



Annual Report 2010-2011



*residential
tenancies
authority*

Building our future

About this annual report

The 2010–11 Residential Tenancies Authority (RTA) Annual Report presents performance information for the period 1 July 2010 to 30 June 2011.

The report contains a record of RTA activities and achievements for the 2010–11 financial year against the objectives developed during strategic and operational planning. The report also summarises key priorities and challenges for the year ahead.

In line with the RTA Strategic plan 2009–12 this report presents the RTA's performance against its three priorities: our clients, our sector and our organisation.

Each section of the report provides an overview of key information and is colour coded for ease of navigation. A glossary of terms is also available at the end of the report.

For more information on this report or to provide feedback, please contact the Manager, Communication and Education on 07 3046 5670 or email annualreport@rta.qld.gov.au.



The Queensland Government and the RTA are committed to providing accessible services to Queenslanders from culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report you can contact us on 1300 366 311 and we will arrange an interpreter to effectively communicate the report to you.

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Highlights

Tenancy database legislation introduced into Parliament

The RTA took the lead in drafting new national uniform laws on tenancy databases, and coordinated the national consultation on the draft provisions (page 37).

RTA provides \$2.00 million for housing assistance following natural disasters

Strong financial performance allowed for an extra \$2.00 million to be provided to the Department of Communities for housing assistance following natural disasters in January (page 40).

Teleconferencing lifts dispute resolution rate despite higher demand for service

The use of teleconferencing has improved the resolution rate of tenancy disputes despite increased demand for services (page 29).

New Strategic Plan developed in consultation with stakeholders and staff

It has been a year of consultation with stakeholders and staff contributing to the development of a new Strategic Plan in the context of a changing sector environment (page 52).

Three-year program to enhance client services with improved business systems and processes commenced

The RTA mapped current business processes and progressed the development of contemporary business systems to better meet the needs of clients (page 51).

About us

Our purpose is to support the Queensland residential rental sector through accessible, flexible and targeted services within an appropriate legislative framework.

The Residential Tenancies Authority (RTA) is a self-funded statutory authority that administers the *Residential Tenancies and Rooming Accommodation Act 2008* (the Act) in Queensland.

The RTA was established as the Rental Bond Authority under the *Rental Bond Act 1989*, offering primarily a rental bond custodial service. The introduction of the *Residential Tenancies Act 1994* saw a widening of services to include tenancy information and conciliation, and a name change to the Residential Tenancies Authority. The *Residential Tenancies Act 1994* was replaced by the current Act in July 2009.

The RTA provides a range of services to meet the diverse needs of the residential rental sector, whether the accommodation is a house, flat, caravan, moveable dwelling or rooming accommodation.

The RTA works collaboratively with all sector groups including parties to tenancy agreements, community and industry stakeholder groups and the Queensland Government.

As a statutory authority, the RTA is governed by a Board of Directors (page 6). The Chair and six directors are appointed by the Governor-in-Council for three year terms.

Operational revenue is primarily sourced from the investment of rental bonds.

The RTA forms part of the portfolio of the Honourable Karen Struthers, MP, Minister for Community Services and Housing and Minister for Women. See page 17 for an organisational chart.

Our values

The RTA conducts its business according to a core set of values:

- client service
- leadership
- accountability
- collaboration
- impartiality
- respect.

Our role

Our primary functions include providing:

- tenancy information
- rental bond management
- dispute resolution
- community education
- industry research and data
- investigation and prosecution of offences under the Act
- monitoring and review of legislation
- policy advice to the Minister and government.

Our services

Client contact centre

Clients can call our contact centre from Monday to Friday to find out their rights and responsibilities when renting a home, or find out information about their rental bond (page 25). Client contact officers often refer clients to other internal services such as dispute resolution, or external services such as the Tenant Advice and Advocacy Service, the Property Owner's Association of Queensland and to government departments.

Rental bond management

Under Queensland's renting laws, rental bond money must be lodged with the RTA (page 26). The RTA holds the bond for the duration of the tenancy, refunding it as directed at the end of the tenancy. If agreement is unable to be reached about a bond refund, clients are referred to dispute resolution.

Dispute resolution service

The RTA provides a free dispute resolution service for parties who are unable to agree on an issue relating to their tenancy (page 29). Conciliators listen to concerns, provide information on the Act and help the parties resolve the disagreement. If dispute resolution is unsuccessful then an application to the Queensland Civil and Administrative Tribunal can be made for a ruling.

Investigations

The RTA investigates alleged breaches of the Act that carry penalties for non-compliance (page 30). Investigation officers make enquiries about an allegation following the principles of procedural fairness. All parties are given an opportunity to respond to an allegation and to provide information before the RTA decides on the most appropriate compliance action.

Community education

The RTA takes a whole-of-organisation approach to community education, with all services working to educate parties on their rights and responsibilities (page 40). Supporting these activities is the website, print and electronic publications, community education grants and outreach events to help clients and community groups understand the rules for renting.

Our vision

Working together to support and enhance an evolving rental sector

"We are committed to achieving excellence in service delivery and the client experience, where trust, respect and impartiality are valued. We inform, consult and engage with our clients and stakeholders in a transparent, ethical and responsive way."

Realising our vision

The RTA employs a number of strategies to realise our vision of working together to support and enhance an evolving rental sector. Stakeholders and clients remain at the core of this vision, helping the RTA to stay informed of issues within the sector, respond appropriately and remain flexible in the provision of services.

The RTA's Strategic Plan identifies three major areas of focus – our clients, our sector and our organisation.

Our clients

The RTA strives to meet the diverse and evolving needs of the residential rental sector through:

- providing tenancy information, bond management, dispute resolution, and investigation services that are relevant, accurate, timely, accessible, efficient and impartial
- increasing the awareness of the RTA's role and improving the accessibility of services
- promoting compliance with Queensland's tenancy laws.

Our sector

The RTA supports and enhances effective legislative and policy frameworks, and collaborates with stakeholders to sustain a growing sector by:

- regulating the sector through a policy framework that considers the rights and responsibilities of all parties, and its impact on the sector
- engaging with stakeholders to identify emerging trends and improve understanding of issues affecting the rental sector
- providing support through education, industry analysis and funding initiatives.

Our organisation

The RTA continues to build an innovative and flexible organisation that undertakes sustainable operations in a healthy and motivational work environment, with high standards of corporate governance and accountability, through:

- building a high performance organisation based on a foundation of leadership, collaboration, planning and communication
- identifying and implementing sustainable improvements in corporate governance standards, systems and processes to support business outcomes, add value and deliver measurable benefits
- maintaining financial accountability, sustainability and integrity.

Into the future

New Strategic Plan

The RTA employed a consultative process to develop its new 2011-14 strategic plan (page 52). This plan builds upon the successes of previous plans and works to ensure continued quality service provision to a growing and diverse sector, where information needs and ways of accessing that information are changing.

Service delivery model

The RTA continues to review business processes and client service systems to ensure quality is maintained as the client base grows (page 51). This includes refining service delivery channels to strengthen our client focus, enabling the RTA to stay responsive within a changing tenancy environment.

Enabling technology

The RTA is committed to developing online capability and service delivery options to continue to meet changing sector expectations.

Organisational capability

The next four years will be a period of renewal for the RTA as we embark on a major service improvement initiative (page 51). Recognising that our people are the key to our success, the RTA will support staff through this period of change with professional development opportunities.

To remain self-funded the RTA must navigate investment market volatilities. The RTA will continue to employ smart investment strategies and prudent management to ensure financial sustainability (page 55).

Financial overview	\$'m	\$'m	% change
	2010-11	2009-10	
Operating revenue	45.97	40.31	▲ 14.1%
Operating expenses	35.09	27.08	▲ 29.5%
Total assets	651.56	584.59	▲ 11.5%
Total liabilities	597.48	541.41	▲ 10.4%
Value of bonds held	581.47	525.22	▲ 10.7%

Chair's message

New strategic plan

The new Strategic Plan beginning 1 July 2011 was endorsed by the Board after an extensive consultative process involving our key stakeholders and staff. Our new vision is 'making a positive difference in Queensland's residential rental sector'. Consequently, the RTA will focus on communicating more effectively with clients and improving the ways we deliver services to our clients in the future.

Investing in the future

Significant investment will be made over the next three years in new technology, ensuring the evolving needs of the residential rental sector are met and clients are placed at the centre of service delivery. The new strategic direction positions the RTA to make a positive difference in Queensland's residential rental sector over the coming years.

Supporting Queensland through natural disasters

Queensland experienced a series of natural disasters early in 2011. A sound communications strategy assured tenancy rights and responsibilities were effectively distributed via the media, and we worked with stakeholders to generate a coordinated and supportive response for clients across the state.

Being in a strong financial position, the RTA was able to provide \$2.00 million to the Department of Communities to provide housing support for vulnerable Queenslanders.

Strong financial position

Despite turbulent investment markets the RTA's financial investment strategy brought strong revenue growth. Equity increased by \$10.89 million, ensuring the RTA is able to invest in our future, as well as sustain operations during difficult future market conditions.

Acknowledgement

I would like to take this opportunity to thank the Board, the General Manager Mr Fergus Smith, and our staff for continually striving for excellence in supporting Queensland's rental sector.




General Manager's message

The RTA is focusing on building our future. This year we have critically examined the way we conduct business in order to better meet our clients' future needs.

Building our future

The RTA has spent 2010–11 laying the groundwork for the next four years. 'Building our future' workshops held in the latter part of 2010 saw all staff working together to examine possible futures for the RTA and the implications for strategic planning (page 52). All RTA staff contributed to planning how the organisation will develop to meet future client needs resulting in a number of new initiatives.

Rethinking our business

With technology rapidly changing the way people communicate and access information and services, and with increasing corporate governance requirements, the RTA is rethinking our business processes and approach to servicing client needs into the future. The three-year Core Client Services Program will ensure the RTA continues to provide quality services in the years to come in a sustainable and efficient manner (page 51).

Queensland leads national uniform law reform

This year saw the culmination of several years work of a national working party of the states, territories and the Commonwealth, to introduce consistent legislation on tenancy databases. The RTA worked closely with the Office of Fair Trading to draft the model provisions that will be adopted by all states and territories.

In 2003 Queensland was the first jurisdiction in Australia to regulate tenancy databases, and this year moved to amend the *Residential Tenancies and Rooming Accommodation Act 2008* to ensure our legislation was consistent with the new national standard.

Disaster recovery systems tested

RTA's disaster recovery processes and systems were tested during the floods crisis of January 2011. Despite lack of access to our business premises and interruption to mail services and phone lines, the RTA was back in action within three days and fully recovered within two weeks, ensuring limited disruption in the delivery of client services.

The RTA ensured Queenslanders were kept informed of their rights and responsibilities in relation to rental premises affected by natural disaster, and the RTA teamed with the Department of Communities to visit heavily affected areas throughout the state.

This year has seen the RTA lay the foundation towards Building our future, and the next two years will see us procure the business systems to meet future client needs, changing legislative requirements and increasing corporate governance standards.

I would like to thank the Board for the strategic direction it provides, and express my sincere thanks to our staff who went above and beyond the call of duty in what has been a truly challenging year.




The Board

The Board of Directors provides ongoing support to Queensland's rental sector by establishing the RTA's strategic direction and corporate governance standards.



John Battams

BEc, Dip Ed (Chair)

Mr Battams was appointed Chair of the RTA Board on 4 December 2004.

An experienced director, Mr Battams is also the Deputy Chair of Sunsuper, Director of Skills Queensland, the President of the Queensland Council of Unions, and was previously a Director of WorkCover Queensland.

Since 1990 he has also served as the General Secretary of the Queensland Teachers' Union, amassing significant knowledge of the state through regular trips to remote and provincial areas of Queensland.

Lee Banfield

Ms Banfield was appointed as a director on 2 July 2009.

Currently Manager of the Tenant Advice and Advocacy Service (TAAS) on the Sunshine Coast, Ms Banfield brings 14 years tenancy experience through positions with TAAS, Tenants' Union of Queensland and Queensland Shelter, as well as experience as a property manager.

Ms Banfield has also represented Queensland Shelter on the RTA's Industry Development Forum.

Deirdre Coghlan

BSW

Ms Coghlan was appointed as a director on 7 April 2010.

Ms Coghlan was a member of the first Board of the Rental Bond Authority, the precursor to the RTA. She brings detailed knowledge of the Queensland rental sector through her state-wide community housing experience and participation in housing policy development.

Ms Coghlan has been a member of a number of Ministerial advisory boards on community housing and boarding houses and is a life member of Queensland Shelter.

She brings 25 years experience working in government and community sectors to the Board.

Bradley Currie

Dip Bus Mgt, Dip Com Mgt

Mr Currie was appointed as a director on 7 April 2010.

Mr Currie is a Mununjali man, and General Manager of the Mununjali Housing Development Organisation, a position he has held for the past 17 years.

Mr Currie has more than 20 years experience in the indigenous housing sector. He was the Chair of the South East Queensland Regional Indigenous Housing Organisation and brings to the Board in-depth knowledge of the Queensland rental sector, in particular indigenous housing.

Deborah Duffy

JP (CDec), MAICD

Ms Duffy was appointed as a director on 7 April 2010.

Ms Duffy is also a Director of the Board of the Real Estate Institute of Queensland.

She has more than 25 years experience in the real estate sector, winning numerous accolades including Property Manager of the Year.

Ms Duffy brings a wealth of knowledge of Queensland's rental sector to the Board, in particular, housing issues in North Queensland.

Roslyn Wallace

Ms Wallace was appointed as a director on 7 April 2004.

She brings expertise gained as a member and Secretary of the Property Owners' Association of Queensland (POAQ), and as a previous member of RTA's Industry Development Forum.

Ms Wallace is also a member of the Unit Owners' Association of Queensland.

Ms Wallace brings firsthand knowledge of the sector through her experience in managing rental properties, and providing support to POAQ members with rental concerns.

Charles Ware

BA LLB (Hons), MBus, LLM, FAICD

Mr Ware was appointed as a director on 14 April 2005.

He brings a wide range of directorship experience to the RTA Board, with current appointments including Deputy Chancellor of Central Queensland University, Deputy Chair of Gladstone Ports Corporation Ltd, and member of the Board of Professional Engineers.

Mr Ware also holds 20 years experience as a partner in a private Central Queensland legal practice, with expertise in property, commercial, corporate and local government practice.

Five year performance summary

Our clients	2010-11	2009-10	2008-09	2007-08	2006-07
Client contact centre enquiries	349,026	352,103	350,713	346,010	327,085
Bond lodgements ¹	256,748	245,080	241,835	235,160	229,244
Number of bonds held (June 30)	461,844	433,061	417,875	399,533	382,009
Value of bonds held ² \$'m (June 30)	581.47	525.22	490.27	432.21	374.38
Investigations commenced	509	523	589	666	746
Requests for dispute resolution	21,122	19,628	19,276	18,188	16,877
Client satisfaction results Rating /10	N/A	8.4	N/A	8.2	N/A
Website user sessions	1,413,434	1,246,980	963,005	1,049,607	950,642

Our sector	2010-11	2009-10	2008-09	2007-08	2006-07
Briefing notes and ministerial correspondences	125	115	137	133	179
Response to statistical enquiries	268	233	276	318	352
Grant funding for community education \$'000	167 ³	183	148	80 ⁴	159
TAAS funding ⁵ \$'m	4.35	3.44	3.20	3.20	3.20

Our organisation	2010-11	2009-10	2008-09	2007-08	2006-07
Employees (full time equivalent)	183	177	167	150	143
Staff training hours total hours	10,848 ⁶	2991	4290	3365	2896
Client and stakeholder reporting (as indicated in Annual Report Awards)	gold	gold	gold	gold	gold
Quality assurance certification	achieved	achieved	achieved	achieved	achieved
Operating surplus/deficit \$'m	10.89 surplus	13.22 surplus	16.65 deficit	1.06 deficit	9.25 surplus
Accumulated surplus \$'m	54.07	43.19	27.70	36.80	30.60

1 Figure includes bond lodgements for both general tenancies and rooming accommodation

2 Excludes unclaimed bond money and Australia Post settlements

3 Grants program reviewed 2010-11 (page 40)

4 Additional funds committed in 2007-08 were paid in 2008-09

5 Also funded by the Department of Communities

6 All staff participated in 'Building our future' workshops (page 52)

Performance overview

Priorities

Objectives

Targets 2010-11

Achieved

Aims 2011-12

Our clients

Provide quality services to meet the diverse and evolving needs of Queensland's residential rental sector.

Service quality

Continually achieve high standards of quality in service delivery in terms of relevance, accuracy, timeliness and accessibility.

Achieve 85.0% of calls answered within two minutes.



Achieved. 86.6% of calls answered within two minutes.

Maintain 85% of calls answered within two minutes.

Maintain 95.0% of Australia Post refunds processed within 15 minutes.



Exceeded. Average of 99.1% of Australia Post refunds processed within 15 minutes.

Maintain 95% of Australia Post refunds processed within 15 minutes.

Maintain 85% of non-Australia Post refunds processed within two working days.



Exceeded. Average of 88.0% of non-Australia Post refunds processed within two working days.

Maintain 85% of non-Australia Post refunds processed within two working days.

Maintain 65.0% of disputes resolved through participation in conciliation.



Exceeded. 70.1% of disputes were resolved through participation in conciliation.

Maintain 65% of disputes resolved through participation in conciliation.

Maintain 80.0% of all disputes finalised within 28 days of receipt.



Exceeded. 88.1% of disputes finalised within 28 days of receipt.

Maintain 80.0% of all disputes finalised within 28 days of receipt.

Maintain 90.0% of investigations finalised within six months of commencement.



Exceeded. 95.5% of investigations finalised within six months of commencement.

Maintain 90.0% of investigations finalised within six months of commencement.

Develop and implement an action plan based on key areas for improvement identified in 2010 Client Satisfaction Survey.



Action plan completed and implemented (page 25).

Conduct 2012 Client Satisfaction Survey.

Service awareness

Increase awareness of RTA's role and improve accessibility of services and programs.

Implement phase two of eServices enabling client access to additional online bond administration services such as eLodgements.



Further releases of eServices functionality not planned due to redevelopment of core business systems (page 51).

Progress redevelopment of core business systems to enhance client services.

Continue to provide relevant information on the RTA website for stakeholders.



Website information maintained. Content management system reviewed and research into key client user needs conducted (page 33).

Redesign and restructure the website.

Our sector

Support and enhance effective legislative and policy frameworks and collaborate with stakeholders to sustain an evolving rental sector.

Regulation

Regulate the sector through a policy framework which considers the rights and responsibilities of all parties and its impact on the sector.

Monitor operation of the Act.



Consulted sector on notice periods for ending tenancies at the end of a fixed term (page 37).

Conduct quantitative research on impact on tenants and lessors of notice periods for ending tenancies at the end of a fixed term.

Finalise and implement recommendations of national tenancy database uniform law project.



Amendment Bill with national tenancy database provisions introduced in Parliament on 10 May 2011 (page 37).

Implement and monitor operation of new legislative provisions on tenancy databases.

Engagement

Engage with stakeholders to identify emerging trends and improve understanding of the issues affecting the residential rental sector.

Continue to engage with sector stakeholders and maintain quality consultative processes.



Held four Industry Development Forums and liaised with a range of industry and government groups (page 38).

Continue to engage with sector stakeholders and maintain quality consultative processes.

Support

Support the sector through education, industry analysis and funding initiatives.

Maintain high quality and regular sector data reporting and analysis.



Published a range of rental data on the website and supplied rental data to industry stakeholders (page 10).

Maintain high quality and regular sector data reporting and analysis.

Continue to undertake education activities with a focus on regional areas.



Outreach and education activities held in Brisbane and regional Queensland (page 40).

Continue to undertake education activities with a focus on regional areas.

Conduct a new funding round for the community education grants program.



Reviewed and restructured community education grants program (page 40).

Conduct a funding round for the reviewed community education grants program.

Provide funding of \$4.30m for the continued operation of the TAAS program to provide community based tenancy information and advice.



Funding of \$4.35m provided for the community based TAAS program (page 40).

Provide funding of \$5.00m for the TAAS program.

Provide one-off funding of \$1.00m for the Lady Bowen Trust to assist homeless people access rental housing.

Our organisation

Continue to build an innovative and flexible organisation undertaking sustainable operations in a healthy and motivational work environment with high standards of corporate governance and accountability.

Our people

Build on a high performing organisation based on a foundation of leadership, collaboration, planning and communication.

Undertake a corporate staff development and training program.



Series of corporate development workshops conducted for all staff (page 52).

Develop a leadership development program.

Our environment

Support whole-of-government initiatives for environmental sustainability.

Continue to implement environmentally friendly initiatives such as waste and energy reduction and maintain organisational awareness.



Waste reduction and minimisation processes implemented along with regular communication to staff regarding the initiatives (page 49).

Conduct a carbon audit and continue to implement environmentally friendly initiatives such as waste and energy reduction.

Our business operations

Identify and implement sustainable improvements in corporate governance standards, systems and processes to support business outcomes, add value and deliver measurable benefits.

Commence a program to improve client service delivery processes and replace ageing technology systems.



Program commenced (page 51). Business requirements for contemporary client-focussed service delivery processes and systems identified.

Progress procurement of systems to support client service delivery.

Complete a full test of the business continuity and disaster recovery plans.



Brisbane flood event in January 2011 enabled the successful live testing of RTA's business continuity planning (page 22).

Relocate and upgrade RTA's disaster recovery facility and implement a full test.

Complete implementation of the Portfolio Management Office and associated project management framework.



Portfolio Management Office functions established.

Review implemented project management methodology and processes.

Our finances

Maintain financial accountability, sustainability and integrity.

Achieve target of 6.0% return on investment.



Exceeded. 7.9% return on investment achieved.

Achieve target of 6.5% return on investment.

The residential rental

The RTA's rental bond database is the most comprehensive, up-to-date and reliable source of information on Queensland's private residential rental sector. Economists, analysts, property managers, developers, employers and governments use the RTA's sector data in their analyses and reporting on residential rental trends.

About the data

The RTA monitors and reports on Queensland's residential rental sector through data gathered as part of its rental bond custodial function combined with data from other official and industry sources.

Bond lodgement data has been collected since 1989, beginning under the *Rental Bond Act 1989* and more recently the *Residential Tenancies and Rooming Accommodation Act 2008*. The Act covers general tenancies (including moveable dwellings and aged rental) and rooming accommodation.

Due to the rapid growth of the rooming accommodation sector, this report will include rental bond data on rooming accommodation lodgements and refunds for the first time.

Bond records provide data for a range of functions, including the location of a rental property, dwelling type (including the number of bedrooms), weekly rent paid and the type of person managing the rental property (e.g. agent, lessor, moveable dwelling park owner). Combined with operational data, such as when transactions occur, this data is used for the analysis of:

- type and location of properties rented (bonds held)
- turnover (bond lodgements and refunds)
- length of tenancies (length of time bond held)
- management of tenancies (who manages properties)
- rents charged for various types of dwellings (ranges and medians).

The increase in the number of bonds held by the RTA over time reflects the growth in the number of residential properties rented.

The size of the sector

As at 30 June 2011 the RTA was holding 452,878 rental bonds for general tenancies compared with 425,115 at 30 June 2010 (excluding rooming accommodation. See page 13). The number of bonds held grew by 27,763 or 6.5% in 2010–11. There was an increase in both the number of new bonds lodged and bonds refunded. The difference between the number of bonds lodged and refunded remained high, reflecting continued growth of bonds held. In 2010–11 there were 245,634 new lodgements and 217,821 refunds.

During the RTA's early years of operation, much of the growth in bonds held was due to the increase in people complying with the legislative requirement to lodge bonds. In the past five years, the growth in the number of bonds held is indicative of changes in the Queensland residential rental sector, influenced by a range of factors including population growth, demand, dwelling type and dwelling location.

Population growth continues

In the 12 months to June 2010, Queensland's share of Australia's total population growth was 23.6% or 89,100 people. At this time, Queensland had an estimated population of 4.5 million or 20.2% of the nation's total population.

Net interstate migration (an average net gain of 185 per week) and net gains from overseas migration accounted for 10.7% and 44.6% of growth respectively while 44.7% was as a result of natural population increase (births less deaths).

Demand for rental housing

The Queensland population increase translates to greater demand for housing. According to the 2006 *Census of Population and Housing*, there were 452,596 rented dwellings in Queensland, approximately 90,000 more than 10 years previously in 1996. The census results indicate rented dwellings account for 32.3% of occupied dwellings for which tenure was known. Results from previous censuses in 1996 and 2001 showed that 31.3% and 31.5% respectively of total dwellings were being rented at that time.

The results show that Queensland continues to have the highest proportion of rented dwellings of any Australian state.

What are people renting?

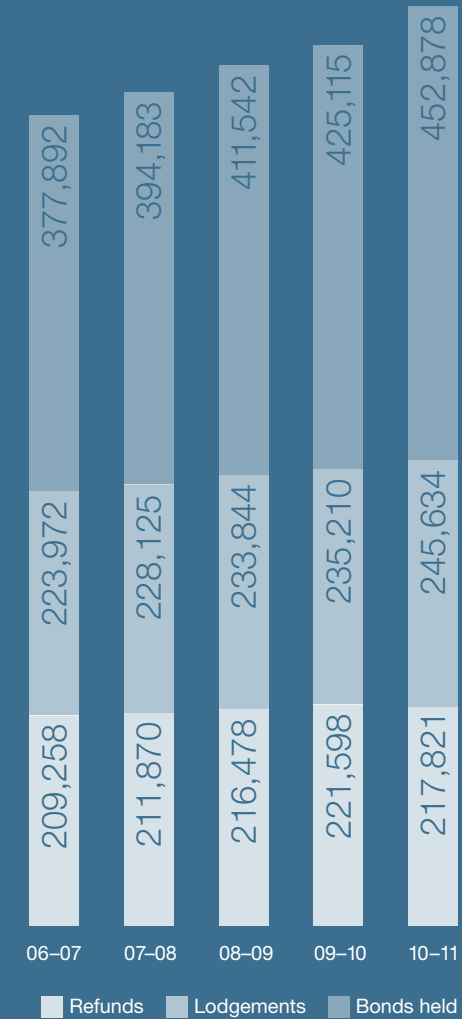
Data from the 2006 Census showed rented flats, units and townhouses in Queensland numbering 160,325, representing 37.1% of all rented dwellings.

Rented houses numbered 264,404 representing 61.2% of all rented dwellings as shown in the chart on page 12.

sector

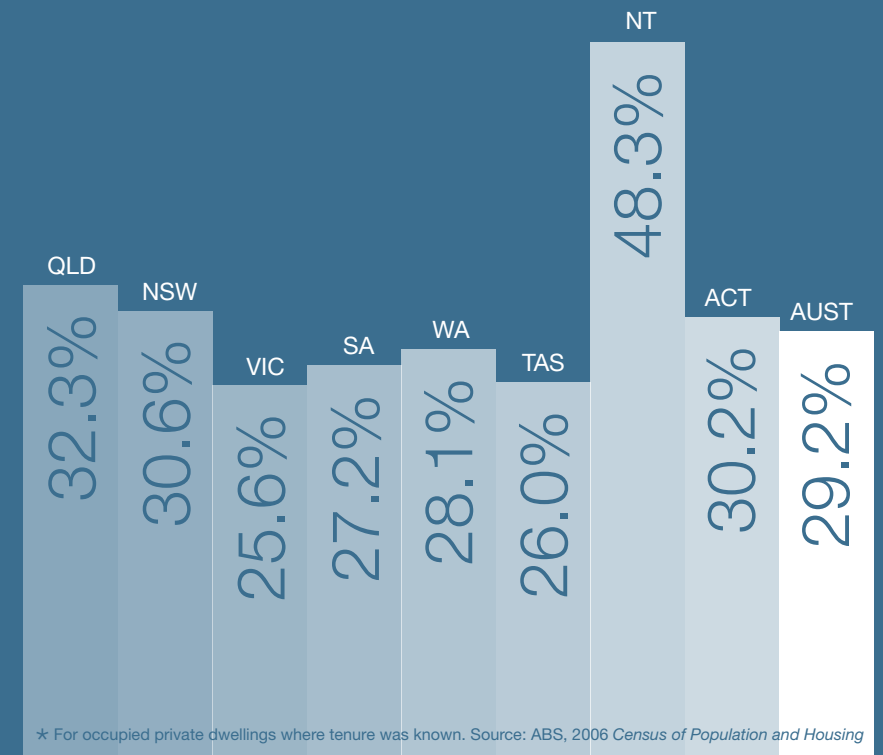
Bond lodgements, refunds and bonds held – general tenancies

2006–07 to 2010–11



Proportion of occupied private dwellings rented

2006*

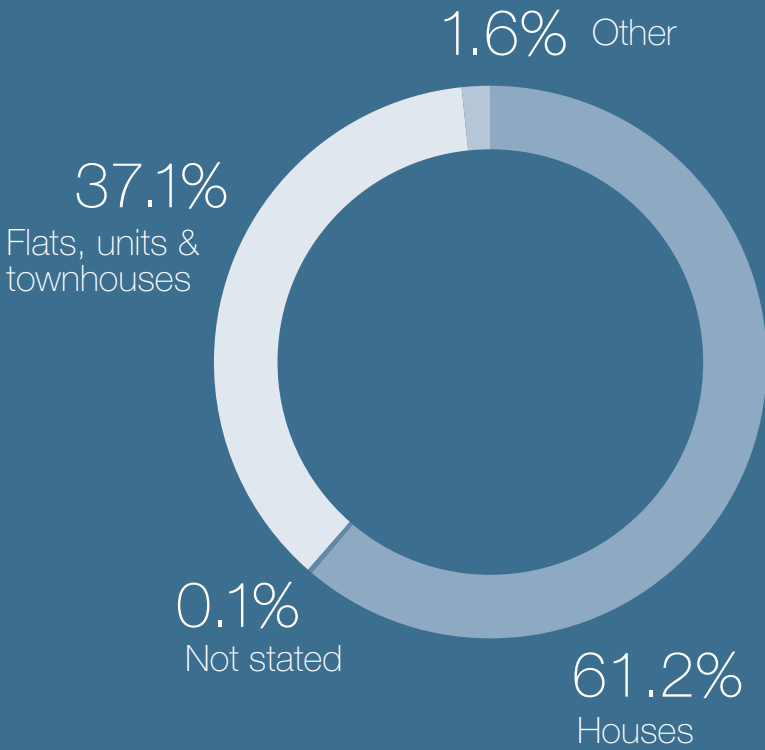


* For occupied private dwellings where tenure was known. Source: ABS, 2006 Census of Population and Housing

idential rental

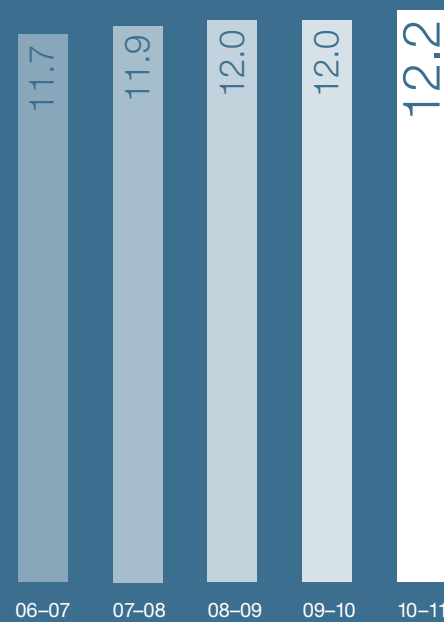
sector

Type of dwellings rented in Queensland 2006



Source: 2006 Census of Population and Housing

Median length of tenancies (months) 2006-07 to 2010-11



Rooming accommodation

From late 2002 the RTA began administering legislation that required the lodgement of rental bonds for defined rooming accommodation providers such as private boarding houses, supported accommodation and student accommodation.

