



RESIDENTIAL TENANCIES BOND AUTHORITY ANNUAL REPORT 2017-18

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Hon Marlene Kairouz MP
Minister for Consumer Affairs, Gaming and Liquor Regulation
Level 26, 121 Exhibition Street
MELBOURNE VIC 3000

Dear Minister,

Annual Report 2017-18

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 2018.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S Cohen'.

Simon Cohen
Constituting Member
Residential Tenancies Bond Authority

Report of Operations

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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

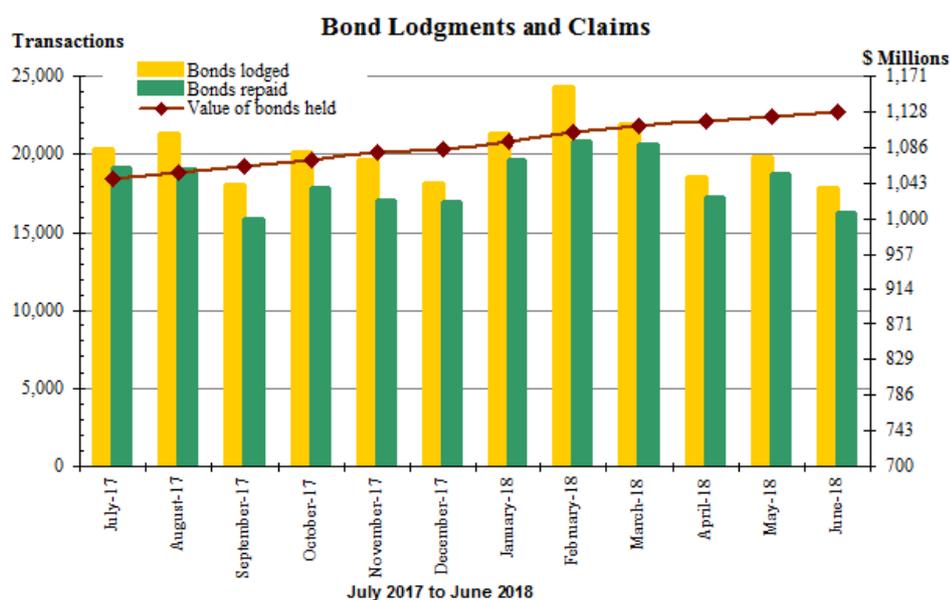
At 30 June 2018, the Authority held 644,229 bonds, valued at \$1,128 million. This represents an increase of 3.5 per cent in the number of bonds since 30 June 2017, and an increase of 8.4 per cent in value.

Bond money received by the Authority is invested 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 2017-18 totalled \$18.7 million, being \$8.2 million more than the previous year.

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 levels 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 are:

Bond lodgments

The Authority registered 241,500 bond lodgments in 2017-18 (an average of 4,644 a week), the same level as 2016-17.

Bond repayment claims

The Authority repaid 219,600 bonds (an average of 4,223 a week) compared with 212,700 in 2016-17 (an average of 4,090 a week).

95 per cent of bond claims were processed on agreement between the tenant and the landlord/agent, and 5 per cent were made at the direction of Victorian Civil and Administrative Tribunal (VCAT) or a court. From all of the repayments, 66% of bonds were returned in full to the tenants, 9% in full to the agent/landlord, and 25% of repayments being shared between the tenant and agent/ landlord.

69 per cent of bond repayment claims were received through the RTBA's Electronic Fax Facility, available to approved users. Fax transmissions received by this facility are stored and managed as electronic images. During 2017-18 there was an increased use of electronic transactions to make repayment claims, rising to 14% in the last week of June 2018, compared to 15% of lodgments.

Most repayments (91%) were issued as a direct credit to the payee's bank account on the same day as the repayment was approved. 6% of repayments were issued by cheque, and a further 3% were retained by the Authority due to the lack of a valid bank account number or a forwarding address (a retained repayment).

The combination of electronic transactions or receiving repayment claims by fax, and making repayments by direct credit allows most bond repayments to be received by the payee within 24 hours of the tenant and the agent/landlord 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 property manager registered with the Authority initiates the transaction by entering the transaction details. The system then sends an email to each tenant, with a link to the transaction. Using this link, a tenant can enter their response to the proposed transaction and also enter 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.
- For those that do not have internet access, blank pre-printed paper forms are also available. 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 86% of all transactions being created online.

3.3 Transfers

Under the Act, the Authority must be notified of changes in tenants or landlord/agent. In the year ended 30 June 2018, there were 66,200 bond transfers (an average of 1,273 a week) compared to 61,300 in 2016-17 (an average of 1,179 a week).

60 per cent of bond transfers were received through the RTBA Fax Facility.

3.4 Enquiries

The Authority's contact centre that provides information and advice on bond matters is operated by Consumer Affairs Victoria (CAV). The most frequent enquiries relate to the status of a bond repayment claim.

In 2017-18, the Authority responded to 71,378 calls and 32,522 emails, compared to 77,847 calls and 27,450 emails in 2016-17.

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. During 2017-18, the Authority answered 93.2 per cent of calls received within the target time of five minutes.

