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- consultancies
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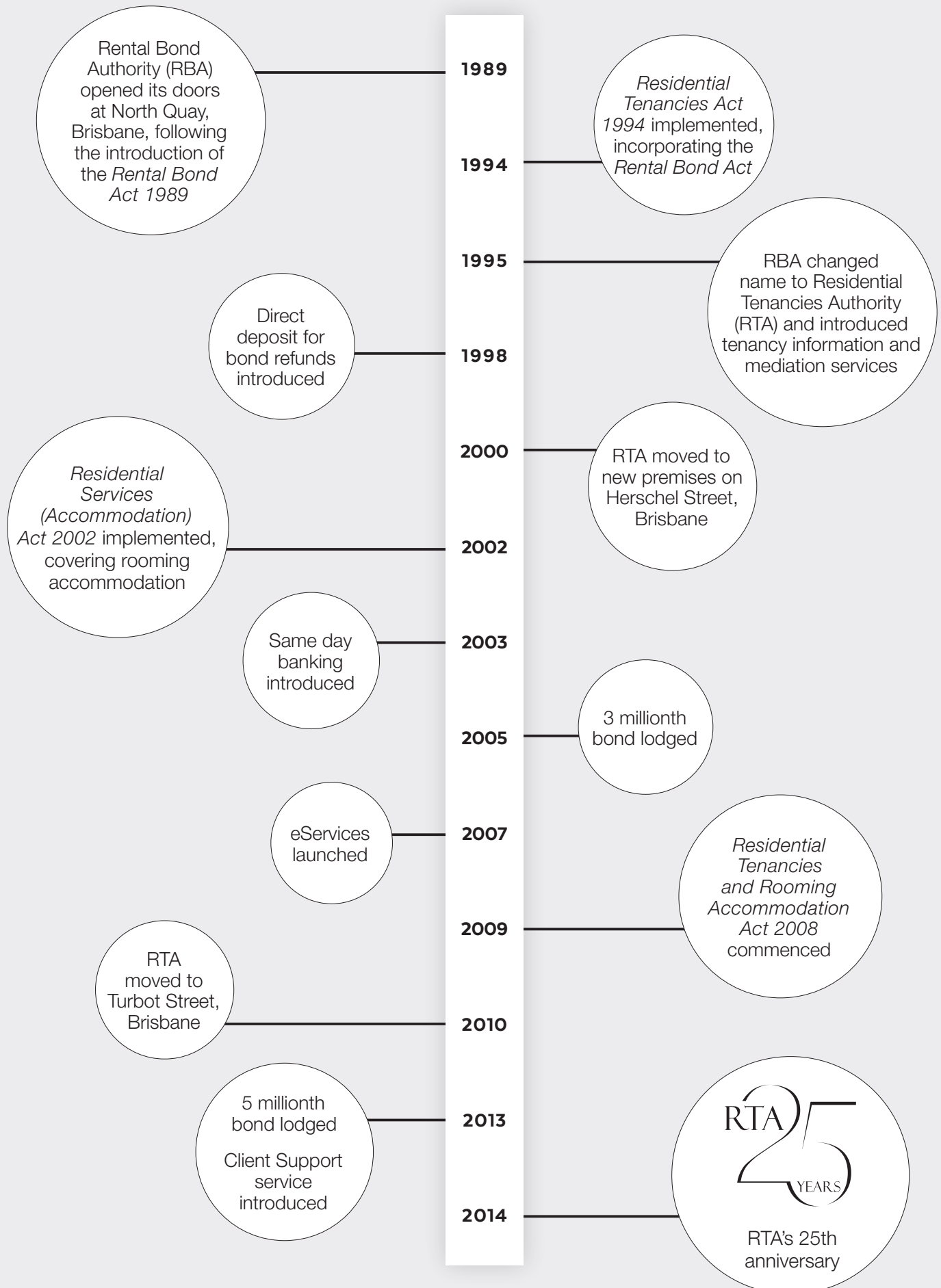


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Residential Tenancies Authority timeline



A time of change

Our twenty-fifth anniversary year marks the start of significant organisational renewal.

The 2014–15 financial year saw the appointment of a new Minister and CEO, and continued progress with the transformation of our business systems.

The Hon LEEanne Enoch MP was appointed the new Minister for Housing and Public Works and Minister for Science and Innovation following a change of government in February 2015, and CEO Darren Barlow came to the Residential Tenancies Authority (RTA) from rail freight operator Aurizon.

The RTA opened its doors as the Rental Bond Authority in 1989, managing 44,000 bonds. A quarter of a century on, we hold more than 540,000 bonds worth over \$755 million and are poised to deliver the biggest technological upgrade in our history.

The new business system, myRTA, builds upon our organisation-wide, client-focused approach to service.

When the system is introduced, our clients will have more online options, 24/7 access to bond management facilities and greater flexibility in the ways they interact with the RTA.

Our new Client Support service has been running for over 12 months now, and has helped resolve tenancy disagreements before they become disputes. This proactive approach has significantly cut requests for conciliation and ultimately saves our clients time and money.

Our website and intranet have also enjoyed makeovers, ensuring external and internal communication is clear, concise and engaging.

While there has been a large reduction in expenditure over the past 12 months, the RTA recorded an operating deficit against a backdrop of interest rate cuts and reduced investment returns.

Financial summary

	2013-14 (\$'m)	2014-15 (\$'m)	Change %
Operating income	46.69	24.54	-47% ▼
Operating expenses	48.66	34.55	-29% ▼
Total assets	798.81	813.60	+2% ▲
Total liabilities	736.22	761.02	+3% ▲
Value of bonds held*	721.47	744.37	+3% ▲

* Excludes unclaimed monies

Making a positive difference to Queensland's residential rental sector

In Queensland, more than a third of households rent their homes and we play a key role in supporting and regulating the sector.

The RTA administers the *Residential Tenancies and Rooming Accommodation Act 2008* (the Act) and is governed by a board of directors, which consists of a chair and six directors. Board members are appointed by the Governor in Council.

We work with all sector groups including tenants and residents, property owners and property managers, community and industry stakeholder groups and the Queensland Government.

We deliver impartial tenancy information, bond management, dispute resolution, investigation, and policy and education services alongside a commitment to excellence in customer service.

The RTA also provides policy advice to the Minister, provides and analyses sector data, and conducts research.

The income earned from the investment of rental bonds pays for our operating costs.

Queensland's residential rental sector

The RTA's rental bond database provides a comprehensive, up-to-date and reliable source of information on Queensland's residential rental sector. We monitor and report on the sector based on data gathered through our role as custodian of rental bonds.

Bond lodgement data has been collected since 1989, firstly under the *Rental Bond Act 1989* and currently the *Residential Tenancies and Rooming Accommodation Act 2008*. The Act covers general tenancies (including moveable dwellings) and rooming accommodation. Bond records detail the location of a rental property, dwelling type (including the number of bedrooms), weekly rent paid and who is managing the rental property (property manager/agent or self-managing property owner). Combined with operational data, such as when transactions occur, this data is used to determine:

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

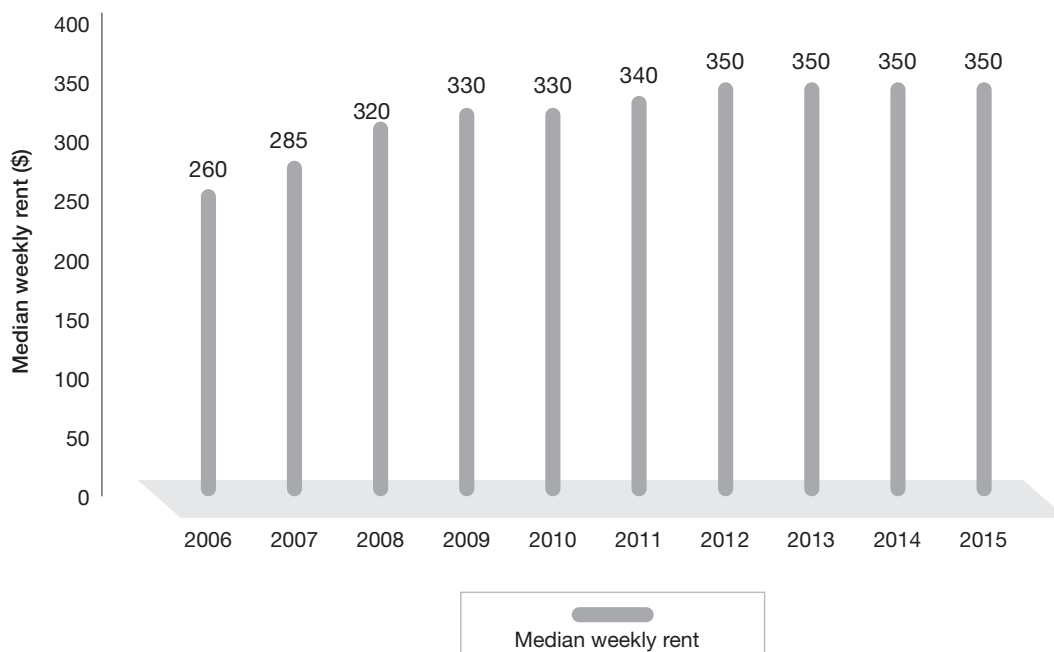
Sector size, rents and dwelling types

At 30 June 2015, the RTA held 541,442 rental bonds. Of these, 52.2% (282,528) were for houses, 34.6% (187,257) for units and flats, and 9.6% (52,166) for townhouses. Rooming accommodation (1.9%), moveable dwellings/caravans (0.8%) and other dwellings types (0.9%) complete the total. These current proportions of different types of rental accommodation continue a steady five-year increase, shown in the chart on page 7.

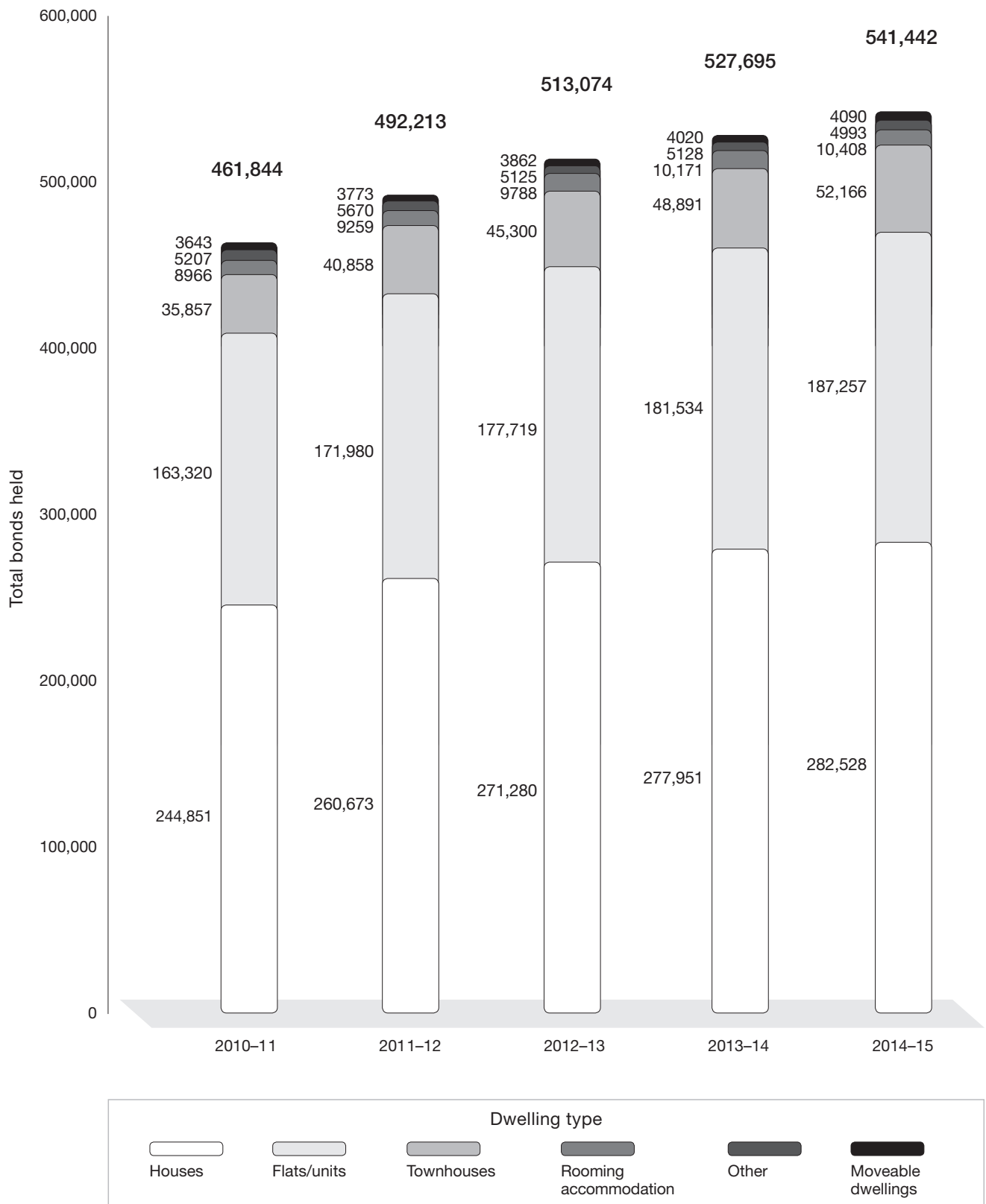
Queensland median rents

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

Since June quarter 2012 the median weekly rent for Queensland as a whole has remained stable.

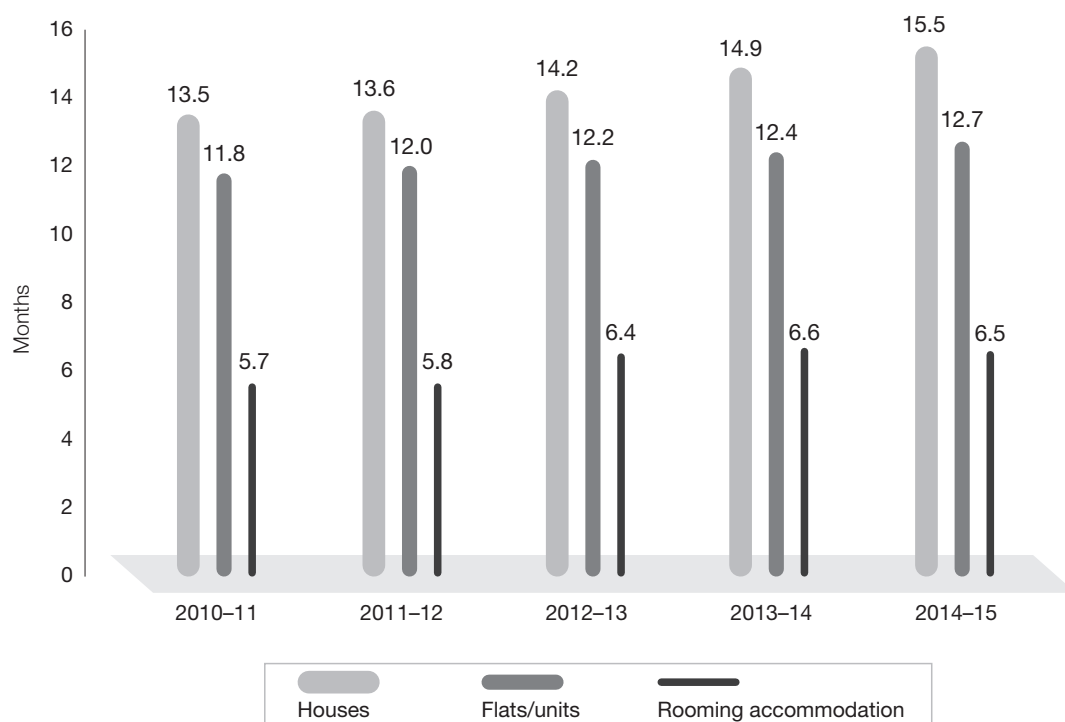


Total bonds held and bonds held by dwelling type
at 30 June 2015



Median length of tenancies (months)

2010–11 to 2014–15

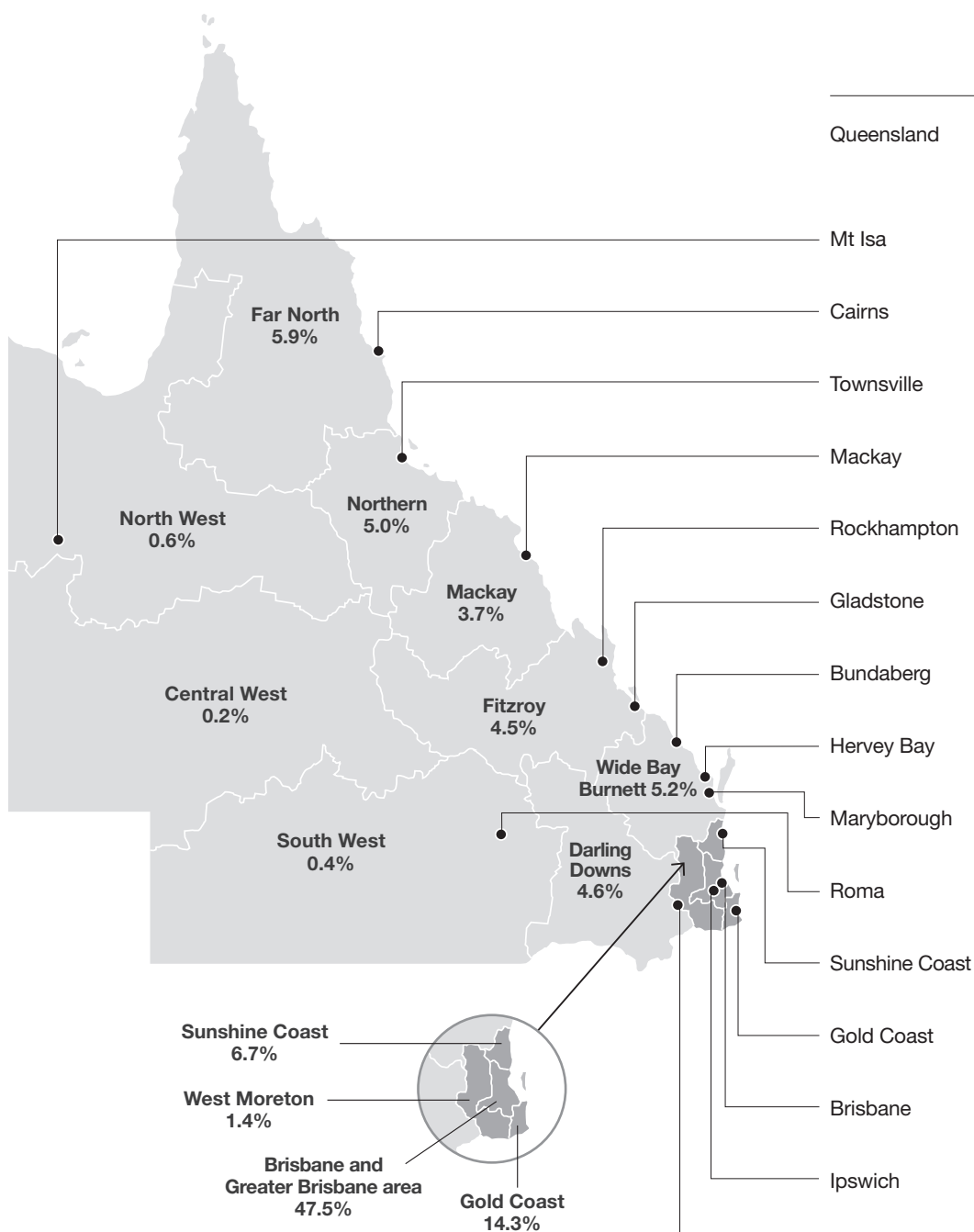


Rents in Australian capital cities

According to data published by the Real Estate Institute of Australia (REIA) for the March quarter 2015, at \$380, Brisbane is ranked fifth in terms of median weekly rent for three bedroom houses after Darwin, Canberra, Sydney and Perth. For two bedroom flats and townhouses Brisbane (\$385) ranks sixth after Sydney, Darwin, Perth, Canberra and Melbourne.