As at 30 June 2011 the RTA was holding 8,966 rental bonds for rooming accommodation, an increase of 12.8% over the past 12 months. In 2010-11 there were 11,114 new bond lodgements and 10,372 refunds, increases over the past year of 12.6% and 21.4% respectively. Rooming accommodation bonds account for 2.0% of all bonds held by the RTA. The average bond value was \$674 as at 30 June 2011.

An analysis of rooming accommodation rental bond data shows approximately three quarters of these bonds are related to student accommodation, with 88.4% of all rooming accommodation concentrated in South East Queensland.

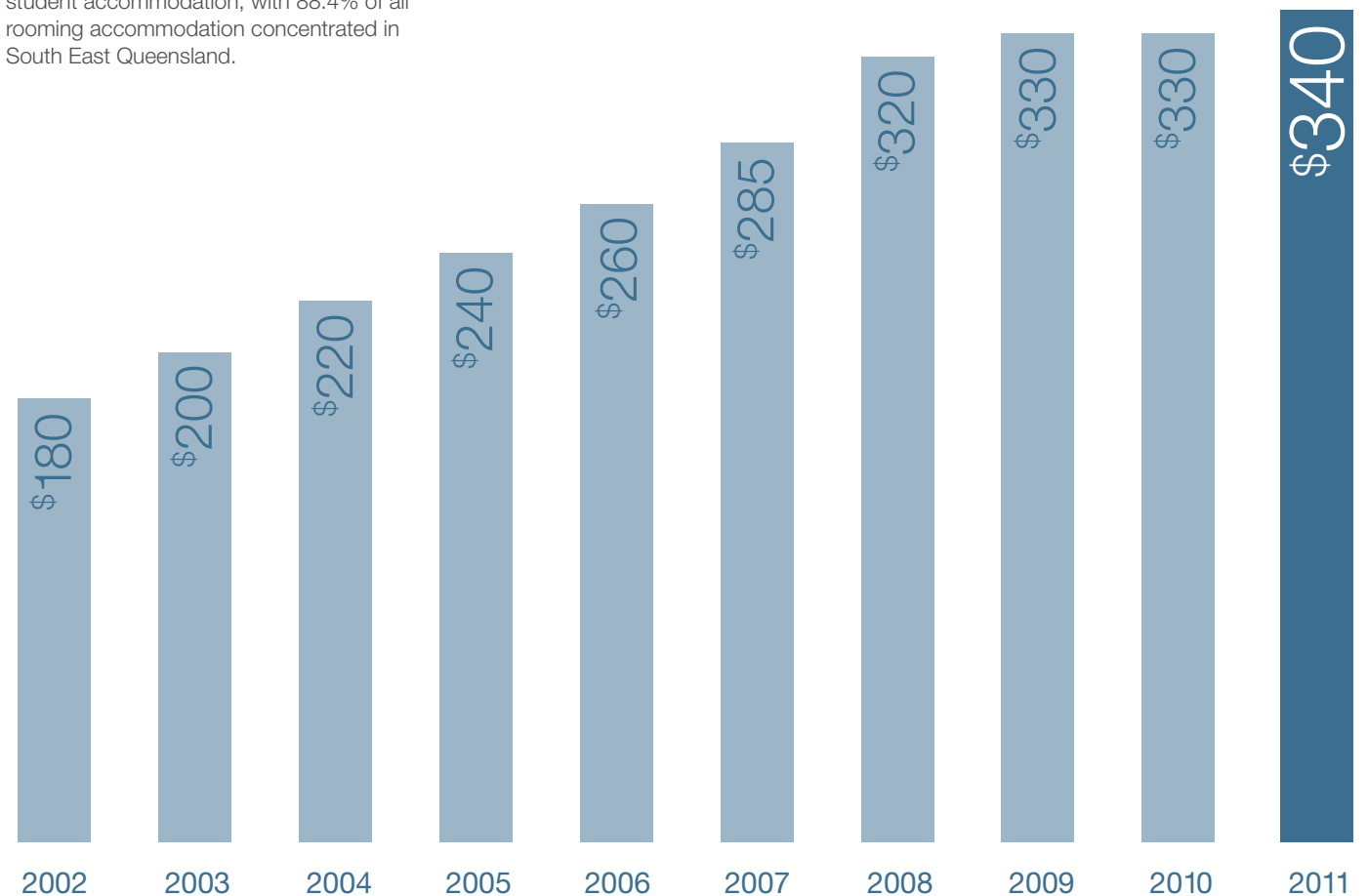
Where are people renting?

The RTA's bond data provides a guide to the distribution of rental properties throughout Queensland. The data as at 30 June 2011 is presented on page 15. It shows that 70.6% of rental properties for which the RTA was holding a rental bond were located in the south east corner of the state in the Brisbane, Gold Coast, Sunshine Coast and West Moreton Statistical Divisions. In comparison, 66.0% of the state's population (*Regional population growth, Australia 2009-10*) and 66.8% of rented dwellings, not including those rented from the State Housing Authority (2006 Census) were in this area.

Brisbane and Gold Coast Statistical Divisions saw the largest growth in bonds with a combined increase of 15,681 bonds, representing 56.7% of the total growth. Other areas experiencing noticeable growth include the Mackay Statistical Division with growth of 1,391 or 10.3% and Fitzroy Statistical Division which grew by 1,384 or 8.1%. Growth experienced by other statistical divisions was Wide Bay-Burnett 7.5%, Northern 7.4%, Darling Downs 7.2% and Far North 5.6%.

Median weekly rents

based on new bonds lodged in June quarter each year for flats, houses and townhouses



The residential rental sector

Who is renting in Queensland?

Results from the 2006 Census showed that there were 452,596 rented properties in Queensland, representing 32.3% of the 1,399,142 dwellings for which tenure was recorded.

Of these dwellings, 89.3% were being rented in the private sector.

According to the 2007-08 ABS Survey of Income and Housing, household types most likely to rent are:

- group households which represent 8.4% of households and 80.5% are renters
- one parent and dependents households representing 13.3% of households and 65.5% are renters
- lone person households which represent 27.1% of households and 37.9% are renters. Renters aged less than 35 years make up 62.7% of lone person households.

The household type least likely to rent is couples aged 55 years and over, representing 16.9% of households and 6.5% of all renters.

According to data published by the Real Estate Institute of Australia for the March 2011 quarter, at \$350 per week, Brisbane is ranked sixth in terms of median weekly rents for three bedroom houses after Darwin, Canberra, Sydney, Perth and Hobart. Also at \$350 per week, Brisbane is ranked equal fifth with Melbourne in terms of median weekly rents for two bedroom other dwellings after Sydney, Canberra, Darwin and Perth.

Length of tenancies

The length of time rental bonds are held by the RTA provides an indication of the length of tenancies.

Based on bonds which were paid out in 2010-11, the median length of time bonds were held was 12.2 months, a slight increase on 2009-10. Further, 48.3% were finalised within 12 months (49.6% in 2009-10). In comparison, the median length of time bonds were held in 2006-07 was 11.7 months with 51.9% of bonds being finalised within 12 months.

Tenancies in houses are generally longer than those in flats/units with the median length of time bonds were held in 2010-11 for flats/units being 11.8 months (11.6 months in 2009-10), compared to 13.5 months for houses (12.9 months in 09-10).

The median length of time rooming accommodation bonds were held was 5.7 months in 2010-11.

Who manages properties?

Information recorded on bond lodgement forms received by the RTA in 2010-11 shows that 85.7% of rental properties were being managed by licensed real estate agents, 13.1% were managed by lessors or owners with 1.2% being managed by other parties.

Rents – whole of Queensland

The weekly rent applicable when a bond is lodged (generally at the beginning of a tenancy) is recorded in the RTA's rental bond database. An analysis of bond lodgement data during a period of time provides a guide to sector rents at that time.

The chart on page 13 shows rents for Queensland from 2002 to 2011. There have been steady increases since 2002. June 2010 to June 2011 saw an increase from \$330 to \$340 or 3.0% after being stable for the past 2 years.

Rents – centres throughout Queensland

Queensland is made up of a number of housing markets based on factors such as location and dwelling type. The chart on the right shows changes in median weekly rents in selected areas of Queensland between June 2010 and June 2011 for the two most common types of dwelling.

Traditionally, the most expensive areas in terms of rents are in South East Queensland, particularly areas of Brisbane and both the Gold and Sunshine Coasts. However, areas which experienced the most significant rent increases for both houses and flats were Gladstone and Mount Isa. Roma saw a significant increase in rents for flats. Areas that experienced reasonable rents increases for houses and flats were Hervey Bay, Mackay and Rockhampton.

In contrast, Bundaberg and Maryborough saw a slight decrease in rents for flats, while the Sunshine Coast experienced a small decrease for flats and houses. Increases in the regional areas are most likely related to resource driven activities.

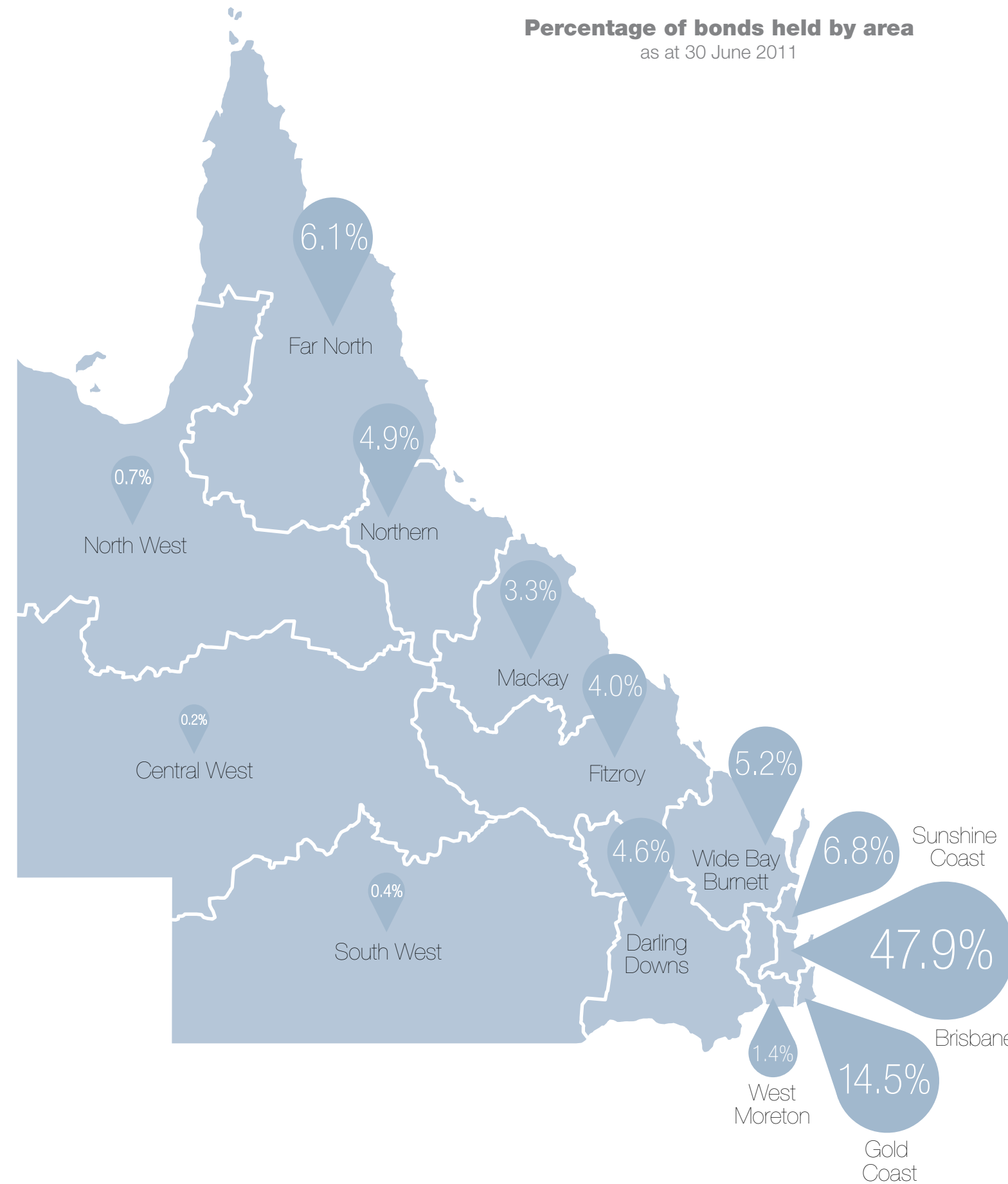
Vacancy rates tighten

The Office of Economic and Statistical Research, Queensland Treasury, collects rental vacancy data from real estate agents throughout the state. This survey provides reliable and independent data on rental vacancies to enable analysts to complete the picture of the rental market. Vacancy rates are published for broad geographic areas each quarter. Unpublished results are available at local government level annually.

Results from the June 2011 survey show that the overall vacancy rate for rental dwellings in Queensland was 3.8%. This figure decreased compared to June 2010 (4.7%) indicating that vacancy rates have tightened over the last 12 months. Brisbane had the lowest vacancy rates with inner Brisbane at 2.2% (2.8% in June 2010), remainder of Brisbane 2.6% (4.9% in June 2010) and the rest of Queensland decreasing to 4.0% from 5.7% in June 2010. The vacancy rate on the Gold Coast was unchanged at 5.5% in June 2011, with Brisbane surrounds increasing slightly from 4.2% to 4.3% for the same time period.

Percentage of bonds held by area

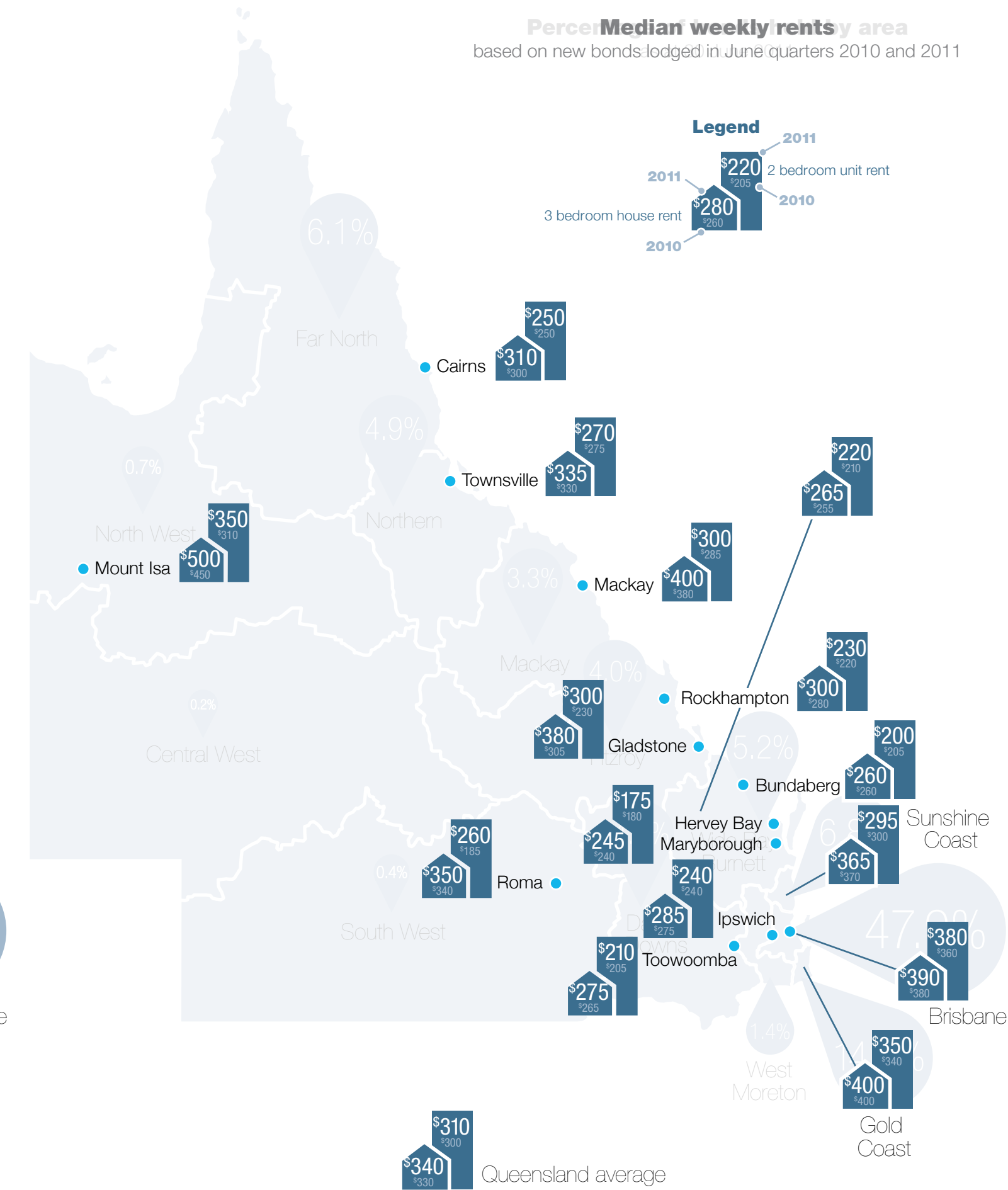
as at 30 June 2011



sector

Percentage of Median weekly rents by area

based on new bonds lodged in June quarters 2010 and 2011



Corporate governance

The success of the RTA has been established through transparency, accountability and trustworthiness, with the Board and management having a long standing commitment to quality corporate governance.

Strategic planning

The development of the RTA Strategic Plan 2011-14 commenced during 2010 and included extensive consultation with key stakeholders and staff. A key element that informed the Strategic Plan was the participation of all staff in Building our future workshops. This included the full management team in discovery workshops and the Board and Executive at a strategic direction setting workshop. These workshops received the overwhelming support of staff, were professionally facilitated and encouraged strategic thinking focussed on the RTA of the future (page 52).

Corporate governance framework

The RTA's corporate governance framework is based on the Queensland Auditor-General's model and involves two key elements, namely organisational processes and accountability processes.



The organisational perspective shows how the management structure and management standards provide the RTA's leadership and direction.

The accountability perspective shows how internal monitoring and review mechanisms and external accountabilities provide assurances that the RTA will achieve its objectives.

Board meetings for 2010-11

Directors	Full Board		Audit and Risk Committee	
	Attended	Scheduled	Attended	Scheduled
John Battams	11	11	4	4
Lee Banfield	10	11	-	-
Deirdre Coghlan	11	11	-	-
Bradley Currie	10	11	-	-
Deborah Duffy	10	11	-	-
Roslyn Wallace	11	11	4	4
Charles Ware	11	11	4	4

Ms Cathy Blunt, independent ARC member, attended three meetings.

Organisational processes

The Board

The Governor-in-Council appoints the Board comprising a Chair and six directors, for a term of three years. The current term for RTA directors expires in April 2013. All new directors participate in an induction program focused on governance, RTA operations and meeting key senior officers.

Board directors have relevant skills and expertise and include representatives of sector and community organisations (page 6).

Remuneration for Board directors (page 89) is determined through Cabinet approved procedures, administered by the Department of Justice and Attorney-General and is based on the Board's functions and powers. Each year the Board conducts one regional Board meeting where it also meets with regional representatives from the residential rental sector.

The Board met in Toowoomba on 28 September 2010 and hosted a lunch with local sector stakeholders and the Hon Karen Struthers MP, Minister for Community Services and Housing and Minister for Women.

The role of the Board

The Board operates in accordance with its responsibilities outlined in the Act. The Board Charter sets out the powers reserved to the

Board, delegations made to management, and provides clarity in the respective roles and responsibilities of the Board, Chair and General Manager.

The Board's specific responsibilities include:

- reviewing and approving strategy
- setting values and standards
- endorsing the RTA's annual budget
- monitoring business performance
- monitoring investment activities and financial position
- ensuring significant business risks are identified and managed effectively
- ensuring performance of the Board and management is regularly assessed.

The General Manager's role

The General Manager provides strategic policy advice to the Chair, Board and Minister on the operation and monitoring of the legislation.

The General Manager is responsible for all aspects of management, staffing and administration.

The General Manager provides monthly performance, operations and compliance reports to the Board. The Board also receives reports and updates on strategic policy issues.

The General Manager attends all Board meetings with senior executives attending as required.

Audit and Risk Committee

The Audit and Risk Committee (ARC) is a key governance function ensuring the RTA operates within an appropriate framework of internal control and risk management. The ARC Charter, reviewed annually, clearly defines the roles and responsibilities of its members.

The ARC consists of Mr Charles Ware (ARC Chair/RTA director), Ms Roslyn Wallace (RTA director), Mr John Battams (ex-officio member/RTA Chair) and Ms Cathy Blunt (independent member), and meets on a quarterly basis.

The main functions of the ARC are to oversee RTA accounting policies and practices, the integrity of financial statements and reports, the scope, quality and independence of the RTA's external audit arrangements, the monitoring of the internal audit function and the effectiveness of risk measures. The committee is also responsible for monitoring overall legal and regulatory financial compliance.

The Auditor-General appointed William Buck Chartered Accountants and Advisors as the auditor for the RTA and Residential Tenancies Employing Office, in accordance with section 30 of the Auditor-General Act 2009.

HLB Mann Judd continue as the internal auditors appointed by the RTA (page 20).

Both internal and external auditors attend each ARC meeting.

The Chair of the ARC and the General Manager conduct entry and exit interviews with external auditors, oversee the conduct of the audit, discuss findings and identify priorities requiring the attention of the ARC for the coming year.

Audit recommendations are actioned quarterly based on the audit reports received. These recommendations are monitored closely by the Executive team and updates on progress are discussed prior to each ARC meeting.

Audit recommendations are a standing agenda item for all ARC meetings.

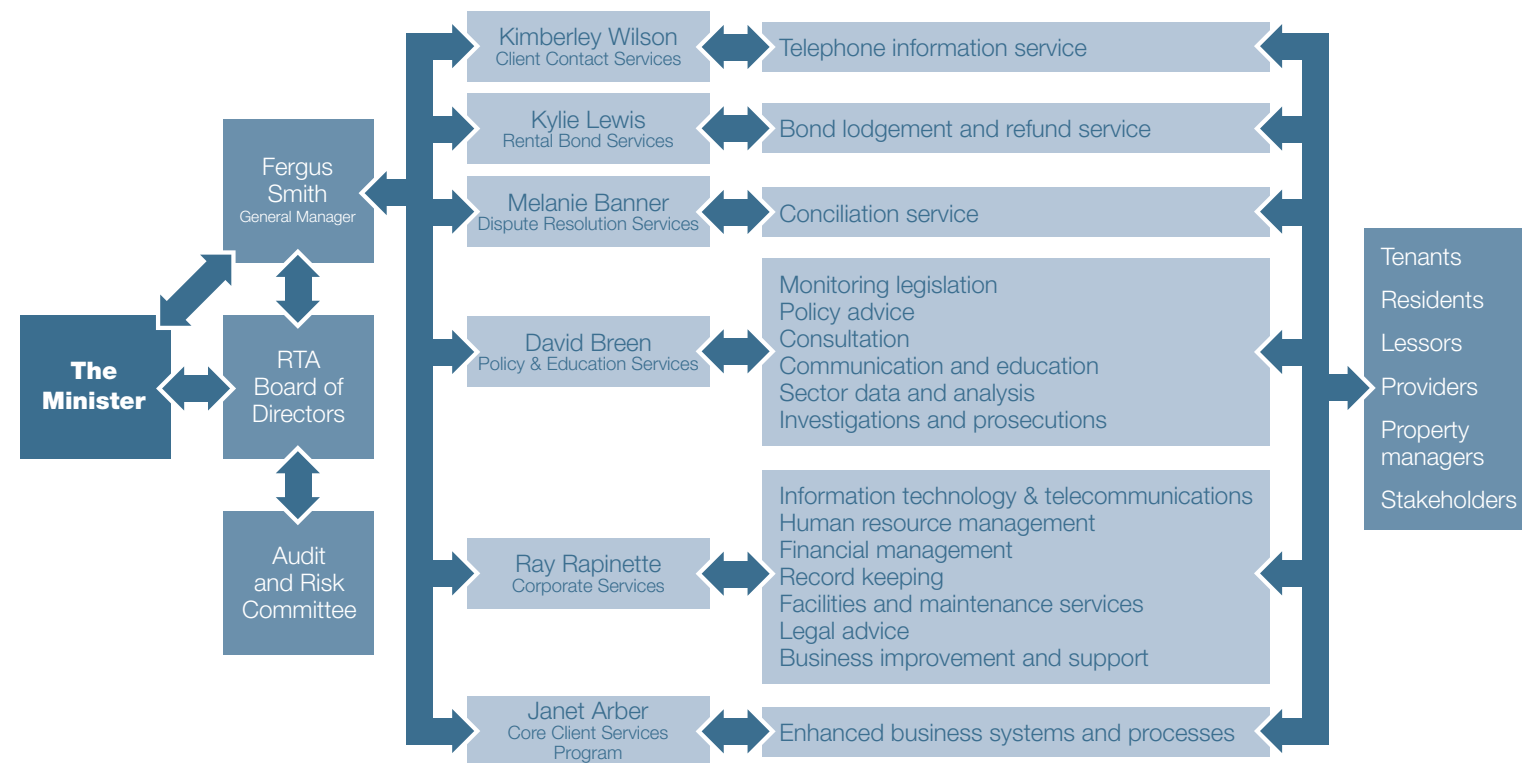
Achievements of the ARC

The ARC in 2010-11:

- reviewed and endorsed the annual financial statements
- appointed internal auditors for a further three year period ending in 2014
- reviewed and assessed performance of internal auditors against the annual audit plan
- participated in an audit and risk self assessment
- drafted a calendar to track tasks for completion throughout the year
- reviewed audits and risks associated with the new Core Client Services Program (page 51)
- reviewed the full risk framework and risk register
- reviewed the audit and risk charter.

The ARC observed the terms of its charter, having due regard to the Queensland Treasury's Audit Committee Guidelines.

Organisational structure



Identifying risk

The RTA has a comprehensive risk framework and risk register in place to closely monitor identified risks. All staff are responsible for identifying potential risks to the RTA using a process based on the AS/NZ Standard 4360:2004 Risk Management Standard.

Organisational structure

The RTA has a functional structure aligned to the strategic plan (page 17), which is aimed at maximising the operational capability and capacity of management and staff.

RTA Executive team

The General Manager leads the RTA Executive team (page 45) which is comprised of the divisional executive managers. The team meets weekly ensuring strategic priorities and operations of the RTA are on track.

Agency Consultative Committee

The RTA Agency Consultative Committee (ACC) includes representatives from management, staff and the Queensland Public Sector Union. The ACC assists with RTA staff issues through open dialogue between management and staff representatives.

Information Portfolio Management Steering Committee

The Information Portfolio Management Steering Committee (IPMSC) is chaired by the General Manager and attended by senior management.

An external independent representative also sits on the IPMSC, providing independent expert advice on aspects of project management and emerging technologies.

The IPMSC is the key internal governance body responsible for ensuring corporate projects operate efficiently and effectively, and are sufficiently resourced to achieve their objectives of supporting the business and corporate needs of the RTA.

Management standards

Management standards are informed by ethical standards such as the Single Code of Conduct (page 48), as well as a range of government and organisational policies, procedures, guidelines and standards. Management standards are reviewed on an annual basis.

Ethical standards

The RTA's Code of Conduct guides staff to carry out their duties with integrity and impartiality, accountability and transparency, to promote the public good and commit to the system of government. The Code of Conduct was revised in 2010–11 to include new Queensland Government guiding principles (page 48).

Recordkeeping

The Strategic Recordkeeping Implementation Plan and Operational Recordkeeping Implementation Plan have been endorsed by Queensland State Archives. The strategy covers all business units and activities, and is being implemented.

The RTA has a devolved hybrid records model. Activity and responsibility are devolved through the organisation with centralised control resting with the Recordkeeping Unit, developed to oversee the records management program.

The RTA has policies and procedures, including a Records Management Policy, in place to inform staff of recordkeeping practices and responsibilities.

Our Vital Records Policy and Information Security Classification Scheme also support compliance with Information Standard: 40 Recordkeeping (IS40).

A Business Classification Scheme has been developed based on an analysis of RTA functions and activities, and has been trialled by several business units over the past year.

A moratorium has been placed on the disposal of records until a new Retention and Disposal Schedule can be developed.

Recordkeeping requirements are considered in all aspects of service delivery and included when planning and implementing business requirements. Position descriptions and policies and procedures incorporate recordkeeping responsibilities.

Queensland Government Reconciliation Action Plan

The RTA has identified a cultural awareness training activity for staff to better understand, respect and appropriately work with, and deliver services to, people from diverse backgrounds including Aboriginal and Torres Strait Islander peoples and communities.

Further strategies are also being developed for inclusion in the annual business plan to strengthen our commitment to the Reconciliation Action Plan.

Right to Information

The *Right to Information Act 2009* (RTI Act) is the Queensland Government's approach to providing the community with access to information controlled by government. The RTA supports the principles of the RTI Act by operating in an open, transparent and accountable manner, while protecting the privacy of clients and staff. In 2010–11, the RTA received four applications for access to documents related to bonds, dispute resolution and investigations under the RTI Act.

Information Privacy

The *Information Privacy Act 2009* (Qld) gives all members of the public a legally enforceable right to access and amend their personal information. The Act also requires the RTA to safeguard the personal information that it holds and only disclose such information to the individual that the information relates to, where consent has been provided or it is required and authorised under law. In 2010–11 the RTA received eight applications from individuals for access to documents containing their personal information, and responded to over 12,000 requests to disclose personal information to other organisations under law.

Public Interest Disclosure Act introduced

With the repeal of the *Whistleblowers Protection Act 1994* and the introduction of the *Public Interest Disclosure Act 2010* (PID Act) on 1 January 2011, the way in which public interest disclosures are to be publicly reported has changed. From 1 January 2011 agencies are no longer required to report public interest disclosures in annual reports.

Under section 61 of the PID Act, the Public Service Commission (PSC) is now responsible for the oversight of public interest disclosures and preparing an annual report on the operation of the PID Act. From 1 January 2011 agencies are required to report information about public interest disclosures to the PSC. The PSC will prepare an annual report on the operations of the PID Act and the information provided by agencies. The annual report will be made publicly available after the end of each financial year.

For the period 1 July 2010 to 31 December 2010, the RTA received no disclosures pursuant to the Whistleblowers Protection Act.

RTA business planning cycle

Business planning

The RTA has an established business planning process as shown in the diagram on the right. The RTA Board sets the strategic direction of the organisation, documented and formalised through the RTA's Strategic Plan.

The new 2011–14 plan details a range of strategies to achieve our future vision of "making a positive difference to the rental sector". It also identifies the RTA's continuing strategic priorities of our clients, our sector and our organisation.

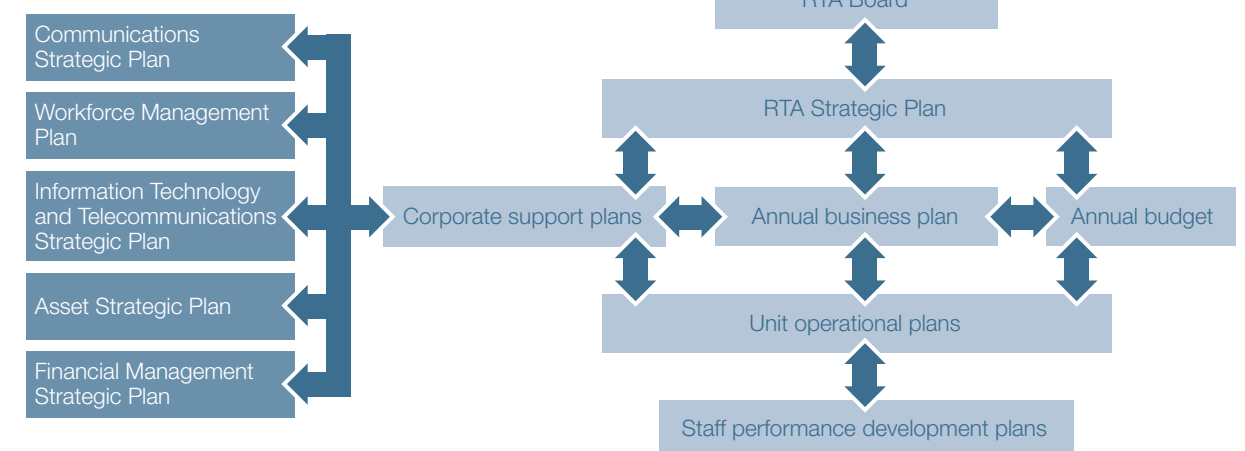
The annual report, which is structured according to these strategic priorities, is the main vehicle for reporting the RTA's progress. The Strategic Plan is underpinned by corporate support plans, an annual business plan and unit operational plans specifying activities and performance levels to be achieved.

