



RESIDENTIAL TENANCIES BOND AUTHORITY ANNUAL REPORT 2025-26

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Department of Government Services

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The Hon Tim Richardson MP
Minister for Consumer Affairs
MELBOURNE VIC 3000

Dear Minister,

Annual Report 2025-26

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 2026.

Yours sincerely,



Nicole Rich
Constituting Member
Residential Tenancies Bond Authority

14 October 2026

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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 2026, the Authority held 750,880 bonds, valued at \$1,644 million. This represents an increase of 2.0 per cent in the number of bonds since 30 June 2025, and an increase of 6.4 per cent in value.

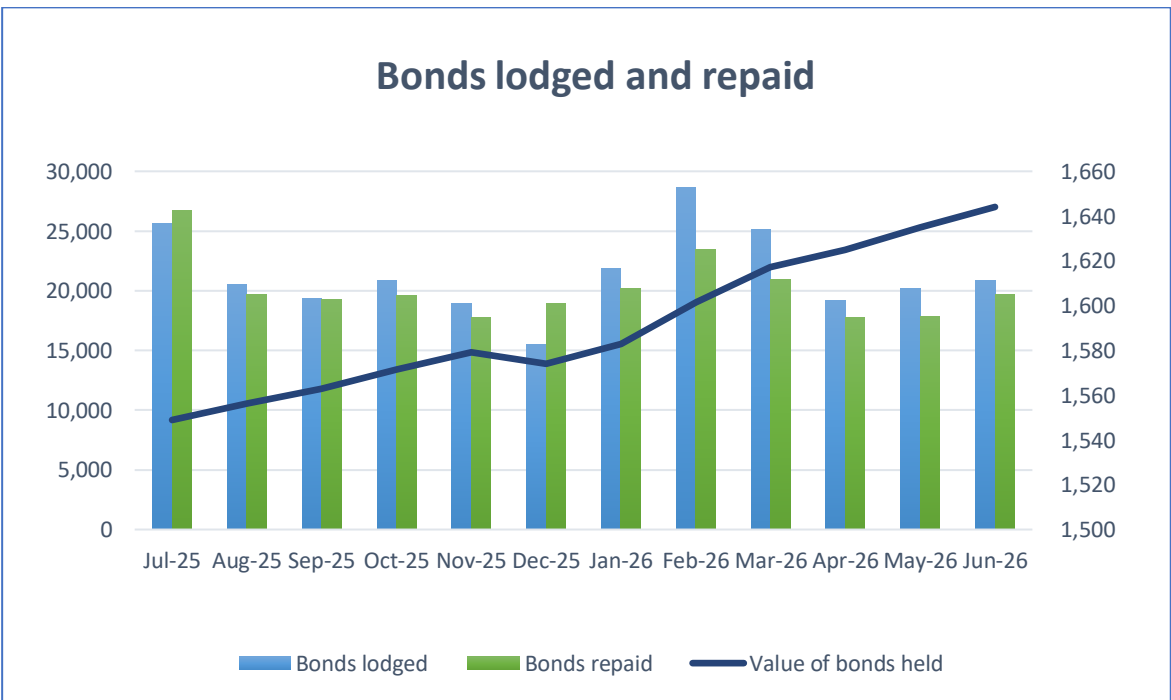
Bond money received by the Authority is held in the Residential Bonds Account.

As required by section 436 of the Act, interest earned on the bonds is paid to the Residential Bonds Investment Income Account, where it is applied to the costs of administering the Authority and to making contributions to the Residential Tenancies Fund. Transfers to the Residential Tenancies Fund during 2025-26 totalled \$26.00 million (compared to \$10.00 million in 2024-25).

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

Figure 1: Monthly lodgment and repayment of bonds

?



3. Operations and service levels objectives

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

- ninety-five per cent of all online bond transactions are processed on the same day;
- forms received by midday are processed within 2 business days; and
- bond repayments are made by a direct credit issued on the evening of the day of approval.

3.1 Key bond processes and achievements for the year

Bond lodgments

The Authority registered 256,627 bond lodgments in 2025-26 (an average of 4,935 a week), compared with 245,125 in 2024-25 (an average of 4,714 a week).