3.5 SMS notifications

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

SMS sent

SMS type	2013-14	2014-15	2015-16	2016-17	2017-18
Alert that an Electronic Transaction has been initiated	9,902	18,445	48,974	78,047	112,045
Advice of rejection of a Bond Repayment Claim	11,162	16,244	18,615	14,218	17,635
Advice of rejection of a Tenant Transfer	1,669	1,473	2,554	1,698	1,624
Advice of rejection of a request to replace a previous repayment	1,586	1,964	984	810	1,091
Advice of the creation of a Retained Repayment (unpaid repayment)	0	196	555	4,660	5,194
Total	24,319	38,322	71,682	99,434	137,589

The increased use of SMS was driven by more telephone numbers supplied by clients and the increased use of electronic transactions.

3.6 Receipts and periodic statements

When a bond is lodged with the Authority, a receipt is sent to the tenant and to the property manager (landlord or agent). For tenant and private landlords, receipts are emailed whenever the Authority has a valid email address for them. Property managers registered with the Authority are able to instruct the Authority how they want to receive their outputs to meet their operating requirements. Registered property managers may also choose to not receive receipts.

Registered property managers are also provided with access through RTBA Online to a weekly statement of all bond lodgments, repayments and transfers registered to their organisation, and a complete listing of all their bonds.

3.7 RTBA Online

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

- access at any time to bond information, including 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 (this includes the print-out of proof that a bond is lodged with the Authority, as is required for a bond related application to the Victorian Civil and Administrative Tribunal);
- 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).

3.8 RTBA Online operates in two modes:

Non Registered users: provides for access to the details for a single bond through access based on a combination of the bond number and tenant name.

Registered users: property managers registered with the Authority as managing a portfolio of bonds have access to all of 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 property manager 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 property manager; and
- various pro forma Authority documents in regular use by property managers.

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.

All users of RTBA Online can also:

- 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.

Use of RTBA Online has continued to increase as demonstrated in the following table.

RTBA Online Activity

Online activity	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Visitor sessions	479,545	578,917	651,119	771,051	856,293	1,084,205
Unique visitors	132,323	150,815	175,254	189,072	200,271	263,383
Enquiries by registered users	284,020	380,218	411,599	696,989	716,055	834,462
Enquiries by landlords	20,900	23,486	25,052	24,621	25,276	26,535
Enquiries by tenants	82,664	95,605	134,929	88,796	440,765	105,873
Lodgment forms created	93,599	129,445	163,669	188,440	227,728	251,230
Claim forms created	127,329	167,625	202,645	208,052	226,312	263,098
Tenant transfer forms created	16,461	22,190	27,281	29,535	33,447	39,187
Agent/landlord transfer forms created	9,013	12,729	15,993	18,886	24,846	28,207
Number of registered users	4,147	2,488	3,718	5,416	4,261	6,526
Document images viewed	3,985	4,736	5,423	6,110	21,079	22,361
Weekly agent statements accessed	4,664	7,612	5,215	5,263	5,650	5,621
Agent bond lists accessed	7,232	9,926	10,753	11,105	10,416	18,153
Total activity	1,262,385	1,585,792	1,832,333	2,243,336	2,792,339	2,984,841

In 2017-18, online access to forms and reports generated by RTBA Online saved the Authority 2.35 million sheets of paper (4,699 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.

Uptake of the online registration of property managers has been very strong, with 99% of all new registrations now being done through RTBA Online.

During 2017-18, the RTBA continue to enhance its transactional website, RTBA Online. The improvements included:

- Security enhancements to make the website more secure from unauthorised access.
- Clearer instructions on how to complete transactions.
- An increased minimum time between lodgment and claim to prevent bonds being repaid prior to clearance of lodgment payments.
- Changes to better cater for overseas claimants (usually students who have returned home).

Other improvements include:

- Refinements to client messages to make them clearer, including SMS and notices sent by email and post.
- Enhancement to the RTBA Registry application to introduce automated structured workflow to process retained repayment transactions.

- Improved information about residential bonds for clients on the Authority's website (www.rtba.vic.gov.au).

5. Audit Committee membership and roles

The Audit Committee consists of the following members:

- John Ireson, Chair (independent member);
- Christopher Breitzkreuz (independent member); and
- Elizabeth Lanyon, Director Policy and Corporate Services, Consumer Affairs Victoria.

The main responsibilities of the audit committee are to:

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

6. Other activities

Other activities of the Authority include:

6.1 Compliance

The bond lodging requirements of the Act are enforced by identifying non-complying landlords and agents, issuing advice and warnings and, if necessary, referrals to CAV for investigation and enforcement.

6.2 Education

The Authority educates estate agents, landlords and tenants, to help ensure they understand their rights and responsibilities, and the Authority and its procedures. During 2017-18, education activities included seminar presentations and written advice to property managers on the RTBA Online enhancements.

6.3 Website

The Authority 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 Consumer Affairs Victoria and provides information about the Authority in the context of all residential tenancy interactions between tenants and property managers.

6.4 Outsourced services

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

During the year ended 30 June 2018, Capgemini maintained the RTBA's target performance levels, including processing 99 per cent of transactions on the day of receipt.

The contract with Capgemini runs to 30 June 2021.

7. Length of Tenancy

For bonds repaid in 2017-18, the median duration of the tenancy was 554 days, compared to 532 for 2016-17.

Active bonds on 30 June 2018 had a median duration of 604 days, compared to 592 days at 30 June 2017.