The RTA has five corporate support plans:

- Communications Strategic Plan
- Workforce Management Plan
- Information Technology and Telecommunications Strategic Plan
- Asset Strategic Plan
- Financial Management Strategic Plan.

All staff complete annual performance development plans in conjunction with their line manager to identify their contribution to planning and performance and to determine their professional development requirements.

RTA business planning overview



Financial planning

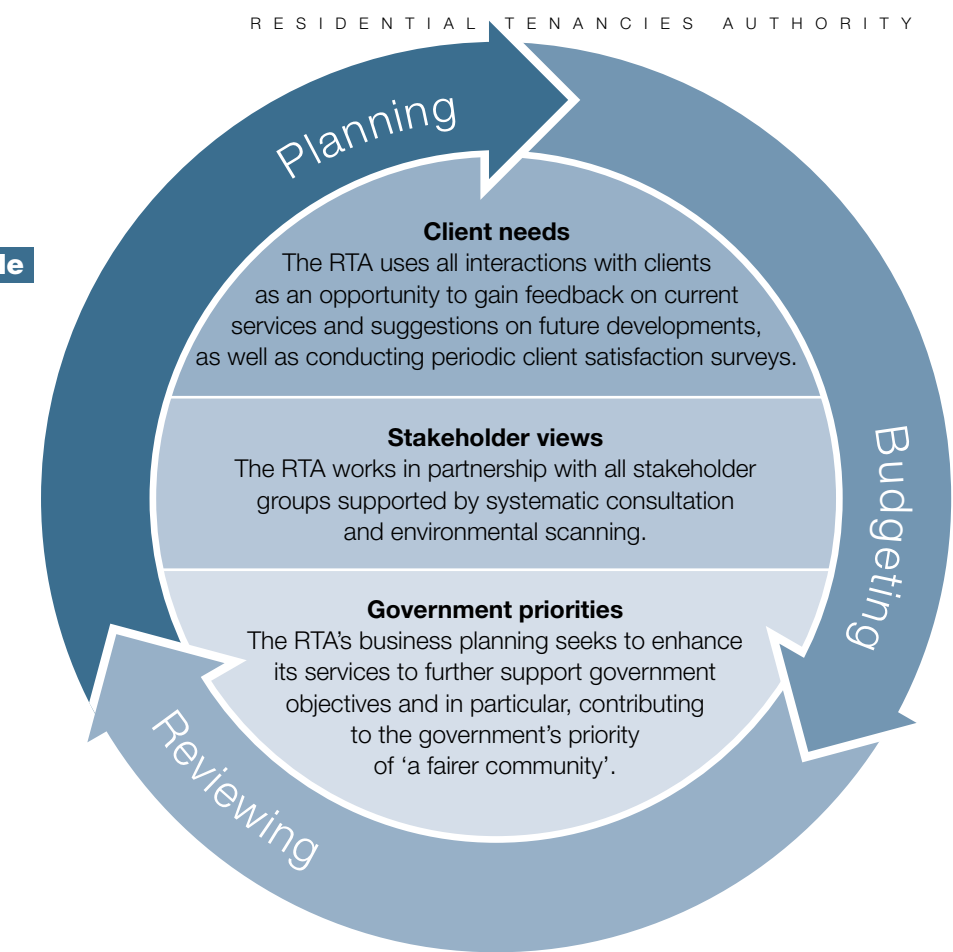
The annual budget process runs in parallel with the business planning cycle. Identified business priorities form the basis for detailed budget allocations which fund the activities in operational plans. In the latter part of the financial year, the Board endorses the upcoming year's budget for ministerial approval.

Operational performance monitoring and environmental scanning are a core part of the business planning cycle. The Board and Executive team review performance to date, sector trends and stakeholder issues particularly at the start of the planning cycle, to inform future financial planning.

The RTA's budget and operational performance are reviewed against monthly targets as part of standardised reporting

processes. A comprehensive mid-year budget review allows for internal re-allocations to be made within budget, if necessary, ensuring performance targets are met. The RTA reports to public stakeholders through the annual report, service delivery statements and associated Parliamentary Estimates processes.

The Executive team is responsible for the implementation of this cycle and ensuring RTA staff manage their roles and contribution to the process. The General Manager reports to the Board and with the Executive team, monitors progress during the cycle. Senior management, team leaders and senior staff meet monthly to ensure a team approach to decision making and strategic policy implementation.



Corporate governance

Accountability processes

Internal and external accountability

Internal accountability processes include planning mechanisms for the management of risk and the associated internal audit function, the flow of information to and from the Executive team and engagement with stakeholders.

External accountability involves accountability to the Queensland Parliament, including the provision of financial and non-financial reporting.

Risk management

The RTA's risk management framework is designed to assist staff in implementing risk management practices and facilitate a risk management culture. To assist in the management of risk, the RTA has a risk register identifying strategic and corporate risks together with contributing factors and mitigating controls. The register is reviewed quarterly by the RTA's full management team and is tabled at each Audit and Risk Committee meeting.

This year unit operational plans included a risk analysis section to ensure that the corporate risk register is informed by an assessment of operational risks.

Compliance register

A compliance register complements and underpins the risk management process through the identification of legislation and regulations the RTA must comply with.

The compliance register is a risk management tool designed to identify and mitigate risks associated with non-compliance under applicable laws and regulations. The register is maintained and updated regularly to include relevant government standards and document the RTA's actions towards achieving compliance.

Internal audit

The Audit and Risk Committee contracted HLB Mann Judd to provide an internal audit service commencing in 2008 and concluding 30 June 2011. This year the Board approved the appointment of HLB Mann Judd for a further three year period, commencing 1 July 2011.

The purpose of the internal audit function is to assist the RTA in achieving strategic goals by providing an independent review of identified areas. The reviews assist with:

- reliability and integrity of financial and other operating information
- adequacy and effectiveness of systems and controls
- compliance with policies, laws and regulations
- prevention of fraud and corruption
- safeguarding of assets
- risk management planning
- economic and efficient use of resources.

The RTA established the internal audit function pursuant to section 76 of the Financial Management Standard of Queensland 1997, and it continues under the Financial and Performance Management Standard 2009.

Under the standard the RTA:

- developed an internal audit charter to govern the operation of the internal audit function
- prepares strategic and annual internal audit plans
- reports to the Audit and Risk Committee about each audit report and performance against the audit plan.

The internal audit methodology complies with the requirements of the Institute of Internal Auditors of Australia, the standards set down by the Auditing and Assurance Standards Board and the Institute of Chartered Accountants of Australia. Where other standards impact on the work of auditors, compliance is a priority. One example of these types of standards is the Risk Management Standard AS/NZS 4360:2004.

The Annual Internal Audit Plan for 2010-11 was completed and included the following reviews:

Review of property, plant and equipment

This review recommended enhancements to existing controls and to streamline procedures across the RTA. All review recommendations were accepted and implemented by 30 June 2011.

Review of community education grants program

This review recommended improvements to the risk management of the program and further enhancements to policies and procedures (page 40).

Review of project implementation and management

This review made a series of recommendations for the improvement of project management processes. The recommendations have been considered and an implementation plan has been developed for action in the 2011-12 year.

Review of expenditure and delegated authorities

This review concluded that the RTA has sound internal controls over expenditure processes.

Performance review framework

The Board and General Manager are responsible for monitoring and reviewing the performance of the RTA. The performance review framework ensures this role is undertaken with comprehensive knowledge of the full depth and breadth of the RTA's functions. The table below outlines the RTA's 2010-11 performance against key elements of this framework.

Stakeholder engagement

The RTA prides itself on its effective partnerships with its external stakeholders and key business suppliers to provide responsive service to clients. These activities, along with formal and informal client feedback, are an integral part of the RTA's corporate governance.

The RTA's high standards of disclosure, responsibility and transparency, are reflected in the way it consults with stakeholders (page 41).

Industry Development Forum

The Industry Development Forum comprises representatives from key residential rental sector stakeholders and is chaired by the RTA General Manager. Four forums were held in 2010-11 and provided the RTA with feedback, opportunities for community engagement and input on policies and future directions (page 38).

Business partners

The RTA works closely with ongoing business partners, which include the Queensland Investment Corporation and Australia Post.

Contractual agreements reviewed for cost efficiency

The RTA undertook a review of significant contractual agreements in late 2009, in line with whole-of-government requirements. The review recommended that identified outsourced services should be taken to tender to test the market and ensure the RTA was receiving value for money.

An extensive tender process was completed for incoming mail, printing and logistics for forms and fact sheet distribution, and production and distribution of mail item services through electronic data interface.

The review identified the opportunity for a range of cost savings and the RTA transitioned the services to three new suppliers in December 2010. The transition brought greater transparency between the RTA and the service providers, delivery of more efficient client services and cost savings ranging from 25 to 65 per cent compared to previous suppliers.

The RTA is working closely with new business partners Computershare Communication Service Pty Ltd, CPX Print and Logistics and Toll Priority.

Overseas travel

The RTA's Board directors and staff did not undertake overseas travel during 2010-11.

Function	Purpose	2010-11 achievements
Monthly financial reporting	Reports level of revenue and expenditure against the approved budget at each Board meeting.	Comprehensive monthly financial reports provided at each Board meeting.
Performance measures	Reports achievement against annual performance targets and quantity, quality, timeliness and location at each Board meeting.	Full performance reports provided at each Board meeting - majority of performance targets achieved.
Internal audit program	Reports progress and recommendations from internal audit to the Board and the Audit and Risk Committee.	Full status of all audits provided to Audit and Risk Committee - no current critical level risks.
Quality assurance certification	Maintains certification against the relevant ISO standard.	ISO 9001:2008 certification renewed.
Client satisfaction survey	Biennial survey to gauge satisfaction and identify areas for improvement through an action plan.	No survey in 2010-11.
Service delivery statements	Contributes to the Minister's report on performance and budget results to the Parliament.	Sound financial position achieved.
Annual report	High reporting standards ensure accountability to the RTA's clients, sector and staff.	Achieved ninth consecutive gold award from the Australasian Reporting Awards.

Supporting Queensland through natural disaster

December 2010 and January 2011 saw an unprecedented chain of natural disasters hit Queensland. Much of the state was affected and with approximately one third of Queenslanders renting their homes, the RTA worked to ensure all parties to tenancy agreements were aware of their tenancy rights and responsibilities at such a testing time.

Effective communication with our clients

The RTA informed the community of their rights and responsibilities using a variety of communication channels. With a number of tenant support services closed due to flood waters and tropical cyclone Yasi, the RTA took the lead on informing clients of their rights, responsibilities and available support mechanisms.

Local, metropolitan and regional media were engaged to spread the word about who was responsible for the cleanup and what steps could be taken where a rental home was considered unliveable. General Manager Fergus Smith and Executive Manager Policy and Educational Services, David Breen,

participated in a number of radio interviews, most notably an extended talkback session on 612ABC Brisbane's Mornings with Madonna King, where callers asked questions about their own flood-related tenancy issues. Information provided by the RTA also featured in press, television, AM and FM radio and online news.

Social media also played a role with the Queensland Police Service Facebook page directing around 170,000 followers to the RTA website for tenancy support.

A 'flood edition' of the external client newsletter Update was published in the second week of January, informing clients of key information to help manage their own disaster response.

Phone services diverted

Flooding in Brisbane's CBD on Wednesday 12 January compromised both telephone exchanges hosting RTA phone services. The 1300 number for clients was diverted to the disaster recovery site where a message alerted clients to the disruption in phone services and directed them to the website for more information.

Time sensitive notices put on hold

Severely disrupted mail services impacted on the ability of clients to respond to time-sensitive notices, such as the Notice of Claim and the Notice of Unresolved Dispute.

A Notice of Claim informs a tenant or lessor/agent that a claim has been made on the rental bond, giving 14 days to respond to the claim or the bond would automatically be paid out to the claimant. A Notice of Unresolved Dispute is sent following an unsuccessful attempt at dispute resolution, allowing seven days for the claim to progress to the Queensland Civil and Administrative Tribunal.

A hold was placed on the due dates of all Notices of Claim and Notices of Unresolved Dispute in disaster affected areas, to ensure tenants, lessors and agents were not unfairly disadvantaged due to delays in mail services.

Flood recovery assistance team focuses on flood affected clients

The RTA worked with the office of Hon Karen Struthers MP, Minister for Community Services and Housing and Minister for Women, to establish a flood recovery assistance team to support the specific needs of disaster affected clients.

The team included senior members of staff with client contact, conciliation, communication and outreach roles. Members of the team travelled to Rockhampton to assist in resolving difficult disputes (page 34) and to Community Recovery Centres to provide face-to-face support and information resources. Educational resources and tenancy forms were sent to the Rockhampton Community Recovery Centre for distribution to other recovery centres around Central and North Queensland.

All flood-related disputes were escalated to members of the team ensuring efficient and sensitive handling of their concerns.

Real life test of business continuity plan reviewed

The review found the test of our business continuity processes was a success. Recommendations raised in the review were implemented prior to a follow-up business continuity exercise conducted 27 May 2011.



General Manager Fergus Smith leads the Crisis management team in a mock exercise following the natural disasters.

Future priorities - Corporate governance

Key activities for 2011-12 are to:

- implement the 2011-14 Strategic Plan
- review the Audit and Risk Charter
- determine and plan for compliance requirements under the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (page 51)
- implement the Australian Governments Open Access and Licensing Framework (AusGOAL) (page 51).

Our clients



Services for our clients

As Queensland's residential rental sector continues to evolve and grow, the RTA addresses the needs of all clients through client focus, innovation and commitment to excellence in service delivery.

Objectives

Service quality Continually achieve high standards of quality in service delivery in terms of relevance, accuracy, timeliness and accessibility.

Service awareness and utilisation Increase the awareness of the RTA's role and improve the accessibility of RTA services and programs.

Providing clients with information 25

Rental bond management 26

Resolving tenancy disputes 29

Investigations and prosecutions 30

Accessible services 33

An outline of the variety of channels the RTA uses to provide accessible services across Queensland

Case study 34

A practical example of how RTA services are able to assist the sector

Future priorities 34

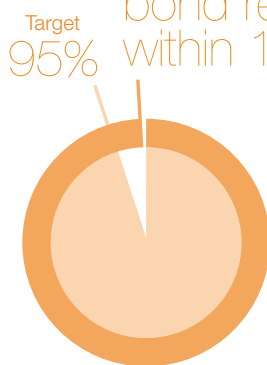
A look at key activities planned for the 2011–12 financial year

Key results

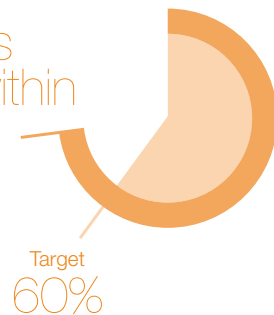
Wait time for callers decreased from 63 seconds last year to **48 seconds**



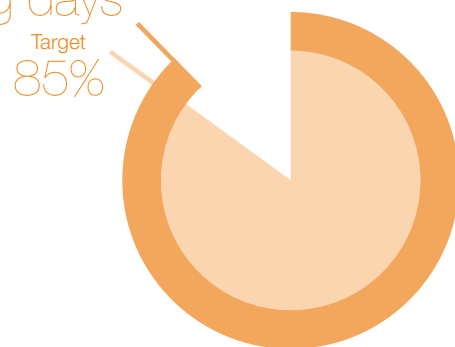
99.1% Australia Post bond refunds processed within 15 minutes



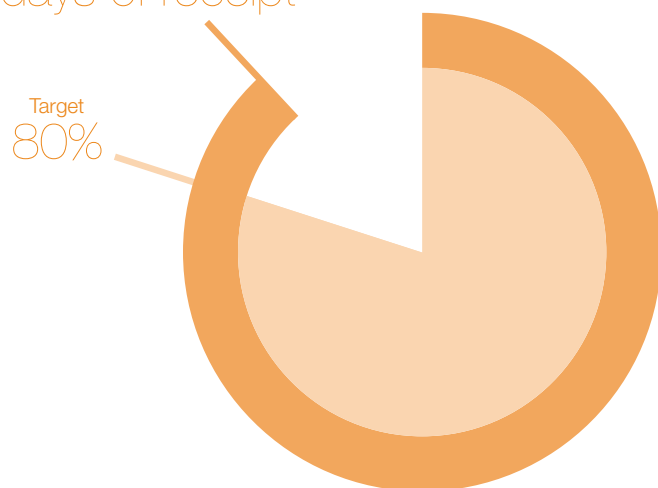
73.1% calls answered within 60 seconds



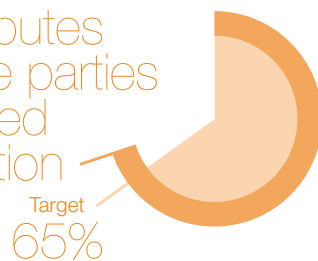
88.0% non-Australia Post related bond refunds processed within two working days



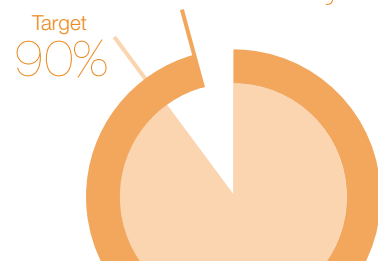
88.1% disputes finalised within 28 days of receipt



70.1% disputes resolved where parties participated in conciliation



95.8% investigations successfully resolved



Providing clients with information

Despite a continuing high demand for client services, RTA staff remain committed to providing consistently high quality information and support services to our clients.

Delivering accurate information

The RTA Client Contact Centre is an integral part of the RTA's client service frontline, responding to an average of 1,391 calls each working day in 2010–11 (1,403 in 2009–10). Staff use their knowledge of Queensland tenancy law to listen to clients and provide accurate and helpful information applicable to their situation.

As Queensland's residential rental sector grows, so does the need for RTA services. While Client Contact Centre enquiries decreased slightly (0.9%) to 349,026 calls in 2010–11, compared to 352,103 in 2009–10, online enquiries increased 32.0%.

Average talk time for callers was 238 seconds this financial year, compared to 217 seconds in 2009–10. This increase is due to a stronger focus on servicing client needs fully on the first call, reducing the need for clients to call again.

Last year saw the introduction of new call recording software which has been utilised to improve customer service standards and accuracy of information provision to clients.

As a result of this facility, staff have been able to reflect on their own performance and identify areas for improvement. Staff knowledge of the operation of the Act has increased, leading to greater consistency and accuracy in information provided to clients. Three customer service training sessions were conducted for staff focussing on the overall client experience.

Statistics show improvement in service delivery

The Client Contact Centre faced a very difficult start to 2011 with the traditional peak demand period (between January and March) coinciding with a series of natural disasters. Training provided late in 2010 prepared staff for the high levels of demand experienced in this period, as well as the emotional impacts of supporting disaster affected clients. Despite the difficulties experienced in this time, the Client Contact Centre was able to meet all targets for the year, improving on the outcomes of 2009–10.

The most common type of call continues to be related to rental bonds, accounting for 43.0% of calls compared to 44.7% last financial year. The proportion of bond queries reduced due to the level of use of eServices. Other common enquiries from clients relate to rent increases, rules of entry, maintenance issues and the breaking of tenancy agreements.

The Client Contact Centre maintained high service quality standards, with 73.1% of telephone calls answered within 60 seconds (target 60%) and 86.6% within two minutes (target 85%). The average waiting time for callers was 48 seconds, showing an decrease compared with 63 seconds in 2009–10.

Online enquiries grow

The RTA fielded 6,926 online enquiries about bond and tenancy related matters during 2010–11, an average of 28 per day. This was an increase of 32.0% compared to 2009–10 (5,250), an average of 21 per day.

Online responses were generally resolved within two working days, with 85.0% achieving this (87.4% in 2009–10).

Improved data collection

Quality data collection was under the spotlight this year with a new project targeting data collected from client telephone enquiries. 'Wrap codes' were trialled, providing a more detailed way of recording information on the types of clients we service and the nature of their enquiries. A wrap code is where a number is allocated to the type of client, and the reason they call.

The new data collected brings clearer understanding of different client information needs, and will provide more accurate figures on which to base key organisation activities, such as communication and education initiatives.

The wrap codes were successfully trialled during April. The new system gives a greater number of categories to record information against. For example, data showed that 66.3% of calls in April about the bond refund process were from tenants, compared with 18.6% from agents and 11.7% from lessors. The remaining enquiries were fielded from friends and family members, and business partners such as Australia Post.

This new method of collection also provides information on the number of client issues resolved on the first call, allowing management the ability to review processes to improve the client experience.

The new wrap codes will replace current call logging procedures on 1 July 2011.

Client satisfaction survey action plan implemented

Following the results of the Client satisfaction survey last year, the RTA developed and implemented an action plan based on the feedback received. The two-year plan works to ensure continued high levels of client satisfaction of RTA services. A further survey will be conducted in 2011–12.

RTA complaints remain low

The RTA received 56 complaints about its services from clients in 2010–11, a slight increase on 2009–10 (53 complaints). With over a million interactions with clients this year, this translates to approximately one complaint for every 20,000 interactions.

The RTA continued its commitment to effective complaints management with the review of the complaints management policy this year. The review resulted in minor amendments to the policy.

Our clients

Rental bond management

Independent management of bond money ensures fairness for all parties who rent or manage Queensland rental properties.

Rental bond management

The management of rental bonds is one of the RTA's core client service functions, with 2,726 forms processed daily, compared to 2,670 daily in 2009–10.

In 2010–11 a slight increase in demand saw 684,234 bond forms processed, comprising 334,816 lodgement forms (321,963 in 2009–10) and 349,418 bond refund/bond change forms (348,187 in 2009–10).

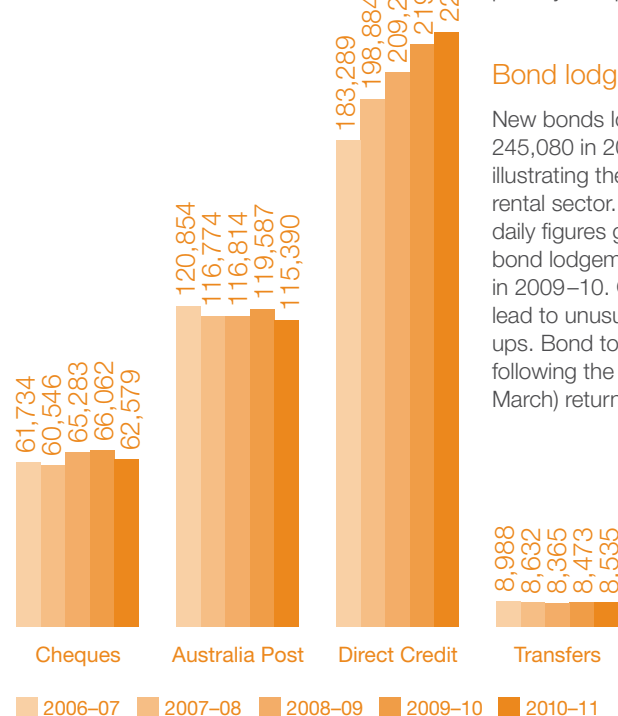
Peak months for bond administration services were from December 2010 to March 2011, with an average of 2,883 bond forms processed daily with a maximum daily average of 3,283 forms processed in February 2011.

Clients want fast bond refunds

In 2010–11 the RTA completed research on client preferences about bond refund payment methods. It found that the popularity of cash payments through Australia Post was generally not due to a desire for cash,

Bond refund transactions by refund option

2006–07 to 2010–11



but rather the need for quick access to bond funds. The RTA will continue to build awareness of the direct credit refund option over 2011–12, providing tenants with a quick and safe method to access bond funds, while simplifying transactions and reducing agency fees for the RTA.

Natural disasters brought swift response

Natural disasters such as Cyclone Yasi and wide-spread flooding throughout Queensland in January saw significant disruptions to mail services, limited or no access to many Australia Post outlets and, for three days, no client access to the RTA. Additionally, flood affected contract suppliers moved some operations to Sydney, resulting in delays to issuing bond refund notices and refund cheques.

The RTA put a hold on time-bound processes such as the 14 day Notice of Claim, to ensure bond funds weren't automatically released and clients without mail services were not unduly disadvantaged.

The disruptions to services also confirmed direct credit as the safest, quickest and most effective bond refund method for clients, and highlighted the limitations of bond refunds paid by cheque.

Bond lodgements continue to rise

New bonds lodged rose 4.8 per cent from 245,080 in 2009–10 to 256,748 this year, illustrating the ongoing growth of the state's rental sector. In monetary terms, average daily figures grew this year to \$1,363,000 in bond lodgements, compared to \$1,264,000 in 2009–10. Queensland's natural disasters lead to unusual patterns regarding bond top-ups. Bond top-ups were significantly lower following the natural disasters (February and March) returning to normal levels by June.

Bond management initiatives continued to be developed throughout 2010–11, with the aim of monitoring and improving the accuracy of information transferred between property managers and the RTA. The RTA will continue to investigate methods to further streamline bond transactions over the coming year.

Demand decreases for bond refund services

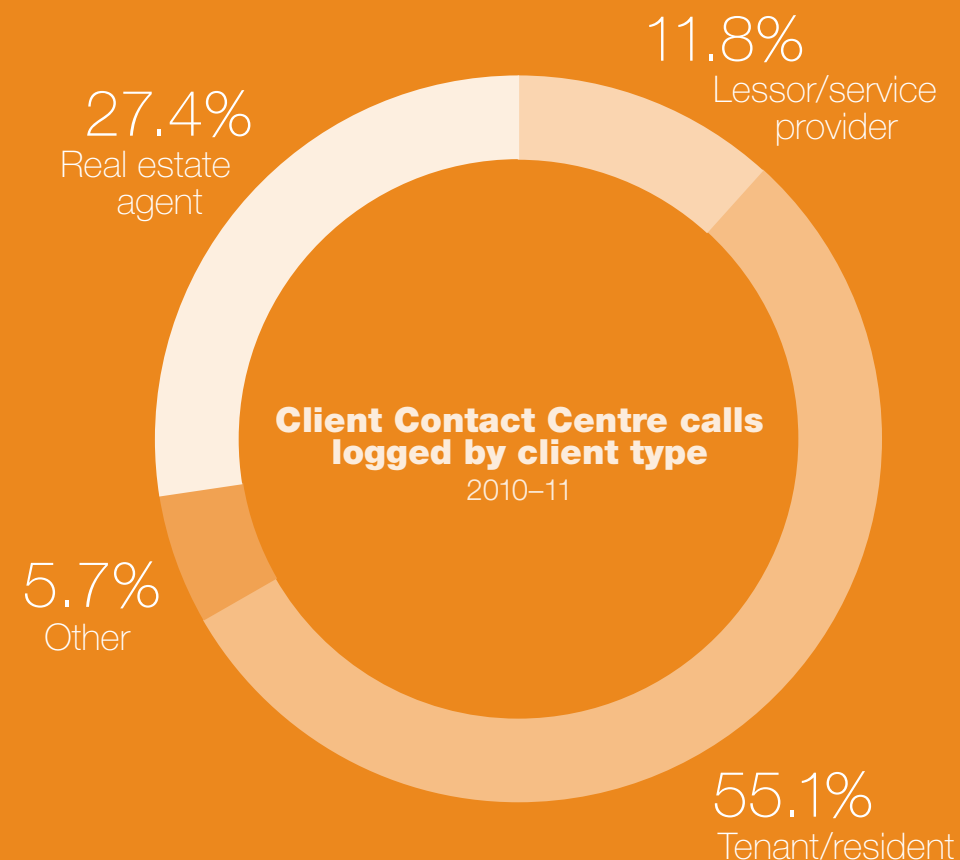
Fewer bonds were finalised during the year with an average 909 bond refunds finalised daily, compared to 917 in 2009–10. The daily average value of refunds increased to \$1,136,000, from \$1,125,000 last year.

Of all bonds refunded, 70.2% were agreed to be paid by the parties, and of the remaining 29.8%, 25.5% were finalised after a Notice of Claim was issued and not disputed. In total, 71.4% of bond monies were returned to tenants, with no change from 2009–10.

The RTA's online bond management service, eServices, provides agents the option to process refunds where the full bond amount is to be returned to the tenant. In 2010–11 12,036 refunds were processed through eServices (9,840 in 2009–10) representing 4.1% of all refunds processed (3.4% in 2009–10). This represents a 22.3% annual growth in refunds via eServices.

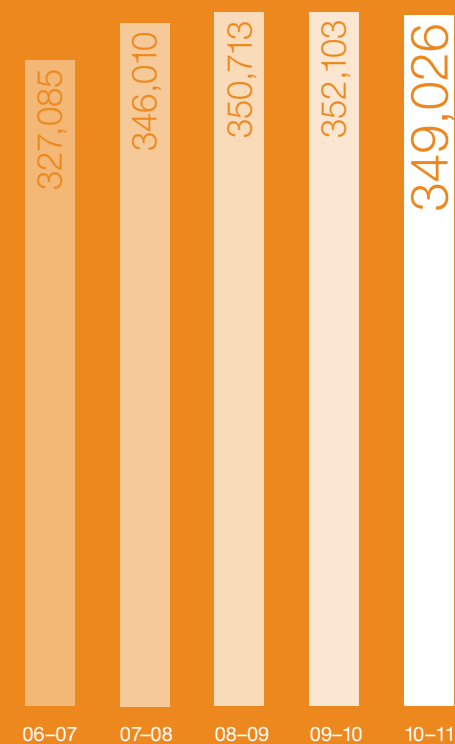
This year the RTA processed 99.1% of Australia Post bond refunds within 15 minutes, exceeding the target of 95% (99.0% in 2009–10). The proportion of non-Australia Post refunds (received via mail) processed within two working days totalled 88.0% for the year, exceeding the target of 85.0% (93.9% in 2009–10).

Support for direct credit as a method to refund bonds continues to rise (see left), with 52.8% of all transactions processed using this method compared to 51.6% last year. Refunds to self-managing lessors via direct credit grew to 72.4% compared to 71.0% last year, and tenant use of the service increased from 35.2% last year, to 36.6%.