During 2025-26 there was an increased use of electronic transactions to make lodgments, rising to 99.9 per cent in the last week of June 2026.

Bond repayment claims

The Authority repaid 246,997 bonds in 2025-26 (an average of 4,750 a week) compared with 249,891 in 2024-25 (an average of 4,806 a week).

Most bond claims (96.4 per cent) were processed on agreement between the renter and the rental provider, and 3.6 per cent were made at the direction of the Victorian Civil and Administrative Tribunal (VCAT) or a court. From all of the repayments, 68 per cent of bonds were returned in full to the renters and 8 per cent in full to the rental provider, and 24 per cent of repayments were shared between the renter and rental provider.

Renters initiated 27,038 or 11 per cent of bond repayments in 2025-26, compared with 21,368 or 8.6 per cent in 2024-25.

During 2025-26 the use of electronic transactions to make repayment claims was 99.9 per cent in the last week of June 2026, compared with 94 per cent in 2024-25.

Most repayments (98.40 per cent) were issued as a direct credit to the payee's bank account on the same day as the repayment was approved. 0.05 per cent of repayments were issued by cheque, and a further 1.55 per cent were retained by the Authority due to the lack of a valid bank account number or a forwarding address (a retained repayment).

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

3.2 Transaction types

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

- 'Electronic Transactions' are paperless transactions undertaken through the Authority's transaction website. A rental provider registered with the Authority initiates the transaction by entering the transaction details. The system then sends an email to each renter, with a link to the transaction. An SMS is also sent to each renter where their mobile number has been provided. Using the link in the email, and after authentication, a renter can enter their response to the proposed transaction and provide other inputs, like the bank account details for bond repayments.

- Electronic Transactions operate like online banking, with no paper forms, no signatures to collect, and no need to provide a cheque or money order, as bond payments are collected through electronic funds transfer.
- Blank pre-printed paper forms are being phased out but are available upon request for those that do not have or cannot get internet access. These pre-printed forms are more likely to be rejected by the Authority as a result of poor legibility.

Most transactions have been able to be completed online for several years. Since 8 December 2025, all transactions have been made available online. Most Authority clients use the RTBA website, with over 99 per cent of all transactions being created online.

3.3 Transfers

Under the Act, the Authority must be notified if renters or a rental provider changes. In the year ended 30 June 2026, there were 108,101 bond transfers (an average of 2,079 a week) compared to 109,835 in 2024-25 (an average of 2,112 a week).

During 2025-26 the use of electronic transactions to transfer renters was 99.9 per cent in the last week of June 2026, compared with 97 per cent in 2024-25.

3.4 Enquiries

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

In 2025-26, the Authority received 89,316 calls and 37,043 emails, compared to 59,476 calls and 27,721 emails in 2024-25. There were 78,257 calls answered in 2025-26, compared to 55,272 in 2024-25.

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

3.5 SMS notifications

During 2025-26, the RTBA issued nearly 1.5 million SMS notifications to customers to support the bond lifecycle (compared with 1.35 million in 2024-25). These notifications included lodgment confirmations, repayment updates, claim notifications, reminders, and other service-related communications. SMS messaging remains an important channel for providing timely information to renters and rental providers, supporting customer engagement and facilitating the efficient administration of bond transactions.

SMS notifications	Volume
Lodgement confirmations	400,580
Repayment confirmations	310,627
Final repayment claim notifications	154,463
Reminder notifications	99,176
Bond termination notifications	49,789

Amendment confirmations	37,014
Claim notifications	34,208
Other transaction and account notifications*	413,527
Total issued	1,499,384

*Includes retained repayment notifications, cancellations, delays, change requests, rejection notices, email updates, renter transfer notifications and other service-related communications.

3.6 Receipts

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

On the RTBA website, renters can view the details of their own bond or transaction, including whether the bond has been lodged to the Authority (active), has been repaid (closed) or is awaiting a response from one of the parties to the bond. Through the RTBA website, registered rental providers are also provided with access details of all bond lodgments, repayments and transfers registered to their organisation, and a complete listing of their bonds.