Other statistical information on residential tenancies is available in the Rental Report produced by the Director of Housing, available at <https://dhhs.vic.gov.au/publications/rental-report>. This report includes information (other than persons names) supplied to the Director of Housing 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. These documents are principally the paper forms completed by interested parties in undertaking a transaction, and any supporting attachments. Electronic transactions do not create any documents. The Authority also maintains an electronic register with a summary of the transactions.

The Authority scrutinises paper forms and supporting documentation to ensure sufficient evidence is provided to support requested transactions. The Authority has no role in deciding disputes between parties to a tenancy. This role is undertaken by the Victorian Civil and Administrative Tribunal or a court.

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 RTBA. In the 12 months ended 30 June 2018, the Authority received one Freedom of Information request.

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 RTBA should be addressed to:

Freedom of Information Officer
Residential Tenancies Bond Authority
17/121 Exhibition Street
Melbourne VIC 3000

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 *Residential Tenancies Act 1997*.

The role of the Authority is to hold all bonds paid on Victorian residential premises in a neutral capacity as stakeholder for landlords and tenants. 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 the Victorian Civil and Administrative Tribunal or a court.

Section 429 of the *Residential Tenancies Act 1997* 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 of Justice and Regulation, Consumer Affairs Victoria, and contracted services, with the cost of these inputs being met by the Authority's Residential Bonds Investment Income Account.

The bond monies held by the Authority on behalf of landlords and tenants are invested in the Residential Bonds Account (See Note 4). This account is managed separate from the Department of Justice and Regulation. The majority of the bond monies are invested with major Australian banks, the Victorian Funds Management Corporation (VFMC) and Treasury Corporation of Victoria (TCV).

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 of Justice and Regulation 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 Consumer Affairs Victoria independently of the Authority, and recorded in the books of the Department of Justice and Regulation.

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.

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

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 of Justice and Regulation and CAV 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 Protected Disclosure Act 2012

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

Staff from CAV and the Department of Justice and Regulation 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

I, Simon Cohen, certify that the Residential Tenancies Bond Authority has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.



Simon Cohen
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 2018 in the following structure to provide users with 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 Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, cash flow statement, statement of changes in equity, and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2018 and financial position of the Authority as at 30 June 2018.

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 5 September 2018.



Simon Cohen
Accountable Officer
Melbourne
5 September 2018



Ian Thorn
Chief Finance and Accounting Officer
Melbourne
5 September 2018

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 2018 • 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 significant accounting policies • declaration in 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 2018 and their 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 APES 110 <i>Code of Ethics for Professional Accountants</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>
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>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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
7 September 2018



Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement

For the financial year ended 30 June 2018

	Notes	2018 \$	2017 \$
Income from transactions			
Interest income	2.1.1	27,391,100	24,697,498
Other income	2.1.2	2,639,405	1,576,947
Total Income from transactions		30,030,505	26,274,445
Expenses from transactions			
Operating expenses			
Employee expenses	3.1.1	1,699,165	1,915,856
Other operating expenses	3.2.1	6,740,704	7,264,504
Finance costs		8,848	9,291
Total Operating expenses		8,448,717	9,189,651
Payment to the Residential Tenancies Fund		18,700,000	10,500,000
Total Expenses from transactions		27,148,717	19,689,651
Net result from transactions (net operating balance)		2,881,788	6,584,794
Net gain/ (loss) on financial instruments	7.5.1	2,657,074	2,131,588
Other economic flows included in net result		2,657,074	2,131,588
Net Result		5,538,862	8,716,382
Comprehensive result		5,538,862	8,716,382

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

Balance Sheet

As at 30 June 2018

	Notes	2018 \$	2017 \$
Assets			
Financial assets			
Cash and deposits	4.1	61,422,158	56,660,098
Receivables	5.1	4,646,687	4,364,146
Investments and other financial assets	4.2	1,086,767,521	999,472,010
Total financial assets		1,152,836,366	1,060,496,254
Total assets		1,152,836,366	1,060,496,254
Liabilities			
Payables	5.2	708,540	957,217
Bonds held for landlords and tenants	6.1	1,128,302,441	1,041,252,514
Total liabilities		1,129,010,981	1,042,209,731
Net assets		23,825,385	18,286,523
Equity			
Accumulated surplus		23,825,385	18,286,523
Net Worth		23,825,385	18,286,523
Commitments for expenditure	5.4		
Contingent liabilities	7.3		
Contingent assets	7.3		

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 2018

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
<i>Receipts</i>			
Interest received		27,108,559	25,375,598
Other receipts		968	1,075
Total Receipts		27,109,527	25,376,673
<i>Payments</i>			
Payments to suppliers and employees		(8,697,394)	(9,117,457)
Payments to the Residential Tenancies Fund		(18,700,000)	(10,500,000)
Total Payments		(27,397,394)	(19,617,457)
Net cash provided by / (used in) operating activities	6.2.2	(287,867)	5,759,216
Cash flow from investing activities			
Payment for investments		(82,000,000)	(972,500,000)
Net cash provided by / (used in) investing activities		(82,000,000)	(972,500,000)
Cash flow from financing activities			
Bonds received	6.1	480,138,590	456,417,472
Bonds repaid	6.1	(393,088,663)	(365,815,398)
Net cash provided by / (used in) financing activities		87,049,927	90,602,074
Net increase/(decrease) in cash held		4,762,060	(876,138,710)
Cash and cash equivalents at the beginning of the financial year		56,660,098	932,798,808
Cash and cash equivalents at the end of the financial year	6.2	61,422,158	56,660,098

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 2018

	Accumulated Surplus \$	Total \$
Balance at 1 July 2016	9,570,141	9,570,141
Net Result for the Year	8,716,382	8,716,382
Balance at 30 June 2017	18,286,523	18,286,523
Net Result for the Year	5,538,862	5,538,862
Balance at 30 June 2018	23,825,385	23,825,385

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 17, 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 unless otherwise stated.