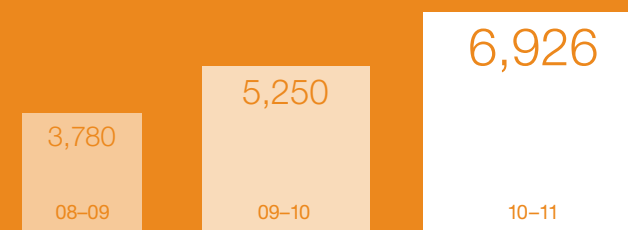


Calls answered by the Client Contact Centre

2006–07 to 2010–11

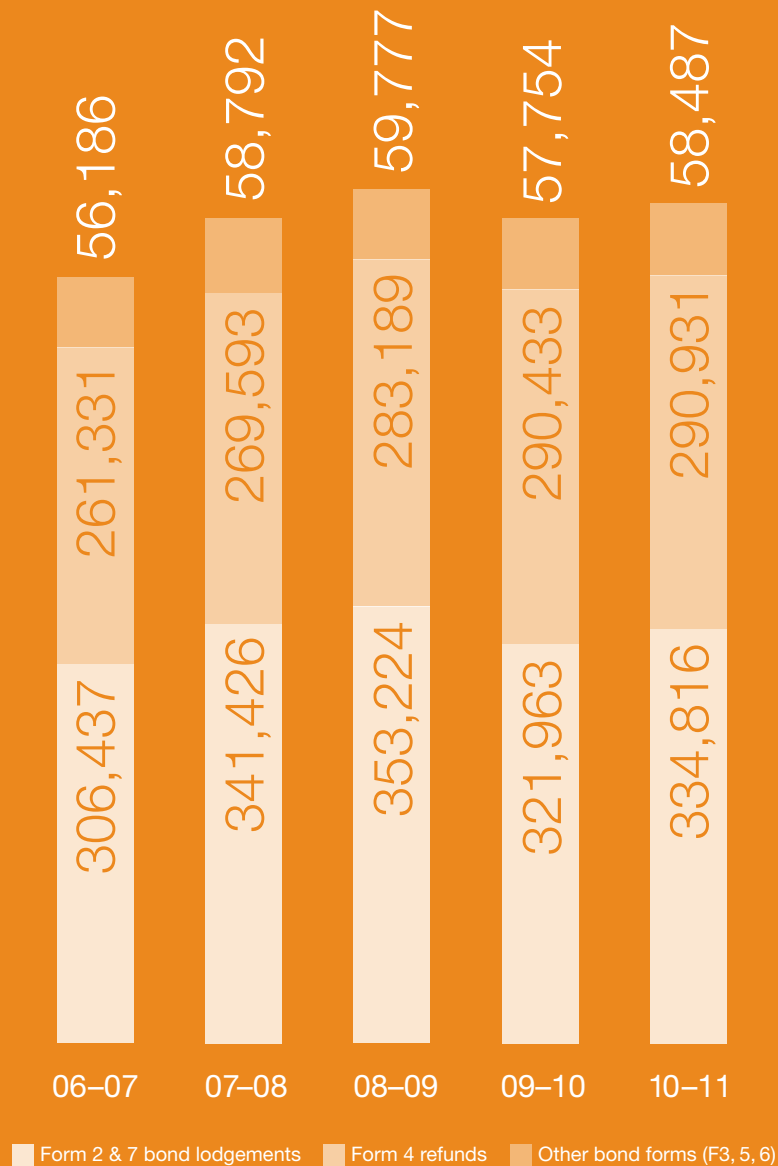


Online enquiries 2008–09 to 2010–11



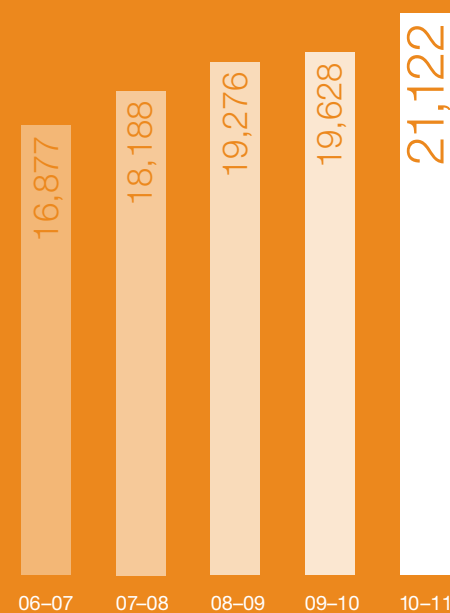
Forms received for bond processing

2006-07 to 2010-11



Dispute resolution requests received

2006-07 to 2010-11



Resolving tenancy disputes

The RTA's dispute resolution service helps resolve disagreements between tenants and lessors or their agents, reducing the need for applications to the Queensland Civil and Administrative Tribunal.

Helping parties resolve disputes

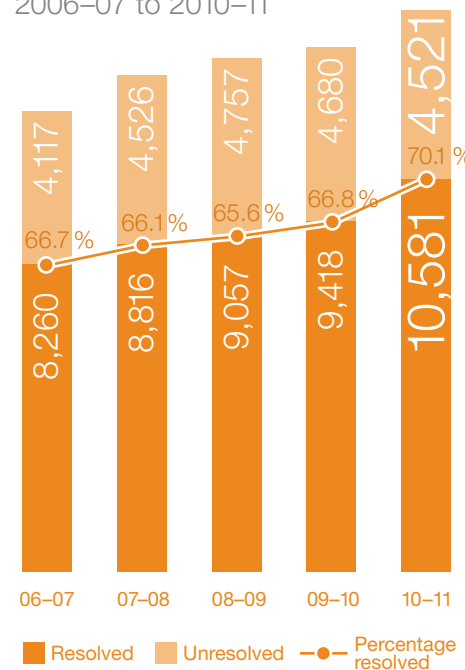
Tenancy agreements can sometimes become a source of disagreement, particularly if any of the parties do not meet the terms of the agreement.

The RTA helps parties to manage and resolve their own disputes. The legislation contains a two-step dispute resolution process, involving conciliation conducted by the RTA as the first step and adjudication by the Queensland Civil and Administrative Tribunal (QCAT) as the second.

The RTA provides a conciliation process which is accessible and efficient in achieving positive outcomes for disputants with 50.6% (target 45%) of all disputes resolved in 2010-11. This result increases to 70.1% when parties participate in the conciliation process.

Results of dispute resolution after parties participated in the conciliation process

2006-07 to 2010-11



Reasons for an unresolved dispute include negotiation attempted with a failure to agree, partially resolved, face to face conciliation including failure to agree and face-to-face conciliation with a failure to attend conciliation meeting.

The service offered is tailored to address specific issues of disputes as well as the individual needs of the parties. This free service provides:

- information on the Act and how it relates to a particular dispute
- telephone and face-to-face conciliation conferences between parties in dispute
- referral to QCAT or other agencies where appropriate.

Achieving positive outcomes

The RTA's dispute resolution service has been a model for fast and efficient dispute resolution in tenancy matters for a number of years. The conciliation model used by the RTA has undergone a number of changes since its inception. Telephone conciliation conferencing is now the main model used for resolving tenancy disputes at the RTA.

Conciliation conferencing is where all parties are guided to resolve the dispute on the phone together. Parties discuss their concerns and work with the conciliator and each other to achieve an outcome. Previously the RTA used a shuttle negotiation model where the conciliator spoke to each party in separate phone calls. While still used when parties are not available at the same time, it takes longer and some parties may be less focussed on achieving a solution if they are speaking only to a conciliator.

Resolution rate improves

As a result of the RTA using telephone conciliation conferencing, 2010-11 targets have been exceeded despite an increase in the amount of disputes received:

- received 21,122 dispute resolution requests, an increase of 7.6% from 2009-10
- resolved 70.1% of disputes for parties that participated in the conciliation process (target of 65%) see graph on left
- finalised 88.1% of disputes within 28 days of receipt (target of 80%).

Contributing to the increase in the resolution rate is the completion of training for all staff in conciliation conferences provided by the Australian Centre of Peace and Conflict Studies.

Reasons for disputes

A tenancy dispute can occur at any time during a tenancy. Bond money is often the cause of the dispute, accounting for 46.0% of all disputes received in 2010-11 (compared to 46.5% in 2009-10).

Bond disputes occur for a variety of reasons including disagreements about the standard of cleaning, damage to the premises or outstanding rent payments.

Almost 20% of disputes involve claims for compensation in excess of the rental bond and/or after the bond has been distributed.

Ongoing tenancies are a significant proportion of ongoing disputes, accounting for 34.3% of all cases. Ongoing disputes are most often related to repairs and maintenance, rental arrears and ending a tenancy early.

Working with the Queensland Civil and Administrative Tribunal

QCAT decides residential tenancy disputes. If a dispute is classed as urgent under the Act, such as termination of tenancies, then parties can apply direct to QCAT to resolve their dispute. If the dispute is non-urgent, parties need to first attempt to resolve their dispute through dispute resolution with the RTA. The legislation defines what matters are classified as non-urgent.

As the RTA successfully resolves over two-thirds of all conciliated disputes, there is a strong possibility that the matter will be resolved without the need for an application to QCAT.

If the matter is still not resolved after the RTA's conciliation process, parties can then apply to QCAT. The RTA issues a Notice of Unresolved Dispute which must be given to QCAT upon application, verifying that agreement was unable to be reached through conciliation.

QCAT data shows only 14.5% of disputes unresolved by the RTA lead to the lodging of a tribunal application.

Our clients

Investigations and prosecutions

The RTA plays a key role in ensuring compliance with Queensland's renting laws.

Investigating non-compliance

The RTA promotes compliance with Queensland's tenancy laws by investigating alleged offences against the Act. Investigations are conducted impartially and in accordance with the principles of natural justice.

Most investigations are in response to complaints made by tenants, lessors or agents; however the RTA also initiates investigations without a formal complaint as a result of ongoing monitoring, and in response to issues of concern to the rental sector.

The RTA will take the appropriate action to ensure future compliance if an investigation indicates offences have been committed. It is often appropriate for the RTA to take steps to educate alleged offenders without issuing fines or undertaking prosecutions. The RTA will take enforcement action if the circumstances are sufficiently serious, for example, if the alleged offenders are aware of their legal obligations but continue to disregard them.

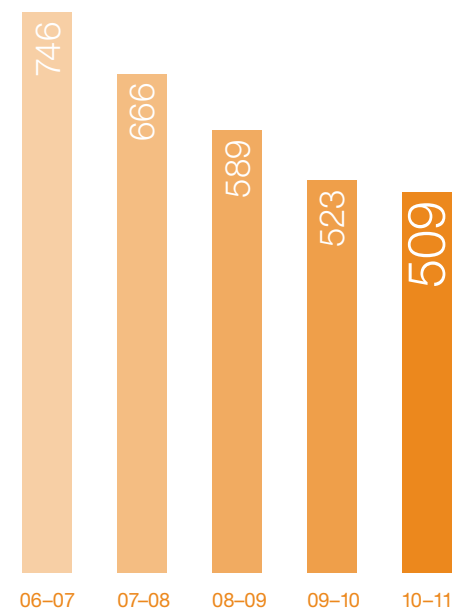
In 2010-11 the RTA conducted 509 investigations, reflecting a similar number of complaints received compared to last year. Of the investigations carried out, 95.8% were successfully resolved and 95.5% were finalised within six months, exceeding the target of 90.0%. Over 50 investigations led to 56 prosecutions, all of which were successful.

While fewer complaints have been lodged over the last four years, figures are also affected by a new method of recording complaints received that was implemented in 2009-10. This is reflected in the graph on the right.

As illustrated in the graph below, the most common type of investigation in 2010-11 relates to late bond lodgements, one area of compliance the RTA will be targeting in 2011-12.

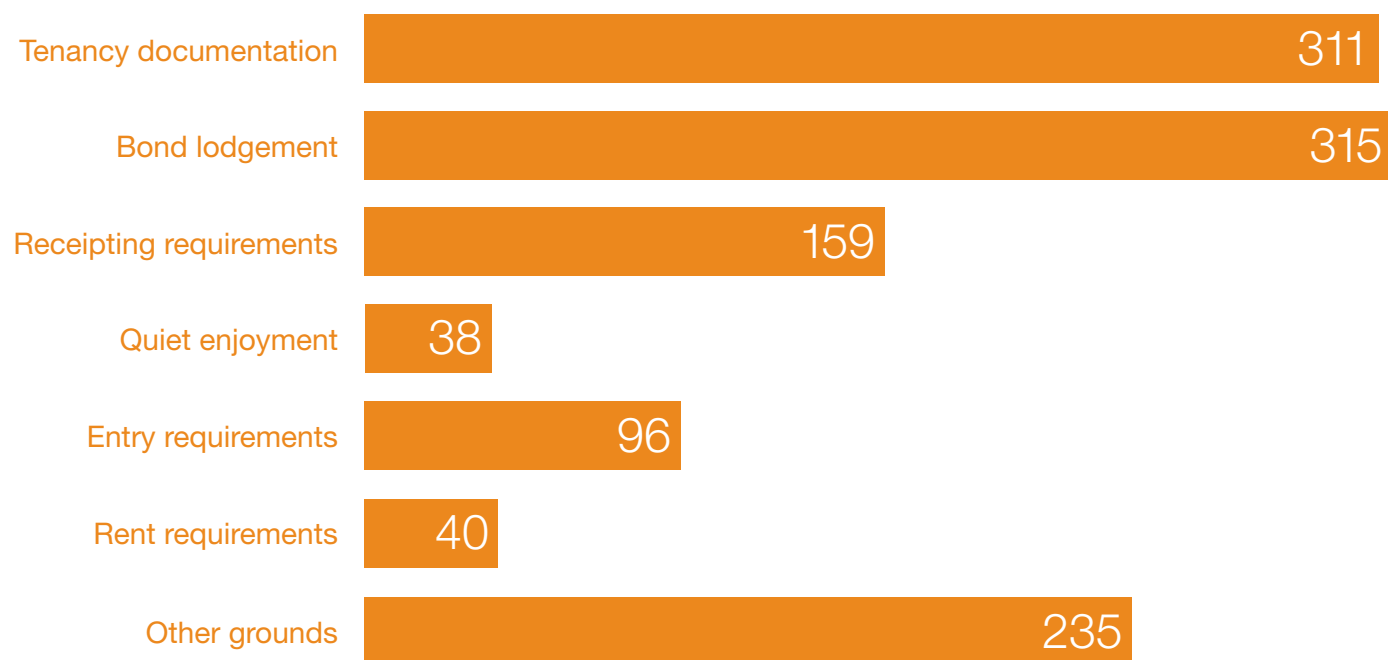
Investigations for non-compliance with the Act

2006-07 to 2010-11



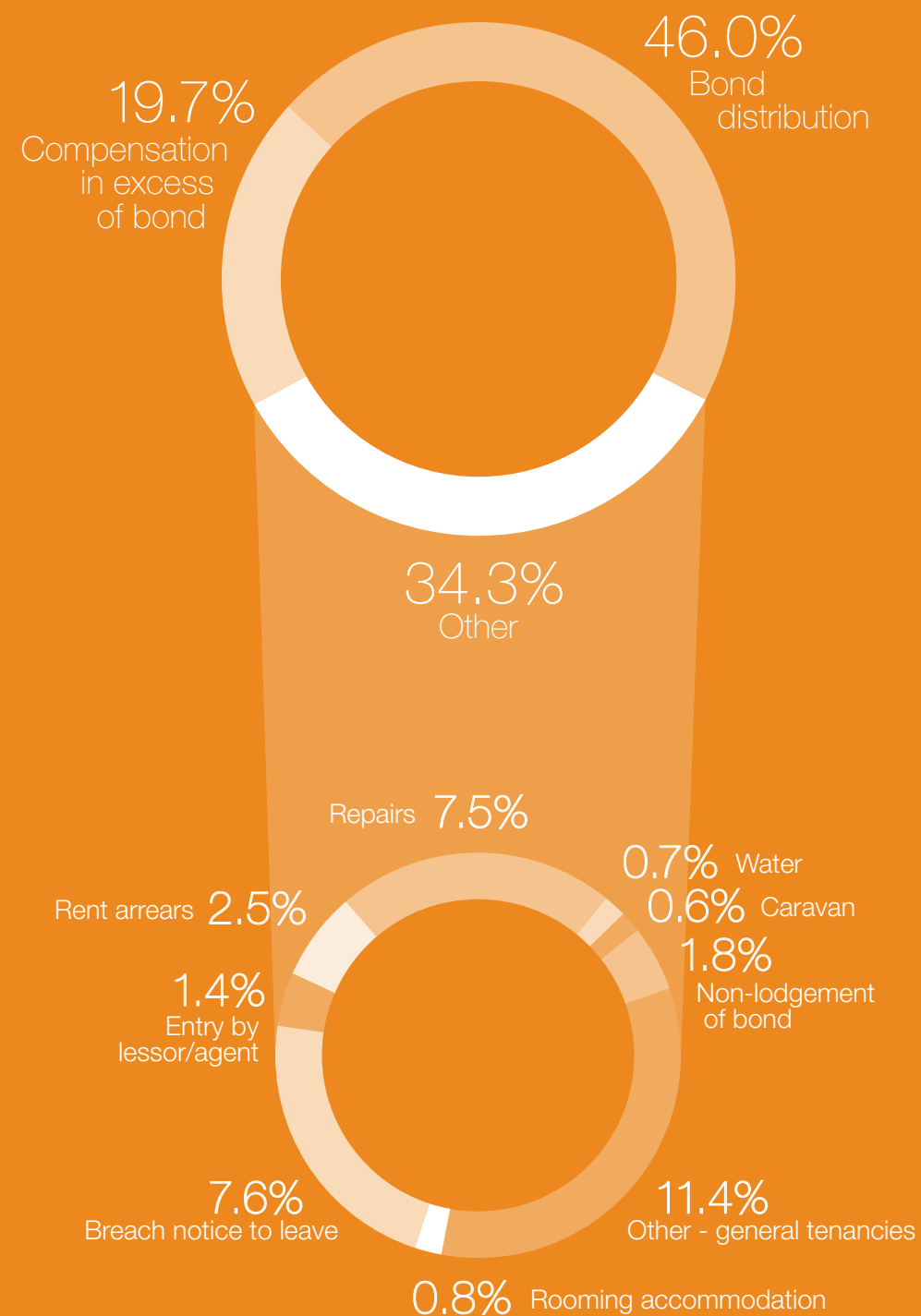
Grounds for investigations of complaints regarding breaches of offence provisions

2010-11



Reasons for disputes

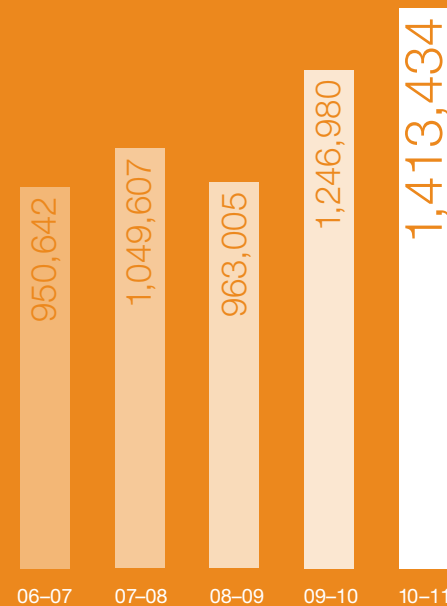
2010-11



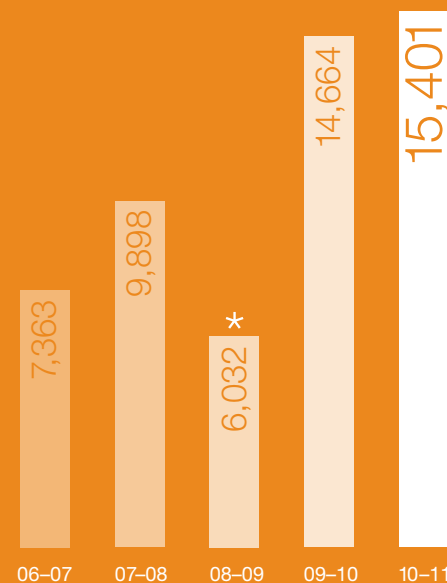
Accessible services

The RTA provides a variety of channels to access information and support services, allowing clients to choose the contact option best suiting their needs.

Website user sessions
2006–07 to 2010–11



Total downloads of translated fact sheets
2006–07 to 2010–11



* Fact sheets were offline for 6 months of 2008–09 due to revision to comply with the introduction of the *Residential Tenancies and Rooming Accommodation Act 2008*.

Providing accessible service options for clients

The RTA is committed to maintaining client services for all Queenslanders in a variety of ways. Servicing the whole state and its diverse population requires flexible service options.

The Client Contact Centre is the first point of contact for many clients. It is accessible state-wide by calling 1300 366 311 for the cost of a local call. Client service officers are able to assist with information on rights and responsibilities under the laws, and refer people to internal services such as the dispute resolution service, or external support agencies such as the Property Owners' Association of Queensland (POAQ) or the Tenants' Union of Queensland (TUQ).

Client service officers can send targeted educational materials, such as fact sheets, via email, fax or regular post to clients as they are needed. The RTA also has an agreement with Australia Post where selected outlets will stock a selection of publications, and print tenancy related forms on demand.

Supporting RTA services is the website where clients can download a full suite of forms, fact sheets and educational publications, or order copies free of charge.

Website grows in popularity

In 2010–11 the RTA website recorded 1,413,434 visits compared to 1,246,980 in 2009–10, an increase of 13.3%.

This increase is in part due to the RTA's continued promotion of the website as an important information and service delivery resource, as well as the changing ways people are accessing information with the development of new technologies.

The website proved particularly popular during the period of natural disasters (January 2011), where visits for the month jumped 33.2% to 149,777 visits compared to 112,474 in January of 2010.

Interestingly, visits to the website using personal mobile devices jumped from 2,217 in December 2010 to 4,728 in January 2011. This is in comparison to only 675 visits during January 2010, heralding a shift in the way people access tenancy information, particularly during times of natural disaster.

New website for the RTA

The website has been in its current form for some time. Rapid advances in technology and an ageing content management system gave the RTA the ideal opportunity to review the way the website is structured and electronic information is presented to clients.

The review of the current website was completed March 2011, including extensive research into the needs of different types of key site users and how they navigate the system.

The new platform will provide a variety of channels to use when servicing clients. New opportunities for engagement include instant messaging, applications for mobile phones, graphics and video streaming.

The aim of replacing the content management system is to modernise the management, functionality and appearance of the website, and encourage higher client usage of the site through improved technology.

The new website is due to go live late 2011.

Complementing the new website, a digital marketing strategy was developed and will be progressively implemented over the next four years.

Improving access for CALD clients

The Queensland Government strategy 'Multicultural Queensland – Making a world of difference' aims to improve the government's commitment to multiculturalism and culturally appropriate service delivery within the public service.

In supporting this initiative, the RTA has developed its own Multicultural Action Plan outlining our commitment to improve access to tenancy information resources for culturally and linguistically diverse (CALD) clients, and training for RTA staff in culturally competent customer service.

The Client Action Reference Group, comprising of representatives from across the organisation, reports quarterly to the Executive team on their progress against the plan.

Key activities completed in 2010–11 include:

- the monitoring of translated phone calls with CALD clients for quality, with the benchmarks for appropriate use of translators and successfully overcoming language barriers met
- a program review of the Community Education Grants to better support at-risk client groups (page 40)
- strengthening community networks, including with Muslim community leaders, to raise awareness of the RTA and our services
- the identification of an online cultural awareness training product and accompanying RTA training guide for all staff for implementation in 2011–12
- the incorporation of cultural awareness training into anti-discrimination training for all new staff from 2011–12.

Other ways the RTA is improving access for multicultural clients are:

- placing referrals to the Translating and Interpreting Service (TIS) on all publications and fact sheets, ensuring CALD clients can access tenancy information in their own language
- through the 'Renting in Queensland' fact sheet, which is translated into 11 community and international student languages (page 98)
- providing educational workshops for international students (page 40).

In 2010–11 the RTA received 622 phone calls using the Translating and Interpreting Service, with Korean and Chinese the most requested languages.

The translated fact sheets were downloaded 15,401 times, with Chinese and Spanish the most downloaded (see graph on left).

Case study

RTA resolves Rockhampton disputes

After receiving a large number of flood-related disputes and disputes from an Indigenous social housing complex in February, the RTA sent Dispute Resolution representatives, including members of the Flood Recovery Assistance Team, to Rockhampton to help resolve a number of particularly difficult disputes.

Teleconferencing would normally be used to resolve disputes, however the high levels of trauma from recent flooding, types of client need and degree of communication breakdown meant face-to-face conciliation would be far more suitable for long term positive outcomes.

This approach to conciliation proved to be an outstanding success with all 11 Indigenous housing and flood disputes resolved without any referrals to the Queensland Civil and Administrative Tribunal.

The first part of the trip was dedicated to resolving issues within an Indigenous social housing complex. The complex houses high needs clients including some recently released from prison and battling alcohol and/or drug dependency.

The face-to-face conciliation meetings discussed issues around alcohol consumption on the premises, excessive noise, rent arrears, damage and visitors to the complex. With the housing provider and tenants talking about their issues, both sides worked to develop solutions and break down communication barriers that had built up over time. Through these discussions the tenants came to realise why house rules were important to observe, and the housing provider understood the effect of the rules on the living conditions of the tenants.

In resolving the issues, payment plans for rent arrears were arranged and conciliation

agreements surrounding the breaking of house rules were implemented. All clients were satisfied with the result and felt better prepared to continue the tenancies into the future.

Without face-to-face conciliation, this outcome would not have been possible.

The second day of the trip involved the members of the Flood Recovery Assistance Team resolving residential tenancy flood disputes.

One tenant had lost everything in their rental home when the flood waters engulfed the Rockhampton property in January. Traumatized, the tenant wanted to end the agreement immediately.

The Residential Tenancies and Rooming Accommodation Act 2008 allows for either the tenant or the lessor to end the agreement should the premises be destroyed, or become totally or partially unfit to live in other than because of a breach of the agreement.

In previous negotiations the agent and tenant agreed to end the tenancy, but not the date the agreement should be ended, with the agent and lessor not realising the extreme distress the tenant was in.

During the meeting the agent was able to witness firsthand the difficulties faced by the tenant, and understand the reasons why they were unable to ever return to the place they had previously called home.

The tenant and agent agreed to end the tenancy on the day the property was inundated by flood waters with the tenant paying for their own moving costs, and the lessor cleaning up the damaged property.

Our sector

Enhancing our sector

The RTA works with a broad range of stakeholders to support a growing residential rental sector by ensuring the legislative and policy frameworks remain effective.

Objectives

Regulation Regulate the sector through a policy framework which considers the rights and responsibilities of all parties and its impact on the sector.

Engagement Engage with stakeholders to identify emerging trends and improve understanding of the issues affecting the residential rental sector.

Support Support the sector through education, industry analysis and funding initiatives.

Future priorities - Our clients

Key activities for 2011-12 are to:

- introduce a 'mystery shopper' program for call centre enquiries to further understand the client experience
- enhance online technology to ensure continued timely service for online enquiries
- conduct sixth biennial client satisfaction survey
- maintain accredited conciliation training for conciliators
- expand our proactive approach to investigations, including monitoring of, and taking appropriate action to prevent, late bond lodgements
- redevelop and relaunch the RTA website.

Contents

Regulating the sector An overview of how legislative and policy frameworks need to strike the right balance in protecting the rights of both tenants and lessors	37	Working with the sector A look at how the RTA works in conjunction with industry representatives and advocacy groups to promote a better understanding of the rules for renting in Queensland	41
Engaging with the sector A look at how the RTA keeps stakeholders informed about legislative and sector changes and how it works collaboratively with other agencies for the betterment of the sector	38	Case study A case study on the RTA's role in the development of national uniform tenancy database laws	42
Supporting the sector An overview of how the RTA, through a variety of channels, provides ongoing support to the sector and provides key statistical information on sector trends	39	Future priorities A look at key activities planned for the 2011-12 financial year	42

Key results

The Residential Tenancies and Rooming Accommodation Amendment Bill 2011 introduced into Parliament, incorporating national uniform law provisions on tenancy databases

Conducted **32 presentations**
on tenancy laws across Queensland

Provided funding of \$4.35m to
Department of Communities
to provide tenant advice and advocacy services

Provided the Department of Communities an additional

\$2.00m for housing assistance
following natural disasters

Our sector

Regulating the sector

The RTA is responsible for ensuring that tenancy legislation supports government priorities, is effective and remains relevant to the sector and the general public. This is achieved through monitoring the operation of the legislation as well as providing policy advice to the Board, the Minister and government agencies on residential tenancy issues. Policy advice is developed from analysis of operational data, monitoring trends and emerging issues in the sector and consultation with stakeholders.

New national uniform laws for tenancy databases

The policy focus for much of 2010-11 was on the introduction of national uniform law on tenancy databases into Queensland via the Residential Tenancies and Rooming Accommodation Amendment Bill 2011. Tenancy databases are commercial databases of tenancy histories that are used by lessors and agents to assess rental applicants. When used appropriately, they are a legitimate tool for lessors to reduce the risks involved in managing a rental property. Their use needs to be balanced against individuals' rights to be protected from trivial, inaccurate or unfair listings that could hinder them from accessing a home to rent. The Amendment Bill implements the national uniform law provisions that were developed by the national working party that was set up by the Standing Committee of Attorneys General (SCAG) and the Ministerial Council on Consumer Affairs (MCCA) in April 2006. The RTA with assistance from the Office of Fair Trading prepared the draft model provisions for the national uniform law provisions. In December 2010 after extensive consultation by each state and territory, the draft model provisions for the uniform national laws were approved by the MCCA. The Amendment Bill was introduced into Parliament by the Honourable Karen Struthers, MP, Minister for Community Services and Housing and Minister for Women on 10 May 2011.

Once the Bill has passed, the RTA will work with the sector to introduce the legislative changes through an information campaign to educate people about the amendments. Queensland has had provisions about the listing of information on tenancy databases since 2003. Provisions that will still apply include the right of parties to apply to QCAT to dispute a listing that does not comply with the Act, and that a tenant cannot be listed until after the agreement has ended.

The proposed provisions will assist applicants for rental properties to better understand the use of tenancy databases and know if they are listed. They include the requirement for property managers to inform applicants if they are listed on a database, and for listings to remain in the database for only three years. The main benefit of these changes will be in the introduction of uniform laws throughout Australia to regulate the use, operation and maintenance of the databases.

Two months' notice to leave under review

The RTA is reviewing the two months' notice to leave provided to tenants by lessors to end a tenancy without grounds at the end of a fixed term agreement. The notice period has been a cause for concern among stakeholders for tenants, lessors and their agents.

In 2010-11 the focus was on gathering evidence to assess the need for policy change. The RTA commissioned KW Consulting Group Pty Ltd in 2010 to explore the issue. Following on from this qualitative work, quantitative research on the experiences and preferences of tenants and lessors will be conducted in early 2011-12 to better assess how the current provision is working.

The RTA also continued to work with other government agencies such as the Office of Fair Trading, Department of Justice and Attorney General and the Department of Communities, to further strengthen legislative frameworks around rental arrangements and had input into reviews which impact on renting in Queensland.

Like all enforcement agencies, the RTA uses the provisions under the *Justice Act 1887* in its compliance work. Following the Moynihan Review of that Act, the RTA is working with the Department of Justice and Attorney General on the consequential amendments that will arise as a result of the implementation of stage two of Queensland's criminal justice procedures.

Engaging with the sector

The RTA works collaboratively with stakeholders including other government departments to keep in touch with emerging policy and sector issues.

Responding to sector issues

Best practice requires the government and the public sector to be responsive and accountable to its clients.

The RTA provides a support role to the Minister's Office by providing expert advice on tenancy law and related issues. During the year, the RTA:

- prepared information for 61 replies to ministerial correspondence
- provided 13 briefing notes and nine submissions about tenancy laws and related issues
- responded to 42 requests for other information.

The RTA also coordinated research and briefing papers for the Board and Minister on key legislative changes, other policy issues, and reviewed relevant cabinet submissions generated by other agencies about matters that might affect the sector.

Industry Development Forum

The RTA supports the Queensland Government's community engagement and improvement strategy "Engaging Queensland Get Involved". The RTA works collaboratively with stakeholders in the development and implementation of legislation, policies, programs and services. The RTA supports this through regular interaction with peak bodies and stakeholders, and quarterly Industry Development Forum round table discussions. These forums provide an opportunity for the RTA to consult with the sector on emerging policy issues and for the sector to raise industry issues or views for open debate or clarification.

In 2010–11 topics discussed at the Forum included:

- consulting on the RTA strategic plan for 2011–14
- consulting on the implementation of national uniform legislation for tenancy databases
- introduction of new pool safety compliance requirements in rental properties
- presentation on the RTA's communication and education strategy.

Collaborating with other government agencies

Many sector issues are complex and multifaceted. They require a whole-of-government approach, with the RTA participating in a number of cross government working groups.