Bonds held by the RTA – percentage by area at 30 June 2015

Close to half (47.5%) of all bonds held by the RTA are for rental properties in Brisbane and the Greater Brisbane area, followed by the Gold Coast (14.3%), Sunshine Coast (6.7%) and Far North of the state (5.9%).



Median rents for whole of Queensland and major centres

The median weekly rent for the whole of Queensland (all dwelling types) is \$350 (June quarter 2015).

Listed below are median rents for two bedroom units and three bedroom houses in Queensland's major centres. The data is based on new bonds lodged with the RTA in the June quarters of 2014 and 2015. Year-on-year percentage changes are shown below.

	Two bedroom flat/unit		Three bedroom house	
	2014	2015	2014	2015
Queensland	\$330	\$330	\$350	\$350
	0.0%		0.0%	
Mt Isa	\$317	\$270	\$480	\$410
	-14.8%		-14.6%	
Cairns	\$275	\$285	\$350	\$355
	3.6%		1.4%	
Townsville	\$270	\$250	\$330	\$310
	-7.4%		-6.1%	
Mackay	\$280	\$230	\$360	\$300
	-17.9%		-16.7%	
Rockhampton	\$240	\$230	\$310	\$290
	-4.2%		-6.5%	
Gladstone	\$280	\$240	\$335	\$300
	-14.3%		-10.4%	
Bundaberg	\$225	\$225	\$285	\$285
	0.0%		0.0%	
Hervey Bay	\$250	\$250	\$285	\$295
	0.0%		3.5%	
Maryborough	\$180	\$190	\$260	\$260
	5.6%		0.0%	
Roma	\$350	\$250	\$430	\$320
	-28.6%		-25.6%	
Sunshine Coast	\$330	\$340	\$400	\$420
	3.0%		5.0%	
Gold Coast	\$360	\$380	\$430	\$450
	5.6%		4.7%	
Brisbane	\$395	\$400	\$410	\$420
	1.3%		2.4%	
Ipswich	\$255	\$260	\$300	\$300
	2.0%		0.0%	
Toowoomba	\$250	\$255	\$300	\$315
	2.0%		1.6%	

Chair's message

This year has seen both challenges and changes.

New Minister

Shortly after her swearing in as Minister for Housing and Public Works and Minister for Science and Innovation, the Hon Leeanne Enoch MP met with the RTA Board and outlined her vision for the residential rental sector. Ms Enoch noted the valuable role the RTA plays in the sector and emphasised the need for fairness and equity in the current review of the *Residential Tenancies and Rooming Accommodation Act 2008*. Consultation remains a government and board priority, and we will listen closely to the views of sector stakeholders before changes are made.

New CEO

The board quickly established a productive relationship with the new CEO, Darren Barlow, who began his three-year tenure in May 2015. His background in business transformation makes him an important asset to the organisation.

Business transformation

The way the RTA is doing business is changing, and this financial year groundwork was laid for significant organisational change. The development of the RTA's new business system, myRTA, highlights the organisation's commitment to meeting and exceeding the changing expectations of clients and stakeholders. This focus on meeting clients' evolving needs aligns with the Queensland Government's commitment to delivering quality frontline services.

Economic environment

A challenge we faced was a large reduction in our revenue due to volatility in international investment markets. The board is taking corrective action to ensure our investment strategy and governance measures are appropriate for the current economic environment. The RTA is working closely with our investment manager to address these issues.

Thanks

I would like to acknowledge the contribution of David Eades who was Acting CEO for 12 months. I would also like to recognise the commitment and efforts of RTA staff, who have all contributed to the success of the organisation over the past year. Thank you also to my fellow board members for their support and dedication to the sector.



Catherine Sinclair
Board Chair

CEO's message

I am pleased to have joined the RTA at this important time in the organisation's history.

Forward-looking client service

We take every opportunity to be a dynamic, responsive organisation, always mindful that our clients' time is important. Our dedicated Client Support service, for example, assists clients with self-resolution strategies. Eighty percent of all the people we assisted in 2014–15 managed to have their tenancy issue resolved.

Financial strategy

The future RTA must continue to meet client expectations despite the significant income reduction we faced this year. We will continue to build financial capacity, notwithstanding a flattening in the growth of invested bonds, a softening of the rental market and the significant headwinds international investment markets have created for our revenue. We are refocusing our service standards and examining our service delivery costs. We are also undertaking a major review of our investment strategy to maximise our returns with an appropriate level of risk.

Business transformation

In light of this challenging economic environment we are working to develop a new strategic plan and future business model that will help shape our future state.

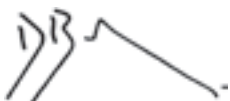
Our current business transformation program is the most significant undertaking in our history. The transformation program includes the implementation of a new technology platform, the myRTA program, which will make it easier for clients to engage with us. myRTA will give clients 24/7 access to a secure, self-service portal and convenient electronic processing, making the day-to-day aspects of renting in Queensland significantly simpler.

Organisational change program

To help support our business transformation, we have begun a reinvigorated organisational change program. It will ensure our workforce is primed to provide the services we are committed to delivering to Queensland's residential rental sector. Also, our stakeholder engagement approach will be more rigorous. At every stage we will reality test our assumptions and ensure we consult stakeholders before we implement change.

Thanks

I would like to thank all RTA staff for their dedication and commitment, the executive team for their hard work and fresh thinking, and the RTA Board for its support and direction.



Darren Barlow
Chief Executive Officer

RTA Board

The RTA Board establishes the RTA's strategic direction and corporate governance standards (see page 16).

Catherine Sinclair BSc, MA, FAICD,
FAIM (Chair), D Univ

Chair

Ms Sinclair was appointed Chair of the RTA Board on 11 April 2013. She has extensive experience as a member of tribunals and boards. She is currently a Director of the National Board of the Committee for Economic Development of Australia, a Director of the Army and Air Force Canteen Service, and a Councillor of the Royal National Agricultural and Industrial Association of Queensland. Her previous experience includes appointments as Director of Brisbane Airport Corporation and LinkWater Projects, Deputy Chair of the Port of Brisbane, and Chair of the Advisory Board for City Business, Brisbane City Council. Ms Sinclair was awarded an Honorary Degree of Doctor of the University by Griffith University in 2014 and a Centenary Medal in 2001.

Roslyn Wallace

Ms Wallace was appointed as a Director on 7 April 2004. She gained tenancy expertise as a member and Secretary of the Property Owners' Association of Queensland (POAQ) and as a previous member of the RTA's Industry Development Forum (IDF). 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.

Jan Williams BSW (Hons), MAICD

Ms Williams was appointed as a Director on 1 November 2013. Ms Williams is an experienced board member whose expertise spans the public, private and not-for-profit sectors. She has a wealth of experience in the building and development industries, affordable housing design and delivery, and tenancy management. Currently a Director for Defence Housing Australia, Ms Williams was previously a Director of Brisbane Housing Company and Catalyst Affordable Housing. She was also a consultant on social issues for major Queensland projects including the Brisbane CBD Master Plan, Pacific Harbour and Coomera Waters.

Jane Seawright BA, LLB (Hons),
MBus (Marketing), FAICD

Ms Seawright was appointed as a Director on 1 November 2012. She is an experienced corporate, commercial and finance lawyer, knowledge and information professional and business development leader. She has substantial board and senior executive experience in a range of environments. Ms Seawright has extensive legal practice experience advising listed and unlisted public and proprietary companies in corporate governance, capital raising, financing, commercial agreements and arrangements, intellectual property and mergers and acquisitions.

Penny Gillespie BA (Hons)

Ms Gillespie was appointed as a Director on 1 November 2013. Ms Gillespie has recently opened her own management consulting business and has considerable experience at executive level in the public and not-for-profit sectors. She was previously the Director of Queensland Shelter and prior to that Queensland State Director of Mission Australia. Ms Gillespie has also held senior executive positions within the Queensland Department of Housing.

Deborah Duffy JP (CDec), MAICD

Ms Duffy was appointed as a Director on 7 April 2010. Ms Duffy is also on the Board of the Real Estate Institute of Queensland (REIQ). She has more than 30 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.

Darryl Mutzelburg BBus, MCom, FCPA

Mr Mutzelburg was appointed as a Director on 11 April 2013. He is currently Chief Financial Officer of the Port of Brisbane Pty Ltd and has held various senior financial roles within the commercial sector. Mr Mutzelburg has extensive experience in financial and management accounting, financial operations, treasury, risk management, insurance and business analysis as well as industrial property leasing and management.

Five-year performance summary

Our clients

	2014–15	2013–14	2012–13	2011–12	2010–11
Contact Centre enquiries	425,397	429,316	399,005	351,490	349,026
Bond lodgements ¹	264,030	262,895	259,810	260,699	256,748
Number of bonds held ² (30 June)	541,442	527,695	513,074	492,213	461,844
Value of bonds held ³ (\$'m 30 June)	744.37	721.47	697.11	651.59	581.47
Investigations commenced	511	709	617	646	509
Requests for dispute resolution	26,197	27,036	25,444	22,077	21,122
Client satisfaction results (rating/10)	n/a	8.1	n/a	8.2	n/a
Website visits ⁴	1,995,776	1,639,653	1,389,912	1,059,857	1,049,361

Our sector

	2014–15	2013–14	2012–13	2011–12	2010–11
Briefing notes and Ministerial correspondence	136	134	234	143	125
Response to rental sector data enquiries	246	214	291	387	268
Grant funding (\$'m)	2.59	21.00	14.04	6.35	6.82

Our organisation

	2014–15	2013–14	2012–13	2011–12	2010–11
Employees (full-time equivalent)	216.2 ⁵	200.9	183.4	177	183
Staff training (total hours)	4957	2807	4205	3437	10,848
Quality assurance certification	Achieved	Achieved	Achieved	Achieved	Achieved
Operating surplus/deficit (\$'m)	(10.01)	(1.97)	4.66	5.84	10.89
Accumulated surplus (\$'m)	52.58	62.60	64.57	59.91	54.07

1 Includes new bond lodgements for general tenancies and rooming accommodation

2 Includes bonds held for general tenancies and rooming accommodation

3 Excludes unclaimed bond monies and Australia Post settlements (to 31 October 2012)

4 The measurement methodology was changed in 2012–13

5 Includes agency staff filling established positions

Performance overview

Our clients

Objectives	Aims 2014-15
Deliver effective client services	<p>Achieve 75 second average answer speed</p> <p>Achieve call abandonment rate of 5% or less</p> <p>Process 6.5% of bond lodgements and 35% of bond refunds online</p> <p>Process 90% of bond refunds within 2 working days</p> <p>Resolve 80% of disputes through participation in conciliation</p> <p>Finalise 80% of all disputes within 28 days</p> <p>Assist 5000 clients with self-resolution strategies via new Client Support service</p> <p>Finalise 90% of investigations within 6 months of commencement</p>
Understand our clients and respond to their needs	<p>Consider client satisfaction survey findings in development of future operational plans</p> <p>Continue to measure quality of client service through internal quality monitoring, client surveys and benchmarking</p> <p>Improve access to tenancy information</p>

Our sector

Educate and inform the sector on their rights and responsibilities	<p>Continue outreach and education activities with a focus on online delivery and regional areas</p> <p>Continue to develop tenancy information in several languages</p>
Lead and support the sector through regulation, education, consultation, research and policy development	<p>Facilitate introduction of amendment bill into Parliament</p> <p>Continue to engage with sector stakeholders and maintain quality consultative processes</p> <p>Maintain high quality and regular sector data reporting and analysis</p> <p>Provide funding of \$5.19m to the Department of Housing and Public Works to support affordable and social housing initiatives</p>

Our organisation

Build the RTA's capability to deliver services now and into the future	<p>Complete the implementation of new core client services system and supporting business processes and decommission legacy systems</p> <p>Continue to progress Organisational Change Management (OCM) strategy</p> <p>Undertake full technical review of backup and recovery of system and processes to ensure viability within new systems environment</p>
Maintain accountability and financial sustainability	<p>Continue to implement Work Health and Safety and environmentally friendly initiatives to maintain organisational awareness</p> <p>Achieve target of 4.9% return on investment</p>

Achievements 2014-15	Aims 2015-16
94 second average answer speed	Achieve 75 second average answer speed
7.4% call abandonment rate	Achieve call abandonment rate of 5% or less
8.8% of bond lodgements and 38.6% of bond refunds processed online	Achieve increased targets of 10% of bond lodgements and 40% of bond refunds processed online
89.2% of bond refunds processed within 2 working days	Achieve target of 90% bond refunds processed within 2 working days
80.2% of disputes resolved through participation in conciliation	Maintain target of 80% of disputes resolved through participation in conciliation
76.2% of all disputes finalised within 28 days	Achieve target of 80% of all disputes finalised within 28 days
Assisted 5644 clients with self-resolution strategies, with 80.3% going on to successfully resolve their own issue	Assist 5750 clients with self-resolution strategies with an 80% success rate
91.9% of investigations finalised within 6 months of commencement	Maintain 90% of investigations finalised within 6 months of commencement
Operational plans amended to include findings from client satisfaction survey	Implement amendments to operational plans
Conducted regular internal quality monitoring, Contact Centre performance was rated by Customer Service Benchmarking Australia, and introduced trial client survey seeking feedback on conciliation experiences	Use client survey, quality monitoring and benchmarking results to develop client service improvement strategies
Redeveloped website saw 1,995,776 client visits, a 21% increase year-on-year	Continue to improve access to tenancy information
73 face-to-face presentations and 2 webinars reached 5004 clients	Deliver outreach and education activities with a focus on online delivery and regional areas
Launched Spanish translation of the <i>Pocket guide for tenants – houses and units</i>	Provide tailored tenancy information to targeted client groups through a range of channels
Commenced drafting of tenancy database amendments	Facilitate introduction of tenancy database amendments into Parliament
Continued sector consultation about tenancy issues	Consult with the sector about proposed amendments to the Act
Published a range of rental data on our website and the Queensland Government Open Data website, and supplied rental industry data to stakeholders	Report back to the sector about tenancy issues and legislative options
Provided funding of \$2.60m to the Department of Housing and Public Works to support social housing initiatives	Provide funding of \$5m to the Department of Housing and Public Works to support social housing initiatives
System implementation transitioned into business transformation program Completed intranet and RTA website upgrades to ensure capability in place to deliver new solutions in 2015-16	Continue delivery of new business systems and associated business transformation including: <ul style="list-style-type: none"> • undertake business process review to improve efficiency and implement revised key business processes • develop decommission and archive strategies for legacy systems • develop benefits realisation plan for implementation of business transformation • improve portfolio program and project management maturity
Appointed Organisational Change Manager and implemented OCM framework	Finalise OCM strategy Develop and implement divisional change plans Undertake organisational change assessment
Completed backup system health check, software and hardware upgrades to enhance disaster recovery capability, and upgraded disaster recovery communication link Developed RTA applications roadmap	Review disaster recovery and business continuity plans Review and refresh RTA applications roadmap Develop information, knowledge and data management strategies and policy framework
Low incident rate of 6.37 per 1 million hours worked through initiatives such as quarterly safety inspections Provided information to raise staff awareness of recycling and waste and energy reduction strategies	Provide a safe and healthy workplace
3.08% return on investment	Achieve target of 4.0% return on investment

Corporate governance

The RTA is committed to sound corporate governance and our decision-making processes are informed by compliance and transparency.

Our corporate governance framework is based on the Queensland Auditor-General's model and includes far-reaching accountability processes.

Our commitment to the Queensland Government's focus on integrity and accountability underpins our existing corporate governance processes.

Accountability and risk management

Chief Executive Officer

Darren Barlow was appointed CEO on 13 April 2015 and joined the organisation on 5 May. David Eades was acting CEO until 2 March 2015.

Role of the Chief Executive Officer

The CEO provides strategic policy advice to the Chair, RTA Board and Minister on the operation and monitoring of Queensland residential tenancy legislation.

The CEO is responsible for all aspects of management, staffing and administration, and providing monthly performance, operational and compliance reports to the board. The board also receives reports and updates on strategic policy issues. The CEO attends all board meetings and senior executives attend as required.

The CEO also leads our executive team (page 40), which is composed of the divisional executive managers. The team meets regularly to ensure strategic priorities and operations are on track.

Role of the board

Our board of directors reflects the diversity of the sector. They bring a wealth of knowledge and expertise in sector representation, property management law, commercial activities, corporate governance and community service.

The Governor in Council appoints the Chair and six directors to the board and remuneration for board directors is determined through Cabinet-approved procedures, administered by the Department of the Premier and Cabinet.

The induction program for new directors focuses on governance, operations and time with key senior executives.

The board's responsibilities are outlined in the Act and the Board Charter clarifies these roles.

Responsibilities include:

- reviewing and approving strategy
- setting values and standards
- endorsing our 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.

Board meetings

1 July 2014 – 30 June 2015

Directors	Full Board		Audit and Risk Committee (ARC)	
	Attended	Scheduled	Attended	Scheduled
Catherine Sinclair (Chair)	11	11	4	4
Deborah Duffy	11	11	n/a	n/a
Penny Gillespie	10	11	n/a	n/a
Darryl Mutzelburg	11	11	4	4
Jane Seawright	11	11	4	4
Roslyn Wallace	11	11	4	4
Jan Williams*	11	11	4	4
Susan Rix AM (Independent)	n/a	n/a	3	4

*Jan Williams was appointed a member of the ARC on 31 July 2014

Audit and Risk Committee

The Audit and Risk Committee (ARC) ensures the organisation 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 meets on a quarterly basis and includes Susan Rix AM (ARC Chair/Independent member), Darryl Mutzelburg (Director), Jane Seawright (Director), Roslyn Wallace (Director), Jan Williams (Director) and Catherine Sinclair (ex-officio member/Chair). The CEO also attends.

The ARC oversees our accounting policies and practices; the integrity of financial statements and reports; the scope, quality and independence of 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 board approved the appointment of Crowe Horwath to provide internal audit services for three years starting 1 July 2014.

The committee approved the implementation of the Internal Audit Strategic Plan 2014–17. The purpose of the plan, developed in conjunction with Crowe Horwath, was to maintain accountability, identify business processes to be audited each financial year, and ensure compliance.

The Auditor-General appointed the Pitcher Partners as the 2015 external auditor for the RTA and the Residential Tenancies Employing Office (RTEO) in accordance with section 30 of the *Auditor-General Act 2009*. Internal and external auditors attend each ARC meeting.

