Department of Customer Service

NSW GOVERNMENT

Rental Bond Board Annual Report 2023-2024

Acknowledgement of Country

We acknowledge, respects and value Aboriginal peoples as the Traditional Custodians of the lands on which we live, walk and work. We pay our respects to Elders past and present. We recognise and remain committed to honouring Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships, and continuing connection to their lands, waters and seas. We acknowledge their history here on these lands and their rich contribution to our society.

We also acknowledge our Aboriginal employees who are an integral part of our diverse workforce, and recognise the knowledge embedded forever in Aboriginal and Torres Strait Islander custodianship of Country and cultures.

Rental Bond Board Annual Report 2023-2024

Published by the NSW Department of Customer Service

nsw.gov.au/customer-service

First published: November 2024

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Letter of submission

Department of Customer Service

The Hon. Anoulack Chanthivong MP
Minister for Better Regulation and Fair Trading
Member for Macquarie Fields
GPO Box 5341
SYDNEY NSW 2000

Re: Rental Bond Board Annual Report 2023-2024

Dear Minister,

I am pleased to submit the annual report for the NSW Rental Bond Board for the year ending 30 June 2024 for your information and presentation to the Parliament of New South Wales.

The annual report outlines the performance of the Rental Bond Board including the operational performance, key achievements, and regulatory obligations. It has been prepared in accordance with the *Government Sector Finance Act 2018* and the regulations under this Act.

Yours sincerely,

Natasha Mann

Chairperson, Rental Bond Board, Commissioner for Fair Trading

Contents

Chairperson's message

As the Commissioner for Fair Trading and Chairperson of the Rental Bond Board (the Board), I am pleased to present the Rental Bond Board Annual Report for 2023/24. This report highlights the significant achievements and progress made over the past year in delivering a high-quality rental bond service and grant program to support a fair and safe rental market in NSW.

NSW has the largest rental market in Australia with over one third of residents renting a home. The number of renting households has grown by over 17.5 per cent since 2016, and the 2021 Census shows renting is the fastest growing tenure.

NSW Fair Trading administers the Rental Bond Service, this includes the operation of the rental bonds system encompassing over $2 billion of held bonds for 969,000 households in NSW. The service facilitates over 650,000 bond transactions including lodgement and refunds of bonds and manages over 170,000 customer contacts per year. The service also includes secretariat of the Rental Bond Board and associated grants programs to support tenancy and consumer protection services. These programs fund not for profit, non-government organisations to provide critical consumer support services, delivering education, advice and advocacy services for tenants, retirement village residents, residential park residents, and consumers needing assistance with personal financial difficulties. In the reporting period, $28.2 million of grants were provided this included:

> The Tenants Advice and Advocacy Program (TAAP). The contribution to the program in the reporting period was $15.4 million. TAAP delivers advocacy, information and education services for tenants across NSW. Funded services prioritise service demands to ensure that vulnerable tenants are given priority, and provide a holistic approach, particularly in dealing with vulnerable tenants. During the period, the program assisted in the prevention of 1,947 evictions, and assisted in helping over 2,500 members of the community avoid homelessness.
>
> The Financial Counselling Services Program (FCSP). The contribution toward the program in the reporting period was $8 million. The FCSP funds the provision of free of charge financial counselling services across the state, via 24 generalist financial counselling services, 9 Aboriginal and Torres Strait Islander services and a statewide credit and debt hotline. Funded services assisted 22,459 clients which notably assisting 667 clients to avoid bankruptcy, 1,025 to retain housing and 2,864 report improved welfare and health.
>
> The No Interest Loan Scheme (NILS) is a nationally operated community-based program that helps low-income earners buy essential household items and services. The objective of the program is to provide an alternative to predatory lenders such as pawn brokers, payday lenders, buy now pay later schemes as well as providing education and referral pathways for low-income earners. The contribution to the program in the reporting period was $3.5 million. Over 87 per cent of loan recipients are tenants, with 45.7 per cent living in public housing.
>
> The Aged-Care Supported Accommodation Program (ACSAP). The objective of the program is to provide advocacy, information and education services for residents in supported accommodation across New South Wales, with particular emphasis for those people living in retirement villages. The contribution toward the program in the reporting period was $1.2 million, funding 6 full-time positions, providing 2,998 legal advice activities with the service conducting 27 legal cases and conducting 89 community education activities with 1,950 participants.
>
> The Retirement Village Residents Association (RVRA) is a volunteer organisation that exists to represent residents in retirement villages in NSW. The contribution towards the RVRA in the reporting period was $93,750. This enabled the continuing development of the RVRA Education Centre that includes online training modules, web content and other resources focusing on key areas of concern for village residents.

The NSW Government has committed to creating a fairer, more modern rental market. To support this, the Government appointed the state's first Rental Commissioner Ms Trina Jones in 2023. The Rental Commissioner works within Fair Trading and has responsibility for the rental bonds service.

The Government has also made reform commitments, including:

- Protecting renters from unfair evictions by requiring a reasonable ground to end a lease,
- Making it easier for renters to have pets in rental homes,
- Introducing new data protection requirements for renters' personal information, and
- Implementing a portable rental bond scheme.

The Government is working to deliver balanced rental reforms by engaging with landlords, renters and other stakeholders to seek their input on the development of these reforms. This includes a record breaking have your say consultation on rental reforms which included over 16,000 survey responses and 400 submissions as well as roundtables, forums, focus groups and engagement with over 70 organisations.

Work was also advanced in the development of a nation leading Portable Rental Bonds scheme. The scheme is a cost-of-living relief measure to make it easier for renters when moving by allowing eligible tenants to digitally transfer their existing bond to their new rental home. The model maintains the integrity of the bond system ensuring landlords have security while improving cashflow and reducing financial stress for renters. Work is underway to develop the scheme, and it will be available for rental bond customers in the second half of 2025.

NSW Fair Trading developed the Fair Trading strategy, which launched in 2024. This strategy outlines a vision for a 'fair and safe marketplace for goods, services, and homes in NSW'. Driven by Fair Trading's regulatory role, the vision aims to protect and empower consumers while ensuring businesses operate within a framework of fairness and transparency. Additionally, the strategy highlights key regulatory priorities to improve renting in NSW.

I extend my gratitude to the Board members for their contributions over the year in supporting the delivery of the rental bond system and grants program. I would also like to thank the dedicated teams who manage the rental bond system and provide support to the nearly 1 million customers who rely on the rental bond service every year.

Natasha Mann

Chairperson Rental Bond Board, Fair Trading Commissioner, Deputy Secretary Fair Trading and Regulatory Services

About this report

No external costs were incurred in the creation of the Rental Bond Board Annual Report 2023-2024. This report and the Department of Customer Service Annual Report 2023-2024 can be found at nsw.gov.au

1

Overview

1.1 About the Rental Bond Board

The Rental Bond Board (the Board) is a statutory body established in 1977 to act as the custodian of rental bonds for residential tenancies in New South Wales. In performing its role, the Board is subject to the control and direction of the Minister responsible for NSW Fair Trading. The powers and functions of the Board are set out in the *Residential Tenancies Act 2010* and its associated regulation.

1.2 Principal Functions

The Rental Bond Board has the following functions:

- Provide recommendations to the Secretary regarding grants or loans to be paid from the Rental Bond Interest Account as per s186(2d), for the following purposes:
  - (a) establishing and administering tenancy advisory services,
  - (b) schemes for the provision of residential accommodation,
  - (c) education about tenancy laws and the rights and obligations of landlords and tenants,
  - (d) research into matters relevant to the relationship of landlord and tenant,
  - (e) other activities for the benefit of landlords and tenants,
  - (f) other consumer protection purposes.

- Utilise funds from the Rental Bond Interest Account for the purposes of joint ventures for residential accommodation, only for the purpose of the development of land or in connection to providing residential accommodation(s180(2)). The powers are conditional on seeking approval of the Minister and concurrence of the Treasurer.

The Board is required to meet at least twice a year.

The Board does not have any employees. NSW Fair Trading provides secretariat support to the Board and administers the rental bond service. NSW Fair Trading operates within the Department of Customer Service. Information on the related management, human resources, business systems and financial administration is found in the Department of Customer Service Annual Report 2023/24.

1.3 Board membership, meetings, and structure

The Board comprises the following members:

- Commissioner for Fair Trading (as Chairperson).
- Representative of the Secretary of the Department of Communities and Justice.
- Representative of the Secretary of NSW Treasury.
- Two persons with experience in real estate or tenancy.

The term of appointment is three years. Board members are eligible for reappointment in accordance with Clause 2 of Schedule 1 of the *Residential Tenancies Act 2010*.

The Board members for the 2023-2024 financial year are set out in the table below.

Rental Bond Board Members	Term of appointment	Meetings attended
Mr Graeme Head (Chairperson) Secretary of the Department of Customer Service	Legislation	0 (Chairperson delegated to Commissioner for Fair Trading)
Ms Natasha Mann (Deputy of the Chairperson) Commissioner for Fair Trading	Delegate	5
Mr Ranit Ram Nominee for NSW Treasury	Nominee	5
Mr Humair Ahmad Nominee for Department of Communities and Justice	Nominee	5
Mr Leo Patterson Ross Tenants' Union of NSW	Ministerial appointment November 2021 - November 2024	6
Mr John Gilmovich The Property Owners Association NSW	Ministerial appointment – November 2021 November 2024	6

Table 1 Rental Bond Board Members 2023-2024

2
Strategy

2.1 Improving Renting in NSW

NSW is currently navigating significant challenges, including the ongoing cost of living and housing crises. As we move forward, NSW Fair Trading's role is more critical than ever in ensuring that the rights of consumers are protected and that businesses operate fairly and transparently. The NSW Fair Trading Strategy 2024-2027 sets a clear direction to ensure a fair and safe marketplace for goods, services and homes in NSW. The strategy delivers on the Governments agenda to improve and modernise renting in NSW.