3.7 RTBA website

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

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

All users of the RTBA website can:

- start bond claims;
- find outstanding bond repayments (retained repayments);
- obtain their bond number; and
- access general Authority information, including frequently asked questions.

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

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

- undertaking electronic transactions, including starting a new bond lodgment or transfer;
- searching across all bonds registered to the rental provider in a number of different ways; and
- a bond list showing all bonds registered to the rental provider.

The RTBA website complies with the Information Privacy Principles of the *Privacy and Data Protection Act 2014* and the confidentiality requirements of the Act.

4. Service enhancements

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

On 8 December 2025 the Authority established a new online registry and bond management system, modernising how it manages all bonds and associated records. The new system enables all rental bond transactions to be undertaken digitally and more securely, accelerating digital transformation and making it easier for users to engage with government.

All rental providers must register on the RTBA website to perform bond transactions. The Authority targeted communications to all rental providers assisting them to register with the RTBA. The new system also allows renters to pay their bond directly to the Authority, giving them peace of mind that their money is held securely, and has more payment options, making the process of lodging, transferring or claiming a bond simpler for everyone.

The Authority also engaged Community Information and Support Victoria (CISVic) to assist renters who have low digital literacy, which may be combined with other forms of vulnerability, to independently access essential services including the Authority's bond management system. Through this engagement CISVic provide practical, person-centred support to help clients overcome digital and access barriers. They are in addition to the other supports that the Authority and Consumer Affairs Victoria (CAV) provide to renters more generally.

5. Audit Committee membership and roles

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

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

Through 2025-26, the Audit Committee consisted of the following members:

- Chair (independent member) - John Ireson (1 July 2025 to 30 June 2026)
- Independent member - Anna Higgs (1 July 2025 to 30 June 2026)

- Authority representative - Melissah Broadbent, Department of Government Services (1 July 2025 to 30 June 2026)
- Independent member - Steven Wlazly, Department of Government Services (1 July 2025 to 30 June 2026).

6. Other activities

Other activities of the Authority in 2025-26 included:

6.1 Compliance

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

6.2 Education

The Authority educated rental providers and renters, to help ensure they understood their rights and responsibilities, and the Authority and its procedures. During 2025-26, education activities included written advice to rental providers on the RTBA website capabilities and the benefits of registering with the RTBA and using electronic transactions.

6.3 Website

The CAV website ([Residential Tenancies Bond Authority - Consumer Affairs Victoria](#)) 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 the RTBA website. This website is operated by the Department and provides information about the Authority in the context of all residential tenancy interactions between renters and rental providers.

6.4 Outsourced services

Since it was established in 1998, the Authority has outsourced its registry and bond management services, including the receipt, registration, transfer and repayment of bonds.

During the year up until 5 December 2025, Capgemini Australia Pty Ltd maintained the Authority's target performance levels, including processing 99 per cent of transactions on the day of receipt.

From 8 December 2025, the Authority's new bond management system became operational and was supported by the Department of Government Services and 8Squad Pty Ltd. From 8 December 2025, all bond transactions were made available on the RTBA website.

6.5 The Government's Portable Rental Bonds Scheme

In 2023, the Victorian Government (the Government) released its Housing Statement, The decade ahead: 2024-2034. The plan set out a range of priorities and commitments to improve housing supply and affordability in Victoria, including to introduce the Portable Rental Bonds Scheme.

The Department of Government Services is responsible for establishing and administering the Portable Rental Bond Scheme. During the 2025-26 year, the Authority worked closely with the Department to implement the scheme. The scheme helps eligible renters avoid having to pay

two bonds at once by allowing them to transfer their existing bond to a new rental property while waiting for their previous bond to be returned. The scheme is optional and was successfully implemented on 1 July 2026 through the RTBA website. Renters apply to port their bond directly through the RTBA website making the process quick and easy. Existing processes for ending a rental agreement, making a claim on a bond or resolving a bond dispute have not changed and rental providers remain fully protected if they need to make a bond claim.

