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| FRD 108 |  |  | Classification of entities as for-profit (December 2024) |
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| Purpose |  |  | To direct designated entities to report on a ‘for-profit’ basis. |
| Application |  |  | Applies to all entities defined as either a public body or a department under section 3 of the *Financial Management Act 1994*. Application by State owned corporations is encouraged. |
| Operative date |  |  | Annual reporting periods commencing on or after 1 July 2021. |
| Requirements |  |  | The Minister for Finance has determined that the entities listed in Appendix A in this Direction are ‘for-profit’ entities. Entities not named in this FRD are classified as ‘not-for-profit’ entities. |
|  |  |  | ‘For-profit’ entities as listed in Appendix A cannot apply the additional Aus paragraphs applicable to ‘not-for-profit’ entities under the Australian Accounting Standards. |
| Background |  | 5.1 | This Financial Reporting Direction is issued to clarify the Government’s intention that the designated entities report under Australian Accounting Standards on a ‘for-profit’ basis. A number of Australian Accounting Standards are derived from international accounting pronouncements developed by the International Accounting Standards Board for application by profit oriented entities, which would allow most ‘for-profit’ entities to also comply with International Financial Reporting Standards when Australian Accounting Standards are applied.However, as Australian Accounting Standards are developed for application by both ‘for profit’ and ‘not-for-profit’ entities, the standards provide some relief, through additional Aus paragraphs, to ‘not-for-profit’ entities from certain aspects of the ‘for-profit’ reporting requirements. ‘For-profit’ entities cannot apply the additional Aus paragraphs applicable to ‘not-for-profit’ entities under the Australian Accounting Standards. |
|  |  | 5.2 | This FRD was revised in:June 2016 to:Remove Fed Square Pty Ltd as a for-profit entity in Appendix A. Fed Square Pty Ltd operates on a not-for-profit basis and is a corporate body that is not required to comply with the FRDs under the *Financial Management Act 1994*. Remove first-time adoption requirements as they are no longer required. May 2017 to reflect the organisational changes as a result of Port of Melbourne Lease Transaction and the merger of Urban Renewal Authority Victoria (Places Victoria) and Major Projects Victoria. Melbourne Port Lessor Pty Ltd (a Corporations Act entity) was established to hold the assets related to the lease of Port of Melbourne and act as the contract manager. Port of Melbourne Corporation was renamed as Victorian Ports Corporation (Melbourne) after transferring certain assets, rights and obligations to Melbourne Port Lessor Pty Ltd and the lessor of Port of Melbourne. |
|  |  |  | Major Projects Victoria (a not-for-profit entity) merged with Urban Renewal Authority Victoria (Places Victoria) to become Development Victoria. Development Victoria is classified as a for-profit entity because the operations brought from Urban Renewal Authority Victoria, previously a for-profit entity, constitutes a significant part of the new entity’s operation.April 2022 to update references to the Minister for Finance to the Assistant Treasurer.June 2022 to update the names of entities listed in Appendix A.August 2022 to include North East Link State Tolling Corporation in Appendix A.December 2024 to update references to the Assistant Treasurer to the Minister for Finance.December 2024 to make the following changes to Appendix A:* + Included SEC Victoria Pty Ltd and its subsidiaries SEC Infrastructure Pty Ltd and SEC Energy Pty Ltd;
	+ Removed the former State Electricity Commission of Victoria (abolished by the commencement of the *State Electricity Commission Amendment Act 2024)*;
	+ Removed the former VicForests (abolished by the commencement of the *Sustainable Forests (Timber) Repeal Act 2024)*; and
	+ Updated the name of the Port of Hastings Development Authority to the Port of Hastings Corporation (pursuant to the *Transport Legislation Amendment (Port Reforms and Other Matters) Act 2022*).
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# Appendix A – For-profit entities

* Melbourne Water Corporation
* Greater Western Water
* Yarra Valley Water Corporation
* South East Water Corporation
* Victorian Funds Management Corporation
* Treasury Corporation of Victoria
* Transport Accident Commission
* State Trustees Limited
* North East Link State Tolling Corporation
* SEC Victoria Pty Ltd
* SEC Infrastructure Pty Ltd
* SEC Energy Pty Ltd
* Development Victoria
* Melbourne Port Lessor Pty Ltd
* Port of Hastings Corporation
* Ports Victoria
* VITS Language Loop