Rental Bonds and tenancy

The Rental Bond Service is critical to ensuring a fair rental market in NSW. The Rental Bond Service enables bond monies that are paid by the tenant as security for the landlord against breaches of the tenancy agreement, to be held independently of both parties. It provides tenants with the certainty that their bond is available for refund at the end of their tenancy, while allowing landlords to recover funds where appropriate.

About the Rental Commissioner

The NSW Government is embarking on significant rental reforms to modernise and improve renting in NSW. On 11 July 2023, the NSW Government announced the appointment of Ms Trina Jones as the first NSW Rental Commissioner. The Rental Commissioner works within NSW Fair Trading in the Department of Customer Service.

The Commissioner's key functions include:

- leading consultation and drafting of legislation for fairer rental laws
- implementing a portable bond scheme
- identifying barriers to increasing housing supply for renting,
- identifying practices and gaps that erode the rights of renters
- leading initiatives including educational resources for renters and landlords to increase knowledge of their rights
- gathering data on renting, monitoring the impact of reforms and surveying renters to help inform future policy making; and,
- identifying ways to improve energy efficiency of rental homes.

The Rental Commissioner is working with renters, property providers, industry and across government to deliver a Fair, Quality, and Affordable rental experience in NSW. The Commissioner is also responsible for the administration of the rental bond service and provides secretariat support to the rental bond board.

Portable Rental Bonds

The Portable Rental Bonds Scheme is a cost-of-living relief measure to make it easier for renters when moving by allowing eligible tenants to digitally transfer their existing bond to their new rental home. The model maintains the integrity of the bond system ensuring landlords have security while improving cashflow and reducing financial stress for renters. The scheme is expected to be available to Rental Bond Online customers in the second half of 2025.

Bond Data

Rental Bond Data provides critical market information on what's happening in the rental sector in NSW. Deidentified rental Bond Data is provided to not for profits, academics and other government agencies to inform improved housing policy and tenancy support. The deidentified data set is also published periodically via the nsw.gov.au website.

2.1.1 Grants

Grants provided through the rental bond interest account provide critical support to not for profit, non-government organisations for the delivery of education, advice and advocacy services for tenants, retirement village residents, residential park residents and consumers needing assistance with personal financial difficulties. In the 2023/24 financial year, the Board contributed $28.2 million to community grants programs to non-government organisations (see section 3.2).

3

Operations and performance

3.1 Rental Bonds

A rental bond is money a tenant pays as security for a landlord against breaches of a tenancy agreement. Tenants, landlords and agents can manage or claim the bond online, over the counter at Service NSW or by mail.

Rental bonds held

As of 30 June 2024, 968,350 residential rental bonds were held in NSW. These were valued at $2.08 billion. The total number of bonds held increased by 0.7 per cent compared to 30 June 2023.

During the year, 323,026 new residential rental bonds were lodged, a decrease of 1.7 per cent from the previous financial year. The number of bonds refunded increased this year by three per cent to 316,200.

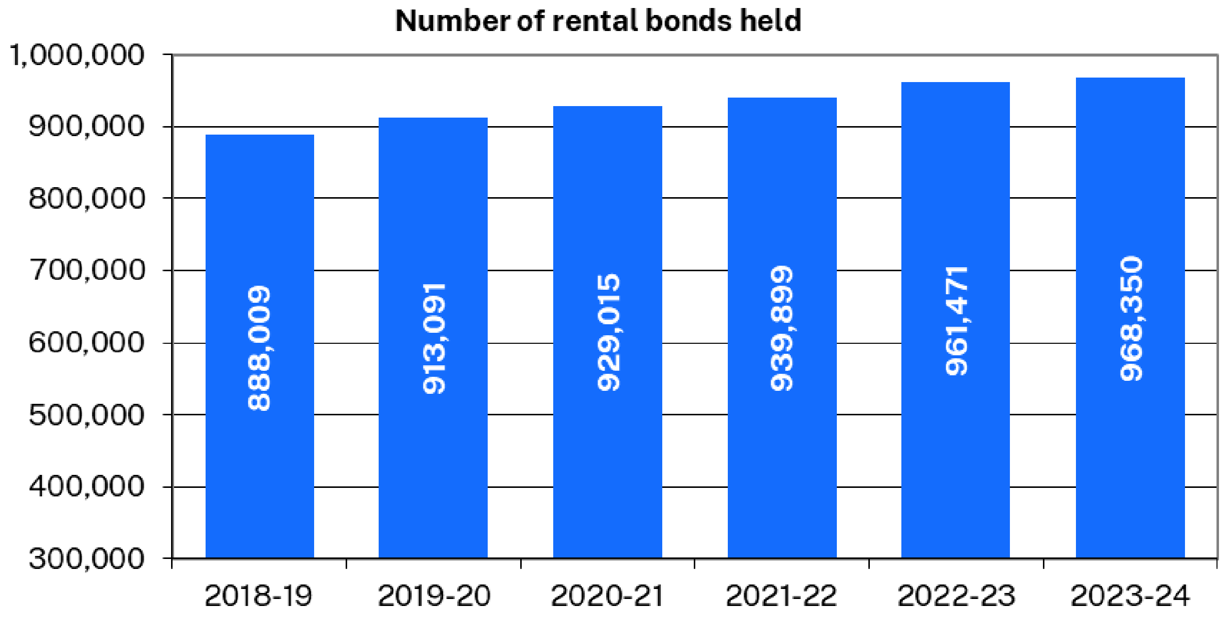

Figure 1 Number of rental bonds held.

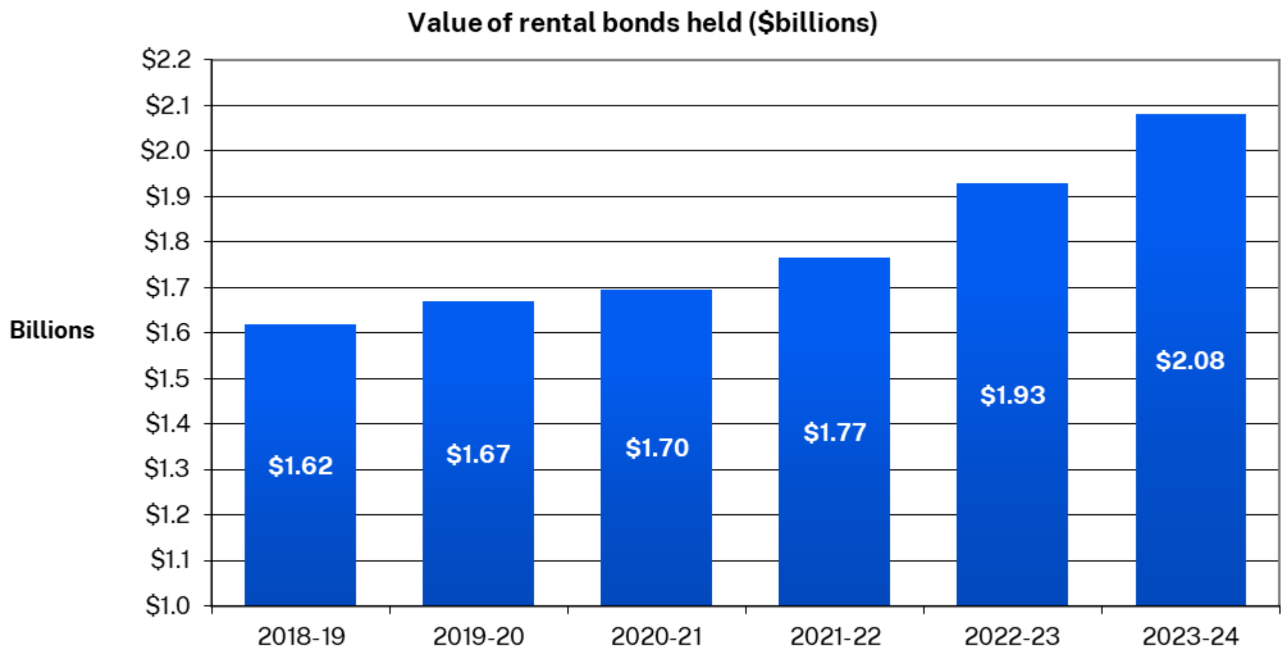

Figure 2 Value of rental bonds held.

Rental bond lodgements

During the 2023-2024 financial year, 323,026 new rental bond lodgements and 9,988 additional bonds (where a bond is paid by instalments) were received.

The total value of bonds receipted was $884.9 million. Bond lodgements were receipted and banked the day they were received in 99 per cent of cases.

Rental Bonds Online (RBO) allows agents and private landlords to lodge bonds electronically. An agent or landlord invites their tenant to complete the lodgement in RBO. This enables tenants to pay their bond directly to the Board by credit card or BPAY. In the reporting period, 86 per cent of bonds were lodged online.