ARC achievements in 2014–15:

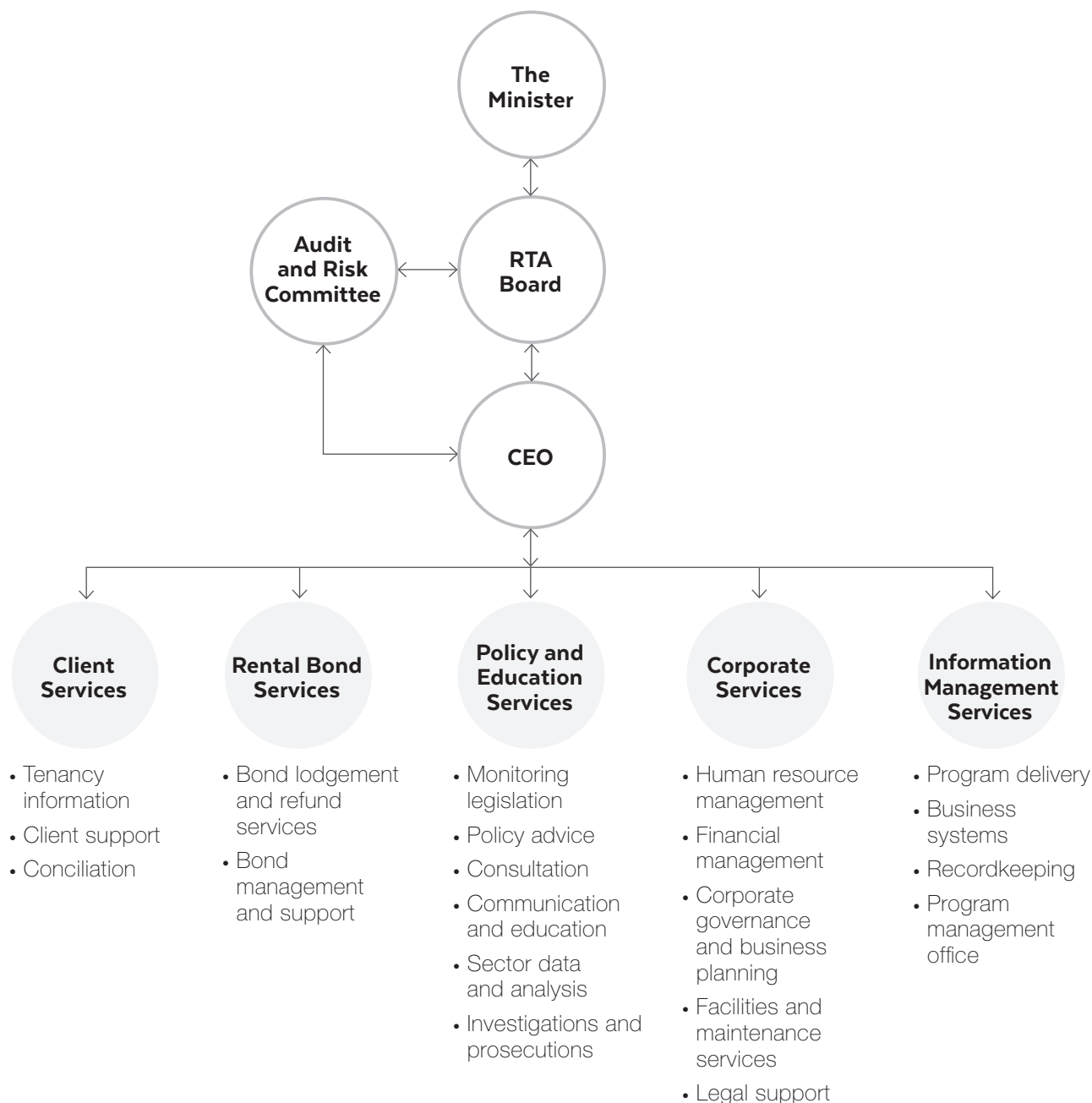
- reviewed and endorsed the:
 - annual financial statements
 - annual Workers Compensation Declaration
 - recommendations to improve business efficiency
- reviewed:
 - audits and risks associated with myRTA
 - the Risk Management Framework and Risk Register
 - the Legislative Compliance Register
 - the ARC Charter
- reviewed and assessed performance of internal auditors against the audit plan
- endorsed recommendations to approve our new internal auditors
- oversight of the endorsed and maintained Internal Audit Strategic Plan 2014–17 and tracked tasks for completion throughout the year.

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

We maintain a comprehensive risk framework and risk register to closely monitor identified risks. All staff are responsible for identifying potential risks to our organisation using a process based on the *AS/NZ Standard 4360:2004 Risk Management Standard*.

Organisational structure

Our structure is aligned to the strategic plan, aimed at maximising the operational capability and capacity of management and staff (see diagram below).



Committees and groups

The **Consultative Committee (CC)** provides a forum to discuss employee relations and ensures issues are managed appropriately. The committee meets when issues arise; no meetings were held in 2014–15. The **Staff Liaison Group (SLG)**, chaired by the CEO, provides a monthly forum where staff and the executive can communicate formally on a range of issues affecting organisational culture and workplace reform. The group also provides assistance, direction and support in the planning and implementation of Equality of Employment Obligations (EEO) and initiatives in accordance with the *Public Service Act 2008*.

The **Information and Portfolio Management Steering Committee (IPMSC)** is chaired by the CEO and includes senior management and external representative, KPMG. It ensures corporate projects operate efficiently and effectively, and are sufficiently resourced to support our business and corporate needs.

Ethical standards

The RTA Code of Conduct provides a framework for ethical conduct based on the principles and values of the *Public Sector Ethics Act 1994*. Staff must carry out their duties with integrity and impartiality, be accountable and transparent, and promote the public good. Staff attend mandatory code of conduct training and an online refresher course is provided to staff and officials. The code is also reflected in our Human Resources policies and procedures and Performance Development Scheme (PDS).

Our management standards are also based on our code of conduct, as well as a range of government and organisational policies, procedures, guidelines and standards. Management standards are reviewed on an annual basis.

Client feedback

The RTA values the opinions of our clients and actively encourages feedback about our services. Feedback options are embedded in all channels of communication.

Organisation-wide feedback is overwhelmingly positive and reflects the success of the RTA's client-focused culture.

We responded to the 53 formal client complaints lodged in 2014–15, compared with 74 in 2013–14. With more than 1.2 million client interactions this financial year, this equals about 1 complaint for every 22,600 interactions.

Accountability processes

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 financial and non-financial reporting to the Queensland Parliament.

The Legislative Compliance Register is a risk management tool that monitors compliance. It helps identify and develop strategies to mitigate risks associated with non-compliance. The register is updated quarterly to include relevant government standards and document compliance actions.

We also have business processes and internal controls to reduce the risk of fraud.

Public interest disclosure

All our employees have an ethical responsibility to report actual, or suspected, instances of official misconduct. The *Public Interest Disclosure Act 2010* (PID Act) provides direction on the reporting of such conduct. We received no disclosures from 1 July 2014 to 30 June 2015.

Internal audit

The internal audit assists with our 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.

Our internal audit function is maintained under the *Financial and Performance Management Standard 2009*. Under the standard we:

- maintain an internal audit charter to govern the operation of the internal audit function
- prepare strategic and annual internal audit plans
- report to the ARC 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 of the Auditing and Assurance Standards Board, and the Institute of Chartered Accountants of Australia. Where other standards impact the work of auditors, compliance is a priority. An example of these types of standards is the *Risk Management Standard AS/NZS 4360:2004*.

The Internal Audit Strategic Plan 2014–17 sets out internal audits that were conducted during the 2014–15 financial year.

Audit reviews conducted

Review of payroll and employee benefits

- noted comprehensive payroll and HR policies and identified additional control measures which are now being implemented

Review of information and communication technology projects

- recommended process to re-baseline schedule and budget to align with new target completion date

Review of dispute resolution administration and case management

- concluded that we complied with policies and procedures and suggested opportunities for improvement

Bond lodgement processes

- recommended stronger internal controls and noted that reliance on manual systems will be addressed in the new myRTA system which is currently under development

Performance review framework

The board and CEO are responsible for monitoring and reviewing the performance of the organisation. The performance review framework ensures this role is undertaken with comprehensive knowledge of our functions. The table outlines our 2014–15 performance against key elements of this framework.

Function	Purpose	2014–15 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 ARC.	Full status of all audits provided to the ARC – no current critical level risks.
Quality assurance certification	Maintains certification against the relevant ISO standard.	<i>ISO 9001:2008</i> certification renewed.
Service delivery statements	Contributes to the Minister's report on performance and budget results to the Queensland Parliament.	Maintained a sound financial position.
Annual report	High reporting standards ensure accountability to the RTA's clients, sector and staff.	Full compliance with Queensland Government annual reporting requirements.

Business and financial planning

The board sets the organisation's strategic direction which is documented and formalised through the RTA Strategic Plan (available on our website).

The 2014–18 Strategic Plan identifies priorities relating to our clients, sector and organisation, and progress is documented in our annual report.

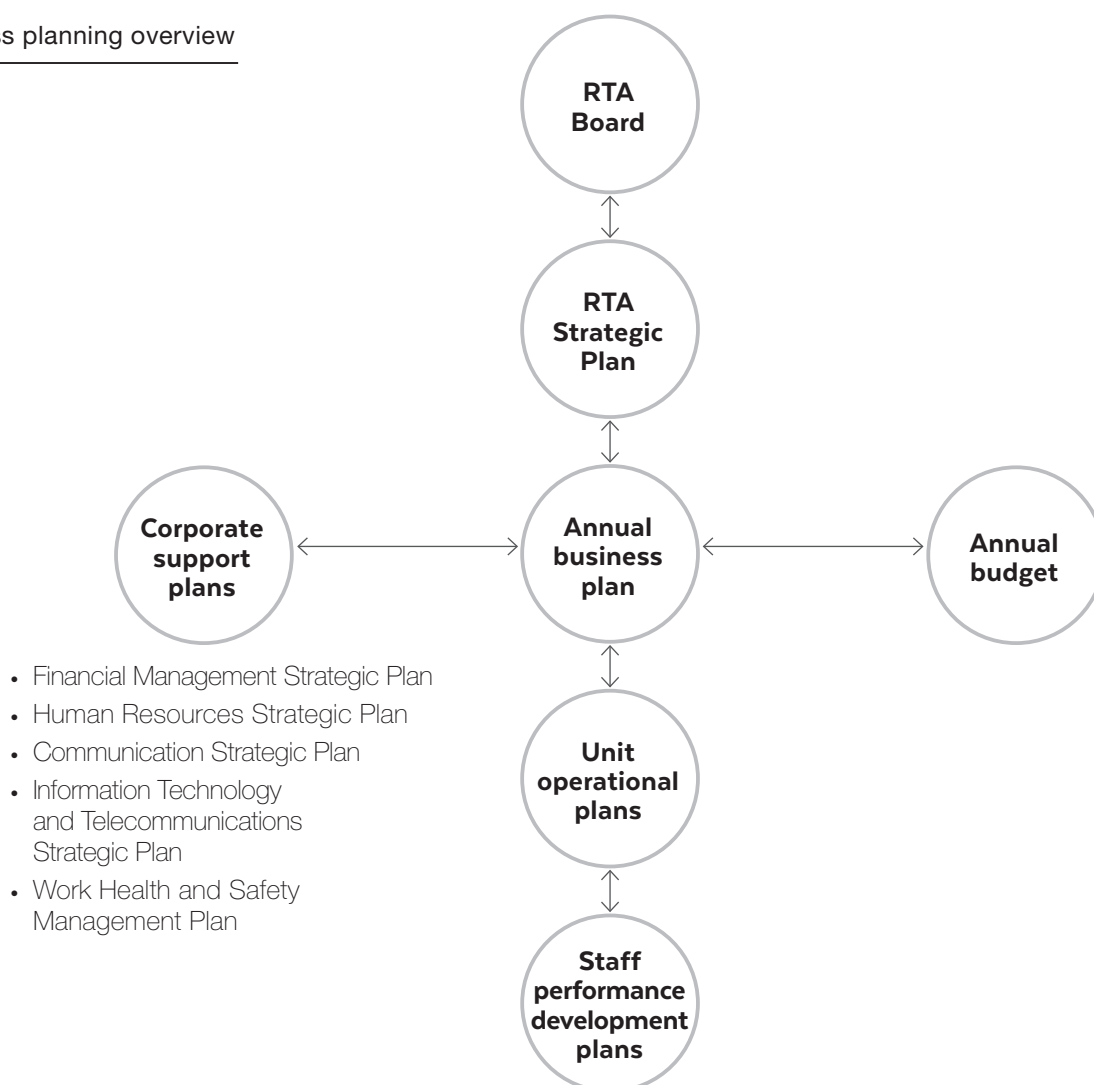
The plan is underpinned by corporate support plans, an annual business plan and divisional operational plans specifying activities and performance levels to be achieved.

We have five corporate support plans:

- Financial Management Strategic Plan
- Human Resources Strategic Plan
- Communication Strategic Plan
- Information Technology and Telecommunications Strategic Plan
- Work Health and Safety Management Plan

Staff complete annual performance development plans with their line managers to identify their contribution to planning and performance, and to determine their professional development requirements.

Business planning overview



Our business planning is used to develop our budget which is endorsed by the board and approved by the Minister.

We report to public stakeholders through the annual report, service delivery statements and Parliamentary Estimates processes.

Recordkeeping and access to information

Recordkeeping

RTA's records management is governed by the *Public Records Act 2002*.

The RTA has policies and procedures in place, including a *Records Management Policy*, to inform staff of all aspects of recordkeeping practices and responsibilities. Our Business Classification Policy, Disposal of Records Policy and Vital Records Policy also support compliance with *Information Standard: 40 Recordkeeping (IS40)* and *Information Standard: 31 Retention and disposal of public records (IS31)*.

Each business unit is responsible for its own recordkeeping while the Recordkeeping Unit maintains centralised control and oversees the records management framework.

Recordkeeping responsibilities are included in all position descriptions, policies and procedures, and all new staff members participate in recordkeeping induction sessions.

In September 2014, the State Archivist approved the Retention and Disposal Schedule for core business functions. A disposal of public records program will start next financial year to assess records for disposal.

The RTA considers recordkeeping requirements in all aspects of service delivery and when planning and implementing business requirements.

Right to information

The *Right to Information Act 2009* (RTI Act) allows members of the public access to certain information controlled by government. The RTA supports RTI principles by operating in an open, transparent and accountable manner, while protecting the privacy of clients and staff. In 2014–15, the RTA did not receive any applications for access to documents relating to bonds and disputes under the RTI Act.

The RTA's Administrative Access Policy allows members of the public access to certain types of information held by the RTA without having to apply through the formal RTI Act or the *Information Privacy Act 2009* (IP Act) application processes. Where possible, the RTA will release information under this policy. In 2014–15, the RTA responded to 1008 requests made under the Administrative Access Policy.

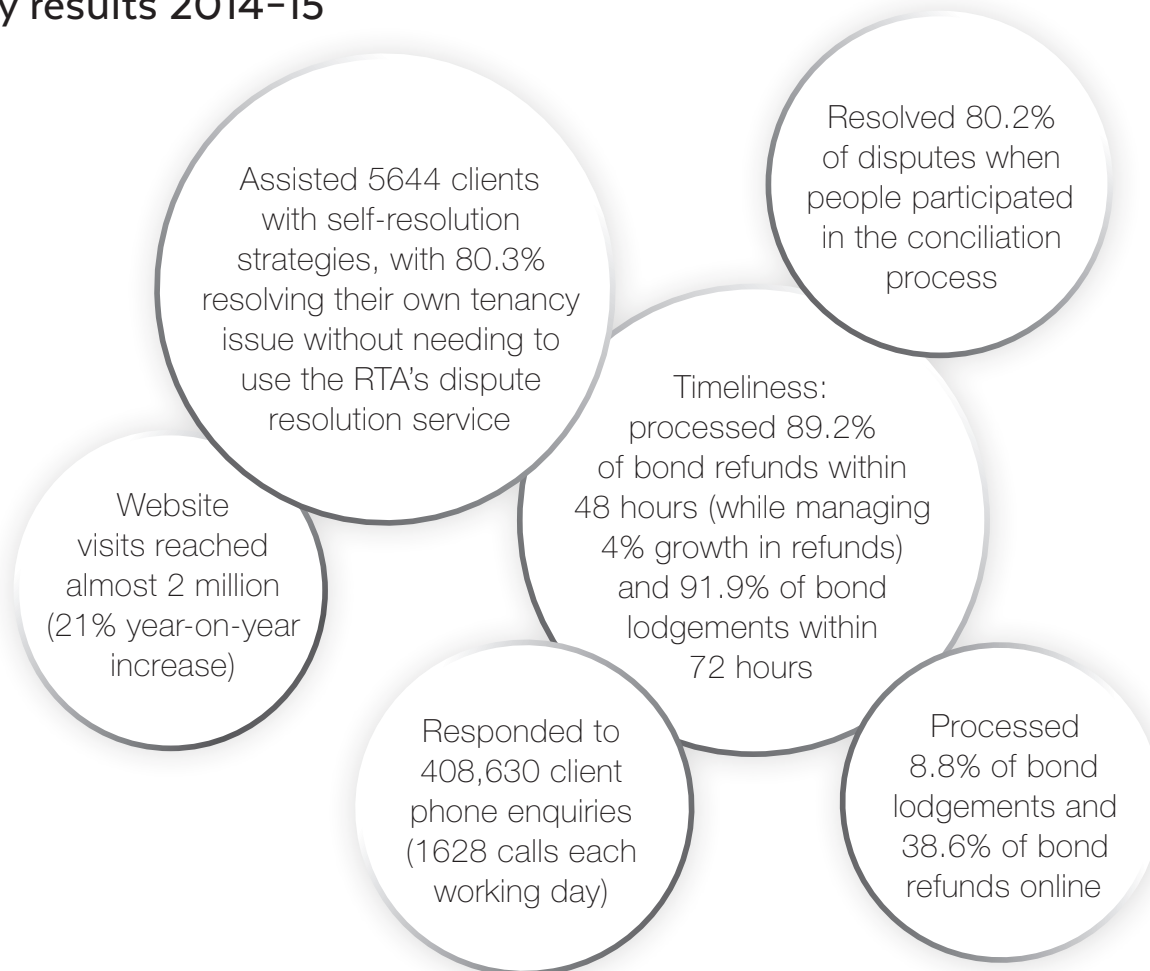
Information privacy

The IP Act gives all members of the public the legal right to access and amend their personal information. It requires the RTA to safeguard the personal information it holds and disclosures can occur only when the individual it relates to provides consent, or where it is required and authorised under law.

In 2014–15 the RTA received seven applications from individuals for access to documents containing their personal information.

Our clients

Key results 2014-15



Future priorities 2015-16

- Continue to provide timely and high-quality services to clients while preparing for changes to processes and systems
- Engage with clients to prepare them for service delivery changes that will increase clients' self-sufficiency
- Build capabilities for anticipated increases in client demand
- Improve processes to manage costs in the delivery of client services
- Introduce dispute resolution support for new self-managing property owners
- Monitor and maintain quality service through internal quality programs, feedback surveys and industry standard benchmarking
- Regularly report on number of clients lodging Queensland Civil and Administrative Tribunal (QCAT) applications after receiving a *Notice of unresolved dispute* from the RTA
- Streamline training of new staff to meet operational needs
- Support and maintain online client services, such as online bond management facilities
- Liaise with QCAT and Department of Housing and Public Works (bond loans) to streamline service delivery for shared clients

Client focus

The RTA is always looking for new, effective ways to provide clients with targeted, high-quality tenancy information and services through our Contact Centre, website and publications.

Phone enquiries stable

In 2014–15, staff responded to 408,630 phone enquiries (1.5% down on 414,793 calls in 2013–14) and 16,767 online enquiries. We focused on providing high-quality client service and resolving client issues during the first call, and we regularly review calls as part of our ongoing quality monitoring process. Staff are provided with feedback and coaching to continually improve our service.

Staff responded to an average of 1628 calls each working day in 2014–15 (1653 in 2013–14).