The RTA supported other government departments through discussions on new laws relating to neighbourly relations, swimming pool fencing and safety legislation.

The RTA enjoys a strong partnership with the Department of Communities, meeting regularly to liaise about issues and initiatives affecting the residential rental sector such as the provision of affordable housing and tenancy support programs.

Throughout 2010–11, the RTA regularly liaised with senior representatives of Queensland Civil and Administrative Tribunal (QCAT). The RTA provided a \$60,000 grant to QCAT to provide support for administrative work involved in providing written reasons for QCAT's decisions on tenancy matters.

Supporting the sector

The RTA's data on sector trends is vital not just for RTA activities, but for other organisations operating within the sector.

Monitoring sector trends

The RTA continued to be a key source of rental sector information for all stakeholder groups and the general public throughout 2010–11 through its analysis of rental bond lodgement data. Quarterly reports detailing median weekly rents according to location and type of premises and data on monthly operational activity are published on the RTA's website. The median weekly rent data is prepared on a quarterly basis and is often cited in media reports on the current state of the Queensland residential rental market.

The RTA uses regular analysis of client contacts such as client enquiries, types of dispute resolution requests and tribunal orders to monitor the operation of the Act and inform its policy advice. The RTA also analyses operational data and monitors emerging trends in the rental sector to identify target areas for community education activities.

In 2010–11, the RTA responded to more than 268 requests for rental market data and other statistical information from various government agencies, stakeholders and the community. This represents a slight increase in requests from 2009–10. Data requests are becoming increasingly complex. This pattern reflects the increasing interest in sector data.

Communicating with the sector

The RTA distributes an external newsletter via email to interested parties on news affecting the sector. Real estate agents, lessors, educational institutions, peak bodies and rooming accommodation providers have all signed up to receive this bi-monthly publication.

After a number of years the Update newsletter has received a visual and content redesign to align with the RTA's new style guide and communications strategy. The newsletter was relaunched in June 2011 as Open House.

Providing ongoing community education and support

The RTA undertakes community education on tenancy law and related issues through:

- delivery of an outreach program of workshops, presentations and promotions
- production and distribution of targeted information resources (page 97)
- support of community organisations by providing funding for tenancy education through a grants program (page 40)
- development of strategic partnerships with key industry stakeholders (page 41).

This year's community education focused on enhancing knowledge of the *Residential Tenancies and Rooming Accommodation Act 2008* and supporting communities to understand their rights and responsibilities following the natural disasters.

This year's community education focused on supporting communities to understand their rights and responsibilities following the natural disasters.



Our sector

Supporting the sector

The RTA takes a holistic approach to educating the sector with programs to raise awareness of the RTA and its services and empower clients to manage their own tenancies.

New visual identity guidelines and style guide

An organisation's image is an important component of communicating with clients. This year the visual identity guidelines and style guide were revised, strengthening the recognition of the RTA within the community.

Information workshops support target client groups

The RTA provides targeted educational initiatives and awareness raising activities to a range of clients.

Information workshops for lessors and property managers on tenancy laws were held in Maryborough, Bundaberg, Townsville, Toowoomba, Mackay, Rockhampton, Emerald and Mount Isa.

The Minister for Community Services and Housing and Minister for Women, the Honourable Karen Struthers MP, joined the RTA Board and Outreach team in Toowoomba to consult directly with tenant advocates, property managers and lessors, and discuss issues of importance to the sector.

International student presentations were also delivered at universities and TAFE colleges, offering students a basic understanding of rights and responsibilities when renting, and knowledge of tenant support services if problems arise.

Raising awareness of the RTA and its services

Raising awareness of the RTA is an important part of the communication and education strategy. This year the Outreach team participated in a number of events including:

- Brisbane City Council International Students Expo
- QUT's student open day
- Muslim Services Expo and Forum
- Multicultural Festival
- Brisbane Ekka
- Mount Isa Show.

Community education grants program under review

This year the Community Education Grants program was under review. The review examined how the program could continue to support the sector, meet educational objectives and the needs of target client groups sustainably into the future.

The review aimed to:

- reduce the administrative burden for organisations
- decrease risk
- clarify the objectives of the grants
- improve effectiveness
- increase regional participation.

The funding program has been revised to offer small grants of up to \$5000 available for projects to raise awareness of Queensland tenancy laws.

The new grants program will be launched in July 2011.

Grants program improving tenancy outcomes

Nine very successful grants targeting Indigenous, multicultural, young people and disability community groups were all finalised this financial year. Two examples of these successful grants are listed below:

"Moving out, moving forward" was a grant to Othila's Young Women's Housing and Support Service Inc, and aimed to provide young women from African cultural backgrounds with education and knowledge on the Act and skills to maintain a tenancy. The \$7,400 grant brought five different community support organisations together with African community leaders, to create a culturally sensitive facilitator manual, a DVD resource, accompanying CD and participant handouts for delivery to Sudanese, Burundi, Somali and Ethiopian communities.

The "Barooga (My Home)" grant, administered by Sisters Inside Inc, brought six community, arts and legal services together to address the tenancy needs, and improve tenancy outcomes of, Aboriginal and Torres Strait Islander women following release from prison. Sisters Inside was provided \$15,000 to develop a series of five culturally

appropriate and relevant brochures through focus groups of post-release women and support organisations.

Funding tenant support services

The RTA provides financial support for community based tenant support services, provided by not-for-profit organisations.

This year, the RTA gave \$4.35 million in funding to the Department of Communities for the Tenant Advice and Advocacy Service (TAAS). Twenty-nine community based TAAS offices around Queensland provide information, advice and advocacy assistance to tenants using a case management approach.

The Tenants' Union of Queensland also received \$0.25 million for work it undertook as a peak advisory body, providing tenancy law reform policy advice.

Additional funding for housing assistance

The RTA also provided an additional \$2.00 million in support to the Department of Communities for housing assistance following the devastating natural disasters in January this year.

Working with the sector

The RTA's vision of 'Working together to support and enhance an evolving rental sector' is achieved through a range of activities and relationships.

The RTA works with clients, key stakeholder groups and the Queensland Government to provide legislation and policy advice based on regular consultation and feedback, and provides a range of services and educational assistance to clients and stakeholders.

Our role in the residential rental sector is illustrated on the right. Based on the Queensland Government's policy cycle, it shows the leadership and coordinating role of the RTA in developing and implementing preferred policy options in consultation with the sector and stakeholders to directly benefit our clients.

Clients are the focus of the RTA's service delivery, including parties to all types of residential tenancy agreements. These parties include tenants, residents, lessors, property managers, caravan park managers and providers of rooming accommodation.

Surrounding this core is a network of key stakeholders including the Queensland Government, which has a regulatory and policy agenda at both state and local levels, as well as a number of industry and community associations supporting the interests of client groups.

The RTA liaises regularly with key stakeholder groups and peak bodies to monitor developments in the sector.

These relationships are strengthened through quarterly Industry Development Forums hosted by the RTA, individual liaison, reference groups, and participation in stakeholder working parties convened for the purpose of reviewing and monitoring the operation of the legislation.



Stakeholder groups include:

- Real Estate Institute of Queensland
- Property Owners' Association of Queensland
- Australian Resident Accommodation Managers' Association (Queensland)
- Tenants' Union of Queensland
- Tenant Advice and Advocacy Service
- Caravanning Queensland
- Caravan and Manufactured Home Residents' Association
- Boarding House Owners and Managers' Association
- Boarding House Action Group
- Supported Accommodation Providers' Association
- Queensland Shelter.

The RTA also maintains close alliances with its investment partner the Queensland Investment Corporation, and service partners such as the Queensland Civil and Administrative Tribunal.

LEGISLATION
UPDATE

Our organisation



Queensland leads national tenancy database law reform

The RTA is responsible for ensuring that tenancy legislation supports government priorities, is effective and remains relevant to the sector.

Queensland was the first state to legislate specifically about listings on residential tenancy databases in 2003.

Tenancy databases are electronic registers run by private companies that collect and hold information about tenants' rental histories. These databases, often called 'blacklists', are used by lessors or property managers as a form of screening during the tenancy application process. In 2003 concerns had arisen that some database listings were inaccurate, trivial or out of date, unfairly limiting a person's access to rental housing.

This year marks the end of a process for a national working party on tenancy

databases. It was set up by state, territory and Commonwealth Ministers after the Queensland reforms to develop national uniform legislation on tenancy databases.

The national working party recommended the development of national uniform laws in 2006. The recommendations were based on the successful tenancy database laws introduced earlier in Queensland.

The RTA led the drafting of the laws in conjunction with the Queensland Office of Fair Trading, and coordinated the national consultation on the draft provisions which were finalised in early 2010.

The laws aim to improve the balance between the rights of lessors and property managers to use these business tools to protect their investment, and tenants' rights to have personal information handled fairly.

In Queensland the proposed uniform laws include the introduction of additional measures such as the requirement for tenancy applicants to be told if they are listed on a database when their tenancy application is assessed. There is also a three year limit on listings. These measures complement existing requirements which restrict listings to information about serious breaches of a tenancy agreement that are not remedied. Parties will continue to have access to QCAT for disputes about listings.

All jurisdictions in Australia signed on to adopt the minimum model provisions. The Residential Tenancies and Rooming Accommodation Amendment Bill 2011 was introduced into Queensland Parliament in May 2011.

Future priorities - Our sector

The RTA will continue to collaborate with stakeholders to ensure the policy framework and legislation for the residential rental sector remains effective.

Key activities for 2011-12 are to:

- conduct quantitative research on the two months' notice to leave provision to further inform the need for policy change and provide advice to the Board
- implement the Amendment Bill with new provisions on tenancy databases
- conduct targeted community education activities on tenancy law throughout Queensland
- launch the reviewed program of community education grants
- provide \$5.00 million in funding to Department of Communities for tenant advice and advocacy services
- provide \$1.00 million to the Lady Bowen Trust for housing support for the homeless.

Supporting our organisation

As the Queensland rental sector continues to grow, RTA staff continue to provide quality client services. This is facilitated by best practice and efficient organisational processes in a positive and healthy work environment.

Objectives

Our people Build a high performing organisation based on a foundation of leadership, collaboration, planning and communication.

Our environment Support whole-of-government initiatives for environmental sustainability.

Our business operations Identify and implement sustainable improvements in RTA's corporate governance standards, systems and processes to support business outcomes, add value and deliver measurable benefits.

Our people 46
A look at RTA's working environment including support services, training courses, work/life balance and communication strategies

Our environment 49
An insight into how the RTA promotes and encourages environmental initiatives within the workplace

Our business operations 50
A look at internal business operations of the RTA including the use of technology to meet the needs of both the sector and staff

Case study 52
A practical example of staff involvement in strategic planning

Future priorities 52
A look at key activities planned for the 2011-12 financial year

Key results

The Workforce Management Plan 2011-14 developed with staff consultation for implementation 1 July 2011

The Workforce Attitude Survey Action Plans implemented by staff

All business processes and systems examined and mapped to inform the development of new business systems and ways of better servicing clients

New Code of Conduct implemented to align with Queensland Government's new Single Code of Conduct

Business continuity successfully maintained despite impact of floods



Fergus Smith

BSc, MA, MBA, GAICD

General Manager

As General Manager Mr Smith is responsible for the leadership, strategic direction and operation of the RTA.

His experience in senior management for the former Department of Housing in policy, strategic planning, research, performance management, housing systems initiatives and community housing, ensures he brings a wealth of understanding of Queensland's housing sector to his role.

Mr Smith joined the RTA in 2002 as Corporate Services and Investigations Manager before being appointed as General Manager in 2006.

Ray Rapinette

BCom, GAICD, MNIA

Executive Manager, Corporate Services

Mr Rapinette has managed Corporate Services since joining the RTA in 2007. His division provides internal support through human resources, legal, financial management, information technology, record keeping and project assistance.

He brings more than 20 years local government and 18 years banking experience to the RTA. He has previously held executive positions in local government in corporate governance, policy and organisational performance, strategic and operational planning, financial management, organisational development, information technology and telecommunications, risk and facilities management.

Janet Arber

BBus (Comm), BBus (Tourism Mgt), MA (Public Policy)

Executive Manager, Core Client Services Program

Mrs Arber oversees the RTA's Core Client Services Program (CCSP). She joined the RTA in 1992 as Communications Coordinator and has worked extensively with the sector in community education and policy development. Mrs Arber became the Principal Policy Officer in 2001 and participated in a number of legislative reviews and development of new tenancy legislation in 2008. She has previously acted as the Rental Bond Services Manager and was recently appointed to the role managing the CCSP.

Before joining the RTA Mrs Arber worked for Education Queensland, Department of Family Services and Premier's Department.

Kylie Lewis

BBus (Mgmt)

Executive Manager, Rental Bond Services

Ms Lewis oversees the RTA's rental bond service including the processing of all bond lodgements and refunds.

She brings extensive public service experience to her role, having worked for the Lands Department, the Queensland Government Statisticians Office, the Department of Education and Corrective Services.

Ms Lewis joined the RTA in 1995 as Research Officer (Statistics) and was appointed Rental Bond Services Manager in May 2009.

David Breen

BA (Hons), Grad Dip Soc Sci (Housing Mgt & Policy)

Executive Manager, Policy and Education Services

Mr Breen has managed the Policy and Educational Services division since joining the RTA in 1999. His team undertakes research, policy development, community education and investigations to maintain integrity and balance within Queensland's rental sector, as well as connecting with clients through external communication channels.

He has a strong knowledge of Queensland's housing sector, having worked in both program and operational areas of the Department of Housing. Prior to this he worked for 17 years in disability services in several states.

Kimberley Wilson

Executive Manager, Client Contact Services

Mrs Wilson joined the RTA as Executive Manager of Client Contact Services in October 2010. Her division provides a free telephone information and front counter service on the operation of Queensland's tenancy laws.

She brings over ten years experience managing customer service and call centre environments in both Australia and the United Kingdom, and in 2010 won an Australia Day Achievement Award for Innovation in Improving Client Service Delivery whilst working at TAFE Queensland.

Melanie Banner

Acting Executive Manager, Dispute Resolution Services

Ms Banner manages the RTA's dispute resolution service which assists people resolve disputes involving their tenancy or accommodation agreement. The service supports clients with relevant information on the law and assists them in making informed decisions for resolution under the Act. Ms Banner joined the RTA in 2008 as a team leader and has been acting in the Executive Manager position since 2010.

Ms Banner brings 15 years public sector management experience to the RTA, at both state and federal government levels including the Queensland's Department of Infrastructure and Planning and Centrelink.

Our organisation

Our people

The RTA is proud of the professionalism, dedication and enthusiasm of its staff, who continue to embrace a culture of quality client service.

Workforce profile

In response to increased demand for staff to work on key business development projects, the number of full time equivalent staff (FTE) increased from 176.9 in 2009-10 to 182.6 in 2010-11. The RTA employs 190 staff in total.

The RTA continues to maintain its direct client service focus with 74.3% of staff occupying client service positions (74.8% in 2009-10). The remaining staff are dedicated to undertaking necessary corporate support and business management roles.

The RTA's high staff retention level has continued. As at 30 June 2011, 47 employees had achieved more than 10 years of service at the RTA. This represents 24.7% of the RTA workforce. Of these, 30 employees (15.8% of the workforce) achieved 15 or more years of service.

The annual separation rate for 2010-11 was 9.2% of the workforce. This separation rate includes those staff who resigned from the RTA to take up roles elsewhere in the public service.

Under Directive No. 17/09 Early Retirement, Redundancy and Retrenchment, there were no packages paid to employees in respect of redundancies, early retirement schemes or retrenchments in this financial year.

Industrial environment

RTA staff are employed under the Residential Tenancies Authority Employees' Award - State 2002, with the RTA a party to the State Government Departments Certified Agreement 2009.

The RTA utilises an internal Agency Consultative Committee (ACC), which is a consultative body that facilitates consultation between management and unions on matters arising under the Certified Agreement, as well as providing a forum for a collaborative approach to employee relations at the RTA (page 18). The ACC provides a mechanism for management and union representatives to identify, raise and discuss current or emerging employment issues.

Workforce management and planning

The new Workforce Management Plan 2011-14 outlines objectives, performance indicators and strategies to support and contribute to the overall implementation of the 2011-14 Strategic Plan. This plan, developed in 2010-11 by a staff working group, will ensure staff have the appropriate mix of skills to meet current and future needs of the RTA and our clients, and feel supported in acquiring new skills. Key priorities of the plan include further developing organisational capability through leadership and professional development, and supporting this through a change management process.

Workforce Attitude Survey action plans progressed

In early 2010 the RTA conducted a staff Workforce Attitude Survey to gauge staff job satisfaction and gather feedback on how operations can be improved.

Staff provided feedback on communication within teams and across divisions, knowledge sharing, workplace morale, appraisal and feedback, work/life balance, workplace distress, supportive leadership and professional development.

Action plans incorporating staff suggestions were developed by each work team and are reported against on a six monthly basis.

Good progress has been made by all teams this financial year against the plans. Another survey will be conducted in 2011-12.

Performance management framework

The RTA's Performance Development Scheme (PDS) links each individual staff member's performance to the Strategic Plan, annual business plan, and unit operational work plans. Staff are supported in the achievement of their performance objectives through clearly defined duties, responsibilities and performance standards required by their positions. Other objectives of the PDS include improving communication with supervisors, provision of regular performance feedback, and identification of training and development needs.

Diminished performance is identified through the PDS system, and a Performance Improvement Plan can be developed at any stage of the appraisal cycle to support staff back to required performance levels.

Building skills and knowledge

A whole of organisation approach was taken to building skills and knowledge for the RTA's future with all staff and management participating in Building our future workshops (page 52).

The RTA developed the leadership skills of the management team in a variety of ways including:

- the PDS process
- peer support through monthly Management Representative Forum meetings and regular full management team meetings
- specific code of conduct training for managers and their role within the code
- all members of the management team participated in a strategic direction development workshop.

The management team is the backbone of the RTA's disaster recovery response. This year the team responded to a real life business crisis due to flooding as well as participating in a follow up business continuity exercise, providing valuable experience in disaster recovery operations (page 22).

Fostering reward and recognition

The RTA's annual reward and recognition program continues to be a mechanism for staff and managers to recognise people who achieve outstanding results or strive for excellent business outcomes.

In 2010 the high standard of nominations continued across all three categories of excellence in job performance, above and beyond the call of duty and project/team work resulting in excellence in client service.

Twenty staff were recognised in 2010 for their contributions to the organisation either as an individual or member of a team.

At the annual presentation in December 2010, 18 long serving employees of the RTA were recognised and thanked for their service and commitment to the RTA for over 10, 15 and 20 years.

Improving work, family and lifestyle balance

The RTA maintained its commitment in 2010-11 to providing a workplace that enables staff to balance work, family and lifestyle.

RTA staff continue to access a range of options to ensure a family/lifestyle friendly work environment. These options include accumulated time off, variable working hours, compassionate and bereavement leave, leave without pay, long service leave at half pay and family leave as well as 14 weeks paid parental leave.

This year, 12.6% of our workforce (24 staff) were engaged in part time work.

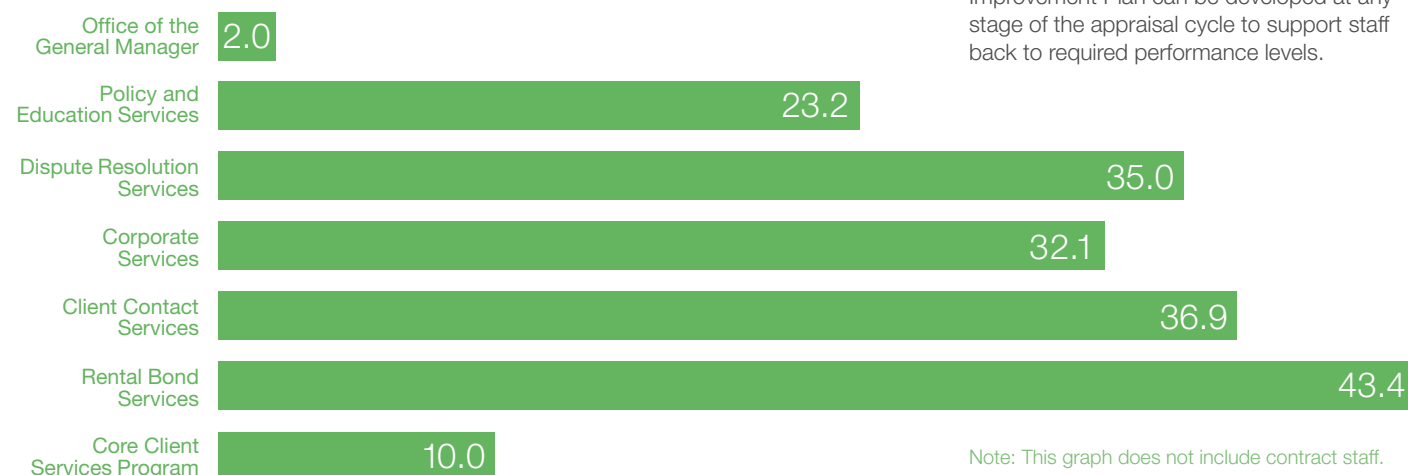
The RTA supports the Carers Charter, as detailed in the *Carers (Recognition) Act 2008*. Staff may apply for part-time employment to reduce working hours and accommodate caring responsibilities for children, elderly relatives or other family members. Staff are also able to use their sick leave entitlement to care for ill or injured immediate family members who are dependent on their care and support.

As other human resources policies are being written and updated, the principles of the Queensland Carers Charter are being included as appropriate. Staff are informed of their entitlements through the induction process and updated policies are available on the intranet for easy access by staff.

The RTA also continues to provide an employee assistance program, with staff and their family members able to access free counselling sessions.

Employee (FTE) by division

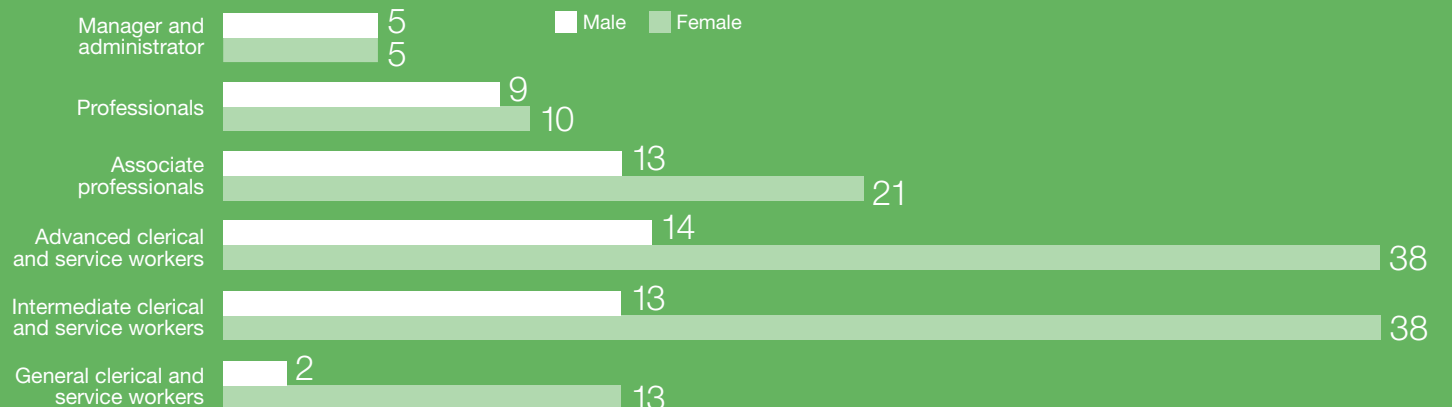
as at 30 June 2011



Note: This graph does not include contract staff.

Employee by occupation and gender

as at 30 June 2011



Note: This graph does not include contract and temporary agency staff.

Code of conduct revised

This year saw the Queensland Government release its Single Code of Conduct (SCOC) for all departments to adopt by 1 January 2011. The RTA as a statutory authority was not bound to implement the entire SCOC, however key principles found in the SCOC and *Public Sector Ethics Act 1994* have been incorporated into the RTA's Code of Conduct for staff, ensuring we align with the new government direction.

The key principles are:

- integrity and impartiality
- promoting the public good
- commitment to the system of government
- accountability and transparency.

The new code was developed in consultation with staff and Queensland Public Sector Union representatives. All staff attended mandatory training sessions on the new code, with 14 workshops presented in total.

Feedback from staff has been particularly positive, especially in relation to topics such as the use of email and internet facilities.

Promoting equity in our workplace

Recognising and celebrating diversity enables the RTA to deliver better services to the community and provide a flexible and contemporary workplace.

In 2010–11 the Equity Committee raised awareness of equal employment opportunity (EEO) matters by promoting activities such as International Women's Day and National Families Week through email messages and poster displays.

The RTA continues to promote a workplace that is free from discrimination by providing information sessions to new staff about anti-discrimination law. EEO, harassment and anti-discrimination policies can be accessed by all staff on the intranet.

In November 2010, the RTA identified an online, self paced, cross-cultural awareness course to help staff deliver services in a culturally sensitive way, and help staff understand cultural factors that influence work relationships and practices.

Strong safety record maintained

The RTA continued to maintain its high standard of workplace health and safety in 2010–11, with the incident rate remaining at a very low level. There were an average of 0.83 incidents for every 10,000 hours worked.

The RTA Workplace Health and Safety Committee met every two months during 2010–11, continuing to ensure safety remains a priority at the RTA. Minutes of these meetings were placed on the RTA intranet ensuring staff are kept aware of safety matters. In addition, all new staff receive mandatory workplace health and safety induction training on their commencement at the RTA.

The RTA continues to support staff returning to the workforce after illness or injury by providing a rehabilitation program. Staff members are supported in their return to duties by trained RTA rehabilitation officers who work closely with them, their team leader/manager and their medical practitioner.

Maintaining a healthy workplace

The RTA is committed to providing an opportunity for staff to maintain or improve their health and wellbeing. In September 2010 the RTA invited written offers from experienced health providers to provide an in-house corporate health program.

Corporate Health Provider, Ford Health, was appointed in November 2010 for a period of three years. The program provides staff with individual access to online resources, information and MyHealth, an online personal health tracking system.

RTA's health and wellbeing program has been well received by staff with a total of 75 staff (39.5%) participating in annual health assessments during November 2010 and February 2011. As a result of the health assessments, activities have been planned to encourage staff to make positive lifestyle changes.

Influenza vaccinations were again offered to all RTA staff prior to the onset of winter, with 82 staff (43.2%) participating in the program.

Other activities have included 63 staff attending skin cancer checks in April 2011

and MyChallenge, a team based exercise challenge. MyChallenge encouraged staff to lead a healthy and active lifestyle by increasing the amount of steps they do each day. Eighty staff (42.0%) worked together in teams to track the number of steps they completed over a ten week period.

Communicating with our staff

This year saw further streamlining of internal electronic communication channels, with a series of natural disasters across the state proving the intranet as the most effective staff communication tool.

The home page of the staff intranet hosted daily announcements about flood and cyclone affected areas in Queensland, the operational status of tenancy support services, restrictions on mail services, and general support facilities set up by the Queensland Government. Additional RTA-specific issues were also posted, keeping staff aware of office access matters, phone line availability, actions of the Flood Recovery Assistance Team and changing due dates for time sensitive rental bond refund notices (page 22).

The staff newsletter Open House was renamed Our House, and underwent a visual and content redesign to further align with RTA corporate style and values. Initial figures show an increase in click-through rates suggesting more staff are accessing this as a work resource.

In addition to the intranet the RTA continued to take advantage of various working groups to communicate on important issues across the organisation. This method was particularly useful for the Workforce Management Plan (page 46), where a small group of staff representatives developed the proposed plan, and liaised with staff to gather feedback prior to finalisation.

The proactive use of formal and informal communication meetings and committees continued as another communication strategy, ensuring the RTA develops a variety of communication and feedback mechanisms across the organisation.

For staff on extended leave either through illness, secondment or maternity leave, a 'keeping in touch' kit containing Our House, 'all staff' emails and other relevant internal documentation is mailed each month. The kit keeps staff informed of all relevant workplace developments, streamlining the return to work process.

Supporting a positive RTA culture

The RTA supports a range of initiatives to foster a positive organisational environment. In addition to the wellness program, Workforce Management Plan (page 46) and individual team activities, a variety of whole-of-RTA initiatives encourage interaction between staff across work units.

The staff social club manages a number of these gatherings, with our premises on level 23 providing a large outdoor balcony ideal for staff events. In 2010–11 the staff social club organised the following:

- monthly social club gatherings
- Christmas function
- trivia by torchlight
- staff and family viewing of the Riverfire fireworks
- soup day
- Think Pink raffle, with staff raising \$514 for the Breast Cancer Foundation
- luncheon for flood relief, with staff raising \$879 for the Salvation Army flood relief appeal.

Adding to this were funds raised through casual Friday donations, totalling \$1,541 for the Ecumenical Coffee Brigade and \$1,542 for Brisbane Youth Service, to support Brisbane's homeless community.

Our environment

The RTA remains focussed on building organisational awareness of environmentally friendly practices, continuing to support environmental initiatives including recycling, responsible energy use and water conservation.

The RTA offices in Turbot Street, Brisbane, are housed in one of a few buildings in the city to have achieved a Five Star Green Star accreditation. In addition to our premises, a number of environmental initiatives are supported by management to further 'green' the organisation.

Recycling

All staff at the organisation have a dedicated bin for the collection of recyclable paper material, leading to less material reaching landfill. In 2010–11 RTA staff recycled approximately 9.36 tonnes of paper.

Recycling bins are also available in all kitchens for use by staff, and programs are in place to ensure toner cartridges and fluorescent tubing materials are recycled appropriately.

Using energy wisely

There are a number of ways the RTA ensures the responsible use of energy on its premises.

Electronic communication is used to reduce paper wastage. Both staff and stakeholder newsletters, Our House and Open House, are delivered electronically only, saving resources such as paper, ink, and electricity in production.

The internal newsletter, Our House, keeps staff informed of new and existing environmental initiatives and seeks feedback on how the staff and organisation can better protect our environment and reduce energy consumption.

The RTA again participated in Earth Hour, where all non-essential electrical devices such as photocopiers, microwaves and computers, were switched off Friday 25th March 2011 in preparation for the official Earth Hour the following day.

All lights within the building are energy efficient and are turned off each night and on weekends through our Building Management System.

Conserving water

The office building has impressive water conservation features:

- a 100,000 litre water tank is used to capture rainwater, with 10,000 litres allocated to irrigation purposes and the remaining 90,000 litres for the flushing of toilet facilities
- air conditioning condensation from air conditioning units is fed back into the main water storage tank for re-use
- low flow water efficient devices are installed in all showers, basins, toilets and urinals
- fire sprinkler test water is fed back into the water tank for reuse
- each floor of the building is fitted with sub-metering, ensuring any water leaks are quickly detected and rectified.

People have the power

The RTA encourages staff to find alternative modes of transport to work:

- the building is a short 50 metre walk to Central Railway Station and hundreds of bus stops, providing excellent access to public transport
- twenty-five bike bays dedicated solely to RTA staff are located in the building's basement, along with locker and shower facilities.

Our organisation

Our business operations

Quality management

The RTA continued the review of processes and procedures throughout 2010-11, with 28 opportunities for improvement identified out of 33 evaluations undertaken. The opportunities for improvement have been implemented or are currently being assessed for inclusion in future planning. This process of review, titled Process Evaluation Procedure (PEP), is an essential and key business driver underpinning our Quality Management System.

PEP is an ongoing program, with all processes and procedures reviewed on a cyclical basis.

The RTA retained its Quality Assurance Standard ISO 9001:2008, following a quality audit by SGS Australia Limited. The auditor's comments confirmed strong internal review processes that reinforce the RTA as a quality organisation.