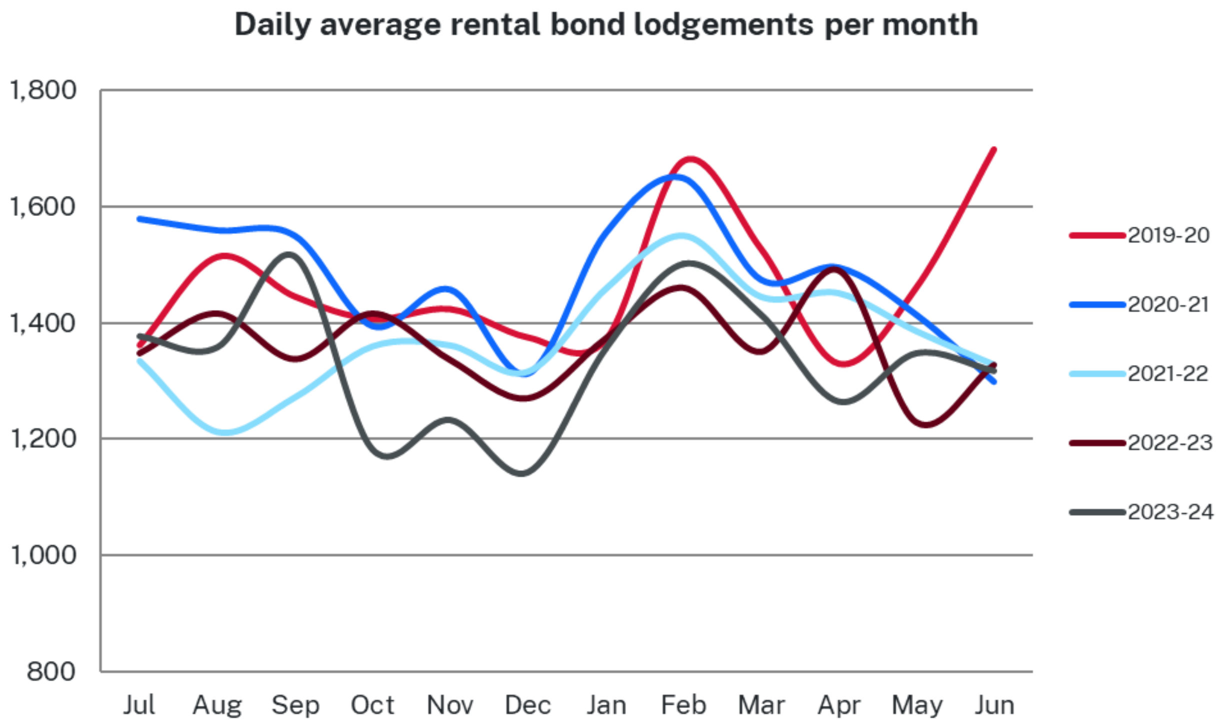

Figure 3 Daily average rental bond lodgements per month.

Rental bond refunds

In the 2023-2024 financial year, 316,200 residential rental bonds were refunded through 393,442 individual payments. Rental Bonds Online also allows agents to submit online claims for bonds previously lodged on paper forms. In the reporting period, 94 per cent of claims were lodged online.

Claims for rental bond refunds are classified in two main categories in accordance with the *Residential Tenancies Act 2010* (Part 8, Division 3 Release of rental bonds sections 167 and 168). The first is 'Agreed' claims where both parties have indicated their acceptance of the amount/s to be refunded to each party. The second is 'Notice' claims where one of the parties has not given consent to the refund and a statutory notice of claim is issued, allowing them 14 days to apply to NCAT or a court if they wish to dispute the claim.

Bond refunds paid to tenants and landlords

During the 2023-2024 financial year, 70.2 per cent of all refunds were agreed by the parties. In 27.3 per cent of cases, a notice of claim was issued but no dispute proceeded to NCAT. Bond refunds resulting from an order by NCAT following a dispute accounted for 1.6 percent. A further 0.9 per cent were refunded after an NCAT application was withdrawn prior to the hearing.

In accordance with NSW Fair Trading's guarantee of service to its customers, 99 per cent of all refunds were sent to the customers' bank account within two days of receiving an agreed rental bond claim.

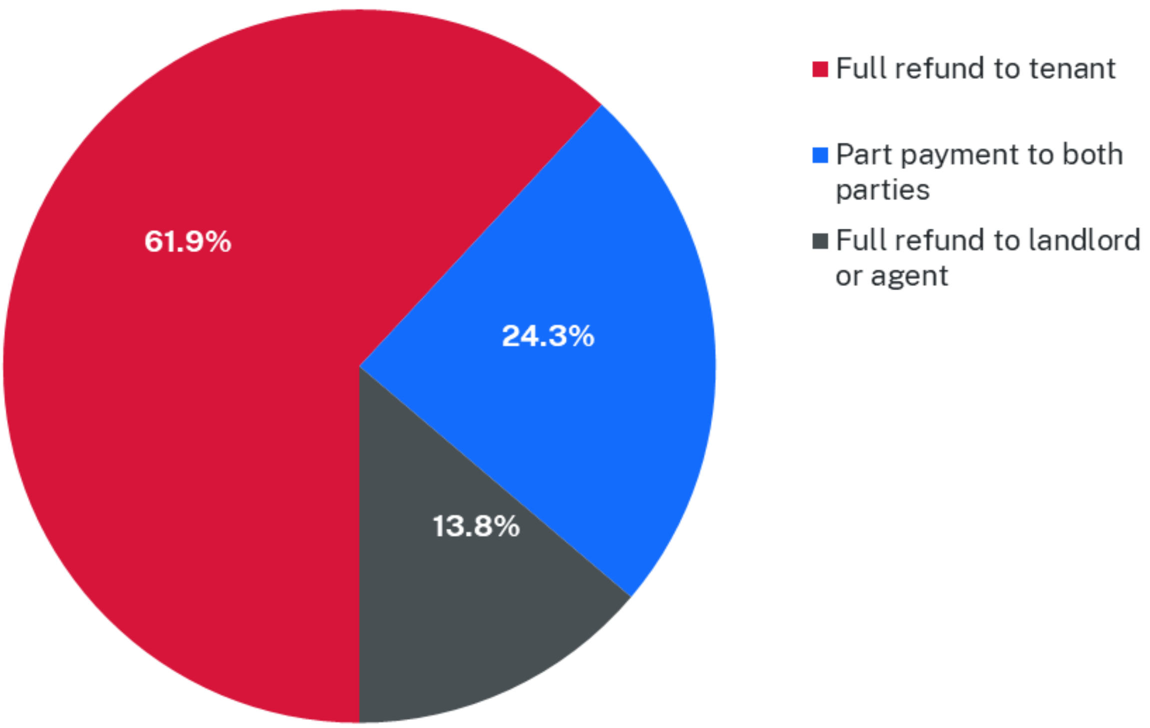

Figure 4 Bond refunds paid to tenants and landlords.

Length of tenancy

During the reporting period, 70 per cent of all bonds refunded had been held by the Board for more than 12 months, with 39.5 per cent of all bonds refunded being held for greater than two years.

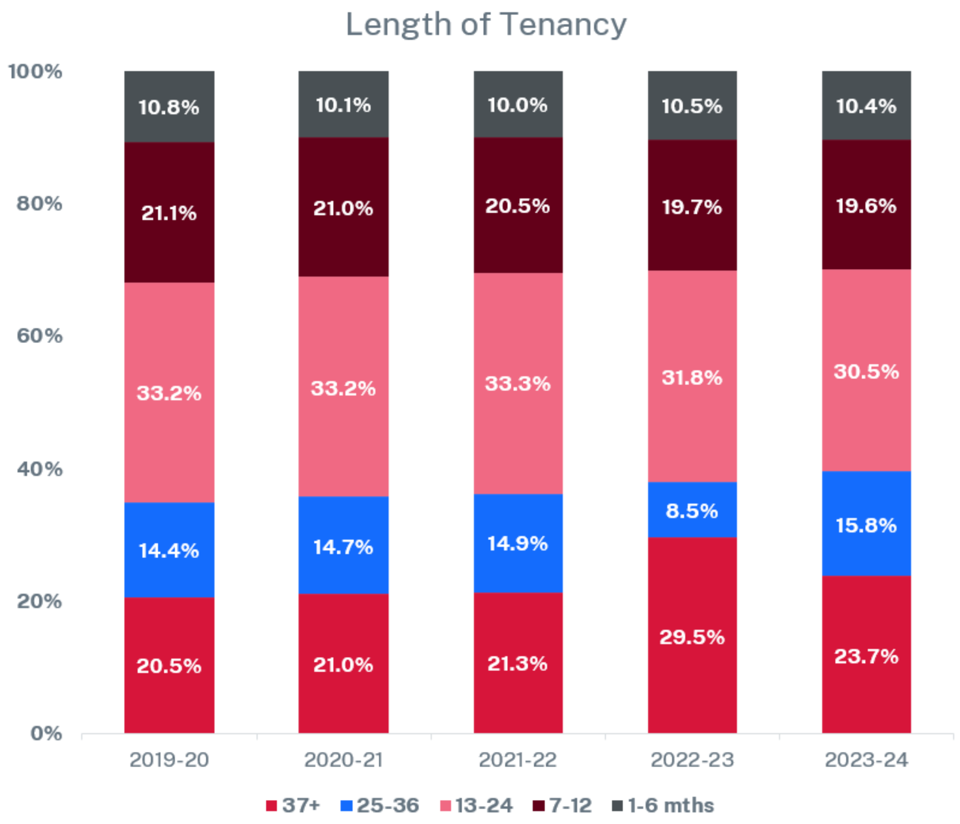

Figure 5 Length of tenancy

Supporting our customers

Property managers, landlords and tenants can access NSW Fair Trading's free tenancy complaint service and speak to experienced staff who will talk through the issues and where required contact the other party on their behalf to help negotiate an agreement.