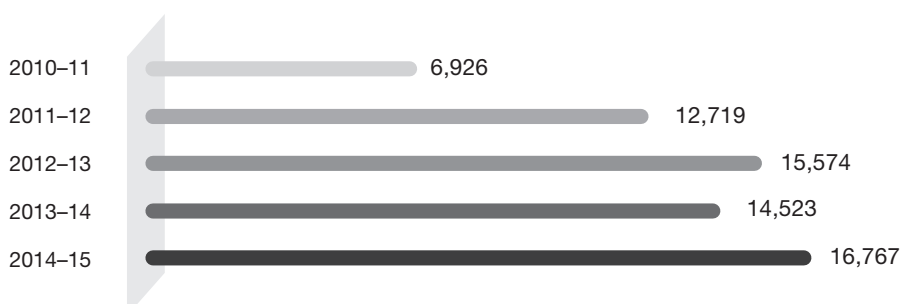
Average talk time for callers was 349 seconds in 2014–15, compared with 315 seconds in 2013–14. This highlights the increased complexity of calls and the time staff members take with clients to clarify their needs to ensure they are given all the information they need on the first call.

The Contact Centre maintained high service standards, answering 71.7% of calls within two minutes (target 80%). The average waiting time for callers was 94 seconds (target 75 seconds), compared with 69 seconds in 2013–14.

Calls answered by Contact Centre
2010–11 to 2014–15



Online enquiries answered by Contact Centre
2010–11 to 2014–15



Benchmarking reveals significant improvements in call handling

The latest Customer Service Benchmarking Australia (CSBA) benchmarking report confirmed the RTA continued to provide strong customer service in key areas such as clarification of client needs (97 points), good product knowledge (96 points) and providing a clear resolution (96 points). These points were averaged over two quarters (September–November 2014 and January–March 2015) with 100 points the highest score. There was a slight drop in the RTA's overall performance due to a higher than expected number of new staff and longer wait times during peak periods. Changes in the recorded message queue announcements and staff training have been introduced to address these issues.

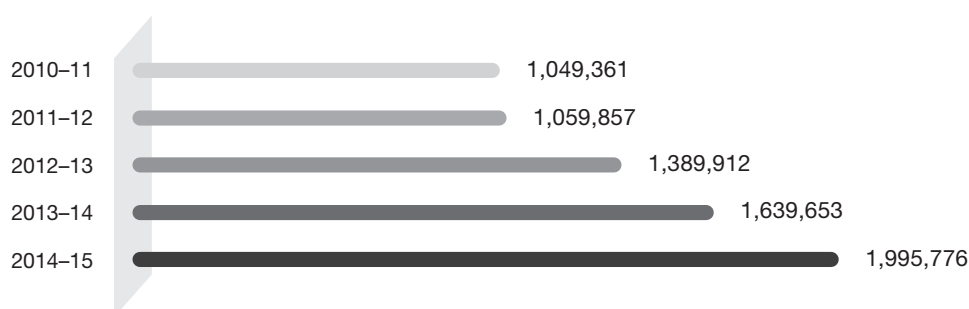
Website redesign

Our website is integral to how we communicate with clients. This financial year our website was rebuilt and redesigned. We focused on providing clients with the most relevant tenancy information, in the fastest time, in a clear, visually appealing way.

Each month the RTA received about 1000 pieces of online feedback from clients about the website. The vast majority of comments were positive about the redesign, confirming our website is 'easy to use' and 'very efficient'.

Visits to our website increased to almost 2 million in 2014–15 (1.6 million in 2013–14), with clients viewing over 6.5 million pages. The number of users accessing our website from a mobile device has also jumped from the previous financial year (from 428,781 in 2013–14 to 669,762 in 2014–15).

Website visits
2010–11 to 2014–15



Publications

More than 239,000 printed RTA publications were distributed to our clients during 2014–15.

In response to continued demand for access to online tenancy information, clients can order or download publications from our website, or phone to request copies. Many of our publications are also available in languages other than English.

A Spanish language edition of the *Pocket guide for tenants – houses and units* (Form 17a) was introduced to meet the needs of Spanish-speaking tenants. The booklet's launch coincided with Harmony Day in March 2015.

Processing rental bonds

Bond lodgements were processed ahead of target, with 91.9% processed within three days against a target of 90%.

Bond refunds were processed just short of the target, with 89.2% processed within two days against a target of 90%. However, 97.9% of bond refunds were processed within three days.

Targets were affected by an increase in bond refund forms, the need to process some refunds manually and staffing arrangements.

eServices increase in popularity

The number of agents and property managers registering to use our eServices online bond management facility continued to grow. In 2014–15, 87% of agents with more than 100 bonds were registered (86% in 2013–14).

In 2014–15, 55,858 eServices refunds were processed online (48,881 in 2013–14); 16.2% of all refunds processed, up from 14.6% in 2013–14.

Where all parties agree on a bond refund, a client can submit a refund application form online. In 2014–15, 77,279 refund applications were lodged this way (22.4% of refunds). Together with eServices bond refunds, a total of 38.6% of bond refunds processed were from online channels (32.5% in 2013–14) exceeding the target of 35%.

When lodging single bonds, clients can submit an online lodgement form and pay using BPAY. In 2014–15, 341,530 lodgement forms were processed resulting in 29,964 BPAY bond lodgements (8.8% of all lodgements) exceeding the target of 6.5%.

Bond processing jumps

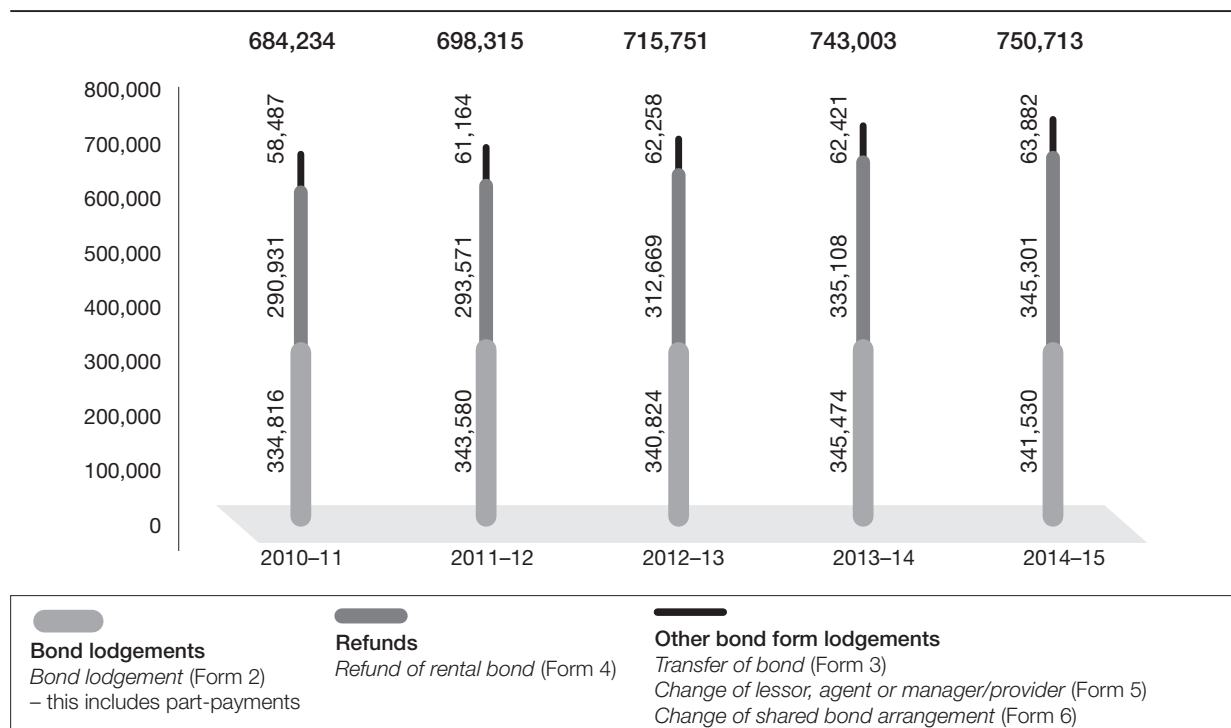
In 2014–15, demand for bond management services increased, with 1% more bond forms processed than the previous financial year. On average, our staff processed 2991 forms each day (2960 daily in 2014–15), a total of 750,713 forms for the year.

December to March is traditionally the peak period for bond management. During that period, an average of 3183 bond forms were processed each day with a maximum daily average of 3663 forms processed in February 2015, breaking the monthly record of 3559 set in February 2013.

Bond lodgement forms accounted for 341,530 of the total forms lodged. Bond refund applications and bond change forms (transfers and changes to lessor, agent and tenants) totalled 409,183 forms processed.

Bond forms processed

2010–11 to 2014–15



Note: Bond and part-payment lodgement figures for 2013–14 reflect bond forms processed. Previous figures were for bond forms received for processing.

Fewer bond top-ups

There was a slight increase in new bonds lodged (0.4%); 264,030 in 2014–15, up from 262,895 in 2013–14, and 22.7% of bond lodgements were extra payments made to existing bonds ('top-ups') which often occur when rent is increased. With median rents being reasonably stable and, in some areas decreasing, fewer bond top-ups were received. Average daily lodgements increased slightly: \$1.514m in 2014–15 compared to \$1.508m in 2013–14.

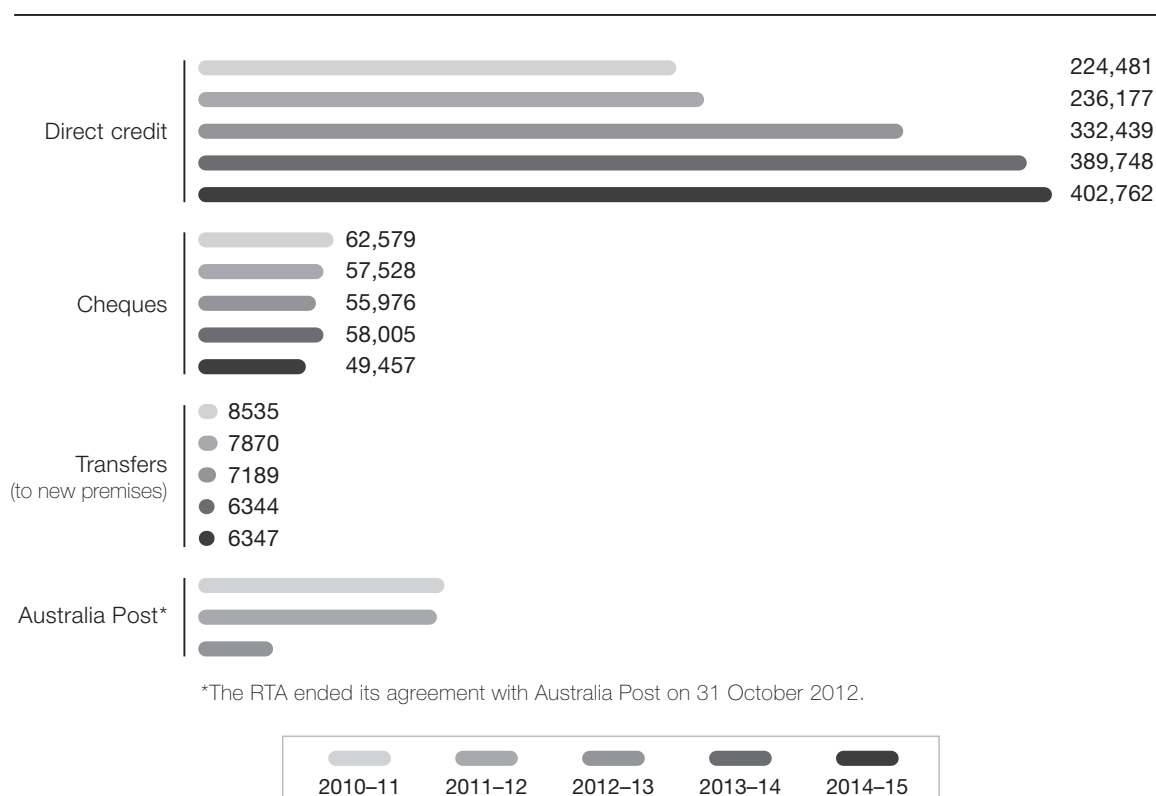
Jump in demand for refund services

Bonds refunded in 2014–15 increased to 998 per day, following an average of 990 bonds finalised daily in 2013–14. The daily average value of refunds increased to \$1.42m from \$1.41m in 2013–14. In 2014–15, we processed 89.2% of bond refund requests within two working days, falling just short of the target of 90% (98.1% in 2013–14).

Of all bonds refunded, 69.5% were paid out as agreed. Of the 'non-agreed' cases a significant proportion (around 82.4%) were finalised after a *Notice of claim* was issued and not disputed. In total, 73.3% of bond money by value was returned to tenants, a slight increase on 2013–14 (72.8%).

The RTA has procedures to minimise mistaken bond refund payments (less than 0.02% of all bonds refunded). When mistakes are made aim to minimise impact on affected clients, we provide staff feedback and improve training.

Bond refund transactions by refund option 2010–11 to 2014–15



Direct deposits to client bank accounts have increased in popularity, with 85.9% of all transactions processed in 2014–15 using this method compared to 83.9% in the previous financial year.

Resolving tenancy disputes

The Client Support initiative introduced in 2013 has been a success, helping clients with conflict coaching, communication strategies and information on the legislation. Of clients assessed for referral to the Client Support team, 80.3% resolved their issue without the need for dispute resolution. Staff across Client Services rotate through the Client Support team which provides job variety and professional development opportunities for staff.

This financial year we launched a trial survey to get client feedback on their experience of the conciliation process. The trial was limited to clients whose conciliation had been quality monitored. The surveys had a return rate of 20% with 77.4% of clients being very satisfied with their conciliation experience. Feedback from the survey is being analysed to identify opportunities for further improvement.

We received 26,197 dispute resolution requests in 2014–15, a decrease of 3.1% from 2013–14. The number of households with tenancy disputes is a small proportion of residential tenancies in Queensland.

High resolution rates

When people participated in the conciliation process, 80.2% (78.3% in 2013–14) of disputes were resolved and positive outcomes were achieved in 48.3% of all disputes lodged (48.8% in 2013–14); 76.2% of disputes were finalised within 28 days. Helping to resolve these disputes quickly and without the need for QCAT saves clients, and the courts, time and money.

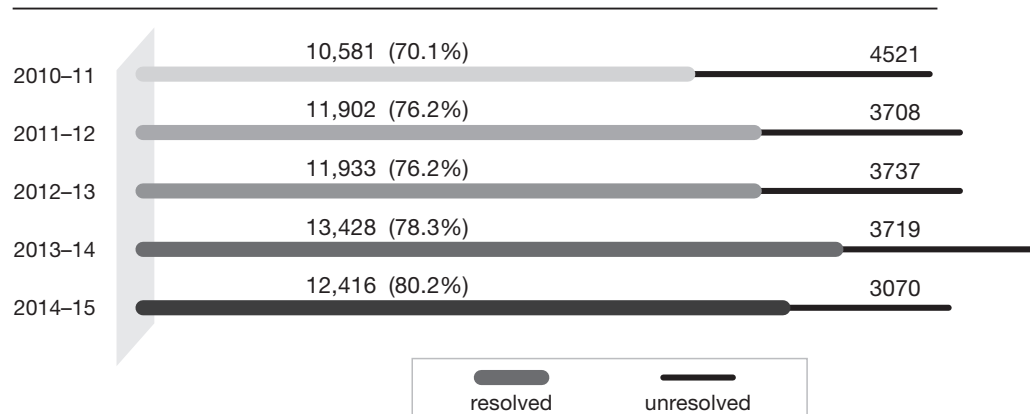
QCAT data showed only 15.6% of finalised disputes led to the lodging of a tribunal application.

The most efficient and effective form of conciliation continues to be conducted through telephone conferencing or individual telephone discussions. Face-to-face conciliations can be conducted as required.

Dispute resolution requests received 2010–11 to 2014–15



Dispute resolution results after participation in the conciliation process 2010–11 to 2014–15



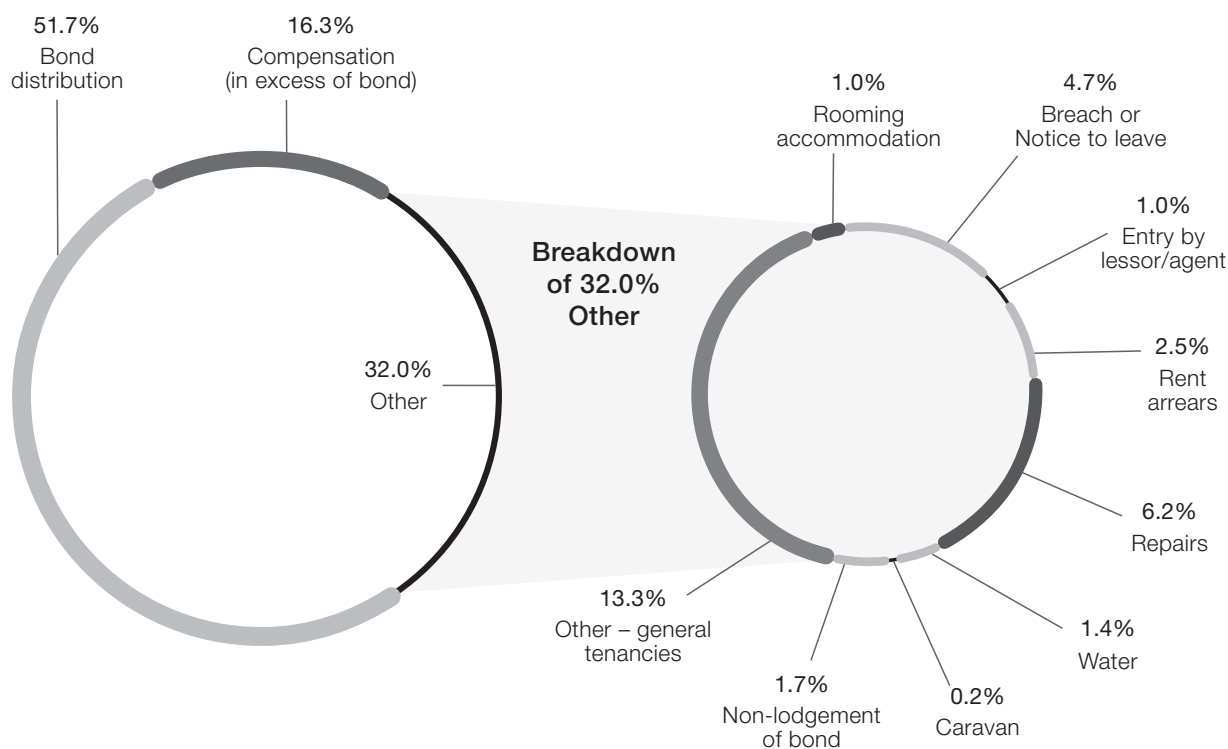
Reasons for disputes

Claims on bond money are often the cause of disputes, accounting for 51.7% of all disputes received in 2014–15 (compared with 49.9% in 2013–14). Bond disputes include disagreements about outstanding rent, the state of the premises or water usage. Claims for compensation in excess of the rental bond, or claims after the bond has been distributed, account for 16.3% of all disputes.

A significant proportion of disputes occurs during tenancies and accounts for 32.0% of all disputes. They often relate to repairs and maintenance, rental arrears and ending a tenancy early.