Compliance information

These general purpose financial statements have been prepared in accordance with the FMA 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* (AASB 1049).

2. Funding delivery of 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 lodgment 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 power to do anything necessary or convenient in connection with carrying out its functions.

The Authority can only repay bonds as agreed by the landlord and tenant, 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	25

2.1 Income from transactions

	Notes	2018	2017
		\$	\$
Interest income	2.1.1	27,391,100	24,697,498
Other Income	2.1.2	2,639,405	1,576,947
Total income from transactions		30,030,505	26,274,445

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value.

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.

2.1.2 Other income

Other income includes amounts of unclaimed money less than \$20 and distributions from the VFMC Growth Fund of \$2.6 million which were reinvested in the fund (2017: \$1.6 million).

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.

3. 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 from transactions	27
3.2 Other Operating Expenses	28

3.1 Expenses from transactions

	Notes	2018	2017
		\$	\$
Employee expenses	3.1.1	1,699,165	1,915,856
Other operating expenses	3.2	6,740,704	7,264,504
Total expense from transactions		8,439,869	9,180,360

Table 3.1.1: Employee Expense

	2018	2017
	\$	\$
Salaries, wages and overtime	1,482,349	1,666,456
Superannuation	130,632	149,466
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	81,161	93,141
Staff training	5,023	6,793
Total employee expenses	1,699,165	1,915,856

3.1.1 Employee Expenses

Employees 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 Regulation for employee benefits expenses incurred on those employees working for the Authority.

Superannuation Contribution

The amount recognised in the comprehensive operating statement is the 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 Justice and Regulation 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

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and 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 Regulation and CAV, with the employee benefits provisions being held by the Department.

3.2 Other Operating Expenses

Other operating expenses generally represent the day to day running costs incurred in normal operations.

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 Justice and Regulation. Payment to the Residential Tenancies Fund is recognised as an expense when the cash is transferred.

Table 3.2.1: Other Operating Expenses

	2018	2017
	\$	\$
Supplies and services		
Outsourced registry services	5,840,677	6,188,152
Consultants and professional services	109,373	223,900
Other outsourced services	175,375	218,220
Accommodation and property services	46,389	55,664
Printing, stationery and other office expenses	351,170	353,080
Information Technology	48,495	54,035
Other expenses	169,225	171,453
Total Operating Expenses	6,740,704	7,264,504

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.

4. Key assets available to support output delivery

Introduction

The Residential Tenancies Bond Authority (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.

Significant judgement: Classification of investments as 'key assets'

The Authority has made the judgement that investments are key assets utilised to support the Authority's objectives and 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.....	29
4.2 Investments and other financial assets.....	29
4.3 Ageing analysis of financial assets.....	30

4.1 Cash and deposits

Table 4.1.1 Financial Assets

Assets	Note	2018 \$	2017 \$
Financial assets			
Cash and deposits		6,422,158	3,160,098
TCV Investments		55,000,000	53,500,000
Total cash and deposits		61,422,158	56,660,098

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.

Table 4.2.1 Current investments and other financial assets

	2018	2017
	\$	\$
Current		
Managed investment scheme (a)	59,767,521	54,472,010
Total Current Investments	59,767,521	54,472,010
Non Current		
Term deposits greater than 12 months		
National Australia Bank investments	463,500,000	437,500,000
Westpac Banking Corporation investments	513,500,000	457,500,000
Commonwealth Bank of Australia investments	50,000,000	50,000,000
Total Non Current Investments	1,027,000,000	945,000,000
Total investments and other financial assets	1,086,767,521	999,472,010

Note:

(a) The Authority's funds are invested with the Victorian Funds Management Corporation (VFMC).

4.3 Ageing analysis of financial assets

Table 4.3.1 Ageing analysis of financial assets

	Carrying amount	Not past due and not impaired
	\$	\$
2018		
Financial Assets		
– Cash and deposits	61,422,158	61,422,158
– Managed investment scheme	59,767,521	59,767,521
– Term deposits	1,027,000,000	1,027,000,000
– Receivables (a)	4,646,687	4,646,687
Total	1,152,836,366	1,152,836,366
2017		
Financial Assets		
– Cash and deposits	56,660,098	56,660,098
– Managed investment scheme	54,572,010	54,572,010
– Term deposits	945,000,000	945,000,000
– Receivables (a)	4,364,146	4,364,146
Total	1,060,496,254	1,060,496,254

Note:

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

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.....	31
5.2 Payables	31
5.3 Maturity analysis of contractual financial liabilities	32
5.4 Other non-financial Assets	32
5.5 Commitments for expenditure	32

5.1 Receivables

Receivables consist of accrued investment income. Receivables are recorded at amortised cost, using the effective interest method.