Other quality management initiatives were implemented during 2010-11, including a new method of collecting data on client telephone enquiries (page 25), call recording software (page 25) and a program to develop client contact skills for frontline staff.

Investing in technology

Information technology systems and processes are central to the provision of quality service to a growing rental sector. With ageing systems the RTA is set to invest in significant technology-based projects over the next three years to ensure quality and timely service remains a trademark of the RTA.

New RTA website

The website has been in its current form for a number of years. Rapid advances in technology and a need to replace the content management system gave the RTA the ideal opportunity to review the way the website is structured and the future viability of the content management system.

A new content management system will be purchased in 2011-12 to ensure the RTA's website continues to support advancements in technology and new ways clients are accessing information (page 33).

Floods cause disruptions to phone services

January 2011 flooding in Brisbane's CBD swamped two telephone exchanges responsible for RTA phone lines, cutting all phone services. RTA staff worked throughout the crisis with our phone provider to create 30 of a possible 90 telephone lines within two business days using fibre optic cable, with all lines restored within three business days (page 22).

The RTA re-tested business continuity capability in May, using knowledge gained during the crisis. A further test is planned to determine individual service capability later in 2011.

Focus on business improvement

The RTA continues to progress important initiatives designed to build capacity in response to growing demand for client services.

During 2010-11, a number of closely linked projects with related and aligned outcomes were grouped into the overarching Core Client Services Program to more efficiently manage all related activities. The program is a major undertaking for the RTA and is planned to span three years.

Other projects included:

Web content management system

This project will select and implement a web content management system to enable RTA to manage its website internally and support the delivery of expanded electronic services (page 33).

Call recording and conferencing

This project has the dual purpose of improving standards of quality and consistency through use of call recording and improving the effectiveness of telephone conferencing within the dispute resolution service.

Server virtualisation

The purpose of this project is to replace a number of RTA's existing physical servers with fewer new physical servers using virtualisation technology to reduce maintenance and operating costs and improve responsiveness to business requirements.

Change Manager Neil Drury meets with CCSP staff to discuss the change management plan.

Business continuity test

This project prepares the RTA for the event of a business disruption, such as a natural disaster. Business continuity testing is conducted annually for a variety of scenarios that could potentially impact on RTA business.

Australian Governments Open Access and Licensing (AusGOAL)

Introduction of the *Right to Information Act 2009* brought new requirements to attach licences to printed and electronic information resources. Under Information Standard 33 these licences protect the copyright of RTA documents and provide standards and conditions for their use or reproduction.

This project will review and classify all published documents and establish procedures and protocols to ensure appropriate licences are applied.

Client identification/anti-money laundering

This project is researching and analysing the legal and business requirements associated with the 'know your customer' provisions of the *Anti-Money Laundering and Counter Terrorism Financing Act 2006*.

Implementation of the research findings will be considered by the Core Client Services Program (see right).

Portfolio Management Office

The RTA's Portfolio Management Office (PMO) continues to develop and improve its capability to support the development and implementation of approved projects. The PMO:

- reports monthly to the Information Portfolio Management Steering Committee on the status of projects

- develops and manages the RTA's portfolio management framework
- assists and coordinates programs, projects and major activities
- provides support, coaching and mentoring to project managers
- ensures that projects link to RTA's strategic goals
- facilitates information management of project documentation and tracks milestones
- liaises with senior staff in relation to required resources.

Corporate governance framework

The corporate governance framework describes current management structures and standards as well as internal and external mechanisms used to ensure the organisation meets statutory obligations and controls required for effective corporate governance.

This framework ensures a reliable and easily accessible system to store and retrieve the latest versions of policies, procedures, registers, plans, reports and charters.

The framework connects all documents which outline the way in which the RTA is governed and managed in order to achieve its strategic goals and operate with integrity. The framework is regularly reviewed and updated to reflect the changing needs of the organisation (page 16).

Core Client Services Program (CCSP)

The CCSP commenced in November 2010 as a strategic priority aimed at enhancing business systems and processes to allow services to be more client focussed.

Driving the CCSP is the need to have more flexible and adaptable systems supporting client needs and services, strengthened compliance requirements and, as demand for RTA services grow, more cost-effective service channels. The CCSP will improve the RTA's online services for clients, incorporating current eServices functionality and adding new capabilities.

The three-year program involves the replacement of core client business information, communication and technology (ICT) systems supporting client services which are built on ageing technology. Consolidation of systems and integration of solutions will position the RTA to be more innovative and responsive to client needs in the future.

This year has seen the start of the Discovery stage. The RTA:

- examined how we currently deliver services – how clients access services, the processes the RTA follows, and options offered to clients in the delivery of services
- investigated contemporary ways of accepting and handling information and service requests from clients while meeting legislative requirements
- investigated options to replace the existing suite of core business systems with more flexible and integrated systems, responsive to evolving business needs and technology
- built a set of requirements to go to tender to acquire new, improved and integrated ICT solutions.

Into the CCSP's future

The Discovery stage will continue into 2011-12 while new solutions are sought. The process of configuring solutions to meet client and RTA needs will then begin. Specific activities planned for 2011-12 include:

- consulting with representatives from the residential rental sector to understand the benefits of new ways of delivering services
- conducting a procurement process (tender) seeking proposals for new ICT solutions
- planning for the implementation of new solutions. This will involve technical elements such as new processes and system configuration as well as communicating with clients to ensure improved access to services.



Case study

Staff contributed to the development of the new Strategic and Workforce Management Plans.



RTA staff 'Building our future'

The RTA held Building our future workshops for staff from all levels of the organisation to contribute to the new Strategic Plan.

Nine corporate development workshops were held between July and September 2010, with all staff participating.

As the workshops were designed to foster new discussion and innovative ideas about the RTA's future, working groups were made up of staff across different divisions and functions who would not ordinarily work closely with each other.

The workshops employed experiential learning exercises to help build relationships and rapport, and promote 'thinking outside the box'.

Staff explored the concept of future thinking, and what the 'best version' of the RTA would look like in the future from the perspective of different client groups.

The groups imagined themselves in the year 2025 and asked the following questions:

- What have been our greatest achievements?
- What have been our most significant challenges?
- What makes the RTA an attractive job choice in 2025?

Participants then considered possible strategies to help us realise that vision.

The key ideas and findings were used in the development of the 2011–14 Strategic Plan.

The new Strategic Plan, informed by the Building our future workshops, will be implemented from 1 July 2011.

Future priorities - Our organisation

Key activities for 2011–12 are to:

- implement Workforce Management Plan 2011–2014
- commence implementation of the Queensland Government Capability and Leadership Framework
- conduct a Workforce Attitude Survey
- procure a content management system for the new website
- develop a leadership development program
- continue phase two of the Core Client Services Program including consulting with representatives from the residential rental sector to understand the benefits of new ways of delivering services
- conduct a carbon audit
- relocate and upgrade RTA's disaster recovery facility and implement a full test.

Our finances

Notes	Group		Parent	
	\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010
Current assets				
Cash and cash equivalents	51,212	39,814	51,171	39,734
Other financial assets	589,269	629,730	580,269	629,730
Receivables	773	658	773	655
Other assets	455	539	405	445
Total current assets	641,709	570,741	641,618	570,564
Non current assets				
Intangible assets	687	3,903	687	3,903
Property, plant and equipment	2,986	3,364	2,986	3,364
Investment property	4,500	4,700	4,500	4,700
Other assets	1,673	1,886	1,673	1,886
Total non current assets	9,846	13,853	9,846	13,853
Total assets	651,555	584,594	651,464	584,417
Current liabilities				
Payables	2,352	2,992	4,788	5,417
Rental bonds and unclaimed monies	588,213	530,913	588,213	530,913
Accrued employee benefits	1,184	1,086	494	19
Other liabilities	3	3	593,499	530,943
Total current liabilities	45,971	40,305	45,971	40,305
Expenses				
Employee expenses				
Supplies and services				
Grants and subsidies				
Depreciation and amortisation				
Asset impairment				
Revaluation decrement				
Other expenses				
Total expenses	45,971	40,305	45,971	40,305
Operating result	35,086	27,083	35,086	27,083
Other comprehensive income				
Decrease in asset revaluation reserve	10,885	13,222	10,885	13,222
Total other comprehensive income	10,885	13,222	10,885	13,222
Total comprehensive income	45,971	40,305	45,971	40,305

Objectives
Our finances Maintain financial accountability, sustainability and integrity.
Return on investment Achieved 7.9% return on investment.

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This financial report is a general purpose financial report of the Residential Tenancies Authority and its controlled entity and is presented in Australian Currency. The Residential Tenancies Authority and its controlled entity are both Queensland Government statutory bodies constituted under the *Residential Tenancies and Rooming Accommodation Act 2008* (Qld). The RTA and its controlled entity are controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the Authority is: Level 23, 179 Turbot Street, BRISBANE QLD 4000.

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The official copy of the annual report, as tabled in the Legislative Assembly of Queensland can be accessed from the Queensland Parliament's tabled papers website database: www.parliament.qld.gov.au/view/legislativeAssembly/tabledPapers/home.asp

The RTA is a self-funded statutory authority with revenue sourced primarily from investment of rental bonds lodged with the RTA in accordance with the *Residential Tenancies and Rooming Accommodation Act 2008*.

The 2010–11 financial year provided steady growth in investments driven by an overall increase in bond lodgements of \$57.300m to \$588.213m, compared to \$530.913m in 2009–10.

RTA's investment returns were strong in 2010–11, and combined with responsible expenditure management resulted in a surplus from continuing operations of \$10.885m.

Growth in income

The RTA relies on investment returns on financial assets to fund its expenses, meaning the RTA's financial performance and financial position depend on achieving adequate investment returns.

The average rate of return on investments was 7.9% against a budgeted return of 6.0%. The result has been an operating income of \$45.971m, up \$5.666m on the result achieved in 2009–10.

Net financial instruments held at the RTA as at 30 June 2011 are \$50.202m compared to \$35.989m the previous year. This is represented by financial assets of \$640.767m (cash and investments) less financial liabilities of \$590.565m (being rental bonds and unclaimed monies held on behalf of clients).

Strategic investment management

The RTA manages its investments in accordance with Part 3, Division 5 of the *Residential Tenancies and Rooming Accommodation Act 2008* and invests in accordance with provisions of the *Statutory Bodies Financial Arrangements Act 1982*.

The RTA aims for best-practice investment management by establishing clearly defined investment goals, an overall investment strategy and investment risk tolerances to meet those goals. Reporting and monitoring arrangements are in place, consistent with, and supportive of, effective corporate governance.

The RTA has continued to distinguish RTA earnings from its investments of rental bonds via two portfolios, namely the Rental Bond Portfolio and the Business Operations Portfolio.

The Rental Bond Portfolio represents the investment of all rental bonds held. This portfolio is actively managed by fund manager Queensland Investment Corporation (QIC) and funds are allocated across a range of asset classes in accordance with the investment strategy adopted by the RTA Board.

The Business Operations Portfolio represents the earnings from investments and is used to fund all RTA business operating expenses and grants as provided in the *Residential Tenancies and Rooming Accommodation Act 2008*.

The Business Operations Portfolio is managed by the RTA with funds invested in Treasury approved, short-term, liquid cash investments with financial institutions that meet the criteria of the investment strategy. These funds are held in at call accounts and short-term fixed deposits and managed in accordance with the *Statutory Bodies Financial Arrangements Act 1982*.

Key information

Selected financial and operating data

The RTA has compiled the financial information for the financial year ending 30 June 2011 and prior from audited financial statements and related notes prepared in accordance with Australian Equivalents to International Financial Reporting Standards (where appropriate), the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards (including the Australian Accounting Interpretations).

These consolidated financial statements have been audited by an independent auditor, Mr Junaide Latif of William Buck appointed by the Queensland Audit Office.

Operating expenditure

This year, expenditure increased by \$8.003m (29.5%) to \$35.086m due to a range of factors including grants to the Department of Communities to support housing assistance following the natural disasters (page 40), asset impairment of internally generated software (page 56), and significant new projects including the Core Client Services Program (page 51).

Employee expenses grow with staffing levels

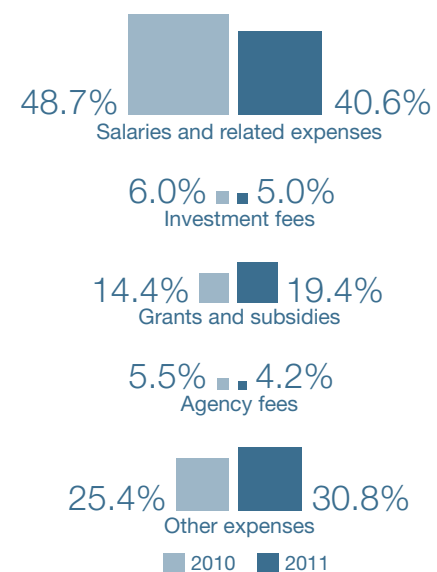
The staff of the RTA remain a key resource in the organisation's ability to provide services across Queensland.

Allocation of investment funds managed through QIC

Fund type	Investment range	as at 30 June 2011 - \$'m	as at 30 June 2011 - \$'m
		Amount invested	Proportional allocation
Cash Enhanced Fund	0–100%	225.990	38.4%
RTA Credit Fund	0–45%	230.027	39.0%
Global Credit Opportunities Fund	0–20%	53.570	9.1%
Property Fund	0–20%	74.341	12.6%
Overlay		5.341	0.9%
Total		589.269	

Employee expenses rose by \$0.708m (5.7%) from \$12.360m in 2009-10 to \$13.068m in 2010-11. This is attributable to core agreement increases and an increase in staff levels for projects to improve service delivery and to meet current demands placed on the RTA by the growing Queensland rental market.

Total expenditure by type



Grants and subsidies rise

There are several major grants that the RTA provides each year. Grants increased by 74.8% from \$3.903m in 2009-10 to \$6.823m in 2010-11 (see below).

This year the RTA provided a one-off grant of \$2.00m to the Department of Communities to support housing assistance following the natural disasters in Queensland.

RTA grants

Grant	2010-11 (\$'m)	2009-10 (\$'m)
Housing Assistance Grant	2.000	0
RTA Community Education Public Grants Scheme	0.167	0.183
Tenant Advice and Advocacy Service Grant	4.345	3.442
Tenants Union of QLD/QCAT	0.311	0.278
Total	6.823	3.903

Supplies and services increase

Supplies and services rose by \$2.583m (33.0%) from \$7.819m in 2009-10 to \$10.402m in 2010-11. Generally the overall increase is due to expenditure for new projects including the Core Client Services Program and the effect of full year office accommodation leasing costs.

Asset impairments

A decrease of \$3.221m in the value of internally generated software has been made as a result of the decision not to roll out eLodgement functionality.

Improved efficiency reduces costs

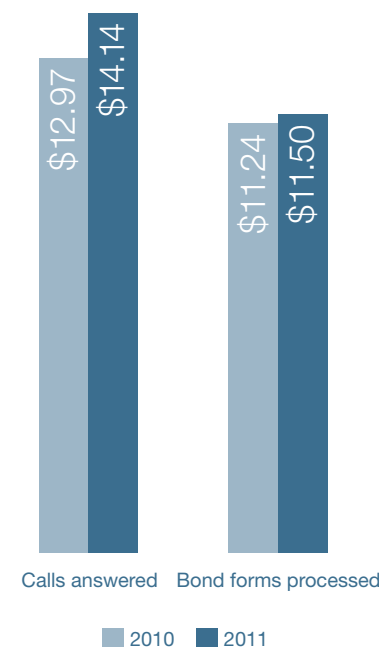
The RTA continues to manage its transaction costs through the increased uptake of electronic transactions such as direct credit of bond refunds. The website remains a core strategy to reduce costs and improve efficiency, with clients using the website to gain access to forms and fact sheets that can be downloaded, reducing production, warehousing and distribution costs to the RTA.

The RTA has continued to focus on business improvements and on enhancing its internal and external financial processes through the continued review of these systems and processes.

Cost per client activity increases

To analyse the financial effectiveness of the delivery of client services, the RTA calculates the average cost to service a client. This analysis assists managers to maximise value and improve corporate performance.

Cost per activity Client Contact Centre and bond administration



The graphs above outline the average cost per client activity for key services to clients in 2009-10 and 2010-11 for four activities:

- client enquiries to the Client Contact Centre
- bond forms processed (including lodgements, refunds and change of details)
- dispute resolution requests received
- investigations commenced.

All overhead costs including corporate support, governance and administration are included in the activity costs and have been allocated using appropriate cost drivers.

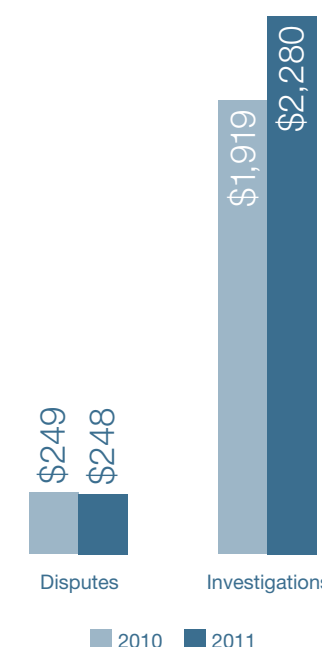
Increases in the overhead costs to develop improved systems and achieve higher governance standards have led to an increase in costs per client activity in some areas.

For 2010-11, the cost to respond to a telephone call was \$14.14, up from \$12.97 the previous year.

The average cost to process a bond form increased \$0.26 to \$11.50, up from \$11.24 in 2009-10.

To lodge a dispute and manage the resolution process, the cost decreased to \$248 for 2010-11. Recent changes to business

Cost per activity Dispute resolution and investigations



processes and implementation of call conferencing technology assisted in this cost reduction (page 29).

Investigations have the highest activity cost of all RTA services at \$2,280, which reflects that criminal law prosecutions may be involved, and that collection of evidence must follow the standards required by law. In addition, the level of complexity of cases is increasing, thus requiring additional resources.

A decrease in the number of complaints received has also led to an increase in cost per investigation commenced.

Improved financial performance

The financial performance of the RTA is shown in the graph on the right.

The graph highlights the relationship between the level of investment revenue, expenditure and the surplus or deficit achieved for the last five years.

The RTA had an operating surplus from continuing operations for 2010-11 of \$10.885m, due to strong investment returns coupled with prudent management of operating expenditure.

The RTA's operational reserve which is used to fund all RTA business operating expenses and grants grew to \$54.072m in 2010-11.

This reserve ensures that service delivery will continue at current or increased levels into the future without disruption.

Investment property

The RTA owns one investment property at 33 Herschel Street, Brisbane. Since acquisition in 1998, it has proven to be a sound investment for the organisation providing capital growth as well as housing RTA offices until early 2010.

The Herschel Street premises is currently under lease.

Sound financial position

The RTA has a healthy balance sheet, with no debt and a high level of liquid assets. Total equity increased by 25.2% from 2009-10 and the strong performance in the past year has provided a solid balance sheet position with total net assets of \$54.072m.

In order to address the issue of market volatility, the RTA investments are managed with three basic principles:

- setting a realistic target return for the ensuing financial year based on

conservative estimates of market returns and rental bond growth

- active management, monitoring and application of proactive measures in administering the investment strategy to manage volatility of investment revenues
- maintaining separate operational funds to ensure business sustainability during difficult economic times.

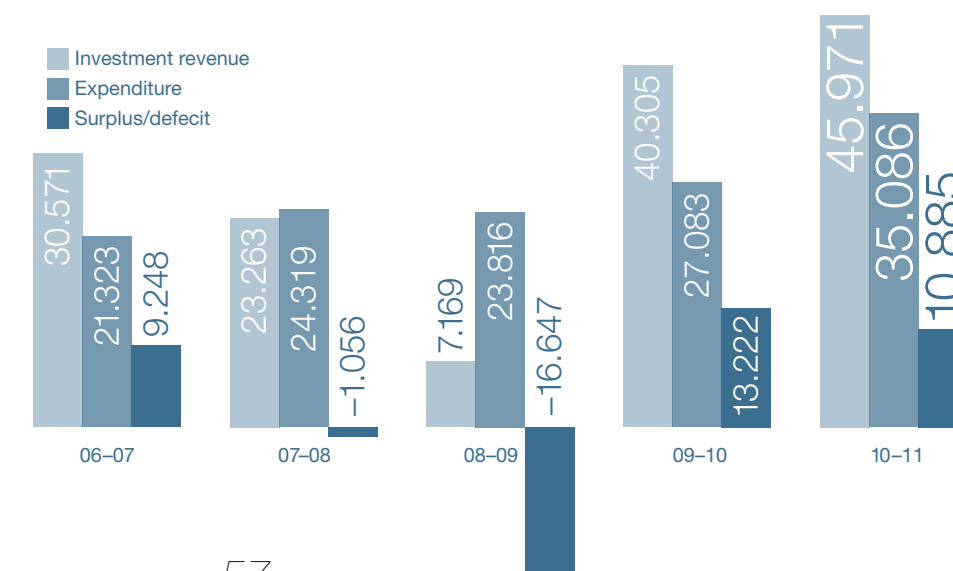
Positive financial outlook

The RTA is committed to ensuring prudent management of investments through agreed strategies and processes in line with the provisions of the *Statutory Bodies Financial Arrangements Act 1982*. Given continued market uncertainty, the RTA is working closely with fund manager QIC to ensure investment risks are carefully managed. Despite increasing operational costs driven by rising labour costs, meeting increased service demands and expenditure on significant new projects, the RTA anticipates an operating surplus of \$3.762m for the 2011-12 financial year reflecting a forecast return on investment of 6.5%.

The RTA continues to monitor Queensland Audit Office reports and implements the recommendations where appropriate. The RTA received an unqualified audit report for its financial statements for the 2010-11 financial year.

Financial performance \$m

2006-07 to 2010-11



Statement of comprehensive income

For the year ended 30 June 2011

	Notes	Group		Parent	
		\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010
Income					
Investment revenue	3	45,949	40,136	45,949	40,136
Other revenue	3	22	169	22	169
Total income		45,971	40,305	45,971	40,305
Expenses					
Employee expenses	4	13,068	12,360	270	236
Supplies and services	5	10,402	7,819	23,203	19,947
Grants and subsidies	6	6,823	3,903	6,823	3,903
Depreciation and amortisation	7	1,168	1,226	1,168	1,226
Asset impairment	8	3,221	1,558	3,221	1,558
Revaluation decrement	9	200	-	200	-
Other expenses	10	204	217	201	213
Total expenses		35,086	27,083	35,086	27,083
Operating result		10,885	13,222	10,885	13,222
Other comprehensive income					
Decrease in asset revaluation reserve	23	-	(1,948)	-	(1,948)
Total other comprehensive income		-	(1,948)	-	(1,948)
Total comprehensive income		10,885	11,274	10,885	11,274

The accompanying notes form part of these statements.

Statement of financial position

For the year ended 30 June 2011

	Notes	Group		Parent	
		\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010
Current assets					
Cash and cash equivalents	11	51,212	39,814	51,171	39,734
Other financial assets	12	589,269	529,730	589,269	529,730
Receivables	13	773	658	773	655
Other assets	14	455	539	405	445
Total current assets		641,709	570,741	641,618	570,564
Non current assets					
Intangible assets	15	687	3,903	687	3,903
Property, plant and equipment	16	2,986	3,364	2,986	3,364
Investment property	17	4,500	4,700	4,500	4,700
Other assets	14	1,673	1,886	1,673	1,886
Total non current assets		9,846	13,853	9,846	13,853
Total assets		651,555	584,594	651,464	584,417
Current liabilities					
Payables	18 a	2,352	2,992	4,768	5,417
Rental bonds and unclaimed monies	18 b	588,213	530,913	588,213	530,913
Accrued employee benefits	19	1,184	1,086	21	19
Other liabilities	20	494	494	494	494
Total current liabilities		592,243	535,485	593,496	536,843
Non current liabilities					
Accrued employee benefits	19	1,374	1,562	30	27
Other liabilities	20	3,866	4,360	3,866	4,360
Total non current liabilities		5,240	5,922	3,896	4,387
Total liabilities		597,483	541,407	597,392	541,230
Net assets		54,072	43,187	54,072	43,187
Equity					
Accumulated surplus	22	54,072	43,187	54,072	43,187
Total equity		54,072	43,187	54,072	43,187

The accompanying notes form part of these statements.

Statement of changes in equity

For the year ended 30 June 2011

	\$'000 Accumulated surplus	\$'000 Asset revaluation reserve	\$'000 Total equity
	Group		
2011			
Balance at beginning of reporting period	43,187	-	43,187
Other comprehensive income	-	-	-
Operating result	10,885	-	10,885
Balance at the end of the reporting period	54,072	-	54,072
	Parent		
2011			
Balance at beginning of the reporting period	43,187	-	43,187
Other comprehensive income	-	-	-
Operating result	10,885	-	10,885
Balance at the end of the reporting period	54,072	-	54,072
	Group		
2010			
Balance at beginning of reporting period	27,665	4,248	31,913
<i>Other comprehensive income:</i>			
Revaluation of property, plant and equipment	-	(1,948)	(1,948)
Asset revaluation reserve transferred to accumulated surplus (Note 22)	2,300	(2,300)	-
Operating result	13,222	-	13,222
Balance at the end of the reporting period	43,187	-	43,187
	Parent		
2010			
Balance at beginning of the reporting period	27,665	4,248	31,913
<i>Other comprehensive income:</i>			
Revaluation of property, plant and equipment	-	(1,948)	(1,948)
Asset revaluation reserve transferred to accumulated surplus (Note 22)	2,300	(2,300)	-
Operating result	13,222	-	13,222
Balance at the end of the reporting period	43,187	-	43,187

The accompanying notes form part of these statements.

Statement of cash flows

For the year ended 30 June 2011

Notes	Group		Parent	
	\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010
Cash flows from operating activities				
Inflows				
Interest income	2,521	1,517	2,521	1,517
Bond lodgements	341,635	317,218	341,635	317,218
Investment income	42,910	38,333	42,910	38,333
Other operating receipts	361	163	361	163
GST collected on sales	36	24	36	24
GST refunds received	1,829	1,274	1,829	1,274
Outflows				
Bond claims	(284,335)	(281,510)	(284,335)	(281,510)
Employee benefits and on-costs	(13,122)	(12,015)	(266)	(227)
Supplies and services	(11,266)	(8,875)	(24,097)	(20,709)
Grants and subsidies	(6,823)	(1,976)	(6,823)	(1,976)
Other expenses	(234)	(209)	(220)	(204)
GST paid on purchases	(1,770)	(1,414)	(1,770)	(1,413)
Net cash provided by operating activities	24	71,742	52,530	71,781
Cash flows from investing activities				
Inflows				
Proceeds from sale of investment securities	41,000	40,500	41,000	40,500
Outflows				
Purchase of property, plant and equipment	(597)	(438)	(597)	(438)
Purchase of intangible assets	(208)	(1,626)	(208)	(1,626)
Purchase of investment securities	(100,539)	(73,104)	(100,539)	(73,104)
Net cash used in investing activities	(60,344)	(34,668)	(60,344)	(34,668)
Net increase in cash and cash equivalents	11,398	17,862	11,437	17,822
Cash and cash equivalents as at beginning of financial year	39,814	21,952	39,734	21,912
Cash and cash equivalents at end of financial year	24	51,212	39,814	51,171

The accompanying notes form part of these statements.

For the year ended

Notes to and forming part of the financial statements

30 June 2011

Objectives and principal activities of the RTA

The Residential Tenancies Authority (the RTA) is a self funded regulatory authority committed to providing targeted services to meet the diverse needs of Queensland's residential rental sector. The RTA's core responsibility and principal activity is to administer the *Residential Tenancies and Rooming Accommodation Act 2008* (QLD) (the Act) and to provide services in accordance with the Act.

In terms of Section 468 of the Act, the RTA's functions are:

- (a) to ensure the proper administration and enforcement of this Act;
- (b) to receive, hold and pay rental bonds under this Act;
- (c) to give advice to the Minister about -
 - (i) residential tenancy issues and rooming accommodation issues generally; and
 - (ii) the operation of this Act in particular;
- (d) without limiting paragraph (c), to give advice to the Minister about -
 - (i) the application of this Act to residential tenancy agreements, premises or entities; and
 - (ii) the application of this Act to rooming accommodation agreements, rental premises or entities;
- (e) to provide information, educational and advisory services about the operation of this Act;
- (f) to collect and analyse information about residential tenancy issues and rooming accommodation agreements;
- (g) to provide a conciliation service to parties to disputes about residential tenancy agreements and rooming accommodation agreements;
- (h) to intervene in, or support, proceedings about the application of this Act to residential tenancy agreements and rooming accommodation agreements;
- (i) to perform other functions given to the authority under this Act or another Act; and
- (j) to perform functions incidental to its other functions.

The RTA is a statutory body under Section 9 of the *Financial Accountability Act 2009* (Qld). The RTA falls within the portfolio of the Minister for Community Services and Housing and Minister for Women.

Section 491 of the Act establishes the Residential Tenancies Employing Office (RTEO) as a statutory body for the purposes of the *Financial Accountability Act 2009* (Qld).

The trading of the Residential Tenancies Employing Office (RTEO) commenced on 1 July 2008. In accordance with AASB 127 Consolidated and Separate Financial Statements, Interpretation 112 Consolidation – Special Purpose Entities and Part 1 of Queensland Treasury's Guidance Paper: Financial Reporting Requirements for Queensland Government Agencies, the RTEO is controlled by the RTA and the RTA is required to prepare consolidated General Purpose Financial Report for the 2010-11 financial year. Thus, this financial report covers the Residential Tenancies Authority (RTA) and its controlled entity.

To ensure full transparency of the services and functionality that the RTEO provides the RTA, a Work Performance Arrangement was developed in accordance with Section 493 of the Act. This document provides the authority under which employees of the RTEO perform work for the RTA and stipulates operational activities of the RTEO effective from 1 July 2008.

Information in relation to the RTA's principal activities and other information including financial statements are available on our website: www.rta.qld.gov.au

1. Summary of significant accounting policies

(a) Statement of compliance

The Residential Tenancies Authority has prepared these statements in compliance with section 43 of the Financial and Performance Management Standard 2009.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with the Treasury's Minimum Reporting Requirement for the year ended 30 June 2011, other authoritative pronouncements and the requirements prescribed by:

Residential Tenancies and Rooming Accommodation Act 2008 (Qld); and

Statutory Bodies Financial Arrangements Act 1982 (Qld).

With respect to compliance with Australian Accounting Standards and Interpretations, the RTA has applied those requirements applicable to not-for-profit entities, as the RTA is a not-for-profit authority. Except where stated, the historical cost convention is used.

(b) Principles of Consolidation

A controlled entity is any entity over which the RTA has the power to govern the financial and operating policies so as to obtain benefits from its activities. The RTA controls only the RTEO and does not control any other entity.

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the RTA and the entity it controls.

All inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of the RTEO reflect those adopted by the RTA (parent entity).

(c) The reporting entity

This financial report includes the consolidated financial statements and notes of the RTA and its controlled entity ('Group'), and the separate financial statements and notes of the RTA as an individual parent entity ('Parent').

(d) Revenue recognition

The RTA invests cash in accordance with Part 3 of the *Residential Tenancies and Rooming Accommodation Act 2008* (Qld), the *Statutory Bodies Financial Arrangements Act 1982* (Qld) and Regulations thereto. A majority of the cash is placed into investments that are managed by fund manager Queensland Investment Corporation Limited (QIC) and allocated across a range of investment funds in a unique portfolio as required by the Investment Strategy adopted by the RTA Board. Investments are measured at their net market value at each balance date. Changes in the net market value of investments in this portfolio, positive or negative, are recognised as income in the Statement of Comprehensive Income. Any interest derived on funds invested with other financial institutions is brought to account when earned.

(e) Cash and cash equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions. It also includes investments with short periods to maturity that are readily convertible to cash at the RTA's option and subject to a low risk of changes in value.