Reasons for disputes

2010–11 to 2014–15



Ongoing training

All staff receive regular on-the-job training and support. Professional training continued in 2014–15, with nine conciliators attending intensive conciliation skills workshops conducted by the Peace and Conflict Studies Institute Australia (PaCSIA). Targeted training also enhanced the skills of coaches and divisional leaders.

Investigations and prosecutions

The RTA investigates alleged offences under the Act. While enforcement action, such as issuing infringement notices and prosecutions, is pursued for serious and repeat offences, an emphasis on education proves most effective. This approach is the most productive and beneficial to the rental sector, with instances of re-offending remaining extremely low.

During 2014–15 we carried out a comprehensive internal review of our compliance policies, procedures and processes, resulting in a redistribution of functions.

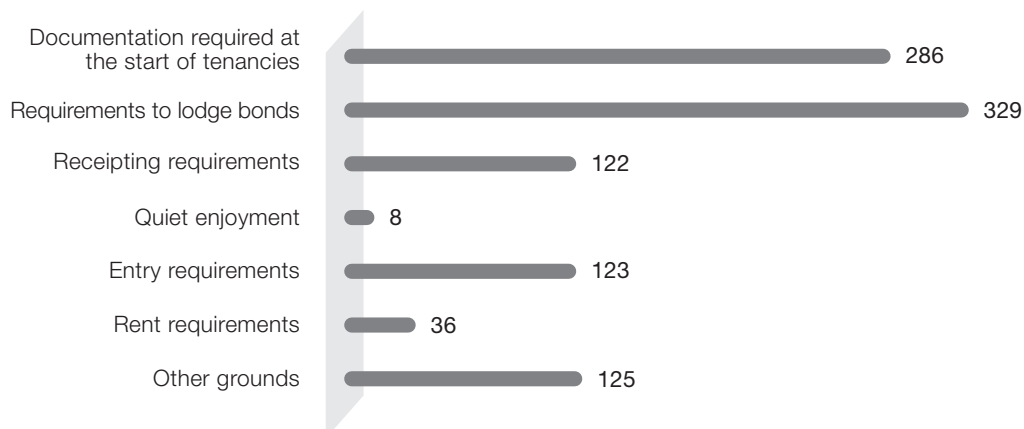
The most common offences continue to be failure to lodge bonds within the required timeframe, and failure to provide necessary documents at the start of a tenancy.

Five hundred and eleven investigations were commenced in 2014–15, and 91.9% (target 90%) were resolved within six months. We instigated enforcement action against one offender, relating to three separate tenancies.

Investigations into non-compliance with the Act 2010–11 to 2014–15



Types of offences investigated in 2014–15



Our sector

Key results 2014-15



Future priorities 2015-16

- Consult with the sector about proposed amendments to the Act and emerging issues
- Develop an amendment bill for tenancy database listings to meet national minimum standards
- Continue to communicate with targeted client groups across a range of newly developed channels including webinars, podcasts, videos, digital media tools and additional translated publications
- Commission audience research to deepen our understanding of our clients' communications needs and improve targeted education activities
- Ongoing stakeholder engagement
- Provide funding of \$5m to the Department of Housing and Public Works to support social housing initiatives

Regulating the sector

The review of the Act continued this financial year. Legislative review ensures the Act balances stakeholder interests, facilitates effective service delivery and, where possible, reduces regulatory burden.

Interim amendments supported changes to social housing through the Queensland Building and Construction Commission and Other Legislation Amendment Bill 2014 which was passed in October 2014.

Opportunities to refine business processes and remove redundant provisions in the Act to reduce sector red tape were identified. The RTA will consult with the sector on other emerging issues identified through our ongoing monitoring of the Act.

Other government agencies

We continue to work with government agencies, such as the Office of Fair Trading, the Department of Justice and Attorney-General, and the Department of Housing and Public Works to discuss the legislative frameworks around residential tenancies and related issues.

Listening to stakeholders

We strengthen collaborative sector relationships through quarterly Industry Development Forums (IDF) (see below), individual liaison, reference groups and targeted consultation to review and monitor the operation of the legislation.

Stakeholder groups include:

- Real Estate Institute of Queensland (REIQ)
- Property Owners' Association of Queensland (POAQ)
- Australian Resident Accommodation Managers' Association (Queensland) (ARAMA)
- Tenants Queensland (TQ)
- Caravan Parks Association of Queensland (CPAQ)
- Queensland Shelter (QShelter)

We also support the Minister in accordance with our legislated functions.

We work with stakeholders to develop and implement legislation, policies, programs and services, ensuring all voices are properly represented when government decisions are made.

IDF discussions in 2014–15 included:

- review of the Act
- the development of our new business system
- emerging issues, such as the Private Member's Bill on minimum housing standards
- opportunities to reduce red tape in our business processes and legislation.

Supporting the sector

In 2014–15, we responded to 246 requests received for rental market data and other statistical information from various government agencies, stakeholders, the housing industry and the community. In 2013–14 we responded to 214 requests.

Client interactions, such as enquiries, types of dispute resolution requests and tribunal orders, are used to monitor the Act's operation and inform policy advice. We also analysed operational data and monitored emerging trends for targeted, state-wide community education activities.

Outreach program reaches thousands

In 2014–15, we hosted 75 tenancy seminars, industry and peak body presentations, and other information sessions across Queensland. The presentations provided us with a chance to reach 5004 clients, listen to client concerns and pass on useful tenancy information.

The 2014–15 outreach program included seminars in Mt Isa, Hervey Bay, Bundaberg, Moreton Bay region and Brisbane West for property managers and landlords. The seminars covered areas useful to new and experienced property owners and managers, including an overview of RTA services and the latest sector news.

We continued to build links with stakeholders in rooming accommodation through various awareness raising activities.

In collaboration with QShelter, we conducted seven tailored tenancy law sessions for Community Housing Providers (managers of community housing as part of the proposed transfer of social housing to the private sector) in Cairns, Bundaberg and the greater Brisbane area.

In association with CPAQ we attended SE Queensland, Fraser Coast and Cairns regional meetings assisting park managers with their enquiries regarding moveable dwelling tenancies.

Webinars and events

Six hundred and ninety-four property managers and property owners from across the state joined two tenancy webinars during the financial year. A QCAT representative discussed the tribunal's role in tenancy matters at one of these webinars; the other focused on dispute resolution strategies. The webinars, which can be viewed on the RTA's YouTube channel (RTAQueensland), help clients make informed decisions and meet their legal obligations.

We also hosted promotional information stands at public events such as NAIDOC Week's Musgrave Park Family Fun Day, Brisbane Welcomes International Students and World Refugee Day Community Festival. At these events and other presentations, our staff were able to respond to enquiries relating to tenancy rights and responsibilities.

Improved access for CALD clients

We are committed to making our services and the tenancy information we provide accessible to everyone in Queensland's large and diverse residential tenancies sector.

We provide tenancy information to culturally and linguistically diverse (CALD) clients, outlined in the Queensland Cultural Diversity Policy. Our Client Action Reference Group, with representatives from across the organisation, provides progress reports to the executive team.

In 2014–15 we supported CALD clients by:

- training staff to provide culturally responsive services
- strengthening community networks to raise awareness of our organisation and services through information sessions, seminars and consultation sessions
- exploring options for online cultural awareness training modules to be used by frontline staff
- placing contact information for the Translating and Interpreting Service (TIS) on all publications, ensuring CALD clients can access tenancy information in their own language
- publishing the *Pocket guide for tenants – houses and units* (Form 17a) in Spanish
- providing educational seminars for international students.

In 2014–15 we received 780 calls using the TIS, a 9.2% increase on last year. The most requested languages were Mandarin (185 calls in 2014–15, up from 93 in 2013–14), Korean (126 calls in 2014–15, almost doubling 2013–14's total of 67) and Arabic (61 calls in 2014–15, almost quadrupling 2013–14's total of 16 calls).

Online publications

This financial year we launched an online publication for community support workers to help them provide tenancy information to vulnerable clients.

This followed the March 2014 launch of *Open house – caravan park managers*, aimed at strengthening our relationship with the caravan sector by providing helpful and relevant information.

Subscriptions to our online publication *Open house – property managers and owners* have continued to grow. In 2014–15 the total number of subscribers grew from 7420 to 8890 (at 30 June 2015). Property managers, real estate agents, property owners, community housing providers, educational institutions, peak bodies and rooming accommodation providers have all registered to receive the publication, which is published every two months.

Throughout 2014–15 we delivered targeted tenancy information through articles provided to a range of sector publications including those published by the REIQ, TQ, Caravanning Queensland, ARAMA (Qld) and POAQ. We also promoted tenancy education in the International Student Guide.

Tenancy advice services reinstated

The RTA participated in discussions around the government's commitment to reinstate tenancy advice services throughout Queensland.

On 1 June an interim tenant advisory service was established through a joint venture between Tenants Queensland (TQ) and Enhance Care Inc., which will be in place until the new service is finalised by the Department of Housing and Public Works.

Our organisation

Key results 2014-15



Future priorities 2015-16

- Deliver key elements of business transformation program including supporting business systems
- Review and implement the strategic roadmap for our future business systems and develop strategies for the management and decommissioning of legacy systems
- Support staff through business transformation
- Continue to create a flexible, dynamic workforce with staff working across business units to deliver improved client services across all service channels
- Train and transition staff to new business processes and systems to support excellence in client service
- Increase focus on information, knowledge and data management
- Investigate ways to take advantage of business efficiencies related to future online services
- Review all policies, procedures and work instructions to ensure they align with the new business system
- Continuous innovation and improvement to ensure business processes align with the new business plan

Our people

Our staff put clients' needs first, and a culture of client service exists alongside strong performance management and a healthy work-life balance.

The Human Resources Strategic Plan 2014–19 outlines objectives, performance indicators and strategies that support and contribute to the overall implementation of RTA's 2014–2018 Strategic Plan. This plan supports organisational effectiveness and efficiency by providing strategies to maintain a flexible, motivated and client-centric workforce.

Improving performance

Our Performance Development Scheme provides staff with regular feedback from team leaders, training and the identification of development needs. Clearly defined duties, responsibilities and performance standards help staff members achieve their performance goals.

The Contemporary Leadership Program helps managers, supervisors and team leaders manage and improve performance, influence and motivate team members, and coach and mentor staff.

Staff recognition programs recognise employees who strive for excellence or who achieve outstanding results. In December 2014, 32 individuals and 10 work groups/teams were recognised for their contributions to the RTA and in September 2014, eight long-serving employees were recognised for their 10, 15 and 20 years of service.

Strong safety record

Our Health and Safety Committee successfully identified hazards and managed risk. Our incident rate remained low this financial year with an average frequency rate of 6.37 for every 1,000,000 hours worked. This low rate was a result of quarterly safety inspections, our comprehensive orientation program and specialised safety awareness, which included posture and lifting techniques. Staff were also educated about bomb threats and emergency evacuations, and a G20 taskforce was formed to oversee the RTA's preparations for that event.

Equity at work

We promote a discrimination-free workplace by educating staff about antidiscrimination laws through formal induction training and via the intranet. The Staff Liaison Group (SLG) helps encourage staff to participate in equal employment opportunity (EEO) events such as Mental Health Week, International Women's Day and Domestic Family Violence Prevention Month. Seminars about how to deal with stress and anxiety, and general mental health matters are integrated into our corporate health program.

Balancing life and work

Staff can access free, confidential counselling and online help through the Employee Assistance Program (EAP).

The Wellness Program gives staff the opportunity to improve their knowledge of health issues through programs such as annual health assessments, skin cancer checks and the flu vaccination program.

We remain committed to helping staff balance work, family and lifestyle, with 17% of our workforce engaged in part-time work.

We support the Carers' Charter and staff can apply for part-time work to accommodate caring responsibilities for children, elderly relatives or other family members. Employees can use their sick leave to care for ill or injured immediate family members who are dependent on their care and support.

Transforming the intranet

The intranet is central to how we communicate with our staff. This financial year the intranet was given a fresh new look alongside an technological upgrade.

The upgrade, which was completed in April 2015, ensures the site is a more engaging and interactive communication tool for staff.

Raising money for the homeless

Our corporate culture encourages staff to participate in social gatherings and activities.

The social club, which is supported by the RTA, manages a number of events such as a trivia night and a Christmas function. Staff also raised more than \$5400 in 2014–15 for the Ecumenical Coffee Brigade and Brisbane Youth Service, which help the homeless, through the Casual Friday initiative. In December 2014, our season's greetings message was sent by e-flyer and the money saved on print and postage costs (\$500) was donated to the ECB.

Environmental awareness

In 2014–15 we continued to support environmental initiatives. Staff were provided with information to raise awareness and increase understanding of waste and other energy reduction strategies.

Workforce profile

Seventy percent of staff fill client service positions. All other staff members are in support and business management roles.

Full-time equivalent staff (FTE) directly engaged by the RTA increased from 198.0 in 2013–14 to 199.6 in 2014–15.

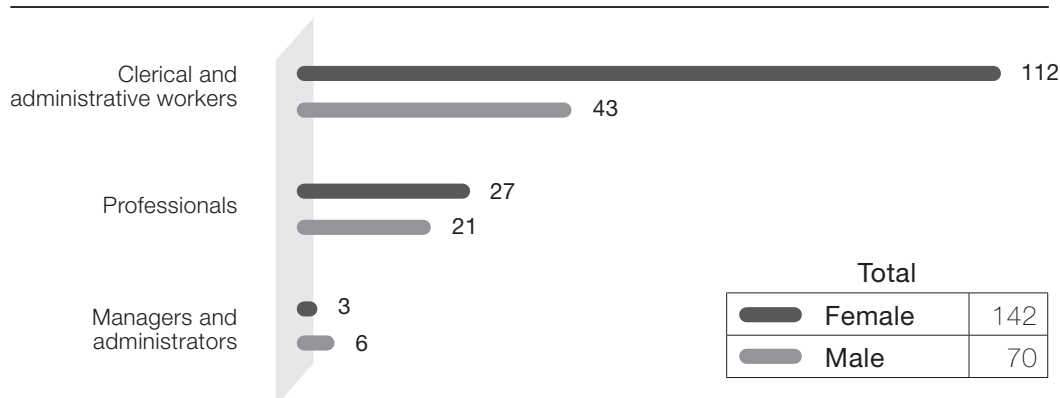
Employees (FTE) by division* as at 30 June 2015

Office of the CEO	2.0
Client Services	87.0
Corporate Services	18.4
Information Management Services**	28.8
Policy and Education Services	21.6
Rental Bond Services	41.8
Total	199.6

* table does not include contract and temporary staff

** includes RTEO staff employed in myRTA

Employees (headcount) by occupation and gender* as at 30 June 2015



*this chart does not include contract and temporary agency staff, nor RTEO employees on leave of greater than 8 weeks

High staff retention continued in 2014–15 and, as at 30 June 2015, 46 employees recorded more than 10 years service with our organisation representing 21.5% of our workforce. Of these, 34 employees (15.9% of the workforce) completed 15 or more years of service, and 18 employees (8.41% of the workforce) completed 20 or more years of service, and 4 employees (1.87% of the workforce) had completed 25 or more years of service.

The annual separation rate for 2014–15 was 10.9% of the workforce. This rate includes staff who resigned to take up roles elsewhere in the public service.

RTA staff are employed under the *Residential Tenancies Authority Employees' Award – State 2002* and are party to the current negotiations over the *State Government Departments' Certified Agreement* (in arbitration with the Industrial Relations Commission).

No redundancy payments were paid during 2014–15.

Our business operations

Business transformation and myRTA program

Our new business system, myRTA, and the associated business transformation, will improve client experience and online access to the RTA.

The system will include a secure, self-service portal for clients on our website, and it is expected to be launched in 2017. Implementation of the new system is supported by a business transformation program that ensures the business is ready for, and fully realises the benefits of, the new solution and business processes. Preliminary work on the Investigations case management module and Core Finance system that was completed this year will enable them to be introduced in the 2015–16 financial year.

Our focus on information, knowledge and data management will continue to increase as governance, strategies and policies are developed and implemented.

Our Program Management Office (PMO) continues to assist with oversight and support of projects through the implementation and monitoring of governance and supporting methodologies. Projects completed in 2014–15 include replatforming the RTA's intranet to make it a more effective and efficient tool for sharing and storing information, and remediation of the RTA website, making it easier for clients to use. These projects provide the capability that supports the future introduction of our new business system.

Organisational change program

A focused organisational change program is supporting the business transformation process and the myRTA program implementation. The change program commenced with the appointment of a Manager, Organisational Change in February 2015.

Driven by the CEO, the program will define the organisational changes required to support the RTA's strategy and future business model.

To date, we have been setting the groundwork for organisational change through initiatives including:

- a Workforce Attitude Survey conducted in April/May. The initial results were presented to the executive team in June and survey results and an assessment of organisational culture will be explored in 2015–16 through employee focus groups, while qualitative data will be used to understand our baseline for change
- agreeing a change management approach for myRTA to ensure successful implementation for both the RTA and our clients
- developing leadership capabilities to drive change. These development activities are based on the philosophy that 'leadership drives culture, culture drives change'.

Quality management

Our Quality Review process is a key business driver that underpins our Quality Management system. We continued to regularly review our processes and procedures throughout 2014–15, exploring and implementing innovative ideas and identified opportunities for improvement. All processes, policies and procedures are reviewed on a cyclical basis.

We are currently revamping the way we review our processes and procedures in order to focus on streamlining our processes, continuous improvement and innovation, and transparency and staff involvement. This financial year we moved from using an external Quality Consultant to an in-house Quality Coordinator.

We retained our *Quality Assurance Standard ISO 9001:2008*, following a quality audit by SGS Systems & Services Certification Pty Ltd. The auditors confirmed the RTA continued to maintain strong internal review processes.

Executive team

Darren Barlow BCom, MBA (Advanced),
Dip Fin Serv, FCPA, FAICD, SA Fin, MAIPIO
Chief Executive Officer

Darren Barlow was appointed Chief Executive Officer on 13 April 2015 and joined the organisation on 5 May.

Darren has extensive management experience, having held senior roles in commercial, financial, strategic and business transformation areas across the public and private sectors.

Before joining the RTA Darren held a range of senior executive positions at Aurizon, the Master Builders Association of Queensland and Ergon Energy.

Darren holds a Bachelor of Commerce degree from Griffith University and an MBA from the University of Queensland. He is a Fellow Certified Practising Accountant and a Fellow of the Australian Institute of Company Directors.

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

Executive Manager, Policy and Education Services

Ms Arber is Acting Executive Manager of the Policy and Education Services division. Her division undertakes research, policy development, communication, community education and investigations to maintain integrity and balance within Queensland's rental sector.

Previously she worked in the RTA's communication, education and policy areas as well as the RTA's Core Client Services Program.

Ms Arber joined the RTA in 1992 as Communications Coordinator before becoming the Principal Policy Officer in 2001. Before joining the RTA Ms Arber worked for Education Queensland, the Department of Family Services and Premier's Department.

David Breen BA (Hons),
Grad Dip Soc Sci (Housing Mgt and Policy)

Executive Manager, Corporate Services

Mr Breen has managed Policy and Education Services since joining the RTA in 1999. Currently Acting Executive Manager of Corporate Services, he oversees human resources, legal, financial management, corporate governance and business planning, and recordkeeping.

He has a strong knowledge of Queensland's housing sector, having worked in program and operational areas of the Department of Housing. Mr Breen also worked in disability services in several states for 17 years.