The effective interest method is a method of calculating 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.

Table 5.1.1 Receivables

	2018	2017
	\$	\$
Current		
Accrued Investment Income – TCV Investment and Term deposits	4,646,687	4,364,146
	4,646,687	4,364,146

5.2 Payables

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus 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).

Table 5.2.1 Payables

	2018	2017
	\$	\$
Current		
Payables	708,540	957,217
	708,540	957,217

5.3 Maturity analysis of contractual financial liabilities

Table 5.3.1 Maturity analysis of contractual financial liabilities

	Carrying amount \$	Maturity Dates	
		At Call \$	Less than 1 month \$
2018			
Financial Liabilities			
– Bonds held for landlords and tenants	1,128,302,441	1,128,302,441	-
– Payables (a)	708,540	-	708,540
Total	1,129,010,981	1,128,302,441	708,540
2017			
Financial Liabilities			
– Bonds held for landlords and tenants	1,041,252,514	1,041,252,514	-
– Payables (a)	957,217	-	957,217
Total	1,042,209,731	1,041,252,514	957,217

Note:

(a) The total amounts disclosed here exclude statutory amounts (e.g. GST payable).

5.4 Other non-financial Assets

Other non-financial assets consist of prepayments paid to the Department of Justice and Regulation in anticipation of future costs.

5.5 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. On 8 August 2017, the contract was extended to 30 June 2021. The commitment disclosed represents the unspent portion of the contract.

Table 5.5.1 Total commitments payable

	2018	2017
	\$	\$
Outsourcing commitments		
Commitments for outsourced services (GST Exclusive)	31,001,530	36,842,207
Payable:		
Not longer than one year	6,417,100	6,417,100
Longer than one year and not longer than five years	24,584,430	30,425,107
Longer than five years	-	-
Total commitments (GST Exclusive)	31,001,530	36,842,207

Notes:

- (a) *The current estimate of services to be provided is based on the expected transaction volumes and system enhancements anticipated to take place in the 2018-19 financial year.*
- (b) *Any of the approved remaining unspent at the end of the contract represents a lesser transaction volume than anticipated and unspent allowance for contingencies.*

6. Financing operations

Introduction

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

Structure	Page
6.1 Bonds held for landlords and tenants.....	34
6.2 Cash flow information and balances	34

6.1 Bonds held for landlords and tenants

The *Residential Tenancies Act 1997* requires the bonds received by the Authority to be held in the Residential Bonds Account.

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

Table 6.1.1 Bonds held for landlords and tenants

	2018	2017
	\$	\$
Bonds brought forward	1,041,252,514	950,650,440
Bonds received	480,138,590	456,417,472
Bonds repaid	(393,088,663)	(365,815,398)
Total Residential Bonds Account	1,128,302,441	1,041,252,514

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

	2018	2017
	\$	\$
Cash and Cash Equivalents		
Cash at Bank	6,422,158	3,160,098
TCV Investment	55,000,000	53,500,000
Total Cash and Cash Equivalents	61,422,158	56,660,098
Restriction on use of cash		
Bonds held for landlords and tenants	47,088,133	44,676,643

Note:

(a) In addition to the cash and cash equivalents, the Authority has investments of \$1,087 million (2017: \$999.5 million), refer note 4.2

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

	2018	2017
	\$	\$
Net Result for the period	5,538,862	8,716,382
Non-cash movements:		
Net (gain)/loss on financial instruments	(2,657,074)	(2,131,588)
Distributions reinvested	(2,638,437)	(1,575,872)
Movements assets and liabilities		
Increase/(Decrease) in payables	(248,677)	72,194
(Increase)/Decrease in receivables	(282,541)	678,100
Net cash from/ (used in) operating activities	(287,867)	5,759,216

7. Risk, Contingencies and Valuation Judgements

Introduction

This note sets out financial instruments 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	36
7.2 Finance Risk management objectives and policies	38
7.3 Contingent assets and contingent liabilities	42
7.4 Fair Value determination.....	42
7.5 Managed investment scheme	44

7.1 Financial instruments specific disclosures

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.

The Authority's principle financial instruments comprise:

- Term deposits held with banks;
- Treasury Corporation of Victoria (TCV) Investment;
- Victorian Funds Management Corporation (VFMC) Investment;
- Cash at Bank;
- Receivables;
- Payables; and
- Bonds held for landlords and tenants.

Categories of Financial Instruments

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). The Authority recognises the following assets in this category:

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

Financial assets and 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 profit or loss 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.

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus 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).

Table 7.1.1 Financial instruments categorisation

			Carrying Amount 2018 \$	Carrying Amount 2017 \$
	Notes	Category		
Contractual Financial Assets				
Cash and deposits		Contractual financial assets - loans & receivables	6,422,158	3,160,098
		Contractual financial assets - loans & receivables	55,000,000	53,500,000
Total cash and deposits	4.1		61,422,158	56,660,098
Receivables	5.1	Contractual financial assets - loans & receivables	4,646,687	4,364,146
Managed investment scheme	4.2	Financial assets at fair value through net result	59,767,521	54,472,010
Term deposits	4.2	Contractual financial assets - loans & receivables	1,027,000,000	945,000,000
Total Contractual Financial Assets			1,152,836,366	1,060,496,254
Contractual Financial Liabilities				
Payables	5.2	Contractual financial liabilities amortised at cost	708,540	957,217
Bonds held for landlords and tenants	6.1	Contractual financial liabilities amortised at cost	1,128,302,441	1,041,252,514
Total Contractual Financial Liabilities			1,129,010,981	1,042,209,731

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, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 7.4 to the financial statements.