In 2023-2024, NSW Fair Trading managed over 170,000 customer contacts relating to bonds, this includes:

- 340 residential bond complaints lodged by tenants;
- provided information resources for tenants, landlords and agents including fact sheets in 21 community languages
    - delivered community and industry education seminars, e-newsletters, and social media campaigns to raise awareness and understanding of the rights and responsibilities of landlords and tenants;
- provided a complaint and dispute resolution service for tenants, landlords and agents. This service assisted tenants and landlords to come to mutually agreeable solutions to resolve maintenance and repair issues, access to premises and provide information around rental increases and the service of notices.
- responded to 80,500 telephone calls through Service NSW from tenants, landlords and agents enquiring about residential rental bonds.

Digital services

In the reporting period, 86 per cent of lodgements and 94 per cent of claims were processed through RBO. This represents a two per cent and one per cent increase respectively from the previous reporting period. Use of this service within the property industry remains high with over 17,100 real estate agencies and property management offices registering since its launch in October 2015. Registrations of self-managing landlords also increased in the reporting period from 38,285 to 44,161.

The use of RBO as the preferred method for tenants and landlords to securely transact on residential bonds continues to increase.

Uptake of RBO regularly reached the target level of 90 per cent in the reporting period.

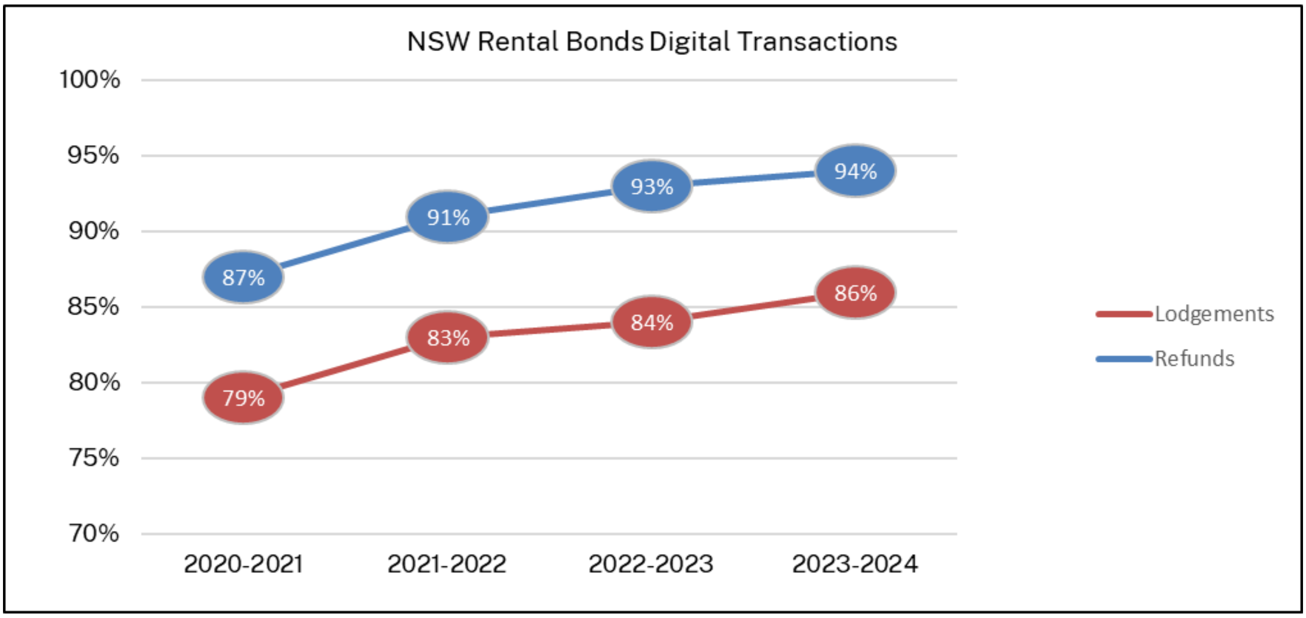

Figure 6 NSW Rental Bonds Digital Transactions

Fraud mitigation and security

NSW Fair Trading has stringent internal controls in place to identify any potential fraudulent or incorrectly processed transactions conducted through Rental Bonds Online (RBO). These controls include automatic alert emails and regular reviews conducted by the Business Risk and Control Officer.

Most of the transactions identified as potential misuse of RBO can be resolved by providing education to landlords and agents on the correct use of RBO and the transactions are reprocessed correctly. Where fraud is suspected, this is escalated to the Fair Trading enforcement team and relevant authorities as required for further investigation.

3.2 Grants and loans

On the recommendation of the Board, and the approval of the Minister, the Secretary as defined in the *Residential Tenancies Act* may make a grant or loan from the Rental Bond Interest Account for the following purposes:

- to establish and administer tenancy advisory services;
- to establish schemes for the provision of residential accommodation;
- to educate about tenancy laws and the rights and obligations of landlords and tenants;
- to research into matters relevant to the relationship of landlord and tenant, and other activities for the benefit of landlords and tenants or other consumer protection purposes.

Tenants' Advice and Advocacy Program

The Tenants Advice and Advocacy Program (TAAP) provides tenancy advice and advocacy services to tenants throughout NSW.

NSW Fair Trading is responsible for the administration of residential tenancy legislation and the program assists the Government to achieve its consumer protection and rental reform policy objectives.

The contribution to the program in the reporting period was $15.4 million funding 92 full-time positions across 15 generalist services, four Aboriginal and Torres Strait Islander services and two resource services. This enabled the service providers to provide tenancy advice and advocacy services, conducting 142,746 activities on behalf of 36,394 clients and opening 32,810 cases during the period. During the period, the program assisted in the prevention of 1,947 evictions, and assisted in helping over 2,500 members of the community avoid homelessness.

Financial Counselling Services Program

The Financial Counselling Services Program provides free-of-charge financial counselling by accredited counsellors. The objectives of the FCSP are to ensure consumers receive assistance in relation to credit and debt issues; consumers gain the ability, skills and knowledge to successfully manage their financial affairs; the impact of credit overcommitment of consumers in NSW is alleviated and that public education on matters relating to the management of personal finances is advanced.

The contribution toward the program in the reporting period was $8 million. funding 65.5 full-time positions across 24 generalist services, 9 Aboriginal and Torres Strait Islander Services and a credit and debt hotline.

These funds assisted 22,459 clients which resulted in 8,592 new cases during the period providing more than 73,058 individual activities on behalf of clients and assisting 667 clients avoid bankruptcy. In addition, services conducted 335 community education sessions with 8,643 participants.

No Interest Loan Scheme Program

The No Interest Loan Scheme (NILS) is a community managed microcredit state-wide program providing fee-free and interest-free loans. The loans are available to people on low incomes for the purchase of essential goods and services including fridges, washing machines and some educational and medical expenses.

The contribution toward the program in the reporting period was $3.5 million which provides 150 days per week for salaries and salary-related on-costs associated with the operation of NILS in NSW to 45 NILS Providers.

The NILS is operated nationally by Good Shepherd Microfinance with loan capital provided by the National Australia Bank. The Boards contribution enables the employment of community workers to deliver no interest loans in NSW.

Over 87 per cent of loan recipients are tenants, with 45.7 per cent living in public housing. The main source of income for recipients is government benefits (84 per cent) with essential household items (34 per cent) and vehicle expenses (27 per cent) being the main loan purposes.

Data relating to the scheme is published by Good Shepherd Microfinance.

Aged Care Supported Accommodation Program

The Board supports the Aged Care Supported Accommodation Program which is delivered by the Seniors Rights' Service. The Seniors Rights' Service, funded under the Aged Care Supported Accommodation Program provides advocacy, information, and education services for older residents in supported accommodation such as retirement villages, nursing homes, hostels, and boarding houses.

People who live in supported accommodation such as nursing homes, hostels, boarding houses and retirement villages are more vulnerable for reasons that include old age, health, physical disabilities, lack of knowledge of their rights, responsibilities and available options to resolve disputes. The program assists to improve the quality and standard of living through the provision of information, advocacy and educational programs. The Senior Rights' Service is the service funded to deliver the program.

The contribution toward the program in the reporting period was $1.2 million, funding 6 full-time positions, providing 2,998 legal advice activities with the service conducting 27 legal cases and conducting 89 community education activities with 1,950 participants.

Retirement Village Residents Association (RVRA)

The Retirement Village Residents Association is a volunteer organisation that exists to represent residents in retirement villages in NSW. It assists residents to understand their rights and obligations. The contribution towards the Retirement Village Residents Association in the reporting period was $93,750. This enabled the continuing development of the RVRA Education Centre that includes online training modules, web content and other resources focusing on key areas of concern for village residents.