Ray Rapinette BCom, GAICD, MIPA

Executive Manager, Information Management Services

Mr Rapinette joined the RTA in 2007 as Executive Manager, Corporate Services and is currently acting as the Executive Manager, Information Management Services. His division is responsible for investigating, sourcing and facilitating the implementation of our new business capabilities. The program will enable the RTA to deliver rapid, flexible and more integrated services to clients.

Mr Rapinette was temporarily appointed Chief Executive Delegate from 2 March to 5 May 2015 following the departure of acting CEO, David Eades.

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, and risk and facilities management.

Melanie Banner

Executive Manager, Client Services

Ms Banner joined the RTA in 2008 and is the Executive Manager of Client Services.

She is responsible for delivering effective and efficient services to our clients.

Ms Banner is committed to delivering high quality services through a range of channels that are valued by our clients.

Ms Banner has also worked as the Executive Manager of Dispute Resolution and team leader.

Prior to joining the RTA, Ms Banner worked across the public sector at state and federal government levels, specialising in frontline management in high-volume client environments.

Kylie Lewis BBus (Mgt)

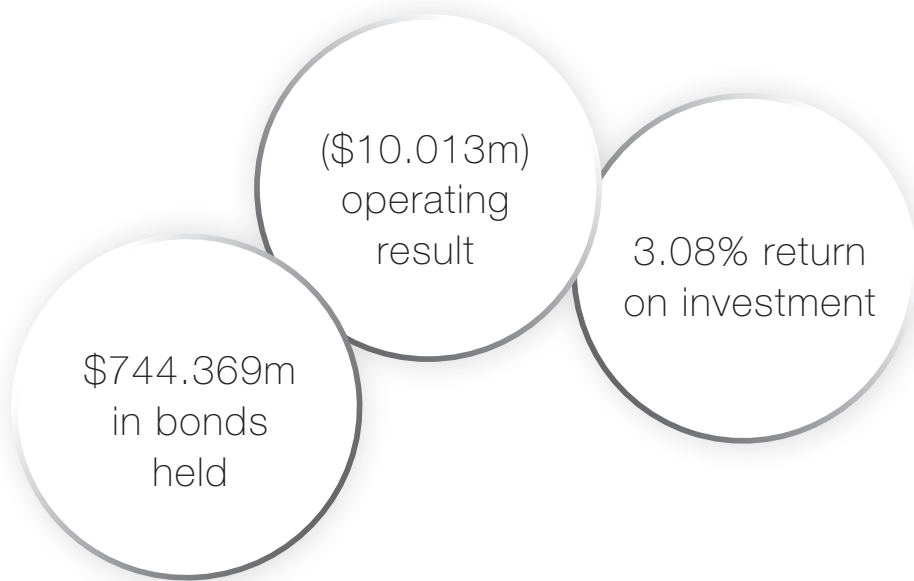
Executive Manager, Rental Bond Services

Ms Lewis joined the RTA in 1995 as Research Officer (statistics) and was appointed Executive Manager, Rental Bond Services in May 2009. Her division manages the processing of all bond lodgements, refunds and related transactions.

Ms Lewis brings extensive public service experience to her role, having worked for the Lands Department, the Queensland Government Statistician's Office, the Department of Education, and Corrective Services.

Our finances

Key results 2014-15



Future priorities 2015-16

- Review the RTA investment strategy and mandate to position the portfolio and its governance arrangements for the current low return environment
- Maintain a high standard of financial governance
- Implement a new corporate finance system based on Microsoft Dynamics AX
- Develop capacity through implementation of more efficient business processes and supporting system enhancements

Financial overview

Lower investment returns

This year has been challenging with modest growth in the value of rental bonds held and significantly lower investment returns.

There was a modest increase in the value of bonds held during 2014–15, increasing by 3.17% from \$721.469m to \$744.369m. The slight increase was due to lower growth in net bonds held and modest rent increases across Queensland, reflecting lower population growth and weakening economic conditions in the State.

The average rate of return on investments of rental bonds was 3.08% against a budgeted return of 4.90%. Investment returns were \$24.517m in 2014–15, reflecting volatility in global markets and a continued low interest rate environment in Australia. This was \$13.225m less than forecast and is the poorest investment outcome since the Global Financial Crisis in 2008–09.

We are committed to ensuring prudent management of investments through agreed strategies and processes in line with the *Statutory Bodies Financial Arrangements Act 1982*. Given continued market uncertainty, we are working closely with fund manager Queensland Investment Corporation (QIC) to ensure investment risks are carefully managed.

A grant of \$2.595m was provided to the Department of Housing and Public Works to support social housing initiatives.

The result has been an operating income of \$24.535m, down \$22.150m on the result achieved in 2013–14. While expenses were less than originally budgeted the significant decrease in investment income resulted in an operating deficit of \$10.013m.

Net financial instruments held at the RTA as at 30 June 2015 were \$47.783m compared to \$60.067m the previous year. This includes financial assets of \$805.164m (cash, investments and receivables) less \$757.381m in financial liabilities (payables, rental bonds and unclaimed monies held on behalf of clients). At 30 June 2015, the RTA held \$755.495m in rental bonds and unclaimed monies.

Sound financial position

Despite this year's operating deficit, we have been able to maintain a healthy balance sheet, with no debt and a high level of liquid assets. Total equity decreased by 16.00% from \$62.595m in 2013–14. However the RTA maintains a solid financial position with total net assets of \$52.582m.

Financial performance

2010–11 to 2014–15
(\$'m)

Financial year	Income	Expenditure	Surplus/deficit
2010–11	45.971	35.086	10.885
2011–12	39.640	33.799	5.841
2012–13	45.721	41.064	4.657
2013–14	46.685	48.660	(1.975)
2014–15	24.535	34.548	(10.013)

Our recent financial performance is shown above. The table highlights the relationship between the level of investment revenue, expenditure and the surplus or deficit achieved for the last five years.

This year's operating deficit is \$10.013m. This result is due to significantly lower than forecast investment returns combined with high non-recurrent expenditure on the development of the RTA's replacement core business system. Based on forecasts made in early 2014, it was anticipated that the returns on the investment portfolio would be \$37.742m. However continued low/negative international interest rates combined with interest rate cuts in Australia resulted in a 3.08% return and \$13.225m less income than budgeted.

The operating deficit was funded from our accumulated surplus. This reserve ensures that service delivery will continue at current or increased levels into the future without disruption.

Challenging financial outlook

A forecast reduction in investment returns combined with non-recurrent expenditure to complete the new core business systems will result in a forecast deficit in 2015–16. Due to the ongoing low interest rate environment in Australia and internationally, the forecast level of investment returns is 4%.

We continue to monitor Queensland Audit Office reports and implement the general recommendations where appropriate. We received an unqualified audit report for our financial statements for the 2014–15 financial year.

Strategic investment management

We manage our investments in accordance with Part 3, Division 5 of the *Residential Tenancies and Rooming Accommodation Act 2008* and invest in accordance with the *Statutory Bodies Financial Arrangements Act 1982*.

To address the issue of market volatility, three basic principles are used to manage investments:

- Ensure the annual target return on investments is based on conservative estimates of market returns and rental bond growth.
- Ensure the investment strategy is actively managed, monitored and applied proactively to address fluctuations in investment revenue.
- Maintain separate operational funds to ensure business sustainability during difficult economic times.

The RTA aims for best practice investment management by establishing clear investment goals, an overall investment strategy and investment risk tolerances. Reporting and monitoring arrangements are in place to ensure effective corporate governance. Earnings from the investment of rental bonds are allocated between the Rental Bond Portfolio and the Business Operations Portfolio.

The Rental Bond Portfolio represents the investment of all rental bonds held. It is actively managed by fund manager QIC and funds are allocated across a range of asset classes according to 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.

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, short-term fixed deposits and in the Queensland Treasury Corporation Cash Enhanced fund. They are managed in accordance with the *Statutory Bodies Financial Arrangements Act 1982*.

Allocation of investment funds managed through QIC
as at 30 June 2015

Fund type	Investment range	Amount invested (\$'m)	Proportional allocation
QIC Absolute Return Bond Fund	0–30%	93,752	12.50 %
QIC Bond Plus Fund	0–45%	149,935	19.90 %
QIC Cash Enhanced Fund	0–100%	161,965	21.50 %
QIC Global Credit Fund	0–45%	228,645	30.30 %
QIC Global Credit Opportunities Fund	0–20%	1,866	0.20 %
QIC Property Fund	0–20%	109,578	14.50 %
Overlay		8,647	1.10 %
Total		754,388	100.00%

Selected financial and operating data

The RTA has compiled the financial information for the year ending 30 June 2015 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 the Queensland Audit Office.

Operating expenditure

This year, expenditure decreased by \$14.112m (29.00%) to \$34.548m.

Employee expenses

Staff levels have increased slightly to ensure delivery of the increased client service initiatives to meet the demands of a growing residential rental market. However, employee expenses increased by \$1.010m (6.4%) from \$15.855m in 2013–14 to \$16.865m in 2014–15 due to increase in service volumes and additional resources associated with the development of new systems.

Total expenditure by type

Expenditure	2013-14	2014-15
Salaries and related expenses	32.6 %	48.8 %
Investment fees	3.4 %	4.9 %
Grants and subsidies	43.2 %	7.5 %
Agency fees	0.6 %	0.9 %
Other expenses	20.2 %	37.9 %

Grants

Grants decreased by 87.64% from \$21.000m in 2013–14 to \$2.595m in 2014–15 (see below).

RTA grants (\$'m)

Grant	2013-14	2014-15
Department of Housing and Public Works to support affordable and social housing initiatives	21.000	2.595
Total	21.000	2.595

Supplies and services

Supplies and services increased by \$2.696m (24.9%) from \$10.810m in 2013–14 to \$13.506m in 2014–15 due to service delivery changes and the increase in costs associated with the development of new systems.

Improved efficiency reduces costs

The RTA continues to reduce transaction costs through the increasing use of electronic transactions such as direct deposit of bond refunds into clients' bank accounts.

The website remains a core strategy to reduce costs and improve efficiency, with clients using it to download forms and tenancy information. This reduces production, warehousing and distribution costs to the RTA.

Financial statements

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General Information

These financial statements cover the Residential Tenancies Authority and its controlled entity.

The Residential Tenancies Authority (RTA) and its controlled entity are both Queensland Government statutory bodies constituted under the *Residential Tenancies and Rooming Accommodation Act 2008* (Qld).

The RTA is 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.

A description of the nature of the RTA's operations and its principal activities is included in the notes to the financial statements.

Statement of Comprehensive Income

for the year ended 30 June 2015

		Group		Parent	
		2015	2014	2015	2014
	Notes	\$'000	\$'000	\$'000	\$'000
Income					
Investment revenue	3	24,517	42,726	24,517	42,726
Other revenue	3	18	3,240	18	3,240
Rental income	3	-	245	-	245
Other income:					
Gains on sale of assets	4	-	474	-	474
Total income		24,535	46,685	24,535	46,685
Expenses					
Employee expenses	5	16,865	15,855	242	333
Supplies and services	8	13,506	10,810	30,132	26,328
Grants and subsidies	9	2,595	21,000	2,595	21,000
Depreciation and amortisation	10	669	729	669	729
Impairment Losses	11	650	-	650	-
Other expenses	12	263	266	260	270
Total expenses		34,548	48,660	34,548	48,660
Operating result for the Year		(10,013)	(1,975)	(10,013)	(1,975)
Other Comprehensive Income		-	-	-	-
Total Operating Result		(10,013)	(1,975)	(10,013)	(1,975)

The accompanying notes form part of these statements.

Statement of Financial Position

for the year ended 30 June 2015

		Group		Parent	
		2015	2014	2015	2014
	Notes	\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	13	50,284	58,109	50,173	58,017
Other financial assets	14	754,388	734,095	754,388	734,095
Receivables	15	492	757	492	756
Other current assets	16	700	321	688	320
Total current assets		805,864	793,282	805,741	793,188
Non current assets					
Intangible assets	17	5,976	3,503	5,976	3,503
Property, plant and equipment	18	1,616	1,902	1,616	1,902
Other non-current assets	16	142	125	142	125
Total non-current assets		7,734	5,530	7,734	5,530
Total assets		813,598	798,812	813,475	798,718
Current liabilities					
Payables	19a	1,684	1,791	5,185	5,020
Rental bonds and unclaimed monies	19b	755,495	731,103	755,495	731,103
Accrued employee benefits	20	2,493	2,228	11	-
Total current liabilities		759,672	735,122	760,691	736,123
Non current liabilities					
Operating lease payable	19c	202	-	202	-
Accrued employee benefits	20	1,142	1,095	-	-
Total non current liabilities		1,344	1,095	202	-
Total liabilities		761,016	736,217	760,893	736,123
Net assets		52,582	62,595	52,582	62,595
Equity					
Accumulated surplus	21	52,582	62,595	52,582	62,595
Total equity		52,582	62,595	52,582	62,595

The accompanying notes form part of these statements.

Statement of Changes in Equity

for the year ended 30 June 2015

	Accumulated Surplus	Total Equity
	\$'000	\$'000
	Group	
2015		
Balance as at 1 July 2014	62,595	62,595
Operating result from continuing operations	(10,013)	(10,013)
Balance as at 30 June 2015	52,582	52,582
2014		
Balance as at 1 July 2013	64,570	64,570
Operating result from continuing operations	(1,975)	(1,975)
Balance as at 30 June 2014	62,595	62,595
	Parent	
2015		
Balance as at 1 July 2014	62,595	62,595
Operating result from continuing operations	(10,013)	(10,013)
Balance as at 30 June 2015	52,582	52,582
2014		
Balance as at 1 July 2013	64,570	64,570
Operating result from continuing operations	(1,975)	(1,975)
Balance as at 30 June 2014	62,595	62,595

The accompanying notes form part of these statements.

Statement of Cash Flows

for the year ended 30 June 2015

		Group		Parent	
		2015	2014	2015	2014
	Notes	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Inflows					
Interest income		2,166	2,590	2,166	2,590
Bond lodgements		378,935	378,194	378,935	378,194
Other operating receipts		18	215	18	215
GST collected from customers		31	131	31	131
GST refunds received		1,638	1,108	1,638	1,108
Outflows					
Bond claims		(354,543)	(352,482)	(354,543)	(352,482)
Employee expenses		(16,553)	(15,508)	(231)	(392)
Supplies and services		(13,850)	(9,450)	(30,193)	(24,596)
Grants and subsidies		(2,595)	(21,000)	(2,595)	(21,000)
Other expenses		(290)	(220)	(288)	(227)
GST paid to suppliers		(1,648)	(1,229)	(1,648)	(1,229)
Net cash provided by operating activities	22	(6,691)	(17,651)	(6,710)	(17,688)
Cash flows from investing activities					
Inflows					
Sales of property, plant & equipment		-	7,107	-	7,107
Investments redeemed		33,348	41,986	33,348	41,986
Outflows					
Payments for property, plant and equipment		(152)	(60)	(152)	(60)
Payments for intangibles		(3,330)	(1,978)	(3,330)	(1,978)
Payments for investments		(31,000)	(33,006)	(31,000)	(33,006)
Net cash used in investing activities		(1,134)	14,049	(1,134)	14,049
Net increase/(decrease) in cash and cash equivalents		(7,825)	(3,602)	(7,844)	(3,639)
Cash and cash equivalents at beginning of financial year	13	58,109	61,711	58,017	61,656
Cash and cash equivalents at end of financial year	13	50,284	58,109	50,173	58,017

The accompanying notes form part of these statements.

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 Housing and Public Works and Minister for Science and Innovation.

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 RTEO commenced on 1 July 2008. In accordance with AASB 10 *Consolidated Financial Statements* and *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 a consolidated General Purpose Financial Report for the 2014–15 financial year. Thus, this financial report covers the 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 RTA 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 Queensland Treasury's Minimum Reporting Requirement for the year ended 30 June 2015, 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) The reporting entity

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

The RTA as an economic entity consists of the parent entity together with the RTEO as a controlled entity. In order to provide enhanced disclosure, the RTA has adopted the principles outlined in Australian Accounting Standard AASB 10 *Consolidated Financial Statements* and AASB 12 *Disclosure of Interests in Other Entities*. This approach is considered appropriate as it reflects the relationship between the RTA core business activities and those of the RTEO. In the process of reporting on the RTA as a single economic entity, all transactions and balances internal to the economic entity have been eliminated in full.

(c) 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. Changes in the net market value of investments are recognised in the period in which they occur. The net market value is based on the closing unit redemption price and includes both realised and unrealised movements. Distributions are reinvested into the QIC Managed Funds. Any interest derived on funds invested with other financial institutions is brought to account when earned.

(d) Investment income and expenses

Interest income, investment expenses and distributions from unit trusts are recognised in profit or loss on an accruals basis.

Changes in the fair value of investments are recognised as income or losses in profit or loss as they occur.

(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) Special Payments

Special payments include ex-gratia expenditure and other expenditure that the RTA is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2009*, The RTA maintains a register setting out details of all special payments greater than \$5,000. The total of special payments (including those of \$5,000 or less) is disclosed separately within the notes of the Financial Statements. However, descriptions of the nature of special payments are only provided for special payments greater than \$5,000.

(g) 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, including 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.

(h) 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:

Plant and Equipment	\$5,000
---------------------	---------

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

(i) Fair value measurement

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimates using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets being valued. The RTA's investment portfolio is valued at the market value as measured by the QIC portfolio funds manager and does not apply any other unobservable assumptions or judgements to the fair value assessment.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

All assets and liabilities of the RTA and its controlled entity for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- Level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- Level 2 – represent fair value measurements that are substantially derived from inputs other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- Level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

The RTA and its controlled entity values the investment portfolio at market value as stated by the investment portfolio funds manager which is categorised as level 2 in the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

(j) Intangibles

Intangible assets with a cost or other value greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Each intangible asset, less any anticipated residual value, is amortised over its estimated useful life to the RTA. 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. No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

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

Costs that do not meet the criteria for capitalisation are expensed as incurred. Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

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

All intangible assets of the RTA have finite useful lives and are amortised on a straight line basis.

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.

Where assets have separately 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.

The depreciable amount of improvements to leased buildings is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is probable.

Items comprising the RTA's technical library are expensed on acquisition.

The RTA is continuing with its major undertaking to develop an improved and integrated Customer Relationship Management (CRM) system. The associated development costs are currently accumulating as Work in Progress Capital until the work is complete, at which time the asset will be formally recognised as an intangible asset and will begin to be amortised over the asset's estimated useful life to the RTA.

Internally generated software under development (work-in-progress) is not amortised until it reaches service delivery capacity. Service delivery capacity relates to when development is complete and the asset is first put to use or is installed ready for use in accordance with its intended application.

The existing Bond Management System has been fully written down.

For each class of depreciable asset, the depreciation and amortisation rates are used:

Class	Useful Life (years)	Rate %
Plant and equipment	3 to 20	5 – 33.3
Computer hardware	3	33.3
Leasehold improvements	10	10
Intangible assets:		
Software purchased	3	33.3
Software internally generated	3 to 10	10 – 33.3

(l) 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.

Any impairment loss is recognised immediately in profit or loss.

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.

(m) 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 six products covering various levels of investment risk and investment return (see note 14).

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

(n) Leases

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits.

The RTA has no finance leases.

Operating lease expenditure is recognised on a straight-line basis over the term of the lease.

(o) Payables

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

(p) 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.

(q) 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

All other disclosures relating to the measurement basis and financial risk management of other financial instruments held by the RTA are included in Note 25.

(r) Employee benefits

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits (refer Note 5).

Workers compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses.

Wages, Salaries 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).

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position as at the current salary rates.