7. Length of Tenancy

For bonds repaid in 2025-26, the median duration of the tenancy was 630 days, compared to 642 for 2024-25.

Active bonds on 30 June 2026 had a median duration of tenancy of 717 days, compared to 737 days at 30 June 2025.

Other statistical information on residential tenancies is available in the Rental Report produced by Homes Victoria, available at <https://www.dffh.vic.gov.au/publications/rental-report>. This report includes information (other than persons' names) supplied to Homes Victoria under section 431 of the Act.

8. Freedom of Information

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

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

The *Freedom of Information Act 1982* allows the public a right of access to other documents held by the Authority. In the 12 months ended 30 June 2026, the Authority received 54 Freedom of Information request from the general public.

8.1 Making a request

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

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

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

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

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

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

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

9. Operation of the Residential Tenancies Bond Authority

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

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

Section 429 of the Act establishes the Authority as a body corporate constituted by the Director of Consumer Affairs Victoria. The Authority has no other members and employs no staff. The Authority is reliant on the staff and resources of the Department and contracted services, with the cost of these inputs being met from the Authority's Residential Bonds Investment Income Account.

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

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

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

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

10. Compliance information

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

10.1 Compliance with the Building Act 1993

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

10.2 Privacy and Data Protection Act 2014

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

10.3 Application of merit and equity principles

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

10.4 Compliance with the Public Interest Disclosures Act 2012

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

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

11. Attestation for financial management compliance with Standing Direction 5.1.4

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

A handwritten signature in black ink, appearing to read 'N. Rich', is enclosed in a thin black rectangular border.

Nicole Rich
Constituting Member
Residential Tenancies Bond Authority

Financial Statements

How this report is structured

The Residential Tenancies Bond Authority (the Authority) has presented its audited general-purpose financial statements for the financial year ended 30 June 2026 in the following structure, to provide users with the information about the Authority's stewardship of resources entrusted to it.

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Declaration in financial statement

The attached financial statements for the Residential Tenancies Bond Authority have been prepared in accordance with Direction 5.2 of the Standing Directions of the 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 2026 and financial position of the Authority as at 30 June 2026.

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 8 October 2026.



Nicole Rich

Accountable Officer
Residential Tenancies Bond Authority

Melbourne
8/10/2026



Barry Lowe

Acting Chief Finance and Accounting Officer
Residential Tenancies Bond Authority

Melbourne
8/10/ 2026

Independent Auditor's Report



Victorian Auditor-General's Office

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 2026 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including material accounting policy information • declaration in the financial statements. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards- Simplified Disclosures.</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 (including Independence Standards)</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Other information	<p>The Constituting Member is responsible for the other information, which comprises the information in the Authority's annual report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.</p> <p>My opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.</p> <p>If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.</p>

The Constituting Member's responsibilities for the financial report	<p>The Constituting Member of the Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures 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	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Constituting Member • conclude on the appropriateness of the Constituting Member's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

Auditor’s responsibilities for the audit of the financial report (continued)	<ul style="list-style-type: none">• 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
13 October 2026


Sanchu Chummar
as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement

For the financial year ended 30 June 2026

	Note	2026 \$000	2025 \$000
Income from transactions			
Interest income	2.2.1	48,508	37,916
Other income	2.2.2	72,499	26,573
Total income from transactions		121,007	64,489
Expenses from transactions			
Operating expenses			
Employee expenses	3.2	7,376	4,933
Other operating expenses	3.3	13,887	9,511
Payment to the Residential Tenancies Fund	3.4	26,000	10,000
Depreciation and amortisation	4.2	2,028	0
Total expenses from transactions		49,291	24,444
Net result from transactions (net operating balance)		71,716	40,045
Other economic flows included in net result			
Net (loss)/gain on financial instruments	7.3.1	(13,927)	24,069
Net result		57,789	64,114
Comprehensive result		57,789	64,114

The accompanying notes form part of these financial statements.