3.2.1 Mascot Towers temporary accommodation assistance package

In June 2019, the NSW Government announced a temporary accommodation assistance package for residents affected by the evacuation of Mascot Towers. The package was set up to assist tenants and owner-occupiers to pay expenses for alternative accommodation costs whilst their apartments were unsafe to occupy.

Since this time, the Board has recommended several extensions to the assistance package as listed below:

- In August 2019, the Board recommended an extension of the package for up to six months.
- In March 2020, the Board recommended further extending the package up to 30 June 2020 and allocated an additional $1.1 million.
- In May 2020, the Board recommended an extension to 31 March 2021 and approved an additional $3 million subject to being provided with a copy of the final plan of works for the reoccupation of the building, three-monthly reviews, and satisfactory progress of milestones to ensure reoccupation by or before 31 March 2021.
- In February 2021, the Board recommended a fourth extension of the package to 30 September 2021 and allocated an additional amount of up to $2 million.
- In August 2021, the Board recommended a fifth extension of the package to 31 March 2022 and allocated an additional amount of up to $2 million.
- In March 2022, the Board recommended a sixth extension of the package to 30 June 2022 and allocated an additional amount of up to $1 million.
- In June 2022, the Board recommended a seventh extension of the package to 30 June 2023 and allocated an additional amount of up to $3.5 million.
- In June 2023, the Board recommended an extension of the package to 30 June 2024 and allocated an additional amount of up to $3.5 million. This assistance package is now complete.

3.2.2 Mascot Towers assistance package – owner-investor

On 19 June 2022, the NSW Premier announced consideration of establishing an assistance package for financial support for owner-investors of Mascot Towers.

- In July 2022, The Minister for Fair Trading approved the funding for an owner-investor support package of $6 million from the Rental Bond Board Interest Account.
- In May 2024, The Minister for Better Regulation and Fair Trading approved the continuation of the owner-investor support package to 30 June 2024 and allocated an additional $1.25 million from the Rental Bond Board interest account. This assistance package is now complete.

3.2.3 Additional funding provided by the Board

The Board also provides funding for the following in line with the Act:

- Costs or expenses incurred in administering the Act;
- Half the costs or expenses incurred in administering residential and social housing matters in the Consumer and Commercial Division of the NSW Civil and Administrative Tribunal (NCAT).

NSW Civil and Administrative Tribunal (NCAT)

NCAT is the main forum for resolving tenancy disputes between landlords and tenants in NSW.

NCAT oversees tenancy disputes in relation to payment of the rental bond, rent increases, unpaid rent, termination of the tenancy agreement, compensation, repairs and other breaches of the residential tenancy agreement.

The contribution to NCAT in the reporting period was $13.5 million.

3.3 Performance Highlights

NSW Fair Trading administers the Rental Bond System. Below are the performance highlights for the financial year:

- 99 per cent of all refunds were sent to the customers' bank account within two days of receiving an agreed rental bond claim.
- The high level of customer service standards for tenants, landlords and agents has resulted in minimal complaints. In the reporting period, NSW Fair Trading received 12 referrals from Ministerial Services. NSW Fair Trading confirmed that the issues were resolved with direct communication from staff to the customers to provide additional assistance with their transactions or additional information.
- 70.2 per cent of all refunds were agreed by the parties, while in 27.3 per cent of cases, a notice of claim was issued but no dispute proceeded to NCAT. Bond refunds resulting from an order by NCAT following a dispute accounted for 1.6 percent. A further 0.9 per cent were refunded after an NCAT application was withdrawn prior to the hearing. These statistics have remained consistent over the last four reporting periods.
- There were no known breaches of the Rental bonds system within the reporting period.

Residential rental bonds (financial year figures)				
	2020-21	2021-22	2022-23	2023-24
Refunds agreed to by tenants and landlord (percentage of total refunds)	71%	72.2%	69.9%	70.2%
Refunds involving a notice to claim but no dispute proceeded to the NSW Civil and Administrative Tribunal (NCAT) (percentage of total refunds)	26.6%	25.7%	27.4%	27.3%
Refunds that were the result of an order by NCAT (percentage of total refunds)	1.8%	1.9%	2%	1.6%
Refunds issued after NCAT application was withdrawn prior to hearing (percentage of total refunds)	0.6%	0.2%	0.7%	0.9%

Table 2 Residential rental bonds (Financial year figures)

4

Management and accountability

4.1 Employment statistics

The Board does not have employees. Section 47A of the *Constitution Act 1902* precludes the Board from employing staff.

NSW Fair Trading administers the rental bond service. The following section refers to the employment statistics related to these functions.

4.1.1 Human resources

NSW Fair Trading staff are employed by DCS, with DCS charging the Board for personnel services.

DCS People and Culture provide services and advice on human resources policies, industrial relations (including pay and conditions), recruitment, diversity and inclusion, safety, and wellbeing, conduct and behaviour, learning and development, analytics and workforce strategy.

The Department of Customer Service Annual Report 2023-2024 details human resources and industrial relations policies and practices.

4.1.1.1 Employment and senior executive statistics

Employment statistics

Staff by classification and grade	**2022**[1,2]		**2023**[1,2]		**2024**[1,2]	
Grade	Actual[3]	FTE[4]	Actual[3]	FTE[4]	Actual[3]	FTE[4]
Clerk Grade 3 - 4	30	27.8	33	31.4	33	30.55
Clerk Grade 5 - 6	16	15.9	13	13	19	19
Clerk Grade 7 - 8	5	5	5	5	5	5
Clerk Grade 9 - 10	2	2	2	2	1	1
Clerk Grade 11 - 12	1	1	2	2	3	3
Band 1	1	0.2	1	0.2	0	0

Table 3 Staff by classification and grade

Note 1: Statistics are based on Workforce Profile Census data as of 23 June 2022, 22 June 2023 and 20 June 2024
Note 2: All employees reported in 2022, 2023 and 2024 are appointed under the *Government Sector Employment Act 2013*.
Note 3: Actual staff numbers
Note 4: Full-time equivalent (FTE)

Employee related costs	2022	2023	2024
Executive[5]	$41,953	$47,827	$49,621
Non-Executive	$5,213,264	$5,991,407	$6,466,031
Total[6]	$5,255,217	$6,039,234	$6,515,652
Ratio Senior Executive	0.8%	0.8%	0.8%

Table 4 Employee related costs

Note 5: Band 1 salary apportioned at 20 per cent for Tenancy Unit
Note 6: There were no exceptional movements in wages, salaries, or allowances in 2024

Senior executive statistics

Senior Executive Band	2022[1,2,3]		2023[1,2,3]		2024[1,2,3]	
	Female	Male	Female	Male	Female	Male
Band 4 (Secretary)	-	-	-	-	-	-
Band 3 (Deputy Secretary)	-	-	-	-	-	-
Band 2 (Executive Director)	-	-	-	-	-	-
Band 1 Senior Officer (Director)[4]	0.2	0	0.2	0	-	-
Total	0.2		0.2		0.0	

Table 5 Senior Executive Statistics

Note 1: Senior Executive statistics exclude casuals, contractor/agency staff, statutory appointments, and staff on secondment to other agencies.
Note 2: Statistics are based on Workforce Profile Census data as of 23 June 2022, 22 June 2023 and 20 June 2024
Note 3: All employees reported in 2022, 2023 and 2024 are appointed under the *Government Sector Employment Act 2013*. Salary band based on current assignment including those on a temporary above level assignment for more than two months.
Note 4: Time and salary apportioned at 20 per cent

Senior Executive Band - Average Remuneration	2022[4]	2023[4]	2024[4]
Band 4 (Secretary)	N/A	N/A	N/A
Band 3 (Deputy Secretary)	N/A	N/A	N/A
Band 2 (Executive Director)	N/A	N/A	N/A
Band 1 Senior Officer (Director)[5,6]	$46,681	$47,614	N/A

Table 6 Senior Executive Band - Average Remuneration

Note 4: Salary ranges effective at the Workforce Profile census dates of 23 June 2022, 22 June 2023 and 20 June 2024
Note 5: There were no exceptional movements in wages, salaries, or allowances in 2024
Note 6: Average remuneration is based on 20 per cent apportioned for Tenancy unit

4.2 Consultants

No consultants were engaged in the reporting period.

4.3 Promotion

No overseas visits related to promoting investments in NSW in the reporting period.

4.4 Legislation

4.4.1 Legislation administered

The Board provides funding as per the *Residential Tenancies Act 2010* (the Act) and *the Residential Tenancies Regulation 2019*.

4.4.2 Legislative changes

The *Residential Tenancies Amendment (Rental Fairness) Bill 2023* received assent on 3 July 2023.

The following amendments to the *Residential Tenancies Act 2010* directly affecting the current or future operations of the Board commenced:

- Section 185 (1A) 'Amounts credited to the Rental Bond Account are held on trust by the Rental Bond Board' was included in the amended *Residential Tenancies Act 2010* which indicates the Board does not control rental bonds from tenants.
- New legislative power was enacted in the commencement of Section 186A 'Regulations may establish rental bond roll-over scheme' to accommodate pending implementation of the portable bond scheme.

4.4.3 Significant judicial decisions

The Board is a statutory body of DCS. Further information about significant judicial decisions can be found in the Department of Customer Service Annual Report 2023/2024.