As the RTA expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

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

Annual Leave, Long Service Leave and Time-off-in-lieu (TOIL)

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 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. Unpaid Liabilities are classified as current where the RTA does not have an unconditional right to defer settlement beyond 12 months.

Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. 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.

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Key Management Personnel and Remuneration

Key management personnel and remuneration disclosures are made in accordance with the *Financial Reporting Requirements for Queensland Government Agencies* issued by Queensland Treasury. Refer to note 6 for the disclosures on key executive management personnel and remuneration.

(s) 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 with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

The RTA and its controlled entity are also required to comply with Pay-As-You-Go (PAYG) withholding requirements (Cth) and state taxes such as Payroll Tax (QLD).

GST

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.

Income, expenses, assets, and liabilities (excluding receivables and payables respectively) are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or in the amount of the expense.

Receivables and payables are stated with the amount of GST included, where applicable.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables, respectively, in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows net of the amount of GST. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

Commitments and contingencies are disclosed inclusive of the amount of GST recoverable from, or payable to, the ATO, where applicable.

RTEO and RTA are grouped for GST purposes.

(t) Issuance of financial statements

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

(u) Accounting estimates and judgments

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 on the financial statements are outlined in the following financial statement notes:

Employee benefits

– note 1(r) and Note 5

Valuation of Intangibles

– note 1(j) and Note 17

Depreciation and Amortisation

– note 1(k) and Note 10

Impairment of non-current assets

– note 1(l) and Note 17

(v) Other presentation matters

Currency and Rounding – 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.

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

(w) New and revised accounting standards

The RTA and its controlled entity did not voluntarily change any of their accounting policies during 2014–15.

The Australian Accounting Standard applicable for the first time as from 2014–15 that had the most significant impact on the RTA's financial statements is AASB 1055 *Budgetary Reporting*.

AASB 1055 became effective from reporting periods beginning on or after 1 July 2014. In response to this new standard, the RTA has included in these financial statements a comprehensive new note 'Budget vs Actual Comparison' (Note 29). This note discloses the RTA's original published budgeted figures for 2014–15 compared to actual results, with the explanations of major variances, in respect of the RTA's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows. Note 29 also includes a comparison between the original published budgeted figures for 2014–15 compared to actual results, and explanations of major variances, in respect of the RTA's major classes of income, expenses, assets and liabilities.

The following new and revised standards also became applicable to the RTA as from reporting periods beginning on or after 1 January 2014 –

- AASB 10 *Consolidated Financial Statements*;
- AASB 11 *Joint Arrangements*;
- AASB 12 *Disclosure of Interests in Other Entities*;
- AASB 127 (revised) *Separate Financial Statements*;
- AASB 128 (revised) *Investments in Associates and Joint Ventures*;

- AASB 2011–7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17];
- AASB 2013–8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities*.

The application of the new standards listed above has not had a material impact on the measurement, recognition or disclosure of related balances.

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

From reporting periods beginning on after 1 July 2016, the RTA and its controlled entity will need to comply with the requirements of AASB 124 *Related Party Disclosures*. That accounting standard requires a range of disclosures about the remuneration of key management personnel, transactions with related parties/entities, and relationships between parent and controlled entities. The RTA already discloses information about the remuneration expenses for key management personnel (refer to Note 6) in compliance with requirements from Queensland Treasury. Therefore, the most significant implications of AASB 124 for the RTA's financial statements will be any additional disclosures that may need to be made about transactions with related parties, including transactions with key management personnel or close members of their families. The RTA has yet to make a full assessment on additional disclosure requirements under AASB 124, but it intends to carry out this assessment over the coming financial year.

AASB 9 *Financial Instruments* and AASB 2014–7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)* will become effective from reporting periods beginning on or after 1 January 2018. The main impacts of these standards on the RTA and its controlled entity are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the RTA and its controlled entity's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

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

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.

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

	Group		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
3. Income				
Investment revenue				
Interest on cash assets and investments				
Return on investments	22,691	40,291	22,691	40,291
Bank interest	1,826	2,435	1,826	2,435
Total Investment revenue	24,517	42,726	24,517	42,726
Other revenue				
Sundry income	17	30	17	30
Release of lease incentive obligation	-	3,208	-	3,208
Bad debts recovered	1	2	1	2
Total Other revenue	18	3,240	18	3,240
Rental income				
Property rental	-	245	-	245
Total lease income	-	245	-	245
Total income	24,535	46,211	24,535	46,211

	Group		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
4. Gains on disposal of assets				
Gain on sale of assets held for sale	-	474	-	474
Total gains on sale of assets	-	474	-	474

The gain on assets held for sale in 13–14 resulted from the sale of the RTA's former investment property at 33 Herschel Street, Brisbane.

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

	Group		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
5. Employee expenses				
Employee benefits				
Salaries and wages	13,490	12,728	179	277
Allowances	124	100	-	-
Annual leave expense	116	41	6	(21)
Long service leave expense	333	461	2	4
Employer superannuation contributions	1,664	1,541	18	14
Total Employee benefits	15,727	14,871	205	274
Employee related expenses				
Fringe benefits tax	15	17	14	15
Workers' compensation insurance*	89	82	-	1
Payroll tax*	742	699	23	31
Other employee related expenses	292	186	-	12
Total Employee related expenses	1,138	984	37	59
Total Employee expenses	16,865	15,855	242	333

* Refer to note 1(r) Employee benefits

	Group		Parent	
	2015	2014	2015	2014
	No.	No.	No.	No.
The number of employees as at 30 June including both full-time employees and part-time employees measured on a full-time equivalent basis is:	201	171	1	1

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

6 Key executive management personnel and remuneration expenses

(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 2014–15. 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
Chief Executive Officer	The Chief Executive Officer is responsible for ensuring the authority is managed as required by the policies of the board.	<i>s487 Residential Tenancies and Rooming Accommodation Act 2008</i>	Appointed 8 February 2014 Ceased 2 March 2015 (Temporary Appointment)
Chief Executive Officer Delegate	The Chief Executive Officer Delegate is responsible for ensuring the authority is managed as required by the policies of the board.	SES 3 / <i>s487 Residential Tenancies and Rooming Accommodation Act 2008</i> (Acting on higher duties)	Appointed 3 March 2015 Ceased 5 May 2015 (Temporary Assignment)
Chief Executive Officer	The Chief Executive Officer is responsible for ensuring the authority is managed as required by the policies of the board.	CEO / <i>s487 Residential Tenancies and Rooming Accommodation Act 2008</i>	Appointed 5 May 2015
Acting 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, records management and project assistance.	SO 2; <i>s497 Residential Tenancies and Rooming Accommodation Act 2008</i> (Acting on higher duties)	Appointed 11 November 2013 Ceased 31 October 2014 (Temporary Assignment)
Acting 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, records management and project assistance.	SO-3; <i>s497 Residential Tenancies and Rooming Accommodation Act 2008</i> (Acting at Level)	Appointed 1 November 2014 (Temporary Assignment)
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; <i>s497 Residential Tenancies and Rooming Accommodation Act 2008</i>	Appointed 11 May 2009

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment Authority	Date appointed to position
Acting Executive Manager – Information Management Services	Responsible for the myRTA Program team, information technology and business improvement with the primary objective to ensure better systems and business processes for the RTA. The Executive Manager for IMS assumed the position of CEO Delegate, for the period of 3 March 2015 to the 5 May 2015, prior to the appointment of the new CEO. Once the CEO commenced on the 5 May 2015, the CEO Delegate then assumed the Executive Manager – IMS position.	SES 2; s497 <i>Residential Tenancies and Rooming Accommodation Act 2008</i> (Acting on higher duties)	Appointed 11 November 2013 Ceased 17 July 2015 (Temporary Appointment)
Acting Executive Manager – Information Management Services	Was responsible for the myRTA Program team, information technology and business improvement with the primary objective to ensure better systems and business processes for the RTA. The Acting Executive Manager for IMS assumed the position for the period of 3 March 2015 to the 5 May 2015, prior to the appointment of the new CEO. Once the CEO commenced on the 5 May 2015, the CEO Delegate then went back to the Executive Manager – IMS position.	SES 2; s497 <i>Residential Tenancies and Rooming Accommodation Act 2008</i> (Acting on higher duties)	Appointed 3 March 2015 Ceased 5 May 2015 (Temporary Assignment)
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 3; s497 <i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Appointed 25 October 1999 *
Acting 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> (Acting on higher duties)	Appointed 3 November 2014 (Temporary assignment)
Executive Manager – Client Services	Heads the RTA's Client Services team which personalises tenancy information to clients via telephone, email and face-to-face. The division also manages a dispute resolution service where they provide impartial assistance to help resolve tenancy disagreements.	SO 1; s497 <i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Appointed 29 August 2011

* Executive Manager – Policy and Education is relieving in the Executive Manager – Corporate Services role

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

(b Remuneration)

Remuneration policy for the RTA and its controlled entity is provided for under the Act. Pursuant to this, the executive officer of the RTEO is the same person who holds an existing appointment as the Chief Executive Officer of the RTA. The RTA Chief Executive Officer is appointed by Governor in Council and not under the Act.

The details of the other terms of employment (including motor vehicle entitlements) for the Chief Executive Officer position are specified in the employment contract. The current Chief Executive Officer has been appointed to the RTA on a five year contract effective from the 5 May 2015.

The previous Chief Executive Officer (resigned 2 March 2015) was on secondment from the Department of Housing and Public Works for the period 1 July 2014 to 31 August 2014 and was paid by the Department and the RTA reimbursed the Department for these costs. From 1 September 2014 until 2 March 2015 the previous Chief Executive Officer was employed by the RTA on a temporary contract as a full-time employee.

For the 2014–15 year, the remuneration of key executive management personnel increased by 2.2% (13–14 2.2%) for Senior Officers and 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 employer superannuation contributions.
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payments in lieu of notice on termination, regardless of the reason for termination.

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post employment benefits.

No performance payments were made to key executive management personnel during the financial year.

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

(b Remuneration (cont'd)

1 July 2014 – 30 June 2015

Position (date resigned if applicable)	Short Term Employee Benefits		Long Term Employee Benefits	Post Employee Benefits	Termination Benefits	Total Remuneration
	Base \$'000	Non-monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer (Temporary appointment ceased 2 March 2015)	126	-	-	13	22	161
Chief Executive Officer Delegate (Temporarily appointed 3 March 2015 ceased 5 May 2015)	36	-	1	4	-	41
Chief Executive Officer (appointed 5 May 2015)	30	-	-	3	-	33
Acting Executive Manager – Corporate Services (Temporary appointment ceased 31 October 2014)	43	-	1	6	-	50
Acting Executive Manager – Corporate Services (appointed 1 November 2014)	84	1	2	10	-	97
Executive Manager – Rental Bonds Services	113	-	3	14	-	130
Acting Executive Manager Information Management Services*	161	1	3	15	-	180
Acting Executive Manager Information Management Services (Appointed 3 March 2015 to 5 May 2015)	24	-	-	3	-	27
Executive Manager – Policy and Education (to 31 October 2014)	44	1	1	5	-	51
Acting Executive Manager – Policy and Education (appointed 3 November 2014)	78	-	3	8	-	89
Executive Manager – Client Services	122	-	3	15	-	140

* The remuneration package for the Acting Executive Manager Information Management Services included a special gratuity payment of \$25,489 (refer note 1(f)).

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

(b Remuneration (cont'd)

1 July 2013 – 30 June 2014

Position (date resigned if applicable)	Short Term Employee Benefits		Long Term Employee Benefits	Post Employee Benefits	Termination Benefits	Total Remuneration
	Base \$'000	Non-monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	101	-	2	11	-	114
General Manager (until 1 March 2014)	198	7	-	14	123	342
Executive Manager – Corporate Services/ Acting Executive Manager Information Management Services	157	1	3	17	-	178
Executive Manager – Rental Bonds Services	113	-	3	14	-	130
Executive Manager – Client Contact Services (until 3/01/2014)	64	-	-	7	-	71
Acting Executive Manager – Core Client Services Program/Acting Executive Manager – Corporate Services	126	-	3	15	-	144
Executive Manager – Policy and Education	127	2	3	16	-	148
Executive Manager – Client Services	117	-	3	14	-	134

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

7. Board disclosures

Section 471 of the 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 Executive Council minute for each Director appointed as approved by the Governor in Council.

(a) The RTA's Board is made up of the following members:

Member	Date of Appointment
Current Board	
Ms Catherine Sinclair (Chair)	April 2013
Ms Deborah Duffy	April 2010
Ms Jane Seawright	November 2012
Ms Helen Roslyn Wallace	April 2004
Mr Darryl Mutzelburg	April 2013
Ms Penny Gillespie	November 2013
Ms Jan Williams	November 2013

Board Members Remuneration

The number of Board Members who received or were due to receive total remuneration on balance date:

Remuneration Band:

\$0 to \$999

\$1,000 to \$9,999

\$10,000 to \$19,999

\$30,000 to \$39,999

\$40,000 to \$49,999

Total

Group		Parent	
2015	2014	2015	2014
No.	No.	No.	No.
-	-	-	-
-	-	-	-
6	6	6	6
-	1	-	1
1	-	1	-
7	7	7	7

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

Group		Parent	
2015	2014	2015	2014
\$'000	\$'000	\$'000	\$'000

7. Board disclosures (cont'd)

Board Members Remuneration (cont'd)

The total remuneration paid to Board Members:

Ms Catherine Sinclair (Chair)	46	37	46	37
Ms Deborah Duffy	19	15	19	15
Ms Helen Roslyn Wallace	19	15	19	15
Mr Darryl Mutzelburg	19	15	19	15
Mr Damian Eckersley	-	2	-	2
Ms Jane Seawright	19	15	19	15
Ms Penny Gillespie	18	13	18	13
Ms Jan Williams	18	13	18	13
Total Board member payments	158	125	158	125

During 2014–15 board fees include fees of \$142,633 and superannuation of \$14,935. The 2013–14 board fees include fees of \$114,155 and superannuation of \$9,933.

(b) Other Transactions with Board Members and Board Member Related Entities

The RTA has no dealings with another entity of which a Board Member has a related interest as declared in the Conflicts of Interest Register.

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

(c) Board Members appointments and memberships

The following list comprises both current Board members and those who were Board members at any time during the year.

Board Members hold appointments and/or memberships as follows:

Ms Catherine Sinclair (Chair)	Chair, Residential Tenancies Authority Director, Army and Airforce Canteen Services Director, The Consultancy Bureau Director, National Board of Committee for Economic Development of Australia Councillor, Royal National Agricultural and Industrial Association of Queensland
Ms Deborah Duffy	Board member, Residential Tenancies Authority Director, REIQ Director, KAM3 Pty Ltd
Mr Darryl Mutzelburg	Board member, Residential Tenancies Authority
Ms Jane Seawright	Board member, Residential Tenancies Authority Chair, Fisher Adams Kelly Pty Ltd Patent Attorneys Director, The Australian Festival of Chamber Music Director, Energising Communities Limited President, Brisbane North Branch, Netball Queensland Company Secretary, CMTE Development Limited Trading as CRC Mining and subsidiaries EdanSafe Pty Ltd, CBM Innovations Pty Ltd, GeoMole Pty Ltd, Unidig Pty Ltd, Unidig 2 Pty Ltd, Odyssey Technology Pty Ltd, EzyMine Pty Ltd, MineWare Pty Ltd, CMTE Share Plan Pty Ltd, UDDTek Pty Ltd, Dig Technologies Pty Ltd, Intellidrill Pty Ltd Company Secretary, Northern Australia Primary Health Limited External Compliance Committee Member, 1Group Securities Limited. Fellow, Australian Institute of Company Directors Member, Queensland Law Society.
Ms Helen Roslyn Wallace	Board member, Residential Tenancies Authority Secretary, The Property Owners' Association of Queensland Member, The Unit Owners Association of Queensland
Ms Penny Gillespie	Board member, Residential Tenancies Authority Nil
Ms Jan Williams	Board member, Residential Tenancies Authority Director, Defence Housing Australia

(d) Audit and Risk Committee

The RTA Board has also formed an Audit and Risk Committee that is chaired by Ms Susan Rix AM, who is an independent member. Ms Rix AM is a Chartered Accountant and partner at BDO (Qld) Pty Ltd.

During the 2014–15 financial year, Ms Rix was paid a total of \$3,700 GST Excl as remuneration for her role on the Audit and Risk Committee. The remuneration for all other Audit and Risk Committee members is disclosed in the remuneration paid to Board Members refer to Note 7 (a).

The RTA's Audit and Risk Committee is made up of the following members:

Member	Date of Appointment
Ms Susan Rix AM (Chair)	April 2013
Ms Catherine Sinclair (Ex-officio)	April 2013
Ms Jane Seawright	April 2013
Ms Helen Roslyn Wallace	April 2010
Mr Darryl Mutzelburg	April 2013
Ms Jan Williams	July 2014

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

	Group		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
8. Supplies and services				
Advertising	141	60	26	29
Mailing services	322	303	322	303
Archival fees and charges	52	50	52	50
Bank charges	79	74	79	74
Board fees	188	131	188	131
Cleaning *	-	42	-	42
Contractors and consultants	9,335	5,229	9,165	5,195
Council rates *	-	27	-	27
Electricity *	-	74	-	74
Equipment expensed	257	77	257	77
Investment fees	1,689	1,662	1,689	1,662
Legal expenses	104	232	104	232
Operating lease rental	2,228	2,217	2,228	2,217
Postage	474	473	474	473
Printing and stationery	172	176	172	176
Repairs and maintenance	69	70	69	70
RTEO service fees	-	-	16,930	15,595
Software maintenance	611	330	611	330
Software licences	88	-	88	-
Telephone	207	197	207	197
Travel expenses	28	36	27	35
Other supplies and services	792	1,247	774	1,236
Less: Capitalised costs	(3,330)	(1,897)	(3,330)	(1,897)
Total Supplies and services	13,506	10,810	30,132	26,328

9. Grants and subsidies

Department of Housing and Public Works	2,595	21,000	2,595	21,000
Total Grants	2,595	21,000	2,595	21,000

The RTA paid a grant of \$2,595,000 (2014: \$21,000,000) to the Department of Housing and Public Works for the Affordable Residential Accommodation Scheme, to support the provision of affordable residential accommodation in high needs areas.

* relates to expenditure of the RTA's former investment property at 33 Herschel Street, Brisbane which was sold in the 13-14 financial year.

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

	Group		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
10. Depreciation and amortisation				
Depreciation and amortisation were incurred in respect of:				
Plant and equipment	59	69	59	69
Computer equipment	104	123	104	123
Leasehold improvements	275	276	275	276
Intangible assets				
Internally generated software	33	141	33	141
Purchased software	198	120	198	120
Total Depreciation and amortisation	669	729	669	729

11. Impairment losses

Intangible Assets	650	-	650	-
Total Impairment Losses	650	-	650	-

Refer to Note 17 for details of the recognised impairment loss.

12. Other expenses

External audit fees *	33	32	30	36
Internal audit fees	103	92	103	92
Bad and impaired debts	28	31	28	31
Insurance premiums	99	83	99	83
Loss from disposal of property, plant and equipment	-	28	-	28
Total Other Expenses	263	266	260	270

* Total external audit fees paid to Queensland Audit Office relating to the 2014–15 financial year are estimated to be \$33,000 for the Group (2014: \$32,300 for the Group). There are no non-audit services included in this amount.