Notes:

- (a) This format is aligned to **AASB 1049 Whole of Government and General Government Sector Financial Reporting**
- (b) 'Net gain/(loss) on financial instruments' includes unrealised and realised gains/(losses) from fair value measurement, impairments and reversals of impairment, and gains/(losses) from disposals of financial instruments, except when these are taken through the financial assets at fair value through other comprehensive income.

Balance Sheet

As at 30 June 2026

	Notes	2026 \$000	2025 \$000
Assets			
Financial assets			
Cash and deposits	6.2	211,244	164,272
Receivables	5.1.1	7,483	5,078
Investments and other financial assets	4.1.1	1,637,234	1,532,919
Total financial assets		1,855,961	1,702,269
Non-financial assets			
Intangible assets	4.2	18,256	16,936
Total non-financial assets		18,256	16,936
Total assets		1,874,217	1,719,205
Liabilities			
Payables	5.2.1	728	2,389
Bonds held for rental providers and renters	6.1	1,644,068	1,545,184
Total liabilities		1,644,796	1,547,573
Net assets		229,421	171,632
Equity			
Accumulated surplus		229,421	171,632
Net worth		229,421	171,632

The accompanying notes form part of these financial statements.

Note:

(a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Cash Flow Statement

For the financial year ended 30 June 2026

	Notes	2026 \$000	2025 \$000
Cash flows from operating activities			
Receipts			
Interest received		47,875	37,142
Other receipts		2,256	2,015
Total receipts		50,131	39,157
Payments			
Payments to suppliers and employees		(24,696)	(16,501)
Payments to the Residential Tenancies Fund		(26,000)	(10,000)
Total payments		(50,696)	(26,501)
Net cash flows from/(used in) operating activities		(565)	12,656
Cash flow from investing activities			
Proceeds from disposal of/ (payment for) investments		(48,000)	(47,860)
Purchase of non-financial assets		(3,347)	(4,697)
Net cash flows from/(used in) investing activities		(51,347)	(52,557)
Cash flow from financing activities			
Bonds received	6.1	653,130	630,314
Bonds repaid	6.1	(554,246)	(540,645)
Net cash flows from/(used in) financing activities		98,884	89,669
Net increase/(decrease) in cash and cash equivalents		46,972	49,768
Cash and cash equivalents at the beginning of the financial year		164,272	114,504
Cash and cash equivalents at the end of the financial year	6.2	211,244	164,272

The accompanying notes form part of these financial statements.

Notes:

(a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Statement of Changes in Equity

For the financial year ended 30 June 2026

	Accumulated Surplus \$000	Total \$000
Balance at 30 June 2024	107,518	107,518
Net result for the year	64,114	64,114
Balance at 30 June 2025	171,632	171,632
Net result for the year	57,789	57,789
Balance at 30 June 2026	229,421	229,421

The accompanying notes form part of these financial statements.

(a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

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
121 Exhibition Street
Melbourne VIC 3000

Basis of preparation

These financial statements are Tier 2 general purpose financial statements prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101).

These financial statements are in Australian dollars, and the historical cost convention is used unless a different measurement basis is specifically disclosed in the notes to the financial statements.

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 AAS 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. There is no entity consolidated into the Authority.

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

Compliance information

These general-purpose financial statements have been prepared in accordance with the FMA and applicable Australian Accounting Standards (AASs), which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AASs 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.

2. Funding delivery of our services

Introduction

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

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

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

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

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

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

Structure	Page
2.1 Summary of Income that funds the delivery of our services.....	27
2.2 Income from transactions	27

2.1 Summary of Income that funds the delivery of our services

	Notes	2026 \$000	2025 \$000
Interest income	2.2.1	48,508	37,916
Other income	2.2.2	72,499	26,573
Total income from transactions		121,007	64,489

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

2.2 Income from transactions

2.2.1 Interest Income

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

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

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

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

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

2.2.2 Other Income

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

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

Other income includes amounts of unclaimed money less than \$20 and distributions from the Victorian Funds Management Corporation (VFMC) Growth Fund of \$71.93 million which were reinvested in the fund (2025: \$26.26 million).