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 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.

Table 7.2.1 Credit quality of contractual financial assets that are neither past due nor impaired

	Notes	Government Agencies	Financial Institutions	Total
2018				
Financial assets				
Cash and deposits	4.1	55,000,000	6,422,158	61,422,158
Receivables (a)	5.1	4,646,687	-	4,646,687
Managed investment scheme	4.2	59,767,521	-	59,767,521
Term deposits	4.2	-	1,027,000,000	1,027,000,000
Total contractual financial assets		119,414,208	1,033,422,158	1,152,836,366
2017				
Financial assets				
Cash and deposits	4.1	53,500,000	3,160,098	56,660,098
Receivables (a)	5.1	4,364,146	-	4,364,146
Managed investment scheme	4.2	54,272,010	-	54,272,010
Term deposits	4.2	-	945,000,000	-
Total contractual financial assets		112,336,156	948,160,098	1,060,496,254

Note:

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

Credit Risk

Credit risk arises from the financial assets of the Authority, which comprise cash and deposits, and receivables.

The Authority's exposure to credit risk arises from the potential default of a counterparty 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 financial assets is minimal because all financial assets are held by TCV (AAA credit rating), Commonwealth Bank of Australia (AA- credit rating), National Australia Bank (AA- credit rating), Westpac Banking Corporation Limited (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).

Credit risk associated with receivables has been assessed as minimal, because all of the receivables are related to accrued interest from TCV, Commonwealth Bank of Australia, National Australia Bank, Westpac Banking Corporation Limited and VFMC.

As at the reporting date there is no event to indicate that any of the financial assets were impaired.

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

There was no material change to the Authority's Risk profile in 2017-2018.

Liquidity Risk

Liquidity risk arises when the Authority is unable to meet its 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, make payments within 30 days of resolution. It also continuously manages risk through monitoring future cash flows.

The Authority's exposure to liquidity risk is deemed insignificant based on data from prior periods and current assessment of risk.

The Authority manages its liquidity risk through its holdings of cash in Westpac Banking Corporation Limited and TCV. The VFMC investment can also be liquidated upon request.

Market risk

The Authority's exposure to market risk mainly arises from interest rate 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 2017-18 the Authority invested 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 5% of this Account.

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.

The Authority has exposure to cash flow interest rate risks through its cash deposits and term deposits.

Where interest rates move this impacts the interest income earned.

Table 7.2.2 Interest rate exposure of financial instruments

	Notes	Weighted average effective interest rate %	Carrying amount \$	Interest Rate Exposure		
				Variable Interest Rate \$	Fixed Interest Rate \$	Non- interest bearing \$
2018						
Financial assets						
Cash at bank		1.50%	6,422,158	6,422,158	-	-
TCV Investment		1.79%	55,000,000	55,000,000	-	-
Total cash and deposits	4.1		61,422,158	61,422,158		
Receivables	5.1		4,646,687	-	-	4,646,687
Managed investment scheme	4.2		59,767,521	-	-	59,767,521
Term deposits	4.2	2.66%	1,027,000,000	171,000,000	856,000,000	-
Total financial assets			1,152,836,366	232,422,158	856,000,000	64,414,208
Financial Liabilities						
- Bonds held for landlords and tenants	6.1		1,128,302,441	-	-	1,128,302,441
- Payables (a)	5.2		708,540	-	-	708,540
Total Financial Liabilities			1,129,010,981	-	-	1,129,010,981
2017						
Financial assets						
Cash at bank		1.54%	3,160,098	3,160,098	-	-
TCV Investment		1.97%	53,500,000	53,500,000	-	-
Total cash and deposits	4.1		56,660,098	56,660,098	-	-
Receivables	5.1		4,364,146	-	-	4,364,146
Managed investment scheme	4.2		54,472,010	-	-	54,472,010
Term deposits	4.2	2.64%	945,000,000	171,000,000	774,000,000	-
Total financial assets			1,060,496,254	227,660,098	774,000,000	58,836,156
Financial Liabilities						
- Bonds held for landlords and tenants	6.1		1,041,252,514	-	-	1,041,252,514
- Payables (a)	5.2		957,217	-	-	957,217
Total Financial Liabilities			1,042,209,731	-	-	1,042,209,731

Note:

(a) The total amounts disclosed here exclude statutory amounts (e.g. GST payable).

Table 7.2.3 Interest rate risk sensitivity

	Carrying amount	-100 basis points		+100 basis points	
		Net result	Available-for-sale revaluation surplus	Net result	Available-for-sale revaluation surplus
2018					
Contractual financial assets					
Cash at bank (a)	6,422,158	(64,222)	-	64,222	-
TCV investment (a)	55,000,000	(550,000)	-	550,000	-
Term deposits (a)	171,000,000	(1,710,000)	-	1,710,000	-
Total impact		(2,324,222)		2,324,222	
2017					
Contractual financial assets					
Cash at bank (a)	3,160,098	(31,601)	-	31,601	-
TCV investment (a)	53,500,000	(535,000)	-	535,000	-
Term deposits (a)	171,000,000	(1,710,000)	-	1,710,000	-
Total impact		(2,276,601)		2,276,601	

Note:

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

Equity Price Risk

The Authority is exposed to equity price risk through its investments in a managed investment scheme. 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 receives independent advice from its investment advisor.

