufficient collateral or credit enhancements, where appropriate. The Authority's financial assets are held by National Australia Bank (AA- credit rating), Westpac Banking Corporation Limited (AA- credit rating), ANZ Bank (AA- credit rating) and VFMC (implied AAA credit rating as they are an authorised centralised agency which has a credit rating equal to the State of Victoria).

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

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

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Authority's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to the Authority's credit risk profile in 2023-24.

Table 7.2.1 Credit quality of financial assets

	Notes	Financial institutions (AA- credit rating) \$000	Government agencies (AAA credit rating) \$000	Total \$000
2024				
Financial assets				
Cash and deposits	4.1	114,504	-	114,504
Receivables (a)	5.1	3,221	-	3,221
Investments and other financial assets	4.2	1,071,300	365,132	1,436,432
Total financial assets		1,189,025	365,132	1,554,157
2023				
Financial assets				
Cash and deposits	4.1	104,225	-	104,225
Receivables (a)	5.1	2,248	-	2,248
Investments and other financial assets	4.2	1,059,300	283,405	1,342,705
Total financial assets		1,165,773	283,405	1,449,178

Note:

(a) The total amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable).

Impairment of financial assets under AASB 9

The Authority records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment includes the Authority's contractual receivables and term deposits.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Financial instruments: Liquidity risk

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

The Authority is exposed to liquidity risk mainly through the liabilities as disclosed in the face of the balance sheet. The Authority manages its liquidity risk by holding cash, deposits and investments that are readily liquidated upon request.

The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of financial investments.

Financial instruments: Market risk

The Authority's exposure to market risk mainly arises from interest rate risk, foreign currency risk and equity price risk. The Authority does not engage in financial trading. Through its VFMC investment the Authority has some exposure to foreign currency and other price risks.

During 2023-24 the Authority continued to invest a proportion of the Residential Bonds Account (bonds held) in the VFMC Growth Fund. The Authority managed market risk on this investment by limiting this investment to 25% of this Account.

Objectives, policies and processes used to manage each of these risks are disclosed below.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Authority does not hold any interest bearing financial instruments that are measured at fair value, other than a small exposure to fixed income securities through the VFMC investment, therefore the Authority has a minimal exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Until existing term deposits roll over, the Authority has minimal exposure to cash flow interest rate risks through cash and deposits and term deposits that are at a floating rate.

The Authority manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded that cash at bank as a financial asset can be left at a floating rate without necessarily exposing the Authority to significant bad risk, management monitors movement in interest rates on a daily basis.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Authority's sensitivity to interest rate risk are set out in the table that follows:

Table 7.2.2 Interest rate exposure of financial instruments

	Note s	Weighted average effective interest rate %	Carrying amount \$000	Interest Rate Exposure		
				Variable Interest Rate \$000	Fixed Interest Rate \$000	Non- interest bearing \$000
2024						
Financial assets						
Cash at bank		4.49%	114,504	114,504	-	-
Total cash and deposits	4.1		114,504		-	-
Receivables (a)	5.1		3,221		-	3,221
Managed investment scheme	4.2		365,132		-	365,132
Term deposits	4.2	2.55%	1,071,300		1,071,300	
Total financial assets			1,554,157	114,504	1,071,300	368,353
Financial liabilities						
- Payables (a)	5.2		4,543	-	-	4,543
Total financial liabilities			4,543	-	-	4,543

	Note s	Weighted average effective interest rate %	Carrying amount \$000	Interest Rate Exposure		
				Variable Interest Rate \$000	Fixed Interest Rate \$000	Non- interest bearing \$000
2023						
Financial assets						
Cash at bank		3.22%	104,225	104,225	-	-
Total cash and deposits	4.1		104,225		-	
Receivables (a)	5.1		2,248	-	-	2,248
Managed investment scheme	4.2		283,405	-	-	283,405
Term deposits	4.2	1.84%	1,059,300	-	1,059,300	-
Total financial assets			1,449,178	104,225	1,059,300	285,653
Financial liabilities						
Payables (a)	5.2		2,696	-	-	2,696
Total financial liabilities			2,696	-	-	2,696