3. The cost of delivering services

Introduction

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

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

3.1 Expenses incurred in delivery of services

	Notes	2026 \$000	2025 \$000
Employee expenses	3.2	7,376	4,933
Other operating expenses	3.3	13,887	9,511
Payments to the Residential Tenancies Fund	3.4	26,000	10,000
Total expenses incurred in delivery of services		47,263	24,444

3.2 Employee expenses

	2026 \$000	2025 \$000
Salaries, wages and overtime	6,843	4,247
Superannuation	330	390
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	203	286
Staff training	-	10
Total employee expenses	7,376	4,933

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

The Authority reimburses the Department for employee benefits expenses incurred for those employees working for the Authority.

Superannuation Contribution

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The Authority does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

The Authority's functions are undertaken by staff from the Department of Government Services (DGS). The Authority employs no staff but reimburses the DGS on a time and cost basis for the staff inputs provided to the Authority. Under this arrangement, the Department reports outstanding superannuation information.

Employee benefits in the balance sheet

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

3.3 Other operating expenses

	2026	2025
	\$000	\$000
Supplies and services		
Outsourced registry services	4,221	5,573
Consultants and professional services	3,104	205
Other outsourced services	3,287	2,263
Accommodation and property services	22	12
Printing, stationery and other office expenses	83	57
Information technology	2,026	616
Other expenses	1,144	785
Total operating expenses	13,887	9,511

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. Included in 2026 is expenditure of \$4.36m incurred in establishing the Portable Rental Bonds Scheme. Other operating expenses 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.

3.4 Payments to the Residential Tenancies Fund

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

4. Key assets available to support output delivery

Introduction

The Authority controls assets 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 services.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

Structure	Page
4.1 Investments and other financial assets	30
4.2 Intangible assets.....	31

4.1 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 is recognised in the net result from transactions. Refer to Notes 7.1 for the classification and measurement policies of other types of investments.

4.1.1 Investments and other financial assets

	2026	2025
	\$000	\$000
Non-Current investments and other financial assets		
Managed investment scheme (a)	711,684	535,369
Term deposits		
National Australia Bank investments (b):	287,500	393,500
Westpac Banking Corporation investments (b):	638,050	604,050
Total non-current investments and other financial assets	1,637,234	1,532,919
Total investments and other financial assets	1,637,234	1,532,919

Notes:

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

4.2 Intangible Assets

The Authority developed a new registry system and capitalised the software development costs on 8 December 2025. Development of the new system commenced in May 2022 and was completed in December 2025. The new registry system is operational, has a useful life of five years and is amortised from 1 January 2026.

	Computer software		Work in progress		Total	
	2026	2025	2026	2025	2026	2025
	\$000	\$000	\$000	\$000	\$000	\$000
Gross carrying amount						
Opening balance	-	-	16,936	12,239	16,936	12,239
Additions	-	-	3,348	4,697	3,348	4,697
Disposals	-	-	-	-	-	-
Transfer in/(out) of work in progress	20,284	-	(20,284)	-	-	-
Closing Balance	20,284	-	-	16,936	20,284	16,936
Accumulated amortisation and impairment						
Opening balance	-	-	-	-	-	-
Amortisation of intangible produced assets	(2,028)	-	-	-	(2,028)	-
Disposals	-	-	-	-	-	-
Closing Balance	(2,028)	-	-	-	(2,028)	-
Net book value at end of financial year	18,256	-	-	16,936	18,256	16,936

Initial recognition

An **internally generated intangible asset** arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated, including:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible produced assets with finite useful lives are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of between three and five years.

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a straight-line basis over their useful lives. The amortisation period is three to five years.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

Significant intangible assets

The Authority has capitalised software costs for the development of its new Registry system which is being built by 8Squad. The carrying amount of the capitalised software expenditure is \$18.26 million (2025: \$16.94 million).