Table 7.2.4 Other price risk sensitivity

	Carrying amount	-15%		+15%	
		Net result	Available-for-sale revaluation surplus	Net result	Available-for-sale revaluation surplus
2018					
Managed investment scheme	59,767,521	(8,965,128)	-	8,965,128	-
Total impact		(8,965,128)		8,965,128	
2017					
Managed investment scheme	54,472,010	(8,170,802)	-	8,170,802	-
Total impact		(8,170,802)		8,170,802	

7.3 Contingent assets and contingent liabilities

Contingent liabilities

There were no contingent liabilities at balance date (2017 Nil)

Contingent asset

There were no contingent assets at balance date (2017 Nil)

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:

- financial assets and liabilities at fair value through operating result.

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 determination of financial assets and liabilities

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

Level 1 – the fair value of financial instrument 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.

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 considers that the carrying amount of financial assets and financial liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short term nature of the majority of the financial instruments and the expectation that they will be paid in full.

The financial assets are determined to be either at level 1 of the fair value hierarchy or level 2.

These financial instruments include:

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

Table 7.4.1 Fair value of financial instruments measured at amortised cost

	Carrying amount 2018 \$	Fair value 2018 \$	Carrying amount 2017 \$	Fair value 2017 \$
Financial assets				
Cash at bank	6,422,158	6,422,158	3,160,098	3,160,098
TCV investment	55,000,000	55,000,000	53,500,000	53,500,000
Receivables (a)				
– Accrued investment income	4,646,687	4,646,687	4,364,146	4,364,146
Managed Investment scheme	59,767,521	59,767,521	54,472,010	54,472,010
Term deposits	1,027,000,000	1,027,000,000	945,000,000	945,000,000
Financial liabilities				
Bonds held for landlords and tenants	1,128,302,441	1,128,302,441	1,041,252,514	1,041,252,514
Payables	708,540	708,540	957,217	957,217

Note:

(a) Fair value of financial instruments measured at amortised cost.

7.5 Managed investment scheme

The fair value of managed investment scheme is determined using inputs other than quoted prices that are observable either directly or indirectly and the Authority categorises these Investments as level 2.

Table 7.5.1 Reconciliation of level 2 fair value movements

	Available-for-sale Financial assets		Total	
	Managed investment scheme			
	2018 \$	2017 \$	2018 \$	2017 \$
Opening Balance	54,472,010	23,264,550	54,472,010	23,264,550
Total gains or losses recognised in:				
- Net result	2,657,074	2,131,588	2,657,074	2,131,588
- Distributions	2,638,437	1,575,872	2,638,437	1,575,872
Purchases	-	27,500,000	-	27,500,000
Settlements	-	-	-	-
Closing Balance	59,767,521	54,472,010	59,767,521	54,472,010
Total gains or losses for the period included in profit or loss for assets held at the end of the period	2,657,074	2,131,588	2,657,074	2,131,588

8. Other Disclosures

Introduction

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

Structure	Page
8.1 Responsible Persons	45
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8.1 Responsible Persons

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

Responsible Persons

The names of persons who were Responsible Persons of the Authority for the financial year are as follows:

Minister for Consumer Affairs, Gaming & Liquor Regulation	The Hon. Marlene Kairouz, MP	1 July 2017 to 30 June 2018
Acting Minister for Consumer Affairs, Gaming & Liquor Regulation	The Hon. James Merlino, MP	18 July 2017 to 28 July 2017
	The Hon. Jaala Pulford, MP	5 December 2017 to 11 December 2017
	The Hon. Lisa Neville, MP	25 December 2017 to 9 January 2018
	The Hon. Martin Pakula MP	10 January 2018 to 14 January 2018
	The Hon. Martin Pakula MP	5 February 2018 to 17 February 2018
	The Hon. Martin Pakula MP	3 April 2018 to 5 April 2018
	The Hon. Liliana D'Ambrosio, MP	6 April 2018 to 8 April 2018
	The Hon. John Eren, MP	9 April 2018 to 10 April 2018
	The Hon. Jaala Pulford, MP	11 April 2018 to 17 April 2018

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 2018 were:

Director of Consumer Affairs Victoria	Mr Simon Cohen	1 July 2017 to 30 June 2018
Acting Director of Consumer Affairs Victoria	Dr Elizabeth Lanyon	27 September 2017 to 24 October 2017
	Dr Elizabeth Lanyon	8 November 2017 to 20 November 2017

Remuneration of Responsible Persons

Remuneration received, or due and receivable for:

Salary Range	2018	2017
	No.	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 Department of Parliamentary Services' Financial Report.

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 Justice and Regulation.

8.2 Remuneration of auditors

	2018	2017
	\$	\$
Victorian Auditor-General's Office Audit of the financial report	14,800	14,400

The external audit fee is included in Note 3.2 Other Expenses.

8.3 Related party transactions

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 received no funding from and made no payments to the Consolidated Fund.