(f) Other financial assets

Managed Funds, managed by fund manager QIC, are generally available at call. These investments are held at market value in a portfolio of five products covering various levels of investment risk and investment return (see Note 12).

The RTA manages its exposure to interest rate risk on investments through compliance with the SBFA Act, Queensland Treasury Guidelines and a formal investment strategy approved by the RTA Board. The Treasurer must approve through Section 61A of the SBFA Act the strategic asset allocation parameters. The Treasurer approved the RTA to appoint QIC as its fund manager under Section 59 of the SBFA Act on 23 November 2004.

The RTA does not engage in any transactions for speculative purposes.

(g) Receivables

The collectability of receivables is assessed periodically with full determination of the relevance for a provision for impairment. All known impaired debts have been written off during the year.

All receivables are non-interest bearing and no security has been obtained.

(h) Acquisitions of assets

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition and all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

(i) Property, plant and equipment

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Buildings	\$10,000
Plant and equipment	\$5,000
Land	\$1

Items with a lesser value are expensed in the year of acquisition.

Land improvements undertaken by the RTA are included with buildings.

(j) Revaluations of non-current physical and intangible assets

Land, buildings, infrastructure and major plant and equipment are measured at fair value in accordance with AASB 116 Property, Plant and Equipment and Queensland Treasury's Non-Current Asset Accounting Policies for the Queensland Public Sector.

Where intangible assets have an active market, they are measured at fair value; otherwise they are measured at cost.

Plant and equipment, other than major plant and equipment, is measured at cost. The carrying amounts for plant and equipment at cost should not materially differ from their fair value.

Non-current physical assets measured at fair value are comprehensively revalued at least once every five years with interim valuations, using appropriate indices, being otherwise performed on an annual basis where there has been a material variation in the index.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation reserve of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation reserve relating to that class. On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of the remaining useful life.

Only those assets, the total values of which are material compared to the value of the class of assets to which they belong, are comprehensively revalued. Separately identified components of assets are measured on the same basis as the assets to which they relate.

(k) Intangibles

Intangible assets with a cost or other value greater than \$100,000 are recognised in the financial statements, items with a lesser value being expensed. Each intangible asset is amortised over its estimated useful life to the RTA, less any anticipated residual value. The residual value is zero for all the RTA's intangible assets.

It has been determined that there is not an active market for any of the RTA's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses (where applicable).

Purchased Software

The purchase cost of software has been capitalised and is amortised on a straight-line basis over the period of the expected benefit to the RTA, generally 3 years.

Internally Generated Software

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software have been capitalised and are amortised on a straight-line basis over the period of expected benefit to the RTA, generally 3 to 5 years.

(l) Amortisation and depreciation of intangibles and property, plant and equipment

Land is not depreciated as it has an unlimited useful life.

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the RTA.

Any assets under construction (work-in-progress) are not depreciated until they reach service delivery. Where assets have separate identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the RTA.

Major additions purchased specifically for particular assets are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold property is allocated progressively over the estimated useful life of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of the lease includes any option period where exercise of the option is probable.

For each class of depreciable asset, the depreciation and amortisation is determined on the straight line method based on the estimated useful life of the asset:

Class (years)	Useful Life
Plant and equipment:	
Leasehold improvements	10
Other equipment	3 to 20
Intangible assets:	
Software purchased	3
Software internally generated	3 to 5

(m) Impairment of non-current assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the RTA determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value, less costs to sell and depreciated replacement cost.

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An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a valuation increase. Refer also note 1(j).

(n) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost including transaction costs. Where investment property is acquired at no or nominal cost it is recognised at fair value. Investment property is subsequently carried at fair value, being revalued at each reporting date. Fair value is based on selling prices in an active property market adjusted, if necessary, to reflect the nature, location or condition of the specific investment property. If there is no active property market, alternative valuation methods are used, such as recent selling prices in less active markets, or discounted cash flow projections.

Gains or losses arising from changes in the fair value of investment property are included in the Statement of Comprehensive Income for the period in which they arise. Investment property is not depreciated and is not tested for impairment.

Rental revenue from investment property is recognised as income on a periodic straight line basis over the lease term.

(o) Operating leases

An operating lease is where the lessor retains substantially all risks and benefits associated with the ownership of the asset. Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

The RTA has no finance leases.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

(p) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

(q) Rental bonds and unclaimed monies

In accordance with Section 116 of the *Residential Tenancies and Rooming Accommodation Act 2008* (Qld) and regulations thereto, a person receiving a rental bond must, within 10 days of receiving it, pay it to the RTA. These bonds are withdrawn when the tenancies are terminated, which can be at any time following bond lodgement. In accordance with AASB 139 Financial Instruments: Recognition and Measurement, bonds are a financial liability and are regarded as being payable on demand. The fair value of a financial liability with a demand feature is not less than its carrying value. Bond lodgements are recognised as current liabilities.

Unclaimed monies represent cheques issued and returned or still un-presented. Such refunds of bonds are regarded as unclaimed 15 months following issue. These are disclosed as current liabilities and are recognised at the face value of the bond. Unclaimed monies do not lose the demand feature associated with the bond and are therefore recognised at face value and are not discounted.

(r) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the RTA becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:
Cash and cash equivalents – held at fair value through profit and loss
Other financial assets – held at fair value through profit and loss
Receivables – held at amortised cost
Payables – held at amortised cost

The RTA does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents and managed funds, the RTA holds no other financial assets classified at fair value through profit and loss.

All disclosures relating to the measurement basis and financial risk management of other financial instruments held by the RTA are included in Note 27.

(s) Employee benefits

Wages, salaries, annual leave, long service leave, time-off-in-lieu (toil) and sick leave

All employees of the RTEO and of the RTA are employed under the Act. No employees are employed under the *Public Service Act 2008* (Qld) (Section 311C).

TOIL, long service leave and annual leave due but unpaid at reporting date are recognised in the Statement of Financial Position at the remuneration rates expected to apply at the time of settlement including on-costs in accordance with AASB 119 Employee Benefits.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. For those entitlements not expected to be paid within 12 months, the liabilities are classified as non-current liabilities and recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Within the Statement of Comprehensive Income, on-costs such as payroll tax and workers' compensation insurance are a consequence of employing employees and are not included in an employee's total remuneration package. Hence they are recognised separately as employee related expenses rather than employee benefits. Employer superannuation contributions are regarded as employee benefits (refer Note 4).

Superannuation

All employer superannuation contributions are paid to QSuper at rates determined by the Treasurer on the advice of the State Actuary. The QSuper superannuation scheme is for Queensland Government employees. All superannuation contributions are expensed in the period in which they are paid or payable. The RTA and its controlled entity's obligations are limited to their contribution to QSuper and there is no responsibility by the RTA or its controlled entity to cover any shortfall in the funds' obligation to provide benefits to employees on retirement.

Therefore, no liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-government basis and reported in the financial report prepared pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Key Executive Management Personnel and Remuneration

Key executive management personnel and remuneration disclosures are made in accordance with the section 5 Addendum (issued in May 2011) to the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Refer to note 30 for the disclosures on key executive management personnel and remuneration.

(t) Financing/borrowing costs

Finance costs are recognised as an expense in the period in which they are incurred.

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings;
- finance lease charges;
- amortisation of discounts or premiums relating to borrowings; and
- ancillary administration charges.

No borrowing costs are capitalised into qualifying assets.

(u) Insurance

The RTA's non-current physical assets and other risks are insured through various insurance companies managed by broker 'Willis Australia Pty Ltd'; all premiums being on a risk assessment basis.

The RTA and its controlled entity pay premiums to WorkCover Queensland in respect of their obligations for employee compensation.

(v) Taxation

The RTA and its controlled entity are state bodies as defined under the *Income Tax Assessment Act 1936* and are exempt from Commonwealth (Cth) taxation. They are also exempt from the State imposed Land Tax [(section 13(1) (a) *Land Tax Act 1915* (Qld)]. However, they are not exempt from other taxes such as Fringe Benefits Tax (Cth), Goods and Services Tax (GST) (Cth) or Payroll Tax (Qld). In addition, they must comply with Pay-As-You-Go (PAYG) withholding requirements (Cth).

GST

Both the RTEO and the RTA satisfy section 149-25(e) of the *A New Tax System (Goods and Services) Act 1999* (Cth) (the GST Act) and were able to form a "group" for GST purposes under Division 149 of the GST Act. This means that any transactions between the RTA and the RTEO do not attract GST. However, both entities are responsible for the payment or receipt of any GST for their own transactions. As such, GST credits receivable from/payable to the Australian Taxation Office (ATO) are recognised and accrued.

Investment activity of the RTA is part of the RTA's overall enterprise. Accordingly, the RTA is subject to Division 70 of the GST Act which reduces the entitlement for GST refundable for acquisitions for the purposes of investment portfolio management. Effectively, any GST paid on such expenditure is reduced by 25% (e.g. management fees). Additionally, a small percentage of GST paid on overall RTA operational costs is also disallowed.

Fringe Benefits Tax (FBT)

FBT is accounted for by both entities for any benefits provided to employees.

Payroll tax

Both entities are liable for payroll tax pursuant to *Payroll Tax Act 1971* (Qld). In addition, the legislation provides for the compulsory "grouping" of related or associated businesses so that when their wages are aggregated they are not below the exemption threshold. The RTA would have fallen below the threshold. Both entities are responsible for the payment of payroll-tax on their own wages.

PAYG withholding

PAYG withholding applies to both entities even if they are members of a consolidated group. Generally, each entity is obliged to withhold an amount from such payments at rates specified by the schedules issued under the *Taxation Administration Act 1953* (Cth) and then pay that amount to the Commissioner for Taxation within the timeframe imposed by that Act.

(w) Issuance of financial statements

The financial statements are authorised for issue by the RTA General Manager and Board Chairperson at the date of signing the Management Certificate.

(x) Judgments and assumptions

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

Intangible asset – note 15

(y) Rounding and comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(z) New and revised accounting standards

The RTA and its controlled entity did not voluntarily change any of their accounting policies during 2010-11. Only one amendment to the Australian accounting standard applicable for the first time for 2010-11 was relevant to the RTA and its controlled entity, as explained below.

AASB 2009 – 5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project included certain amendments to AASB 117 Leases that revised the criteria for classifying leases involving land and buildings. Consequently, the RTA and its controlled entity were required to reassess the classification of the land elements of all unexpired leases the RTA and its controlled entity had entered into as at 1 July 2010, on the basis of information existing at the inception of the relevant leases. The outcome of the RTA and its controlled entity's reassessment was that no reclassification from an operating lease to a finance lease was necessary.

The RTA and its controlled entity are not permitted to early adopt a new accounting standard ahead of the specified commencement date unless approval is obtained from the Treasury Department. Consequently, the RTA and its controlled entity have not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The RTA and its controlled entity will apply these standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the only significant impacts of new or amended Australian accounting standards with future commencement dates are set out below:

AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 101 & AASB 134 and Interpretation 13] becomes effective from reporting periods beginning on or after 1 January 2011. The RTA and its controlled entity will then need to make changes to their disclosure about credit risk on financial instruments in Note 27(c). No longer will the RTA and its controlled entity need to disclose amounts that best represent an entity's maximum exposure to credit risk where the carrying amount of the instruments reflects this. If the RTA and its controlled entity hold collateral or other credit enhancements in respect of any financial instrument, they will need to disclose – by class of instrument – the financial extent to which those arrangements mitigate the credit risk. There will be no need to disclose the carrying amount of the financial assets for which the terms have been renegotiated, which would otherwise be past due or impaired.

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Also, for those financial assets that are either past due but not impaired, or have been individually impaired, there will be no need to separately disclose details about any associated collateral or other credit enhancements held by the RTA and its controlled entity.

AASB9 Financial Instruments (December 2010) and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and interpretations 2, 5, 10, 12, 19 & 127] become effective from reporting periods beginning on or after 1 January 2013. The main impacts of these standards on the RTA and its controlled entity are that they will change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at either amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial application of AASB 9, the RTA and its controlled entity will need to re-assess the measurement of their financial assets against the new classification and measurement requirements, based on the facts and circumstances that exist at that date. Assuming no change in the types of transactions the RTA and its controlled entity enter into, it is not expected that any of the RTA and its controlled entity's assets will meet the criteria in AASB 9 to be measured at amortised cost. Therefore, as from the 2013-14 financial statements, all of the RTA and its controlled entity's financial assets will be required to be classified as "financial assets required to be measured at fair value through profit or loss" (instead of the measurement classifications presently used in Notes 1 (r) and 27). The same classification will be used for net gains/losses recognised in the Statement of Comprehensive Income in respect of those financial assets. In the case of the RTA and its controlled entity's receivables, the carrying amounts are considered to be a reasonable approximation of fair value.

The most significant impact on the RTA and its controlled entity of the new measurement requirements is that the "held to maturity" investment described in Notes 1(f), 1(r) 12 and 27 will need to be measured at fair value as at 1 July 2013. In addition, that investment will no longer be classified as 'held to maturity', as explained above. The RTA and its controlled entity are not yet able to predict what the fair value of this investment will be at that date. The difference between the carrying amount of this investment and the fair value as at 1 July 2013 will be recognised as an adjustment to the balance of accumulated surplus as at 1 July 2013. In respect of this change, the 2013-14 financial statements will need to disclose a comparison between the previous measurement classification and carrying amount as at 30 June 2013 and the new classification and fair value amount as at 1 July 2013. The RTA and its controlled entity plan to recognise subsequent changes in the fair value of those investments in the annual operating result.

AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] apply to reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two tiers of reporting requirements – Australian Accounting Standards (commonly referred to as "tier 1"), and Australian Accounting Standards – Reduced Disclosure Requirements (commonly referred to as "tier 2").

Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the tier 1 and tier 2 requirements is that tier 2 requires fewer disclosures than tier 1. AASB 2010-2 sets out the details of which disclosures in standards and interpretation are not required under tier 2 reporting.

Pursuant to AASB 1053, public sector entities like the RTA and its controlled entity may adopt tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the tier 1 requirements. In the case of the RTA and its controlled entity, the Treasury Department is the regulator. Treasury Department has advised that its policy decision is to require all departments to adopt tier 1 reporting requirements. In accordance with Treasury's policy which prohibits the early adoption of new or revised accounting standards unless Treasury approval is granted, the RTA and its controlled entity have not early adopted AASB1053.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the RTA or its controlled entity or have no material impact.

2. RTA funds management

The RTA is a custodian of rental bond monies and is unable to utilise such funds to support operations in accordance with Sections 152 and 153 of the *Residential Tenancies and Rooming Accommodation Act 2008* (Qld).

The RTA manages cash in accordance with Part 3, Division 5 of the *Residential Tenancies and Rooming Accommodation Act 2008* (Qld) and invests that cash in accordance with provisions of the *Statutory Bodies Financial Arrangements Act 1982*.

The RTA has continued to distinguish RTA earnings from the main investment portfolio, via two portfolios, namely the Rental Bond Portfolio and the Business Operations Portfolio.

The Rental Bond Portfolio represents the investment of all rental bonds held. This portfolio is actively managed by fund manager QIC in accordance with the RTA Investment Policy.

The Business Operations Portfolio represents the earnings from investments and is used to fund all RTA business operating expenses and grants as provided in the *Residential Tenancies and Rooming Accommodation Act 2008* (Qld). The Business Operations Portfolio is managed by the RTA. Funds are held in at-call accounts and short-term fixed deposits and managed in accordance with the *Statutory Bodies Financial Arrangements Act 1982* (Qld) and the RTA Investment Policy.

3. Income

Investment revenue

Interest on cash assets and investments

	Group		Parent	
	\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010
Return on investments	42,910	38,333	42,910	38,333
Bank interest	2,700	1,803	2,700	1,803
Property rental (refer Note 17)	339	-	339	-
Total investment revenue	45,949	40,136	45,949	40,136

Other revenue

Sundry income	18	161	18	161
Bad debts recovered	4	3	4	3
Discounts received	-	5	-	5
Total other revenue	22	169	22	169
Total income	45,971	40,305	45,971	40,305

4. Employee expenses

Employee benefits

Salaries and wages	10,843	10,070	176	171
Allowances	130	109	-	-
Employee leave entitlements	119	465	9	5
Employer superannuation contributions	1,318	1,209	19	18
Less: capitalised costs	(241)	(317)	-	-
Total employee benefits	12,169	11,536	204	194

Employee related expenses

Fringe Benefits Tax	41	18	38	14
Workers' compensation insurance *	41	27	1	-
Payroll Tax *	606	562	26	24
Other employee related expenses	211	217	1	4
Total employee related expenses	899	824	66	42
Total operating employee costs	13,068	12,360	270	236

* Costs of workers' compensation insurance and payroll tax are a consequence of employing employees, but are not counted in employees' total remuneration package. They are not employee benefits, but rather employee related expenses.

	Group		Parent	
	2011	2010	2011	2010
The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:	166	162	1	1

For the year ended Notes to and forming part of the financial statements 30 June 2011

	Group		Parent	
	\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010
5. Supplies and services				
Advertising	99	102	23	50
Outsourced services				
- Display stands	165	191	165	191
- Incoming mail	81	144	81	144
- Lodgements	111	106	111	106
- Mailout/edi	146	118	146	118
- Refunds	882	777	882	777
- Mailing house	76	167	76	167
Archival fees and charges	66	58	66	58
Bank charges	46	46	46	46
Board fees	40	47	40	47
Board expenses	11	12	11	12
Cleaning	58	27	58	27
Contractors and consultants	3,135	1,640	3,085	1,593
Council rates	88	75	88	75
Electricity	93	114	93	114
Equipment expensed	123	266	123	266
Investment fees	1,756	1,612	1,756	1,612
Legal expenses	187	175	187	175
Operating lease rental	1,256	182	1,256	182
Postage	381	356	381	356
Printing and stationery	252	345	252	345
Repairs and maintenance	150	142	150	142
RTEO service fees	-	-	13,185	12,558
Software maintenance	242	188	242	188
Telephone	214	245	214	245
Travel expenses	67	82	65	81
Other supplies and services	677	602	662	589
Less: capitalised costs	-	-	(241)	(317)
Total supplies and services	10,402	7,819	23,203	19,947

6. Grants and subsidies

Flood related housing assistance grant	2,000	-	2,000	-
RTA Community Education Public Grants Scheme	167	183	167	183
Tenant Advice and Advocacy Service (Qld) Grant (TAAS (Q))	4,345	3,442	4,345	3,442
Other grants	311	278	311	278
Total grants and subsidies	6,823	3,903	6,823	3,903

Note that for further information on grants committed in future years, please refer to other commitments in note 26.

	Group		Parent	
	\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010
7. Depreciation and amortisation				
<i>Depreciation and amortisation were incurred in respect of:</i>				
Plant and equipment	49	176	49	176
Computer equipment	259	280	259	280
Buildings	-	94	-	94
Leasehold improvements	275	116	275	116
<i>Intangible assets</i>				
Internally generated software	556	488	556	488
Purchased software	29	72	29	72
Total depreciation and amortisation	1,168	1,226	1,168	1,226

8. Asset impairment

Impairment of buildings	-	1,558	-	1,558
Impairment of intangible assets	3,221	-	3,221	-
Total asset impairment	3,221	1,558	3,221	1,558

9. Revaluation decrement

Land	100	-	100	-
Buildings	100	-	100	-
Total asset impairment	200	-	200	-

10. Other expenses

External audit fees*	32	35	29	31
Internal audit fees	59	71	59	71
Bad and impaired debts	39	41	39	41
Insurance premiums	64	61	64	61
Valuation fees	-	4	-	4
Loss from disposal of property, plant and equipment	10	4	10	4
Loss - cash	-	1	-	1
Total other expenses	204	217	201	213

* Total external audit fees relating to the 2010-11 financial year are estimated to be \$35,000 for the Group and \$31,700 for the Parent, (2010: \$33,580 for the Group and \$30,500 for the Parent). There are no non-audit services included in this amount.

For the year ended

Notes to and forming part of the financial statements

30 June 2011

	Group		Parent	
	\$'000	\$'000	\$'000	\$'000
	2011	2010	2011	2010
11. Cash and cash equivalents				
Petty cash	1	1	1	1
Cash at bank	4,211	5,813	4,170	5,733
Term deposits	47,000	34,000	47,000	34,000
Total cash and cash equivalents	51,212	39,814	51,171	39,734

12. Other financial assets

Managed funds - QIC	589,269	529,730	589,269	529,730
Total other financial assets	589,269	529,730	589,269	529,730

	Annual average return on investments	Treasurer approved strategic asset allocation parameter	Actual allocation	\$'000
				Amount
Represented by:	Group			

QIC investment products as at 30 June 2011

QIC Cash Enhanced Fund	6.46%	0 – 100%	38.35%	225,990
QIC Global Credit Fund	6.88%	0 – 45%	39.04%	230,027
QIC Global Credit Opportunities Fund	19.67%	0 – 20%	9.09%	53,570
QIC Property Fund	11.25%	0 – 20%	12.62%	74,341
Duration overlay*	–	–	0.90%	5,341
Total portfolio	8.34%	–	100.00%	589,269

QIC investment products as at 30 June 2010

QIC Cash Enhanced Fund	6.08%	0 – 100%	43.16%	228,650
QIC Global Credit Fund	15.34%	0 – 45%	32.59%	172,641
QIC Global Credit Opportunities Fund	27.78%	0 – 20%	8.45%	44,763
QIC Property Fund	7.90%	0 – 20%	12.62%	66,826
Duration overlay*	–	–	3.18%	16,850
Total portfolio	7.78%	–	100.00%	529,730

	Annual average return on investments	Treasurer approved strategic asset allocation parameter	Actual allocation	\$'000
				Amount
Represented by:	Parent			

QIC investment products as at 30 June 2011

QIC Cash Enhanced Fund	6.46%	0 – 100%	38.35%	225,990
QIC Global Credit Fund	6.88%	0 – 45%	39.04%	230,027
QIC Global Credit Opportunities Fund	19.67%	0 – 20%	9.09%	53,570
QIC Property Fund	11.25%	0 – 20%	12.62%	74,341
Duration overlay*	–	–	0.90%	5,341
Total portfolio	8.34%	–	100.00%	589,269

QIC investment products as at 30 June 2010

QIC Cash Enhanced Fund	6.08%	0 – 100%	43.16%	228,650
QIC Global Credit Fund	15.34%	0 – 45%	32.59%	172,641
QIC Global Credit Opportunities Fund	27.78%	0 – 20%	8.45%	44,763
QIC Property Fund	7.90%	0 – 20%	12.62%	66,826
Duration overlay*	–	–	3.18%	16,850
Total portfolio	7.78%	–	100.00%	529,730

For the year ended 30 June 2011

Notes to and forming part of the financial statements

	Group		Parent	
	\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010
13. Receivables				
Accrued interest revenue	487	308	487	308
Debtors	45	18	45	16
Other	1	1	1	1
	533	327	533	325
GST receivable	250	335	250	334
GST payable	(10)	(4)	(10)	(4)
	240	331	240	330
Total receivables	773	658	773	655

Amounts due have been calculated in accordance with the terms and conditions of the respective debtors and do not bear interest. Amounts also include monies due from departments and agencies of the government of Queensland and the government of Australia.

14. Other assets

Current

Prepayments	194	241	191	231
Wages paid in advance	48	84	1	-
Operating lease rights	213	214	213	214
Total current	455	539	405	445

Non-current

Operating lease rights	1,673	1,886	1,673	1,886
Total non-current	1,673	1,886	1,673	1,886

Total other assets	2,128	2,425	2,078	2,331
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	Group		Parent	
	\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010
15. Intangible assets				
Software purchased				
At cost	235	700	235	700
Less: accumulated amortisation	(155)	(584)	(155)	(584)
	80	116	80	116
Software internally generated				
At cost	2,849	5,455	2,849	5,455
Less: accumulated amortisation	(2,242)	(1,668)	(2,242)	(1,668)
	607	3,787	607	3,787
Total intangible assets	687	3,903	687	3,903

For the year ended

Notes to and forming part of the financial statements

30 June 2011

15. Intangible assets (continued)

	\$'000 Software internally generated	\$'000 Software purchased	\$'000 Total
Group			
2011			
Carrying amount at 1 July 2010	3,787	116	3,903
Acquisitions	597	-	597
Disposals	-	(7)	(7)
Impairment losses recognised in operating surplus*	(3,221)	-	(3,221)
Amortisation	(556)	(29)	(585)
Carrying amount at 30 June 2011	607	80	687
2010			
Carrying amount at 1 July 2009	2,649	71	2,720
Acquisitions	1,626	119	1,745
Disposals	-	(2)	(2)
Amortisation	(488)	(72)	(560)
Carrying amount at 30 June 2010	3,787	116	3,903
Parent			
2011			
Carrying amount at 1 July 2010	3,787	116	3,903
Acquisitions	597	-	597
Disposals	-	(7)	(7)
Impairment losses recognised in operating surplus*	(3,221)	-	(3,221)
Amortisation	(556)	(29)	(585)
Carrying amount at 30 June 2011	607	80	687
2010			
Carrying amount at 1 July 2009	2,649	71	2,720
Acquisitions	1,626	119	1,745
Disposals	-	(2)	(2)
Amortisation	(488)	(72)	(560)
Carrying amount at 30 June 2010	3,787	116	3,903

* The impairment relates to eLodgement functionality as this software is no longer being used by the Residential Tenancies Authority.

16. Property, plant and equipment

	Group		Parent	
	\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010
Leasehold improvements				
At cost	2,874	2,872	2,874	2,872
Less: accumulated depreciation	(441)	(166)	(441)	(166)
	2,433	2,706	2,433	2,706
Plant and equipment				
At cost	431	972	431	972
Less: accumulated depreciation	(261)	(719)	(261)	(719)
	170	253	170	253
Computer hardware				
At cost	1,686	1,142	1,686	1,142
Less: accumulated depreciation	(1,303)	(737)	(1,303)	(737)
	383	405	383	405
Total property, plant and equipment	2,986	3,364	2,986	3,364

For the year ended 30 June 2011

Notes to and forming part of the financial statements

	\$'000 Land	\$'000 Buildings	\$'000 Leasehold improvements	\$'000 Plant and equipment	\$'000 Computer hardware	\$'000 Total
16. Property, plant and equipment (continued)						
	Group					
2011						
Carrying amount at 1 July 2010	-	-	2,706	253	405	3,364
Acquisitions	-	-	2	-	206	208
Disposals	-	-	-	(1)	(3)	(4)
Transfers between classes	-	-	-	(34)	34	-
Depreciation	-	-	(275)	(48)	(259)	(582)
Carrying amount at 30 June 2011	-	-	2,433	170	383	2,986

	\$'000 Land	\$'000 Buildings	\$'000 Leasehold improvements	\$'000 Plant and equipment	\$'000 Computer hardware	\$'000 Total
2010						
Carrying amount at 1 July 2009	4,500	3,800	25	285	503	9,113
Acquisitions	-	-	2,797	144	184	3,125
Disposals	-	-	-	-	(2)	(2)
Transfers to investment property	(3,600)	(1,100)	-	-	-	(4,700)
Revaluation decrements	(900)	(2,606)	-	-	-	(3,506)
Depreciation	-	(94)	(116)	(176)	(280)	(666)
Carrying amount at 30 June 2010	-	-	2,706	253	405	3,364

	\$'000 Land	\$'000 Buildings	\$'000 Leasehold improvements	\$'000 Plant and equipment	\$'000 Computer hardware	\$'000 Total
2011						
Carrying amount at 1 July 2010	-	-	2,706	253	405	3,364
Acquisitions	-	-	2	-	206	208
Disposals	-	-	-	(1)	(3)	(4)
Transfers between classes	-	-	-	(34)	34	-
Depreciation	-	-	(275)	(48)	(259)	(582)
Carrying amount at 30 June 2011	-	-	2,433	170	383	2,986

	\$'000 Land	\$'000 Buildings	\$'000 Leasehold improvements	\$'000 Plant and equipment	\$'000 Computer hardware	\$'000 Total
2010						
Carrying amount at 1 July 2009	4,500	3,800	25	285	503	9,113
Acquisitions	-	-	2,797	144	184	3,125
Disposals	-	-	-	-	(2)	(2)
Transfers to investment property	(3,600)	(1,100)	-	-	-	(4,700)
Revaluation decrements	(900)	(2,606)	-	-	-	(3,506)
Depreciation	-	(94)	(116)	(176)	(280)	(666)
Carrying amount at 30 June 2010	-	-	2,706	253	405	3,364

	Group		Parent	
	\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010
17. Investment property				
Land				
At independent valuation	3,500	3,600	3,500	3,600
	3,500	3,600	3,500	3,600
Buildings				
At independent valuation	1,000	1,100	1,000	1,100
	1,000	1,100	1,000	1,100
Total Investment Property	4,500	4,700	4,500	4,700

An independent valuation of land and buildings was performed as at 30 June 2011 by qualified valuer Mr Mel Evans of CB Richard Ellis Valuation and Advisory Services. Note 1.(n) explains the basis on which the fair value has been determined. The valuer is registered by the Valuers Registration Board of Queensland, and is a Fellow of the Australian Property Institute.

The investment property is leased based on a 7 month non-cancellable operating lease arrangement. No contingent rentals were recognised during the current or prior reporting periods. The future minimum lease payments receivable in 2011-12 under the non-cancellable operating lease classified as investment property is \$0.393 million.