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 Other assets	32
5.2 Other liabilities	33

5.1 Other Assets

5.1.1 Receivables

	2026 \$000	2025 \$000
Contractual		
Accrued investment income – term deposits	4,248	3,615
Statutory		
Receivables	3,235	1,463
Total receivables	7,483	5,078

Note: All receivables are current assets

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

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. The Authority applies AASB 9 for initial measurement of

the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

5.2 Other Liabilities

5.2.1 Payables

	2026	2025
	\$000	\$000
Contractual		
Other payables	728	2,389
Total payables	728	2,389

Note: All contractual payables are current liabilities

Contractual payables: Classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Authority prior to the end of the financial year that are unpaid.

6. How we financed our operations

Introduction

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

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

Structure	Page
6.1 Bonds held for rental providers and renters	34
6.2 Cash flow information and balances	34
6.3 Commitments for expenditure	35

6.1 Bonds held for rental providers and renters

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

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

Bonds held for rental providers and renters

	2026 \$000	2025 \$000
Bonds brought forward	1,545,184	1,455,515
Bonds received	653,130	630,314
Bonds repaid	(554,246)	(540,645)
Total Residential Bonds Account	1,644,068	1,545,184

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:

The Authority's bank accounts are held in the Central Banking System (CBS).

	2026 \$000	2025 \$000
Cash and deposits disclosed in balance sheet (a)		
Cash at bank	211,244	164,272
Balance as per cash flow statement	211,244	164,272
Restriction on use of cash		
Bonds held for rental providers and renters	90,787	89,929

Note:

(a) In addition to the cash and cash equivalents, the Authority has investments of \$1,637 million (2025: \$1,533 million), refer note 4.1.1

6.3 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

The commitment disclosed represents the unspent portion of these contracts.

Table 6.3.1 Total commitments payable

Nominal amounts	Less than 1 year \$000	1-5 years \$000	5+ years \$000	Total \$000
2026				
Other commitments payable	6,345	353	-	6,698
Total commitments (inclusive of GST)	6,345	353	-	6,698
Total commitments (exclusive of GST)	5,768	321	-	6,089
2025				
Intangible assets commitments payable	4,901	-	-	4,901
Other commitments payable	6,220	3,404	-	9,624
Total commitments (inclusive of GST)	11,121	3,404	-	14,525
Total commitments (exclusive of GST)	10,110	3,095	-	13,205

7. Financial instruments, Contingencies and Valuation Judgements

Introduction

It is often necessary for the Authority to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, 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 Contingent assets and contingent liabilities	39
7.3 Fair value determination	39

7.1 Financial instruments specific disclosures

Introduction

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

Categories of financial assets

Financial assets at amortised cost

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

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

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

The Authority recognises the following assets in this category:

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

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired.

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

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

Categories of financial liabilities

Financial liabilities at amortised cost

Financial liabilities measured at amortised costs 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)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

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

7.1.1 Financial instruments - Net gain/(loss) on financial instruments by category

	Carrying Amount \$000	Net gain/(loss) \$000	Total interest income/ (expense) \$000	Fee income / (expense) \$000	Impairment loss \$000
2026					
Financial assets at amortised cost					
Cash and deposits	211,244	-	8,937	-	-
Receivables					
Accrued investment income (a)	4,248	-	-	-	-
Managed investment scheme	711,684	58,004	-	-	-
Term deposits	925,550	-	39,571	-	-
Total financial assets at amortised cost	1,852,726	-	-	-	-
Financial liabilities at amortised cost					
Payables					
Other payables (a)	728	-	-	-	-
Total contractual financial liabilities	728	-	-	-	-

	Carrying Amount \$000	Net gain/(loss) \$000	Total interest income/ (expense) \$000	Fee income / (expense) \$000	Impairment loss \$000
2025					
Financial assets at amortised cost					
Cash and deposits	164,272	-	6,975	-	-
Receivables					
Accrued investment income (a)	3,618	-	-	-	-
Managed investment scheme	535,369	50,332	-	-	-
Term deposits	997,550	-	30,941	-	-
Total financial assets at amortised cost	1,700,809	-	-	-	-
Financial liabilities at amortised cost					
Payables					
Other payables (a)	2,389	-	-	-	-
Total contractual financial liabilities	2,389	-	-	-	-

Note:

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

7.2 Contingent assets and contingent liabilities

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

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

Contingent assets

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

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

There were no contingent assets at balance date (2025: Nil).