Note:

(a) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

Table 7.2.3 Interest rate risk sensitivity

	Carrying amount \$000	-100 basis points		+100 basis points	
		Net result \$000	Net result \$000	Net result \$000	Net result \$000
2024					
Contractual financial assets					
Cash at bank (a)	114,504	(1,145)		1,145	
Term deposits (a)	-	-		-	
Total impact		(1,145)		1,145	
2023					
Contractual financial assets					
Cash at bank (a)	104,225	(1,042)		1,042	
Term deposits (a)	-	-		-	
Total impact		(1,042)		1,042	

Note:

(a) The Cash at bank and the variable component of the term deposits are exposed to floating rates movements.

Foreign currency risk

The Authority is exposed to foreign currency risk mainly through its investment in the VFMC Growth Fund. During 2023-24 the Authority continued to invest a proportion of the Residential Bonds Account (bonds held) in the VFMC Growth Fund. The Authority managed foreign currency risk on this investment by limiting this investment to a maximum of 25% of this Account.

Equity price risk

The Authority is exposed to equity price risk through its investments in the VFMC Growth Fund. Such investments are allocated and traded to match the investment objectives appropriate for the Authority's liabilities. The Authority appointed the VFMC to manage its investment portfolio in accordance with the Trust Money Investment Policy approved by the Treasurer and the Governor-in-Council. The VFMC on behalf of the Authority closely monitors performance and manages the equity price risk through diversification of its investment portfolio. The Authority's sensitivity to other price risk is set out below.

Table 7.2.4 Other price risk sensitivity

		-15%	+15%
	Carrying amount	Net result	Net result
2023	\$000	\$000	\$000
Contractual financial assets			
Managed investment scheme	365,132	(54,770)	54,770
Total impact		(54,770)	54,770
2023			
Contractual financial assets			
Managed investment scheme	283,405	(42,511)	42,511
Total impact		(42,511)	42,511

7.3 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

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

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

There were no contingent assets at balance date (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.

A number of potential obligations are non-quantifiable at this time arising from:

- indemnities provided in relation to transactions, including financial arrangements and consultancy services, as well as for directors and administrators
- performance guarantees, warranties, letters of comfort and the like
- deeds in respect of certain obligations
- unclaimed monies, which may be subject to future claims by the general public against the State.

There were no contingent liabilities at balance date (2023: \$2.8 million).

7.4 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

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

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

The following asset and liabilities are carried at fair value:

- managed investments.

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

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

7.4.1 Fair value hierarchy

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. The levels are as follows:

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

- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

7.4.2 Fair Value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Authority holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2024-25 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payables:
Receivables:	<ul style="list-style-type: none"> • For supplies and services
<ul style="list-style-type: none"> • Accrued investment income • Other receivables 	
Investments and other contractual financial assets:	
<ul style="list-style-type: none"> • Managed investment scheme • Term deposits 	

There have been no transfers between levels during the period.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair value.

Managed investment schemes:

The Authority invests in managed funds, which are not quoted in an active market, and which may be subject to restrictions on redemptions such as lock-up periods, redemption gates and side pockets. The Authority considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investment, to ensure they are reasonable and appropriate and therefore the net asset value (NAV) of these funds may be used as an input into measuring their fair value. In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions and redemptions, future commitments and other specific factors of the fund. In measuring fair value, consideration is also paid to any transactions in the shares of the fund. The Authority classifies these funds as Level 2.

Table 7.4.1 Reconciliation of Level 2 fair value movements

	Financial assets at FVTPL		Total	
	Managed investment scheme			
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Opening Balance	283,405	196,588	283,405	196,588
Total gains or losses recognised in:				
- Net result	25,035	10,037	25,035	10,037
- Distributions	8,092	14,780	8,092	14,780
Purchases	48,600	62,000	48,600	62,000
Settlements	-	-	-	-
Closing balance	365,132	283,405	365,132	283,405
Total gains or losses for the period included in profit or loss for assets held at the end of the period	25,035	10,037	25,035	10,037

8. Other Disclosures

Introduction

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

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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.