4.4.4 Events after the reporting period

4.4.4.1 Legislative changes

The *Better Regulation Legislation Amendment (Miscellaneous) Act 2024 No 53* received assent on 20 August 2024.

The following amendments to the *Residential Tenancies Act 2010 No 42* directly affecting the current or future operations of the Board commenced:

- Section 178 “Members of Rental Bond Board”: was amended to clearly define that the Commissioner for Fair Trading is the Chairperson of the Board;
- Schedule 1 “Membership and procedure of Rental Bond Board”: - Clause 4 (5) was amended to – “the deputy of a member who is the Chairperson has the member’s functions as Chairperson and is taken to be Chairperson”.

4.5 Internal controls

NSW Fair Trading has systems and procedures to support the integrity and accountability for its business activities. A key feature of these systems is the segregation of duties.

Assurance activities are consolidated into a management assurance framework to provide ongoing confidence that the internal control environment is effective and operating as intended.

Assurance activities conducted during the year did not identify any significant issues.

4.6 Internal audit and risk policy attestation

Internal Audit and Risk Management Attestation Statement for the 2023-2024 Financial Year for Rental Bond Board

I, Natasha Mann, Chairperson of The Rental Bond Board, advise that the Rental Bond Board is of the opinion that it has internal audit and risk management processes in operation that are compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements		For each requirement, please specify whether compliant, non-compliant, or in transition
Risk Management Framework		
1.1	The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	**Compliant**
1.2	The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	**Compliant**
Internal Audit Function		
2.1	The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	**Compliant**
2.2	The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	**Compliant**
2.3	The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	**Compliant**
Audit and Risk Committee		
3.1	The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	**Compliant**
3.2	The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	**Compliant**

Membership

For the 2023-24 reporting period, the independent chair and members of the Audit and Risk Committee were:

Role	Name	Start Term Date	Finish Term Date
Independent Chair	Ken Barker	1 March 2022	31 October 2025*
Independent Member	David Black	1 November 2022	31 October 2025
Independent Member	Jill Davies	1 November 2022	31 October 2025
Independent Member	Rosemary Milkins	3 November 2022	2 November 2025

*Includes term of Chair appointment commencing 1 November 2022

Shared Arrangements

I, Natasha Mann, Chairperson of The Rental Bond Board, advise that Rental Bond Board has entered into an approved shared arrangement with the following Department/ agencies:

- Department of Customer Service
- NSW Government Telecommunications Authority

Natasha Mann
Chairperson of The Rental Bond Board
Rental Bond Board

Date:

24/10/2024

Agency Contact Officer
Tim McGregor
Director Governance, DCS GRA Governance
tim.mcgregor@customerservice.nsw.gov.au

4.7 Compliance with the *Privacy and Personal Information Protection Act 1998*

The Board has adopted the DCS privacy management plan during the year. Please refer to the Department of Customer Service Annual Report 2023-2024 for details on actions taken to comply with the *Privacy and Personal Information Protection Act 1998* (PPIPA) during the year.

There were no reviews conducted by or on behalf of the Board under Part 5 of the PPIPA during the reporting period.

4.8 *Government Information (Public Access) Act 2009* reporting

Applications made under the *Government Information (Public Access) Act 2009* involving the Board were coordinated centrally within DCS. Please refer to the Department of Customer Service Annual Report 2023-2024 for details on any access applications received during the year concerning the Board.

4.9 Public interest disclosures

NSW Fair Trading staff are employees of DCS. The Board adopted the Department's Public Interest Disclosures Reporting Policy and Procedure during the reporting period. Please refer to the Department of Customer Service Annual Report 2023-2024 for details on actions taken to ensure staff awareness of responsibilities under section 6E (1)(b) of the *Public Interest Disclosures Act 1994*.

No public officials made a Public Interest Disclosure to the Board during the reporting period. The Board did not receive or finalise any Public Interest Disclosures during the year.

4.10 Nil or NA to report for statutory requirements

The Board had nil or NA to report on the following statutory requirements during the financial year:

- Disclosure of Controlled Entities
- Disclosure of Subsidiaries
- Implementation of Price Determination
- Liability management performance
- No major works
- No research and development
- No land disposal
- No major problems or issues arose.

5

Sustainability

5.1 Reporting requirements

The Board is a statutory body of DCS, and all staff that assist with the Board's functions are employed by DCS. Information on the below reporting requirements is included in the Department of Customer Service Annual Report 2023-2024.

- Disability inclusion action plans;
- Work Health and Safety;
- Workforce diversity.

5.1.1 *Modern Slavery Act 2018 (NSW)* reporting

The Board is not aware of any issues raised by the Antislavery Commissioner during 2023-2024 financial year concerning its operations.

The Board is a statutory body under DCS. All staff that assist with the Board's day to day functions are employed by DCS, and as such adhere to the DCS Corporate Procurement policies.

DCS is committed to ensuring that our operations and supply chains are free from all forms of modern slavery.

<u>Our obligations</u>

DCS is required to provide a statement of action taken by the agency in relation to any issue raised by the Anti-slavery Commissioner during the financial year concerning the agency's operations which were identified as being a significant issue. In the 2023-2024 financial year, no such issues were raised by the Commissioner with DCS.

Additionally, DCS Corporate Procurement has taken the following steps to ensure that goods and services procured by and for DCS during the 2023-2024 financial year were not the product of modern slavery within the meaning of the *Modern Slavery Act 2018 (NSW)*:

- all tenders required respondents to comply with the *Modem Slavery Act 2018 (NSW)*;
- all tender responses required respondents to state their compliance with the *Modern Slavery Act 2018 (NSW)* and where a risk was identified, the respondents had to provide the steps taken to mitigate the risk;
- responses were reviewed in the evaluation phase of the procurement process and if the risks were too high or risk mitigation was not sufficient, the tender submission was automatically rejected;
- all contracts on a DCS template contained a modern slavery clause in accordance with the *Modern Slavery Act 2018 (NSW)* that the supplier was to agree with on execution of the contract.

<u>The Shared Implementation Plan for NSW Government agencies</u>

In the 2023-2024 financial year, the NSW Anti-slavery Commissioner released the Shared Implementation Framework in consultation with covered entities to assist the entities in effectively discharging their modern slavery obligations.

As a part of this framework, the NSW Anti-slavery Commissioner's Guidance on Reasonable Steps ('GRS') has set clear and realistic targets aligned with a maturity framework for achievement of 7 Reasonable Steps. In the 2023-2024 financial year, DCS focused on achieving the targets in the first phase, 'Commit'.

Key activities of this phase included:

- engaging key stakeholders by establishing a working group focused on modern slavery risks and management strategies;
- identifying salient risks at the organisational level by conducting a salient modern slavery risk assessment to better understand our risk profile;
- developing a DCS Modern Slavery Policy and Modern Slavery Risk Management Plan;
- updating current modern slavery contract and tender clauses to further align with the GRS Model Tender and Contract Clauses;
- updated all-of-Government tendering service to include modern slavery policy prompts for buyers.

DCS will continue to align to the NSW Anti-slavery Commissioner's Guidance on Reasonable Steps through FY 2024-25 by:

- uplifting DCS staff capability by implementing the Office of the Anti-slavery Commissioner's training material;
- setting key performance indicators to assess the effectiveness of our actions against each of the focus areas;
- incorporating the inherent modern slavery risk assessment tool into the DCS Procurement Risk Assessment template;
- implementing heightened tender and contract clauses where high-risk modern slavery procurements are identified;
- actively participating in the Anti-slavery Commissioner's Shared Implementation Plan Working Group;
- adhering to modern slavery reporting requirements;
- incorporating new streamlined and heightened risk contract clauses into the ICT Purchasing Framework mandated for use by all NSW Government agencies buying ICT -related goods and services;
- updating disclosure module of all-of-Government tendering service when disclosing contracts for heightened risk for modern slavery contract categories.

6

Financial Performance

Appendix 1: Independent Auditor's report

INDEPENDENT AUDITOR'S REPORT

Rental Bond Board

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Rental Bond Board (the Board), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a Statement of Material Accounting Policy Information, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the Government Sector Finance Regulation 2024 (GSF Regulation) and the Treasurer's Directions
- present fairly the Board's financial position, financial performance and cash flows.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements section of my report.

I am independent of the Board in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Level 19, Darling Park Tower 2, 201 Sussex Street, Sydney NSW 2000
GPO Box 12, Sydney NSW 2001 | t 02 9275 7101 | mail@audit.nsw.gov.au | audit.nsw.gov.au

The Board's Responsibilities for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The members of the Board's responsibility also includes such internal control as the members of the Board determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Board are responsible for assessing the Board's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Board carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

D Daniels

David Daniels
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 October 2024
SYDNEY

Appendix 2: Statement by the Accountable Authority

RENTAL BOND BOARD

STATEMENT BY THE ACCOUNTABLE AUTHORITY

Pursuant to section 7.6 (4) of the Government Sector Finance Act 2018 ('the Act"), I state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, ***the Government Sector Finance Regulation 2024*** and the Treasurer's directions, and
- present fairly the Rental Bond Board's financial position, financial performance and cash flows.