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

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

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

There were no contingent liabilities at balance date (2025: Nil).

7.3 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.

Managed investments are carried at fair value.

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.

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- valuation techniques
- details of significant assumptions used in the fair value determination.

7.3.1 Fair Value determination of financial assets and liabilities

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

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

The Authority holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2025-26 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payables:
<u>Receivables:</u>	• For supplies and services
• Accrued investment income	
• Other receivables	
<u>Investments and other contractual financial assets:</u>	
• Managed investment scheme	
• Term deposits	

There have been no transfers between levels during the period.

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

Managed investment schemes:

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

Reconciliation of Level 2 fair value movements

	Financial assets at FVTPL	
	Managed investment scheme	
	2026	2025
	\$000	\$000
Opening Balance	535,369	365,132
Total gains or losses recognised in:		
- Net result	(13,927)	24,069
- Distributions re-invested	70,243	24,559
Purchases	120,000	121,609
Settlements	-	-
Closing balance	711,684	535,369
Total gains or losses for the period included in profit or loss for assets held at the end of the period	(13,927)	24,069

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	42
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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 persons who held the positions of Ministers and Responsible Persons of the Authority are as follows

Minister for Consumer Affairs	The Hon. Nick Staikos MP	1 July 2025 to 15 April 2026
Minister for Consumer Affairs and Renting	The Hon. Paul Edbrooke MP	15 April 2026 to 30 June 2026
Acting Minister for Consumer Affairs	The Hon. Melissa Horne MP	1 July 2025 to 25 July 2025
Acting Minister for Consumer Affairs	The Hon. Gabrielle Williams MP	24 December 2025 to 18 January 2026
Acting Minister for Consumer Affairs	The Hon. Danny Pearson MP	4 April 2026 to 11 April 2026

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 2026 were:

Director of Consumer Affairs Victoria	Ms Nicole Rich	1 July 2025 to 30 June 2026
Acting Director of Consumer Affairs Victoria	Ms Melissah Broadbent	24 January 2026 to 15 February 2026
Acting Director of Consumer Affairs Victoria	Mr David Joyner	29 December 2025 to 4 January 2026

Remuneration of Responsible persons

Remuneration received or receivable by responsible persons during the period:

	2026	2025
Salary Range	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 Annual Financial Report of the State of Victoria.

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

8.2 Related parties

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

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

Related parties of the Authority include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

Significant transactions with government-related entities

The Authority made discretionary transfers totalling \$26.0 million to the Residential Tenancies Fund managed by the Department (2025: \$10.0 million).

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

Transactions and balances with key management personnel and other related parties

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

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

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

8.3 Remuneration of auditors

	2026	2025
	\$	\$
Victorian Auditor-General's Office audit of the financial statements (a)	36,500	31,600
Total remuneration of auditors	36,500	31,600
The external audit fee is included in Note 3.3 Other Operating Expenses.		

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

8.4 Subsequent Events

On 1st July 2026, the Authority implemented the Portable Rental Bonds Scheme. The scheme helps eligible renters avoid having to pay two bonds at once by allowing them to transfer their existing bond to a new rental property while waiting for their previous bond to be returned. The scheme is optional and was successfully implemented on the 1 July 2026 through the RTBA website. Renters apply to port their bond directly through the RTBA website making the process quick and easy. Existing processes for ending a rental agreement, making a claim on a bond or resolving a bond dispute have not changed and rental providers remain fully protected if they need to make a bond claim.

8.5 Glossary of terms

Amortisation

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

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.

Department

Department of Government Services

Effective interest method

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

Employee benefits expenses

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

Financial asset

A financial asset is any asset that is:

- (e) cash;
- (f) an equity instrument of another entity;
- (g) 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
- (h) 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) 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 operating balance or net result from transactions

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

Net result

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

Net worth

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

Other economic flows included in net result

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

Operating result

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

Other economic flows- other comprehensive income

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

Payables

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

Receivables

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

Supplies and services

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

Transactions

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

8.6 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 *2025-26 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.