The Authority made a discretionary transfer of \$18.7 million to the Residential Tenancies Fund managed by the Department of Justice and Regulation.

Key management personnel of the Authority includes the Portfolio Minister, the Hon. Marlene Kairouz, MP and the Director of Consumer Affairs Victoria who is the sole member of the Authority.

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 occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with the 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 Regulation. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

8.4 AAS issued that are not yet effective

Certain new AAS have been published that are not mandatory for the 30 June 2018 reporting period. The Department of Treasury and Finance assesses the impact of all these new standards and advises the Authority of their applicability and early adoption where applicable.

As at 30 June 2018, the following AAS have been issued by the AASB but not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as follows:

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on the Authority's financial statements
<i>AASB 9 Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedge accounting model and a revised impairment loss model to recognise expected impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. The initial application of AASB 9 is not expected to significantly impact the financial position however there will be a change to the way financial instruments are classified and new disclosure requirements.
<i>AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial</i>	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on the Authority's financial statements
<i>Instruments]</i>	periods beginning on or after 1 January 2018, and to amend reduced disclosure requirements.		
<i>AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
<i>AASB 15 Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i> has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.
<i>AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15</i>	Amends the measurement of trade receivables and the recognition of dividends as follows: <ul style="list-style-type: none"> • Trade receivables that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. • Dividends are recognised in the profit and loss only when: <ul style="list-style-type: none"> • the entity's right to receive payment of the dividend is established; • it is probable that the economic benefits associated with the dividend will flow to the entity; and • the amount can be measured reliably. 	1 Jan 2018, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on the Authority's financial statements
AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 for for-profit entities to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2016-7 <i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 Jan 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2017-18 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2017-3 Amendments to Australian Accounting Standards – Clarifications to AASB 4
- AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015 – 2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendments, Curtailment or Settlement

8.5 Glossary of terms and style conventions

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

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:

- (a) 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
- (b) 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:

- (a) A balance sheet as at the end of the period;
- (b) A comprehensive operating statement for the period;
- (c) A statement of changes in equity for the period;
- (d) A cash flow statement for the period;
- (e) Notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) Comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 *Presentation of Financial Statements*; and

- (g) 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 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 economic flows - other comprehensive income'.

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 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.

Payables

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

Receivables

Includes 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.

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 2017-18 *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.

8.6 Disclosure Index

The annual report of the Authority is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the Authority's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
Ministerial Direction & Financial Reporting Directions		
	Report of operations	Page 6
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	Page 5
FRD 22H	Purpose, functions, powers and duties	Page 25
FRD 8D	Departmental objectives, indicators and outputs	Page 6
FRD 22H	Initiatives and key achievements	Page 10
FRD 22H	Nature and range of services provided	Page 6
Management and structure		
FRD 22H	Organisational structure	Page 14
Financial and other information		
FRD 8D	Performance against output performance measures	
FRD 8D	Budget portfolio outcomes	
FRD 10A	Disclosure index	Page 53
FRD 12B	Disclosure of major contracts	
FRD 15E	Executive officer disclosures	Page 46
FRD 22H	Employment and conduct principles	Page 14
FRD 22H	Occupational health and safety policy	
FRD 22H	Summary of the financial results for the year	Page 20, 21
FRD 22H	Significant changes in financial position during the year	
FRD 22H	Major changes or factors affecting performance	
FRD 22H	Subsequent events	
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	Page 12
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	Page 14
FRD 22H	Statement on Competitive Neutrality Policy	
FRD 22H	Application and operation of the <i>Protected Disclosure 2012</i>	
FRD 22H	Application and operation of the <i>Carers Recognition Act 2012</i>	Page 14
FRD 22H	Details of consultancies over \$10 000	
FRD 22H	Details of consultancies under \$10 000	
FRD 22H	Disclosure of government advertising expenditure	
FRD 22H	Disclosure of ICT expenditure	Page 28
FRD 22H	Statement of availability of other information	
FRD 24D	Reporting of office based environmental impacts	

Legislation	Requirement	Page reference
FRD 25C	Victorian Industry Participation Policy disclosures	
FRD 29C	Workforce Data disclosures	
SD 5.2	Specific requirements under Standing Direction 5.2	Page 15
Compliance attestation and declaration		
SD 5.1.4	Attestation for compliance with Ministerial Standing Directions	Page 15
SD 5.2.3	Declaration in report of operations	Page 3
Financial Statements		
Declaration		
SD 5.2.2	Declaration in financial statements	Page 17
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	Page 15
SD 5.2.1(a)	Compliance with Ministerial Directions	Page 15
SD 5.2.1(b)	Compliance with Model Financial Report	Page 15
Other disclosures as required by FRDs in notes to the financial statements		
FRD 9B	Departmental Disclosure of Administered Assets and Liabilities by Activity	
FRD 11A	Disclosure of Ex gratia Expenses	
FRD 13	Disclosure of Parliamentary Appropriations	
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	Page 45
FRD 103G	Non Financial Physical Assets	
FRD 110A	Cash Flow Statements	Page 22
FRD 112D	Defined Benefit Superannuation Obligations	Page 28

Legislation

Residential Tenancies Act 1997

Freedom of Information Act 1982

Building Act 1983

Protected Disclosure Act 2012

Carers Recognition Act 2012

Victorian Industry Participation Policy Act 2003

Financial Management Act 1994