Natasha Mann
Chairperson

Date: 10 October 2024

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Appendix 3: Financial statements

RENTAL BOND BOARD STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024				
	Notes	Budget 2024 $'000	Actual 2024 $'000	Actual 2023 $'000
Expenses excluding Losses				
Operating expenses	2(a)	36,659	34,364	32,853
Grants and subsidies	2(b)	47,840	46,474	45,856
Total Expenses excluding Losses		**84,499**	**80,838**	**78,709**
Revenue				
Appropriations	3(a)	67,079	67,079	66,153
Other revenue	3(b)	1,839	2,181	2,051
Total Revenue		**68,918**	**69,260**	**68,204**
Operating Result		**(15,581)**	**(11,578)**	**(10,505)**
NET RESULT		**(15,581)**	**(11,578)**	**(10,505)**
Other comprehensive income		-	-	-
TOTAL COMPREHENSIVE LOSS		**(15,581)**	**(11,578)**	**(10,505)**

The accompanying notes form part of these financial statements.

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RENTAL BOND BOARD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	Budget 2024 $'000	Actual 2024 $'000	Actual 2023 $'000
ASSETS				
Current Assets				
Cash and cash equivalents	4	168,083	173,358	183,664
Receivables	5	183	187	182
Total Current Assets		**168,266**	**173,545**	**183,846**
Total Assets		**168,266**	**173,545**	**183,846**
LIABILITIES				
Current Liabilities				
Payables	6	108	1,385	108
Total Current Liabilities		**108**	**1,385**	**108**
Total Liabilities		**108**	**1,385**	**108**
Net Assets		**168,158**	**172,160**	**183,738**
EQUITY				
Accumulated funds		168,158	172,160	183,738
Total Equity		**168,158**	**172,160**	**183,738**

The accompanying notes form part of these financial statements.

RENTAL BOND BOARD STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024	Accumulated Funds $'000
Balance as at 1 July 2023	**183,738**
Net Result for the financial year	**(11,578)**
Balance as at 30 June 2024	**172,160**
Balance as at 1 July 2022	**194,243**
Net Result for the financial year	**(10,505)**
Balance as at 30 June 2023	**183,738**

The accompanying notes form part of these financial statements.

RENTAL BOND BOARD STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024				
	Notes	**Budget 2024 $'000**	**Actual 2024 $'000**	**Actual 2023 $'000**
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Suppliers for goods and services		(36,659)	(33,352)	(33,621)
Grants and subsidies		(47,840)	(46,474)	(45,856)
Total Payments		**(84,499)**	**(79,826)**	**(79,477)**
Receipts				
Appropriations		67,079	67,079	66,153
Other		1,839	2,441	2,267
Total Receipts		**68,918**	**69,520**	**68,420**
NET CASH FLOWS FROM OPERATING ACTIVITIES	10	**(15,581)**	**(10,306)**	**(11,057)**
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(15,581)**	**(10,306)**	**(11,057)**
Opening cash and cash equivalents		183,664	183,664	194,721
CLOSING CASH AND CASH EQUIVALENTS	4	**168,083**	**173,358**	**183,664**

The accompanying notes form part of these financial statements.

RENTAL BOND BOARD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION

(a) Reporting Entity

The Rental Bond Board (the Board) is a NSW government entity. The Board is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The Rental Bond Board is a statutory authority and as a reporting entity comprises all the activities under its control. The Board is constituted under the *Residential Tenancies Act 2010* and is a custodian of the Residential Rental Bonds paid by tenants to landlords or their agents for residential tenancies.

As the Board does not earn a return from funds deposited in the Treasury's Banking System, the Board is funded by the Parliamentary Appropriation received from the Department of Customer Service (DCS).

The financial statements for the financial year ended 30 June 2024 have been authorised for issue by the "Chairperson of the Board" on 10 October 2024.

(b) Basis of Preparation

The Board's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of the *Government Sector Finance Act 2018 (GSF Act) 2018*; and
- Treasurer's Directions issued under the GSF Act.

Financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

The management's judgements, key assumptions and estimations are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the Board's presentation and functional currency.

(c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Going Concern

The financial statements have been prepared on a going concern basis.

(e) Administrative Service Charge

The administrative functions for the Board are performed by the Department of Customer Service for an agreed fixed fee.

(f) Accounting for the Goods and Services Tax

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- amount of GST incurred by the Board as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(g) **Comparative Information**

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous financial year for all amounts reported in the financial statements.

(h) **Changes in accounting policies, including new or revised Australian Accounting Standards**

(i) Effective for the first time in the financial year 2023-24

The accounting policies applied in the financial year 2023-24 are consistent with those of the previous financial year. The following amendments and interpretations apply for the first time in the 2023-24 financial year:

• *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
• *AASB 2021-7b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [AASB 17 editorials]*
• *AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*

Management has removed certain accounting policy disclosures that are considered to be immaterial as a result of applying *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*. The other amendments listed above did not have any impact on the Board's financial statements.

(ii) Issued but Not Yet Effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards unless Treasury determines otherwise. Management has determined that the standards issued but not yet effective are unlikely to have a material impact to the Board's financial statements.
AASB 18 Presentation and Disclosure of Financial Statements (AASB 18) was issued on 14 June 2024 and will replace AASB 101 Presentation of Financial Statements. The Department is yet to undertake a detailed assessment of the impact of AASB 18. However, based on the preliminary assessment, this Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the financial year ending 30 June 2029.

2. EXPENSES EXCLUDING LOSSES

(a) Operating Expenses

	2024 $'000	2023 $'000
Administrative Service Charge from Department of Customer Service	28,444	27,350
Fair Trading Dispute Mediation Unit	3,172	2,999
Auditor's Remuneration	122	117
Other	2,626	2,387
	34,364	**32,853**

(b) Grants and Subsidies

	2024 $'000	2023 $'000
Tenants Advice and Advocacy Program (TAAP)	15,364	14,450
Tenancy Functions of the NSW Civil and Administrative Tribunal (NCAT)	13,497	13,015
Credit Counselling Program (CCP)	8,002	7,694
Mascot Tower Assistance Program	4,750	6,000
No Interest Loan Scheme (NILS)	3,532	3,401
Seniors Rights Services (SRS)	1,235	1,171
Retirement Village Residents Association (RVRA)	94	125
	46,474	**45,856**

(i) Tenants' Advice and Advocacy Program (TAAP)

TAAP provides advice, information and advocacy to public and private tenants, and where appropriate to people seeking to become tenants. The service also undertakes community education on the issues of tenants' rights.

The program is administered by the Department of Customer Service and is fully funded by the Rental Bond Board in accordance with the *Residential Tenancies Act 2010*.

(ii) Tenancy Functions of the NSW Civil and Administrative Tribunal (NCAT)

The NSW Civil and Administrative Tribunal has the jurisdiction to determine matters under the *Residential Tenancies Act 2010* and the *Retirement Villages Act 1999*. These matters include requests to terminate tenancy agreements, payment of rental bonds on termination of tenancies, breaches relating to terms of the tenancy agreement and payment of compensation.

This function is administered by the Department of Communities and Justice and is jointly funded by the Department of Customer Service and the Rental Bond Board.

(iii) Credit Counselling Program (CCP)

CCP funds the provision of financial counselling services to individuals, predominantly tenants, training of persons in financial counselling and for education in financial management.

This program is administered by the Department of Customer Service and is jointly funded by the Department of Customer Service and the Rental Bond Board.

(iv) Mascot Tower Assistance Program

The first Mascot Tower Temporary Accommodation Assistance Package was established in June 2019 to provide financial support to tenants and owner occupiers to meet the cost of alternate accommodation. The occupants were evacuated due to major cracks in the building and a report that the building was unsafe to occupy. The second Mascot Tower Owner Investors package was established in July 2022 back dated to June 2019 to provide financial support to the owner investors to meet the cost of loss of rent.

Both packages are managed by the Department of Customer Service, fully funded by the Rental Bond Board and have concluded on 3 May 2024. The Department of Customer Service will continue to assess outstanding claims up to the program end date and the deadline to submit claims is 31 August 2024. In addition, all 'stayers' (owners who have not sold their lots / apartments) will receive assistance up until 30 June 2024.

(v) No Interest Loan Scheme (NILS)

NILS is a community-based program that helps people on low income, most of whom are tenants, to buy essential household items. This grant also provides funds towards NILS administration costs and employment of a dedicated NILS Coordinator.

This program is administered by the Department of Customer Service and is jointly funded by the Department of Customer Service and the Rental Bond Board.

(vi) Senior Rights Services (SRS)

SRS provides impartial information, mediation and education services regarding the *Residential Tenancies Act 2010* and the *Retirement Villages Act 1999*. This advice is provided to tenants, landlords, agents, village residents and village management about their rights and obligations under this legislation.

The program is administered by the Department of Customer Service and is fully funded by the Rental Bond Board in accordance with the *Residential Tenancies Act 2010*.

(vii) Retirement Village Residents Association (RVRA)

The Retirement Village Residents Association (RVRA) provides advice, advocacy and education services to residents of retirement villages in NSW. The funding covers the establishment of an education centre and continued operation of RVRA.
This function is administered by the Department of Customer Service and is fully funded by the Rental Bond Board.