	Land		Buildings		Total	
	\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010
17. Investment property (continued)						
Investment property reconciliation						
	Group					
Carrying amount at 1 July	3,600	-	1,100	-	4,700	-
Transfers from property, plant and equipment	-	3,600	-	1,100	-	4,700
Revaluation decrements	(100)	-	(100)	-	(200)	-
Carrying amount at 30 June	3,500	3,600	1,000	1,100	4,500	4,700
	Parent					
Carrying amount at 1 July	3,600	-	1,100	-	4,700	-
Transfers from property, plant and equipment	-	3,600	-	1,100	-	4,700
Revaluation decrements	(100)	-	(100)	-	(200)	-
Carrying amount at 30 June	3,500	3,600	1,000	1,100	4,500	4,700

Rental income recognised in the operating surplus from the investment property is \$339,000 (2010: nil). Direct operating expenses primarily for repairs and maintenance on the property that did generate rental for the period were \$0.032 million. This property did not generate rental income in 2010 but incurred operating expenses, primarily repairs and maintenance on the property of \$0.044 million. There are no restrictions on the realisability of investment property or remittance of income and proceeds of disposal. The RTA does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

For the year ended

Notes to and forming part of the financial statements

30 June 2011

	Group		Parent	
	\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010
18. Payables				
a) Payables				
Trade creditors	2,284	2,988	2,028	2,707
Payables to RTEO	-	-	2,672	2,706
Payments received in advance	68	-	68	-
International transfers	-	4	-	4
	2,352	2,992	4,768	5,417
b) Rental bonds and unclaimed monies				
Rental bonds	581,470	525,218	581,470	525,218
Australia Post agency net settlement	362	128	362	128
Unclaimed bond monies	6,377	5,563	6,377	5,563
Unclaimed other monies	4	4	4	4
	588,213	530,913	588,213	530,913
Total payables	590,565	533,905	592,981	536,330
19. Accrued employee benefits				
Current				
Annual leave	988	908	19	17
Long service leave	189	170	2	2
Time off in lieu	7	8	-	-
Total current	1,184	1,086	21	19
Non-current				
Long service leave	1,374	1,562	30	27
Total non-current	1,374	1,562	30	27
Total accrued employee benefits	2,558	2,648	51	46

	Group		Parent	
	\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010
20. Other liabilities				
Current				
Lease incentive	494	494	494	494
Total current	494	494	494	494
Non-current				
Lease incentive	3,866	4,360	3,866	4,360
Total non-current	3,866	4,360	3,866	4,360
Total other liabilities	4,360	4,854	4,360	4,854
21. Reserves				
Asset revaluation reserve	-	-	-	-
Total reserves	-	-	-	-
<i>Movements:</i>				
Asset revaluation reserve				
Opening balance at 1 July	-	4,248	-	4,248
Revaluation decrements	-	(1,948)	-	(1,948)
Transfer to accumulated surplus	-	(2,300)	-	(2,300)
Closing balance as at 30 June	-	-	-	-
Nature and Purpose of Reserves				
Asset Revaluation Reserve: Under Treasury's Non-Current Asset Policies (APG11) for the Queensland Public Sector, the Authority must periodically revalue certain classes of assets, principally land, buildings and infrastructure and account for any increase or decrease. A decrease in the value of a class of assets or an individual asset resulting from an asset revaluation, must be debited directly to the RTA's asset revaluation reserve in respect of that class only to the extent of previous revaluation increments in the existing reserve balance.				
22. Accumulated surplus				
<i>Movements:</i>				
Opening balance at 1 July	43,187	27,665	43,187	27,665
Transfer from asset revaluation reserve	-	2,300	-	2,300
Operating result	10,885	13,222	10,885	13,222
Closing balance as at 30 June	54,072	43,187	54,072	43,187

For the year ended 30 June 2011

Notes to and forming part of the financial statements

	\$'000 Land	\$'000 Buildings	\$'000 Total	\$'000 Land	\$'000 Buildings	\$'000 Total
23. Asset revaluation reserve by class						
Asset revaluation reserve reconciliation	Group			Parent		
2011						
Carrying amount at 1 July 2010	-	-	-	-	-	-
Revaluation decrements	-	-	-	-	-	-
Transfer to accumulated surplus (Note 17)	-	-	-	-	-	-
Carrying amount at 30 June 2011	-	-	-	-	-	-
2010						
Carrying amount at 1 July 2009	3,200	1,048	4,248	3,200	1,048	4,248
Revaluation decrements	(900)	(1,048)	(1,948)	(900)	(1,048)	(1,948)
Transfer to accumulated surplus (Note 17)	(2,300)	-	(2,300)	(2,300)	-	(2,300)
Carrying amount at 30 June 2010	-	-	-	-	-	-

	Group		Parent	
	\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010
24. Reconciliation of operating surplus to net cash from operating activities				
Reconciliation of cash				
Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:				
Total cash & cash equivalents	51,212	39,814	51,171	39,734
Balance per statement of cash flows	51,212	39,814	51,171	39,734
Operating surplus	10,885	13,222	10,885	13,222
<i>Add:</i> depreciation and amortisation	1,168	1,226	1,168	1,226
Non cash leasehold improvements expensed	-	41	-	41
Increase in accrued employee benefits	-	328	5	6
Decrease in other assets	214	71	214	71
Decrease in prepayments	83	27	39	17
Increase in trade creditors	-	709	-	998
Increase in unclaimed bonds	814	904	814	904
Increase in rental bonds	56,252	34,949	56,252	34,949
Loss on sale of assets	10	4	10	4
Revaluation decrement	200	-	200	-
Asset impairment	3,221	1,558	3,221	1,558
	72,847	53,039	72,808	52,996
<i>Less:</i>				
Decrease in accrued employee benefits	90	-	-	-
Decrease in other liabilities	494	170	494	170
Increase in receivables	115	339	118	336
Decrease in trade creditors	406	-	415	-
Net cash from operating activities	71,742	52,530	71,781	52,490
25. Financing arrangements				
Access was available at balance date to the following lines of credit:				
Corporate credit cards	200	200	200	200

For the year ended Notes to and forming part of the financial statements 30 June 2011

26. Commitments for expenditure	Group		Parent	
	\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010

(a) Capital commitments

Capital expenditure committed for at the reporting date (inclusive of anticipated GST where applicable) but not recognised in the financial statements as liabilities:

Buildings	-	90	-	90
Plant, equipment and intangible assets	-	2,395	-	2,395
	-	2,485	-	2,485

These expenditures are payable:

Not later than one year	-	2,485	-	2,485
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(b) Other expenditure commitments

Other expenditure committed for at the reporting date (inclusive of anticipated GST where applicable) but not recognised in the financial statements as liabilities:

RTA Community Education Public Grants Scheme	-	215	-	215
Tenant Advice and Advocacy Service (Qld) Grant (TAAS(Q))	-	5,055	-	5,055
Australia Post	2,210	506	2,210	506
Telecommunications	574	594	574	594
IT contract services	-	856	-	856
Other	918	982	918	975
	3,702	8,208	3,702	8,201

These expenditures are payable:

Not later than one year	3,087	7,538	3,087	7,531
Later than one year and not later than 5 years	615	670	615	670
	3,702	8,208	3,702	8,201

(c) Finance lease commitments

The Authority has no finance lease commitments as at the reporting date.

(d) Non-cancellable operating lease commitments

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

Accommodation	20,415	22,316	20,415	22,316
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Total future minimum lease payments:

Not later than one year	1,977	1,901	1,977	1,901
Later than one year and not later than 5 years	8,718	8,387	8,718	8,387
Later than 5 years	9,720	12,028	9,720	12,028
	20,415	22,316	20,415	22,316

See note on page 83.

27. Financial instruments	Notes	Group		Parent	
		\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010

(a) Categorisation of financial instruments

The RTA and its controlled entity have the following categories of financial assets and financial liabilities:

Category

Financial assets					
Cash and cash equivalents	11	51,212	39,814	51,171	39,734
Other financial assets	12	589,269	529,730	589,269	529,730
Receivables	13	286	350	286	347
Total financial assets		640,767	569,894	640,726	569,811

Financial liabilities

Financial liabilities measured at amortised cost:

Payables	18	590,565	533,905	592,981	536,330
Total financial liabilities		590,565	533,905	592,981	536,330

(b) Financial risk management

The RTA's activities expose it to a variety of financial risks - interest rate risk, credit risk, liquidity risk and market risk.

Financial risk management is implemented pursuant to government and RTA policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the RTA and its controlled entity.

The RTA and its controlled entity have written principles for overall risk management as well as policies covering specific areas.

The RTA measures risk exposure using a variety of methods as follows -

Risk exposure	Measurement method
Credit risk	Aging analysis, earnings at risk
Liquidity risk	Sensitivity analysis
Market risk	Interest rate sensitivity analysis.

In 2009-10, the RTA entered into an office accommodation operating lease agreement for its current premises 179 Turbot St, Brisbane. The lease agreement is for a term of 10 years and two months with a further term option of three years. Lease payments are fixed with allowance for a fixed percentage escalation on each anniversary of the commencement date of the agreement. The lease contains no restrictions on financing or other leasing activities. A lease incentive was included as part of the terms of the lease agreement and allowed for a lessors contribution, rent free period and provision of office fit out costs. The leasehold incentive has been recognised as a liability and will be amortised over the period of the lease as prescribed by Interpretation 115 *Operating Leases - Incentives* refer Note 20.

For the year ended

Notes to and forming part of the financial statements

30 June 2011

27. Financial instruments (continued)

(c) Credit risk exposure

Credit risk exposure refers to the situation where the RTA or its controlled entity may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment.

The following table represents the RTA and its controlled entity's maximum exposure to credit risk based on contractual amounts net of any allowances:

Maximum exposure to credit risk	Notes	Group		Parent	
		\$'000	\$'000	\$'000	\$'000
		2011	2010	2011	2010
Financial assets					
Cash and cash equivalents	11	51,212	39,814	51,171	39,734
Other financial assets	12	589,269	529,730	589,269	529,730
Receivables	13	286	350	286	347
Total financial assets		640,767	569,894	640,726	569,811

No collateral is held as security and no credit enhancements relate to financial assets held by the RTA or its controlled entity.

The RTA and its controlled entity manage credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the RTA invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The method for calculating any provisional impairment for risk is based on past experience, current and expected changes in economic conditions and changes in client credit ratings. The main factors affecting the current calculation for provisions are disclosed below as loss events. These economic and geographic changes form part of the RTA and its controlled entity's documented risk analysis assessment in conjunction with historic experience and associated industry data.

There is no recognised impairment loss for the current year (2010: nil).

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amount as indicated.

27. Financial instruments (continued)

(c) Credit risk exposure (continued)

Aging of past due but not impaired are disclosed in the following tables:

	Due	Overdue			\$'000	\$'000	
	\$'000	\$'000	\$'000	\$'000			
	Not overdue	Less than 30 days	30 to 60 days	60 to 90 days	Greater than 90 days	Total	Total financial assets
Group							
2011							
Financial assets							
Receivables	285	1	-	-	-	286	286
Total	285	1	-	-	-	286	286
2010							
Financial assets							
Receivables	336	3	4	-	7	350	350
Total	336	3	4	-	7	350	350
Parent							
2011							
Financial assets							
Receivables	285	1	-	-	-	286	286
Total	285	1	-	-	-	286	286
2010							
Financial assets							
Receivables	333	3	4	-	7	347	347
Total	333	3	4	-	7	347	347

For the year ended

Notes to and forming part of the financial statements

30 June 2011

27. Financial instruments (continued)

(d) Liquidity risk

Liquidity risk refers to the situation where the RTA and its controlled entity may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The RTA and its controlled entity are exposed to liquidity risk only in respect of payables. Presently, the RTA or its controlled entity have no borrowings.

The RTA and its controlled entity manage liquidity risk on the basis of the Funds Management Strategy and the Investment Policy. These policies aim to reduce the exposure to liquidity risk by ensuring the RTA and its controlled entity have sufficient funds available to meet employee and supplier obligations as and when they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities. Cash-flow management is performed daily.

The following table sets out the liquidity risk of financial liabilities held by the RTA and its controlled entity. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date.

	Notes	Payable in:			
		\$'000 ≤1 year	\$'000 >1 year to ≥ 5 years	\$'000 >5 years	\$'000 Total
Group					
2011					
Financial liabilities					
Payables	18	590,565	-	-	590,565
Total financial liabilities		590,565	-	-	590,565

2010					
Financial liabilities					
Payables	18	533,905	-	-	533,905
Total financial liabilities		533,905	-	-	533,905

	Notes	Parent			
		\$'000 ≤1 year	\$'000 >1 year to ≥ 5 years	\$'000 >5 years	\$'000 Total
Parent					
2011					
Financial liabilities					
Payables	18	592,981	-	-	592,981
Total financial liabilities		592,981	-	-	592,981

2010					
Financial liabilities					
Payables	18	536,330	-	-	536,330
Total financial liabilities		536,330	-	-	536,330

27. Financial instruments (continued)

(e) Market risk

The RTA and its controlled entity do not trade in foreign currency and are not exposed to material commodity price changes. The RTA is exposed to interest rate risk through its large investment with the Queensland Investment Corporation (QIC) and other short term investments with financial institutions. Through the Investment strategy with QIC, the RTA is exposed to the risk of movements in domestic and international bond yields. A derivative overlay account exists to protect the portfolio from interest rate risk.

Due to the volatility experienced during 2008-09 in the financial markets, the RTA and its controlled entity continually assessed interest rate exposure and the impact of market volatilities. With funds manager, QIC, the RTA was provided with investment return sensitivity analysis periodically throughout the year. Generally, the analysis is based on forecasts with shifts in returns both positive and negative through applying volatility estimates. To reflect a similar analysis for the purpose of this report, with all other variables held constant, if the average investment return across the complete portfolio had varied + or - 50 basis points, the outcome for the RTA and its controlled entity is summarised in the table below:

	Carrying amount	Return on earnings 50 basis points			
		< actual		> actual	
		\$'000 Operating surplus/ (deficit)	\$'000 Equity	\$'000 Operating surplus/ (deficit)	\$'000 Equity
Group					
2011 Interest rate risk					
Investment earning variation	589,269	(2,946)	(2,946)	2,946	2,946
Actual result		10,885	54,072	10,885	54,072
Changed result		7,939	51,126	13,831	57,018
2010 Interest rate risk					
Investment earning variation	529,730	(2,649)	(2,649)	2,649	2,649
Actual result		13,222	43,187	13,222	43,187
Changed result		10,573	40,538	15,871	45,836
Parent					
2011 Interest rate risk					
Investment earning variation	589,269	(2,946)	(2,946)	2,946	2,946
Actual result		10,885	54,072	10,885	54,072
Changed result		7,939	51,126	13,831	57,018
2010 Interest rate risk					
Investment earning variation	529,730	(2,649)	(2,649)	2,649	2,649
Actual result		13,222	43,187	13,222	43,187
Changed result		10,573	40,538	15,871	45,836

(f) Fair value

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

For the year ended

Notes to and forming part of the financial statements

30 June 2011

	Group		Parent	
	\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010
28. Reconciliation of financial instruments to net assets				
Net financial assets				
Financial assets	640,767	569,894	640,726	569,811
Financial liabilities	(590,565)	(533,905)	(592,981)	(536,330)
	50,202	35,989	47,745	33,481
Non-financial assets and liabilities				
Accrued revenues	487	308	487	308
Other assets	2,128	2,425	2,078	2,331
Property, plant and equipment	2,986	3,364	2,986	3,364
Investment property	4,500	4,700	4,500	4,700
Intangible assets	687	3,903	687	3,903
Accrued employee benefits	(2,558)	(2,648)	(51)	(46)
Other liabilities	(4,360)	(4,854)	(4,360)	(4,854)
Net assets as per statement of financial position	54,072	43,187	54,072	43,187

29. Board disclosures

Section 471 of the RTRA Act provides for the RTA to have a Board of Directors. There is no legislative requirement for the RTEO to have a Board.

The Queensland Government determines appropriate payment for part-time chairs and members of government boards, committees and statutory authorities. Payments are made in accordance with the Department of Employment and Industrial Relations Procedures: "Remuneration of part-time Chairs and Members of Government Boards, Committees and Statutory Authorities issued on 26 April 2006".

(a) The RTA's Board is made up of the following members:

Member	Date of appointment	Date of re-appointment
Mr John Charles Battams (Chair)	December 2004	April 2007, April 2010
Ms Helen Roslyn Wallace	April 2004	April 2007, April 2010
Mr Roy Charles Ware	April 2005	April 2007, April 2010
Ms Lee Banfield	June 2009	April 2010
Ms Deirdre Coghlan	April 2010	
Mr Bradley Currie	April 2010	
Ms Deborah Duffy	April 2010	

	Group		Parent	
	2011	2010	2011	2010
Board Members' remuneration				
The number of Board Members who received or were due to receive total remuneration on balance date:				
Remuneration band:	No.	No.	No.	No.
\$0 to \$999	-	2	-	2
\$1,000 to \$9,999	7	8	7	8
\$10,000 to \$19,999	-	-	-	-
Total	7	10	7	10

	Group		Parent	
	\$'000 2011	\$'000 2010	\$'000 2011	\$'000 2010
The total remuneration paid to Board Members:				
Mr John Charles Battams (Chair)	8	8	8	8
Ms Lee Banfield	6	7	6	7
Ms Deirdre Coghlan	4	1	4	1
Mr Bradley Currie	4	1	4	1
Ms Deborah Duffy	5	1	5	1
Ms Helen Roslyn Wallace	5	6	5	6
Mr Roy Charles Ware	6	5	6	5
Ms Catherine Elizabeth Bavage*	-	5	-	5
Mr Darrell Brady*	-	5	-	5
Ms Luella Winifred Camp*	-	5	-	5
Total Board Member payments	38	44	38	44

*Retired April 2010

2010-11 Board fees include fees of \$36,063 and superannuation of \$1,789. During 2009-10, Board fees include fees of \$41,794 and superannuation of \$2,633.

For the year ended 30 June 2011

Notes to and forming part of the financial statements

29. Board disclosures (continued)

(b) Other transactions with Board Members and Board Member related entities

The RTA has registered dealings with another entity of which a Board Member has a related interest as declared in the Conflicts of Interest Register. This relates to grant funding provided to The Department of Communities to support the Tenant Advice and Advocacy Service (Qld) program as stated in Note 6 and Note 26(b) of which Ms Banfield is an employee.

(c) Board Members Appointments and Memberships

Board Members presently hold appointments and/or memberships as follows:

Mr John Charles Battams	Chair, Residential Tenancies Authority Member, Audit and Risk Committee, Residential Tenancies Authority General Secretary, Queensland Teachers' Union Secretary, Australian Education Union (Queensland) Director, Lady Bowen Trust Board of Advice Management Committee Member, Northern Suburbs Hockey Club Inc Honorary President, Queensland Council of Unions Director, Sunsuper Director, Sunsuper Financial Services Pty Ltd Member, Sunsuper Investment Committee Director, Teachers' Union Health Director, Skills Queensland
Mr Roy Charles Ware	Board Member, Residential Tenancies Authority Chair, Audit and Risk Committee, Residential Tenancies Authority Director, Aquila Consulting Pty Ltd Director, C Management Services Pty Ltd Deputy Chancellor and Member, Central Queensland University Council Director, Fitzroy Park Investments Pty Ltd Director, Fitzroy Park Pty Ltd Deputy Chairman, Gladstone Ports Corporation Board Member, Professional Engineers of Queensland Consultant, Robert Harris & Co, Solicitors, Yeppoon
Ms Helen Roslyn Wallace	Board Member, Residential Tenancies Authority Member, Audit and Risk Committee, Residential Tenancies Authority Secretary, The Property Owners' Association of Queensland Member, The Unit Owners Association of Queensland
Ms Lee Banfield	Board Member, Residential Tenancies Authority Manager, TAAS(Q) Sunshine Coast Housing Company Treasurer, Tenants' Union Queensland Steering Committee SC Delegate, Queensland Shelter
Ms Deirdre Coghlan	Board Member, Residential Tenancies Authority Life Member, Queensland Shelter Member, Queensland Tenants Union Member, Bric Housing Company Member, Indigenous Housing Sub-Committee Bric Housing Residential Caretaker, Bric Housing Units - Redcliffe
Ms Deborah Duffy	Board Member, Residential Tenancies Authority Director, REIQ Director, Cairns Golf Club Director, KAM3 Pty Ltd
Mr Bradley Currie	Board Member, Residential Tenancies Authority Manager, Mununjali Housing & Development Co. Chair, SEQ Indigenous Housing Organisation

30. Key executive management personnel and remuneration

(a) Key executive management personnel

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the RTA and its controlled entity during 2010-11. Further information on these positions can be found in the body of the Annual Report under the section relating to executive management.

Position	Responsibilities	Current incumbents	
		Contract classification and appointment Authority	Date appointed to position
General Manager	The General Manager is responsible for the ensuring the Authority is managed as required by the policies of the Board.	Contract as determined by Governor in Council; s487 <i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Appointed 14 August 2006
Executive Manager Corporate Services	Responsible for the management of the Corporate Services Team, providing internal support to the RTA through human resources, legal, financial management, information technology, records management and project assistance.	SO-3; s497 <i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Appointed 22 January 2007
Executive Manager Rental Bonds Services	Oversees the RTA's provision of a rental bond custodial service including the processing of all bond lodgements and refunds.	AO8; s497 <i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Appointed 11 May 2009
Executive Manager Dispute Resolution Services	Responsible for managing the RTA's Dispute Management Service team, providing support to RTA clients through specialist conciliation services to help resolve disputes arising in agreements under the <i>Residential Tenancies and Rooming Accommodation Act 2008</i> .	AO8; s497 <i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Appointed 8 January 2007 (secondment from 1 November 2010)
Executive Manager Core Client Services Program	Temporary position, responsible for the Core Client Services Program team, with the primary objective to ensure better systems and business processes for the RTA.	AO8; s497 <i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Appointed 20 September 2010
Executive Manager Policy and Education	Heads the Policy and Education Services team, undertaking research, policy development, community engagement and investigations to maintain integrity and balance with Queensland's rental sector while supporting RTA clients through external communication channels.	SO-1; s497 <i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Appointed 25 October 1999
Executive Manager Client Contact Services	Heads the RTA's Client Contact Centre which provides a free telephone information service for tenants, lessors, agents, residents and accommodation providers.	AO8; s497 <i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Appointed 1 August 1989

For the year ended 30 June 2011

Notes to and forming part of the financial statements

30. Key executive management personnel and remuneration (continued)

(b) Remuneration

Remuneration policy for the RTA and its controlled entity is provided for under the *Residential Tenancies and Rooming Accommodation Act 2008*. Pursuant to this the executive officer is the same person who holds an existing appointment as the General Manager of the RTA. The RTA General Manager is appointed by Governor in Council and not under the *Residential Tenancies and Rooming Accommodation Act 2008*.

The remuneration of the other terms of employment for the General Manager position are specified in the employment contract. The contract provides for the provision of benefits including a motor vehicle.

For the 2010-11 year, the remuneration of key executive management personnel increased by 2.5% for senior officers and 4.00% for administrative officers, in accordance with government policy.

The remuneration packages for key executive management personnel comprise of the following components:

- Short term employee benefits which include:
 - base - consisting of base salary, allowance and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.
 - non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee benefits include long service leave accrued.
- Post employment benefits include superannuation contributions.
- Redundancy payments are not provided for within the contract of employment. The contract of employment provides only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

30. Key executive management personnel and remuneration (continued)

(b) Remuneration (continued)

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Short term employee benefits		Long term employee benefits	Post employee benefits	Termination benefits	Total remuneration
	Base	Non-monetary benefits				
General Manager	172	21	5	19	-	217
Executive Manager - Corporate Services	133	8	3	15	-	159
Executive Manager - Rental Bonds Services / Acting Executive Manager - Core Client Services Program	108	5	3	12	-	128
Executive Manager - Dispute Resolution Services (until 31/10/2010)	43	-	3	4	-	50
Executive Manager - Dispute Resolution Services (appointed 31/10/2010)	99	-	2	11	-	112
Acting Rental Bond Services / Acting Executive Manager - Core Client Services Program	106	-	2	12	-	120
Executive Manager - Policy and Education	121	7	3	14	-	145
Executive Manager - Client Contact Services (resigned 4/10/2010)	86	-	2	3	10	101
Executive Manager - Client Contact Services (appointed 4/10/2010)	84	-	3	9	-	96

No prior period comparative information on key executive management personnel remuneration has been disclosed as it is impracticable for the agency to obtain the required information.

31. Contingent assets and liabilities

The RTA and its controlled entity are not aware of any contingent assets or liabilities at reporting date or at the date of this financial report.

32. Events occurring after balance date

The RTA and its controlled entity are not aware of any event occurring after balance date that would impact this financial report.

For the year ended 30 June 2011

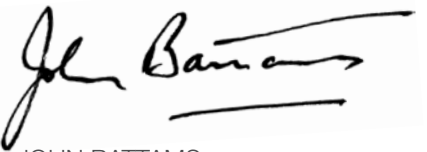
Management certificate

This consolidated general purpose financial report has been prepared pursuant to section 62(1) of the Financial Accountability Act 2009 (Qld) (the Act), relevant sections of the Financial and Performance Management Standard 2009 and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Residential Tenancies Authority and its controlled entity for the financial year ended 30 June 2011 and of the financial position of the Authority and its controlled entity at the end of that year.



FERGUS SMITH
General Manager



JOHN BATTAMS
Chairperson, RTA Board

19 August 2011

Independent auditor's report

To the Board of the Residential Tenancies Authority

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Residential Tenancies Authority and the consolidated entity for the year ended 30 June 2011. Where the financial report is included on Residential Tenancies Authority's website the Board is responsible for the integrity of Residential Tenancies Authority's website and I have not been engaged to report on the integrity of Residential Tenancies Authority's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.

Report on the Financial Report

I have audited the accompanying financial report of the Residential Tenancies Authority, which comprises the statements of financial position as at 30 June 2011, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chairman and General Manager of the entity and the consolidated entity comprising the Board and the entities it controlled at the year's end or from time to time during the financial year.

The Board's Responsibility for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial

Independent auditor's report

report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
- (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Residential Tenancies Authority and the consolidated entity for the financial year 1 July 2010 to 30 June 2011 and of the financial position as at the end of that year.



J LATIF (CA)
As Delegate of the Auditor-General of Queensland

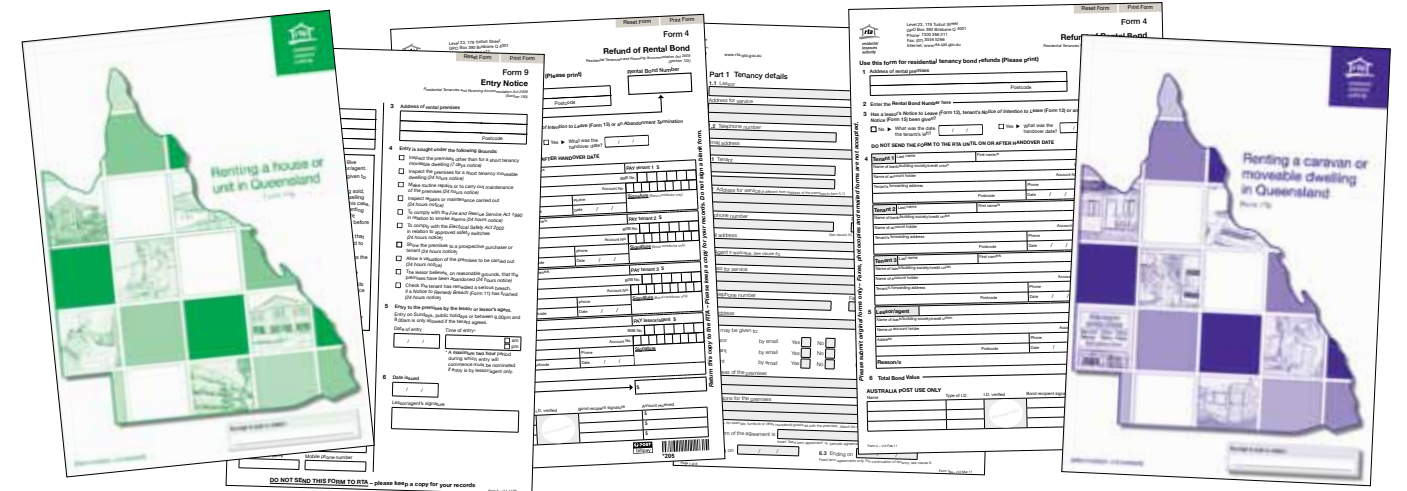
19 August 2011
Brisbane

RTA forms

The RTA's forms can be obtained electronically or in person:

- rta.qld.gov.au
- 1300 366 311
- Level 23, 179 Turbot St Brisbane

Commonly used forms are at Australia Post outlets around Queensland.



Forms for residential tenancies

Use these forms if you are either living in or managing townhouses, flats, houses, moveable dwellings or houseboats.

Form 1a	Entry Condition Report – General Tenancies
Form 1b	Entry Condition Report – Moveable Dwelling/Site
Form 2	Bond Lodgement
Form 3	Transfer of Bond
Form 4	Refund of Rental Bond
Form 5	Change of Lessor or Lessor's Agent
Form 6	Change of Shared Bond Arrangement
Form 7	Part-Payment of Rental Bond
Form 8	Lessor's Agent Signature Record#
Form 9	Entry Notice
Form 10	Notice of Lessor's Intention to Sell Premises
Form 11	Notice to Remedy Breach
Form 12	Notice to Leave
Form 13	Notice of Intention to Leave
Form 14a	Exit Condition Report – General Tenancies
Form 14b	Exit Condition Report – Moveable Dwelling/Site
Form 15	Abandonment Termination Notice
Form 16	Dispute Resolution Request
Form 17a	Renting a house or unit in Queensland
Form 17b	Renting a caravan or moveable dwelling in Queensland
Form 18a	General Tenancy Agreement
Form 18b	Moveable Dwelling Tenancy Agreement
Form 19	Notice to Vacate from Mortgagee to Tenant/s#

Forms for rooming accommodation

Use these forms if you are living in or managing rented rooms in privately run boarding houses, aged rental, supported or student accommodation.

Form R1	Condition Report
Form R2	Bond Lodgement
Form R3	Transfer of Bond
Form R4	Refund of Rental Bond
Form R5	Change of Provider/Agent
Form R6	Change of Shared Bond Arrangement
Form R7	Part-Payment of Rental Bond
Form R8	Provider/Agent Signature Record
Form R9	Entry Notice
Form R11	Notice to Remedy Breach
Form R12	Notice to Leave
Form R13	Resident Leaving Form
Form R16	Dispute Resolution Request
Form R18	Rooming accommodation Agreement
Form R19	Notice to Vacate from Mortgagee to Resident/s#

Available online only



RTA fact sheets

The RTA publishes a range of fact sheets addressing specific aspects of residential tenancies that can be downloaded from www.rta.qld.gov.au.

Fact sheets for residential tenancies

- Abandoned premises
- Allowing time when serving notices – General Tenancies
- Allowing time when serving notices – Moveable Dwellings
- Caravan parks and manufactured homes
- Charging for electricity and other services in a moveable dwelling park
- Continuing a fixed term tenancy
- Dispute resolution services
- Domestic violence – information for tenants
- Ending a tenancy agreement
- Entry and privacy
- Frequently asked questions
- General tenancy agreements
- Goods and documents left behind
- Important renting information for natural disaster victims
- Moveable dwelling park closure
- Moveable dwelling tenancy agreements
- Police powers to deal with a serious nuisance
- Rent payments and holding deposits
- Rental bond
- Rental premises – use, condition and repairs
- Renting in Queensland
- Renting law changes
- Share homes, co-tenancies and sub-letting
- Smoke alarms
- Tenancy databases
- Water charging

Fact sheets for rooming accommodation

- Dispute resolution services
 - Ending a rooming accommodation agreement
 - Entry and privacy
 - Forms
 - Goods and documents left behind
 - House rules
 - Power to remove a resident
 - Residents with impaired capacity
 - Rent
 - Rental bond
 - Renting law changes for rooming accommodation
 - Rights and responsibilities of residents and providers/agents
 - Rooming accommodation agreements
 - Rooming accommodation coverage
 - Translated fact sheets
- The Renting in Queensland fact sheet is translated into the following languages:
- Arabic
 - Chinese (Simplified and Traditional)
 - French
 - Hindi
 - Japanese
 - Korean
 - Samoan
 - Spanish
 - Tagalog
 - Vietnamese

Glossary of terms- acronyms and abbreviations

ABS	Australian Bureau of Statistics
ACC	Agency Consultative Committee
ARC	Audit and Risk Committee
AusGOAL	Australian Governments Open Access and Licensing Framework
CALD	Culturally and linguistically diverse
CCSP	Core Client Services Program
EEO	Equal employment opportunity
FTE	Full time equivalent (staff)
ICT	Information, communication and technology
IPMSC	Information Portfolio Management Steering Committee
MCCA	Ministerial Council on Consumer Affairs
PDS	Performance Development Scheme
PEP	Process Evaluation Procedure
PID Act	<i>Public Interest Disclosure Act 2010</i>
POAQ	Property Owners' Association of Queensland
PSC	Public Service Commission
QCAT	Queensland Civil and Administrative Tribunal
QIC	Queensland Investment Corporation
RTA	Residential Tenancies Authority
RTI Act	<i>Right to Information Act 2009</i>
RTRA Act	<i>Residential Tenancies and Rooming Accommodation Act 2008</i>
SCAG	Standing Committees of Attorneys General
SCOC	Single Code of Conduct
TAAS	Tenant Advice and Advocacy Service
TAFE	Technical and Further Education
The Act	<i>Residential Tenancies and Rooming Accommodation Act 2008</i>
TIS	Translating and Interpreting Service
TUQ	Tenants' Union of Queensland

Editor	Designer
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31 August 2011

The Honourable Karen Struthers MP
Minister for Community Services and
Housing and Minister for Women
GPO Box 806
Brisbane QLD 4001

Dear Minister

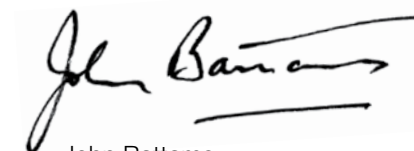
I am pleased to present the Annual Report 2010–11 for the Residential Tenancies Authority.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2009, and
- the detailed requirements set out in the Annual report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be found at http://www.rta.qld.gov.au/annual_report.cfm.

Yours sincerely,



John Battams

Chair



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