Responsible Persons

The persons who held the positions of Ministers and Responsible Persons of the Authority are as follows

Minister for Consumer Affairs	The Hon. Danny Pearson, MP	1 July 2023 – 2 October 2023
Minister for Government Services and Consumer Affairs	The Hon. Gabrielle Williams, MP	2 October 2023 – 30 June 2024

The Authority is constituted by the Director of Consumer Affairs Victoria under section 430 of the *Residential Tenancies Act 1997*. The persons holding this office in a substantive capacity during the year ended 30 June 2024 were:

Director of Consumer Affairs Victoria	Ms Nicole Rich	1 July 2023 to 30 June 2024
Acting Director of Consumer Affairs Victoria	Mr David Joyner	14 August 2023 to 25 August 2023 16 December 2023 to 31 December 2023
Acting Director of Consumer Affairs Victoria	Ms Melissah Broadbent	20 January 2024 to 4 February 2024

Remuneration of Responsible persons

Remuneration received or receivable by responsible persons during the period:

Salary Range	2024 No.	2023 No.
Nil	1	1

The Minister's remuneration and allowances is set by the *Parliamentary Services and Superannuation Act 1968* and is reported within the Annual Financial Report of the State of Victoria.

The Director of Consumer Affairs Victoria receives no additional remuneration for constituting the Residential Tenancies Bond Authority, with remuneration for the position of Director being disclosed in the Financial Statements of the Department of Government Services.

8.2 Related parties

The Authority is a wholly owned entity of the State of Victoria.

No agencies have been consolidated into the Authority's financial statements.

Related parties of the Authority include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- 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.

Significant transactions with government-related entities

The Authority made discretionary transfers totalling \$13.0 million to the Residential Tenancies Fund managed by the Department.

Key management personnel of the Authority include the Portfolio Ministers, the Hon. Gabrielle Williams, MP and the Hon. Danny Pearson, MP together with the Director of Consumer Affairs Victoria who is the sole member of the Authority. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

Transactions and balances with key management personnel and other related parties

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

Outside of normal citizen type transactions with the Authority, there were no related party transactions that involved key management personnel, their close family members and their personal business interests other than those disclosed in the Annual Report of the Department of Justice and Community Safety and the Department of Government Services. No provision

has been required, nor any expense recognised, for impairment of receivables from related parties.

8.3 Remuneration of auditors

	2024	2023
	\$	\$
Victorian Auditor-General's Office audit of the financial statements (a)	38,285	25,900
Total remuneration of auditors	38,285	25,900

The external audit fee is included in Note 3.3 Other Operating Expenses.

Note: (a) The Victorian Auditor-General's Office is prohibited from providing non-audit services.

8.4 Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Authority, the results of the operations or the state of affairs of the Authority in future financial years.

8.5 Australian Accounting Standards issued that are not yet effective

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 the Model Financial Statements. The State is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued *AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* to defer the application by one year to periods beginning on or after 1 January 2023. The Authority will not early adopt the Standard.

The Authority is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited, impact on the Authority's reporting.

- *AASB 17 Insurance Contracts.*
- *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.*
- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.*
- *AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards.*

8.6 Glossary of technical terms

Amortisation

Amortisation is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

Commitments

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

Comprehensive result

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

Effective interest method

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

Employee benefits expenses

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

Financial asset

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
 - (i) to receive cash or another financial asset from another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument

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

Financial liability

A financial liability is any liability that is:

- (e) A contractual obligation:
 - (i) to deliver cash or another financial asset to another entity; or

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

Financial statements

A complete set of financial statements comprises:

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

Interest income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Net operating balance or net result from transactions

Net operating balance or net result from transactions is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'.

Net worth

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

Other economic flows included in net result

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals,

revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

Operating result

Operating result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also 'net result'.

Other economic flows included in net result

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

Other economic flows- other comprehensive income

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

Payables

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

Receivables

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

Supplies and services

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

Transactions

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

8.7 Style conventions

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

The notation used in the tables is as follows:

.. zero, or rounded to zero

(xxx.x) negative numbers

200x year period

200x-0x year period

The financial statements and notes are presented based on the illustration for a government department in the *2023-24 Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Authority's annual reports.