3. REVENUE

(a) Appropriations

	2024 $'000	2023 $'000
Parliamentary Appropriations	**67,079**	**66,153**

Recognition and Measurement

Income from appropriations does not contain enforceable and sufficiently specific performance obligations as defined by AASB 15. Therefore, appropriations are recognised as income when the entity obtains control over the assets comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

(b) Other Revenue

	2024 $'000	2023 $'000
Merchant Fees	2,023	1,820
Other Fees	158	231
	2,181	**2,051**

Recognition and Measurement

Other Revenue is the merchant fees recovered from tenants and landlords for online lodgement of rental bonds. The revenue is recognised when the entity obtains control over the cash comprising the merchant fees; in accordance with AASB 1058 'Income of Not-for-Profit Entities'.

4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2024 $'000	2023 $'000
Cash at bank	**173,358**	**183,664**

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year as shown in the Statement of Cash Flows as follows:

	2024 $'000	2023 $'000
Cash and cash equivalents (as per Statement of Financial Position)	**173,358**	**183,664**
Closing cash and cash equivalents (as per Statement of Cash Flows)	**173,358**	**183,664**

Refer to Note 11 for details regarding credit risk and market risk arising from financial instruments.

5. CURRENT ASSETS – RECEIVABLES

	2024 $'000	2023 $'000
Merchant fee surcharge receivable from Rental Bond Trust Account	174	175
GST Receivable	5	7
Other	8	-
	187	**182**

Receivables

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

The Board holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Details regarding credit risk, liquidity risk and market risk are disclosed in Note 11.

6. CURRENT LIABILITIES – PAYABLES

	2024 $'000	2023 $'000
RentStart Bonds received from the Department of Communities & Justice Payable to Rental Bond Board Trust Account	974	-
Other Accrued Expenses	411	108
	1,385	**108**

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 11.

Recognition and Measurement

Payables represent liabilities for goods and services provided to the Board and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

7. COMMITMENTS

There are no capital commitments as at 30 June 2024 (2023: $Nil).

8. CONTINGENT ASSETS AND LIABILITIES

Unquantifiable contingency – Recoveries of merchant service fees

Rental Bond Board is currently reviewing a compliance matter relating to recoveries of merchant service fees from customers, charged on credit, debit and prepaid card payments, and online payment services. At this stage, it is uncertain whether any outflows will be required as this depends on the outcome of uncertain future events not within the control of the agency.

Disclosure in the note is neither an admission nor acceptance of responsibility by the agency in advance of any Government policy or other relevant determinations.

9. BUDGET REVIEW

Net Result:
The Board's net result was a deficit of $11.6 million compared to the budgeted deficit of $15.6 million; represents an improvement of $4.0 million. The system build project relating to the Portable Bonds Scheme will now commence in FY 2025 and Treasury has approved the budget carry forward request of $4.0 million.

Asset and liabilities:
The Board's net assets were $172.1 million compared to the budgeted net assets of $168.1 million; represents an improvement of $4.0 million. It is due to the deferment of Portable Bonds Scheme project will now commence in FY 2025.

Cash Flow:

The Board's has cash balance of $173.4 million against the budgeted cash balance of $168.1 million; represents an improvement of $5.3 million. The delay of Portable Bonds Scheme project has contributed $4.0 million surplus, $1.0 million is relating to cash receipt from the Department of Communities and Justice which will be transferred to the Trust account during the 1st quarter of FY 2025 and remaining $0.3 million is relating to the Tenancy Unit and GovConnect costs which will be paid to DCS during the 1st quarter of FY 2025.

10. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	2024 $'000	2023 $'000
Net cash used in operating activities	(10,306)	(11,057)
Increase / (decrease) in receivables	5	21
(Increase) / decrease in payables	(1,277)	531
Net result	**(11,578)**	**(10,505)**

11. FINANCIAL INSTRUMENTS

The Rental Bond Board's (the Board) principal financial instruments are outlined below. These financial instruments arise directly from the Board's operations or are required to finance the Board's operations. The Board does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board's main risks arising from financial instruments are outlined below, together with the Board's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Board, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Board on a continuous basis.

(a) Financial Instrument Categories

Class	Note	Category	Carrying Amount 2024 $'000	Carrying Amount 2023 $'000
Financial Assets				
Cash and cash equivalents	4	Amortised Cost	173,358	183,664
Receivables (i)	5	Amortised Cost	182	175
Financial Liabilities				
Payables (ii)	6	Financial liabilities measured at amortised cost	1,385	108

(i) Excludes statutory receivables and prepayments (not within scope of AASB 7)
(ii) Excludes statutory payables (not within scope of AASB 7)

(b) Financial Risk

(i) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Board. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

Credit risk arises from the financial assets of the Board, including cash and receivables. No collateral is held by the Board. The Board has not granted any financial guarantees.

Credit risk associated with the Board's financial assets, other than receivables, is managed through the selection of counterparties under the Whole of Government contract. The Board does not have any influence on the selection of the counterparties.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances within the NSW Treasury Banking System.

(ii) Liquidity Risk

Liquidity risk is the risk that the Board will be unable to meet its payment obligations when they fall due. The Board continuously manages risk through monitoring future cash flows to ensure adequate holding of high-quality liquid assets.
Liabilities are recognised when goods or services are received for which amounts are due to be paid in the future. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12.

For small business suppliers, where terms are not specified, payment is made no later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made not later than the end of the month following the month in which an invoice or statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Board may automatically pay the supplier simple interest.

For the year ended 30 June 2024, the Board was not required to pay any interest for late payment (2023: $Nil)

The table below summarises the maturity profile of the Board's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

		Interest Rate Exposure			Maturity Dates		
	Nominal Amount $'000	**Fixed Interest Rate $'000**	**Variable Interest Rate $'000**	**Non-interest Bearing $'000**	**< 1 year $'000**	**1 to 5 years $'000**	**> 5 years $'000**
2024							
Payables (i)	1,385	-	-	1,385	1,385	-	-
	1,385	**-**	**-**	**1,385**	**1,385**	**-**	**-**
2023							
Payables (i)	108	-	-	108	108	-	-
	108	**-**	**-**	**108**	**108**	**-**	**-**

(i) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Board can be required to pay.

(iii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Board is not exposed to any market risk as the Board does not have any loan or investment.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Board is not exposed to any interest rate risk as the Board does not earn returns on the funds invested in the Treasury's Banking System.

(c) Fair Value Measurement

Fair value compared to carrying amount

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

There are no financial instruments where the fair value differs from the carrying amount.

12. RELATED PARTY DISCLOSURES

Key management personnel

During the year, the Board incurred $7,186 (2023: $7,186) in respect of key management personnel services provided by the external board members. Other Board Members are remunerated by their respective employing agency. The services of the internal and external board members of DCS are paid through the Administrative Service Charge from DCS.

Other related party transactions

The Board entered into transactions with other entities that are controlled / jointly controlled / significantly influenced by NSW Government.

These transactions which are conducted as arm's length transactions are a significant portion of the Board's receiving/rendering of services and in aggregate are as follows:

Nature of transaction	Related Party	2024 Transaction value income/ (expense) $'000	2024 Net receivable/ (payable) $'000	2023 Transaction value income/ (expense) $'000	2023 Net receivable/ (payable) $'000
Purchase of services and other fees	NSW Department of Customer Service	(31,757)	(323)	(30,534)	(30)
Grant payments	Tenancy Function of NSW Civil and Administration Tribunal – Department of Communities and Justice	(13,497)	-	(13,015)	-

13. TRUST FUNDS

The Board performs only a custodial role in respect of the Trust monies which cannot be used to obtain benefits from its activities, as such trust funds are not brought to account in the financial statements but are shown in the notes for information purposes.

Residential Bonds

Amounts owing to New South Wales Residential Bond Holders:

	2024 $'000	2023 $'000
Liability at the beginning of the financial year (bonds lodged)	1,932,142	1,769,688
Add: Receipt / lodgement of bonds	884,859	812,743
Less: Expenditure / repayment of bonds	(733,798)	(650,289)
Rental Bonds liability (bonds lodged) at the end of the financial year	**2,083,203**	**1,932,142**
Rental Bonds pending lodgement	12,284	11,355
Rental Bonds unclaimed monies	2,985	3,699
RentStart – The Department of Communities and Justice	(2,291)	-
Bonds Lodged without cash transfers	(1,148)	(243)
Cash Received without Bond Lodgements	533	467
Merchant Fee Surcharge Payable to Rental Bond Board	174	175
Total Rental Bonds liability at the end of the financial year	**2,095,740**	**1,947,595**

In accordance with Sections 162 & 185(1) of the Residential Tenancies Act 2010, bonds received by landlords, or their agents must be deposited with the Board's Rental Bond Account within ten days of receipt.

Market Value of Residential Bond Investments

	2024	2023

	$'000	$'000
Private Shared Equity Scheme*	1,848	1,776
Treasury's Banking System	2,093,892	1,945,819
	2,095,740	**1,947,595**

*The investment with the 'Private Shared Equity Scheme' is in mortgages issued under the First Australian National Mortgage Association Corporation (FANMAC). The administration activities are managed by Eticore. The investment comprises mortgages on Australian properties which are being repaid by mortgagees by monthly instalments. The loans will be required to be repaid if the properties are sold or refinanced.

14. EVENTS AFTER BALANCE DATE

There are no known events after the end of the financial year which would give rise to a material impact on the reported results or financial position of the Board as at 30 June 2024.

END OF AUDITED FINANCIAL STATEMENTS

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