13. Cash and equivalents

Petty cash	1	1	1	1
Cash at bank	3,933	5,108	3,822	5,016
Queensland Treasury Corporation (QTC)	5,850	-	5,850	-
Term deposits	40,500	53,000	40,500	53,000
Total Cash and cash equivalents	50,284	58,109	50,173	58,017

Interest earned on cash held with the Commonwealth Bank of Australia ranged between 1.15% p.a. and 2.30% p.a. (2014: 1.75% p.a. to 2.70% p.a.). Interest earned on QTC deposits ranged from 2.66% p.a. and 3.32% p.a. The term deposits earned interest between 3.01% p.a. and 3.78% p.a. (2014: 3.59% p.a. to 4.57% p.a.)

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

	Group		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
14. Other financial assets				
Managed Funds – QIC	754,388	734,095	754,388	734,095
Total Other Financial Assets	754,388	734,095	754,388	734,095

Represented by:

	Group			
	Annual average return on investments	Treasurer approved strategic asset allocation parameter	Actual Allocation	Amount \$'000
QIC Investment Products as at 30 June 2015				
QIC Absolute Return Bond Fund	-0.26%	0 – 30%	12.50%	93,752
QIC Bond Plus Fund	2.42%	0 – 45%	19.90%	149,935
QIC Cash Enhanced Fund	2.92%	0 – 100%	21.50%	161,965
QIC Global Credit Fund	1.97%	0 – 45%	30.30%	228,645
QIC Global Credit Opportunities Fund	7.53%	0 – 20%	0.20%	1,866
QIC Property Fund	10.52%	0 – 20%	14.50%	109,578
Duration Overlay**			1.10%	8,647
Total Portfolio	3.08%		100.00%	754,388

QIC Investment Products as at 30 June 2014

QIC Bond Plus Fund *	5.01%	0 – 45%	18.85%	138,410
QIC Cash Enhanced Fund	3.25%	0 – 100%	23.47%	172,269
QIC Global Credit Fund	6.15%	0 – 45%	40.61%	298,089
QIC Global Credit Opportunities Fund	11.48%	0 – 20%	1.95%	14,280
QIC Property Fund	8.92%	0 – 20%	14.04%	103,041
Duration Overlay**			1.08%	8,006
Total Portfolio	5.79%		100.00%	734,095

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

Group		Parent	
2015	2014	2015	2014
\$'000	\$'000	\$'000	\$'000

14. Other financial assets (cont'd)

Represented by:

	Parent			
	Annual average return on investments	Treasurer approved strategic asset allocation parameter	Actual Allocation	Amount \$'000
QIC Investment Products as at 30 June 2015				
QIC Absolute Return Bond Fund	-0.26%	0 – 30%	12.50%	93,752
QIC Bond Plus Fund	2.42%	0 – 45%	19.90%	149,935
QIC Cash Enhanced Fund	2.92%	0 – 100%	21.50%	161,965
QIC Global Credit Fund	1.97%	0 – 45%	30.30%	228,645
QIC Global Credit Opportunities Fund	7.53%	0 – 20%	0.20%	1,866
QIC Property Fund	10.52%	0 – 20%	14.50%	109,578
Duration Overlay*			1.10%	8,647
Total Portfolio	3.08%		100.00%	754,388

QIC Investment Products as at 30 June 2014

QIC Bond Plus Fund	5.01%	0 – 45%	18.85%	138,410
QIC Cash Enhanced Fund	3.25%	0 – 100%	23.47%	172,269
QIC Global Credit Fund	6.15%	0 – 45%	40.61%	298,089
QIC Global Credit Opportunities Fund	11.48%	0 – 20%	1.95%	14,280
QIC Property Fund	8.92%	0 – 20%	14.04%	103,041
Duration Overlay*			1.08%	8,006
Total Portfolio	5.79%		100.00%	734,095

* The Duration Overlay is used by QIC to manage market risk.

See notes 1(m) and 25 for additional disclosures regarding Other Financial Assets and Financial Instruments.

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

	Group		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
15. Receivables				
Debtors	79	73	79	72
Accrued interest revenue	175	515	175	515
	254	588	254	587
GST receivable	238	170	238	170
Less GST Payable	-	(1)	-	(1)
	238	169	238	169
Total Receivables	492	757	492	756

Amounts due have been calculated in accordance with the terms and conditions of the respective debtors and do not bear interest.

Refer to note 25(c) Financial Instruments (Credit Risk Exposure) for further information regarding how the risk for impairment loss is measured and calculated.

16. Other assets

CURRENT

Prepayments	700	321	688	320
Total Current	700	321	688	320

NON-CURRENT

Prepayments	142	125	142	125
Total Non-current	142	125	142	125
Total Other assets	842	446	830	445

Notes to and forming part of the financial statements (cont'd)
for the year ended 30 June 2015

	Group		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
17. Intangible assets				
Software purchased: At cost				
Gross	911	526	911	526
Less: Accumulated amortisation	(658)	(461)	(658)	(461)
	253	65	253	65
Software internally generated: At cost				
Gross	2,995	2,995	2,995	2,995
Less: Accumulated amortisation	(2,995)	(2,962)	(2,995)	(2,962)
	-	33	-	33
Work in progress: At cost				
Gross	5,723	3,405	5,723	3,405
Total intangible assets	5,976	3,503	5,976	3,503

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

17. Intangible assets (cont'd)

	Software Internally Generated	Software Purchased	Software Work In Progress	Total
	Group			
	\$'000	\$'000	\$'000	\$'000
2015				
Carrying amount at 1 July 2014	33	65	3,405	3,503
Acquisitions	-	-	-	-
Acquisitions through internal development	-	-	3,354	3,354
Amortisation	(33)	(198)	-	(231)
Reallocation to Software Purchased *	-	386	(386)	-
Impairment losses recognised in operating deficit **	-	-	(650)	(650)
Carrying amount at 30 June 2015	-	253	5,723	5,976

2014				
Carrying amount at 1 July 2013	174	183	1,508	1,865
Acquisitions	-	2	-	2
Acquisitions through internal development	-	-	1,897	1,897
Amortisation	(141)	(120)	-	(261)
Carrying amount at 30 June 2014	33	65	3,405	3,503

Amortisation of intangibles is included in the line item 'Depreciation and Amortisation' in the Statement of Comprehensive Income.

Refer Amortisation of Intangibles note 1(k) for software work in progress project overview

* A reallocation of \$386K was processed as a result of Software purchased that was previously capitalised as WIP being reclassified to Software Purchased in the 14-15 year.

** Impairment losses are shown as a separate line item in the Statement of Comprehensive Income. Impairment loss expense for the current year regarding the Customer Relationship Management Software Work in Progress is \$650,000 (2014: nil). This is as a result of previously capitalised design costs that are no longer being utilised by the organisation.

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

17. Intangible assets (cont'd)

	Software Internally Generated	Software Purchased	Software Work In Progress	Total
	Parent			
	\$'000	\$'000	\$'000	\$'000
2015				
Carrying amount at 1 July 2014	33	65	3,405	3,503
Acquisitions	-	-	-	-
Acquisitions through internal development	-	-	3,354	3,354
Amortisation	(33)	(198)	-	(231)
Reallocation to Software Purchased *	-	386	(386)	-
Impairment losses recognised in operating deficit **	-	-	(650)	(650)
Carrying amount at 30 June 2015	-	253	5,723	5,976
2014				
Carrying amount at 1 July 2013	174	183	1,508	1,865
Acquisitions	-	2	-	2
Acquisitions through internal development	-	-	1,897	1,897
Amortisation	(141)	(120)	-	(261)
Carrying amount at 30 June 2014	33	65	3,405	3,503

Amortisation of intangibles is included in the line item 'Depreciation and Amortisation' in the Statement of Comprehensive Income.

Refer Amortisation of Intangibles note 1(k) for software work in progress project overview

* A reallocation of \$386K was processed as a result of Software purchased that was previously capitalised as WIP being reclassified to Software Purchased in the 14-15 year.

** Impairment losses are shown as a separate line item in the Statement of Comprehensive Income. Impairment loss expense for the current year regarding the Customer Relationship Management Software Work in Progress is \$650,000 (2014: nil). This is as a result of previously capitalised design costs that are no longer being utilised by the organisation.

Notes to and forming part of the financial statements (cont'd)
for the year ended 30 June 2015

	Group		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
18. Property, plant and equipment				
Leasehold improvements: At cost				
Gross	2,799	2,799	2,799	2,799
Less: Accumulated depreciation	(1,468)	(1,193)	(1,468)	(1,193)
	1,331	1,606	1,331	1,606
Plant and equipment: At cost				
Gross	268	268	268	268
Less: Accumulated depreciation	(217)	(158)	(217)	(158)
	51	110	51	110
Computer hardware: At cost				
Gross	1,132	1,174	1,132	1,174
Less: Accumulated depreciation	(898)	(988)	(898)	(988)
	234	186	234	186
Total property, plant and equipment	1,616	1,902	1,616	1,902

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

18. Property, plant and equipment (cont'd)

Property, Plant and Equipment Reconciliation

	Leasehold Improve- ments	Plant and Equipment	Computer Hardware	Total
	Group			
	\$'000	\$'000	\$'000	\$'000
2015				
Carrying amount at 1 July 2014	1,606	110	186	1,902
Acquisitions	-	-	152	152
Depreciation	(275)	(59)	(104)	(438)
Carrying amount at 30 June 2015	1,331	51	234	1,616

2014				
Carrying amount at 1 July 2013	1,882	152	304	2,338
Acquisitions	-	53	7	60
Disposals	-	(26)	(2)	(28)
Depreciation	(276)	(69)	(123)	(468)
Carrying amount at 30 June 2014	1,606	110	186	1,902

	Parent			
	\$'000	\$'000	\$'000	\$'000
2015				
Carrying amount at 1 July 2014	1,606	110	186	1,902
Acquisitions	-	-	152	152
Depreciation	(275)	(59)	(104)	(438)
Carrying amount at 30 June 2015	1,331	51	234	1,616

2014				
Carrying amount at 1 July 2013	1,882	152	304	2,338
Acquisitions	-	53	7	60
Disposals	-	(26)	(2)	(28)
Depreciation	(276)	(69)	(123)	(468)
Carrying amount at 30 June 2014	1,606	110	186	1,902

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

	Group		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
19. Payables				
CURRENT				
a. Payables				
Trade creditors	1,684	1,788	1,492	1,531
Payables to RTEO	-	-	3,693	3,489
Payments received in advance	-	3	-	-
	1,684	1,791	5,185	5,020
b. Rental bonds and unclaimed monies				
Rental bonds	744,369	721,469	744,369	721,469
Unclaimed bond monies *	11,126	9,630	11,126	9,630
Unclaimed other monies **	-	4	-	4
	755,495	731,103	755,495	731,103
Total Current	757,179	732,894	760,680	736,123
NON-CURRENT				
c. Operating lease payable				
Operating lease payable ***	202	-	202	-
Total Non-current	202	-	202	-
Total Payables	757,381	732,894	760,882	736,123

* Under s151 of the *Residential Tenancies and Rooming Accommodation Act 2008* a rental bond claim cheque that has not been presented within 15 months is classified as unclaimed bond monies.

** Relates to Interest that had been earned from unclaimed bond monies in the 13–14 Financial Year.

*** Relates to the operating lease agreement for the RTA's current premises, 179 Turbot St, Brisbane. The lease agreement ends in April 2020 with a further term option of three years available.

20. Accrued employee benefits

CURRENT				
Annual leave	1,156	1,040	6	-
Long service leave	1,209	1,127	2	-
Wages Outstanding	125	51	3	-
Time off in lieu	3	10	-	-
Total Current	2,493	2,228	11	-
NON-CURRENT				
Long service leave	1,142	1,095	-	-
Total Non-current	1,142	1,095	-	-
Total Accrued employee benefits	3,635	3,323	11	-

All provisions include associated on-costs.

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

	Group		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
21. Accumulated surplus				
Movements:				
Opening Balance at 1 July	62,595	64,570	62,595	64,570
Operating Result	(10,013)	(1,975)	(10,013)	(1,975)
Closing Balance as at 30 June	52,582	62,595	52,582	62,595

22. 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	50,284	58,109	50,173	58,017
Balance per Statement of Cash Flows	50,284	58,109	50,173	58,017
Operating surplus	(10,013)	(1,975)	(10,013)	(1,975)
Add: Depreciation and amortisation	669	729	669	729
Loss on Sale of assets	-	28	-	28
Impairment Losses	650	-	650	-
Increase in Accrued employee benefits	312	349	11	(60)
Decrease in Other assets (Operating lease rights)	-	1,459	-	1,459
Decrease in Receivables	265	277	264	274
Increase in trade creditors	-	49	165	427
Increase in Unclaimed bonds	1,492	1,356	1,492	1,356
Increase in Rental bonds	22,900	24,355	22,900	24,355
Increase in other payables	-	-	-	-
Increase in operating lease payable	202	-	202	-
	16,477	26,627	16,340	26,593
Less:				
Decrease in Other liabilities	-	3,374	-	3,374
Increase in Receivables	-	-	-	-
Decrease in Trade creditors	108	-	-	-
Increase in Prepayments	369	139	359	142
Unrealised increase in investments	22,691	40,291	22,691	40,291
Gain on Sale of Property Plant and Equipment	-	474	-	474
Net Cash from operating activities	(6,691)	(17,651)	(6,710)	(17,688)

Statement of Cashflows to be finalised pending audit review.

23. Financing arrangements

Access was available at balance date to the following lines of credit:

Corporate credit cards	200	200	200	200
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Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

Group		Parent	
2015	2014	2015	2014
\$'000	\$'000	\$'000	\$'000

24. Commitments for expenditure

(a) Capital commitments

The RTA and its controlled entity has no capital commitments as at the reporting date.

(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:

Insight Enterprises	-	655	-	655
KPMG	364	-	364	-
Telecommunications	44	2	44	2
Information technology and Web	298	120	298	120
Temp Staffing – operational	278	247	278	247
Temp Staffing – Projects	1,247	1,939	1,247	1,939
Postage and Communication	99	-	99	-
Other Services and Consultants	125	104	125	104
	2,455	3,067	2,455	3,067
These expenditures are payable:				
Not later than one year	2,400	2,655	2,400	2,655
Later than one year and not later than 5 years	55	412	55	412
	2,455	3,067	2,455	3,067

The RTA has commitments for temporary staff and consultants to assist with the development of the myRTA project. Depending on the tasks undertaken some of these costs may be capitalised, however this will be determined as specific project workplans are developed and assessed against the capitalisation requirements of AASB 138 Intangible Assets.

(c) Finance lease commitments

The RTA and its controlled entity 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	12,087	14,315	12,087	14,315
<u>Total Future Minimum Lease Payments</u>				
Not later than one year	2,317	2,228	2,317	2,228
Later than one year and not later than 5 years	9,770	9,840	9,770	9,840
Later than 5 years	-	2,247	-	2,247
	12,087	14,315	12,087	14,315

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.

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

	Group		Parent	
	2015	2014	2015	2014
Notes	\$'000	\$'000	\$'000	\$'000

25. Financial instruments

(a) Categorisation of financial instruments

The RTA and its controlled entity have the following categories of financial assets and financial liabilities:

Category					
Financial assets					
Financial assets measured at fair value through profit and loss:					
Cash and cash equivalents	13	50,284	58,109	50,173	58,017
Other financial assets	14	754,388	734,095	754,388	734,095
Financial assets measured at amortised cost:					
Receivables	15	492	757	492	756
Total Financial assets		805,164	792,961	805,053	792,868
Financial liabilities					
Financial liabilities measured at amortised cost:					
Payables	19	1,684	1,791	5,185	5,020
Rental bonds and unclaimed monies	19	755,495	731,103	755,495	731,103
Operating lease payable	19	202	-	202	-
Total Financial Liabilities		757,381	732,894	760,882	736,123

(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

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

25. Financial instruments (cont'd)

(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:

		Group		Parent	
		2015	2014	2015	2014
Maximum exposure to credit risk	Notes	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and cash equivalents	13	50,284	58,109	50,173	58,017
Other financial assets	14	754,388	734,095	754,388	734,095
Receivables	15	492	757	492	756
Total Financial assets		805,164	792,961	805,053	792,868

The carrying amount of receivables represents the maximum exposure to credit risk.

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 and ongoing basis.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The RTA manages its exposure to credit 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 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.

If no loss events have arisen in respect of a particular debtor or group of debtors, no allowance for impairment is made in respect of that debt/group of debtors. If the RTA and its controlled entity determines that an amount owing by such a debtor does become uncollectible (after appropriate range of debt recovery actions), that amount is recognised as a Bad Debt expense and written-off directly against Receivables. In other cases where a debt becomes uncollectible but the uncollectible amount exceeds the amount already allowed for impairment of that debt, the excess is recognised directly as a Bad Debt expense and written-off directly against Receivables.

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.

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

25. Financial instruments (cont'd)

(c) Credit Risk Exposure (cont'd)

Aging of past due but not impaired are disclosed in the following tables:

	Due	Overdue					
	Not Over-due	Less than 30 days	30 to 60 days	60 to 90 days	Greater than 90 days	Total	Total Financial Assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Group						
2015							
Financial assets							
Receivables	317		-	-	-	317	317
Accrued interest	175	-	-	-	-	175	175
Total	492	-	-	-	-	492	492
2014							
Financial assets							
Receivables	236	3	1	2	-	242	242
Accrued interest	515	-	-	-	-	515	515
Total	751	3	1	2	-	757	757
	Parent						
2015							
Financial assets							
Receivables	317					317	317
Accrued interest	175	-	-	-	-	175	175
Total	492	-	-	-	-	492	492
2014							
Financial Assets							
Receivables	235	3	1	2	-	241	241
Accrued interest	515	-	-	-	-	515	515
Total	750	3	1	2	-	756	756

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

25. Financial instruments (cont'd)

(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 and rental bonds and unclaimed monies. 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 rental bond, 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.

		Payable in			Total
		≤ 1 year	> 1 year ≤ 5 years	> 5 years	
Notes		\$'000	\$'000	\$'000	\$'000
Group					
2015					
Financial liabilities					
Payables	19	1,684	-	-	1,684
Rental bonds and unclaimed monies	19	755,495	-	-	755,495
Operating lease payable	19	-	202	-	202
Total Financial liabilities		757,179	202	-	757,381
2015					
Financial liabilities					
Payables	19	1,791	-	-	1,791
Rental bonds and unclaimed monies	19	731,103	-	-	731,103
Total Financial liabilities		732,894	-	-	732,894
Parent					
2015					
Financial liabilities					
Payables	19	5,185	-	-	5,185
Rental bonds and unclaimed monies	19	755,495	-	-	755,495
Operating lease payable	19	-	202	-	202
Total Financial liabilities		760,680	202	-	760,882
2015					
Financial liabilities					
Payables	19	5,020	-	-	5,020
Rental bonds and unclaimed monies	19	731,103	-	-	731,103
Total Financial liabilities		736,123	-	-	736,123

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

25. Financial instruments (cont'd)

(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 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 market risk.

The RTA manages its exposure to market risk on investments through compliance with the Statutory Bodies Financial Arrangements 1982 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 and its controlled entity continually assess interest rate exposure and the impact of market volatilities 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 +20 or – 50 basis points for the 2014–15 year, the outcome for the RTA and its controlled entity is summarised in the table below:

	Carrying Amount	Return on earnings basis points			
		Operating Surplus/ (Deficit)	Equity	Operating Surplus/ (Deficit)	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
2015 Market risk		50 pts less than actual		20 pts greater than actual	
Investment earning variation	754,388	(3,772)	(3,772)	1,509	1,509
Actual result		(10,013)	52,582	(10,013)	52,582
Changed result		(13,785)	48,810	(8,504)	54,091
2014 Market risk		50 pts less than actual		50 pts greater than actual	
Investment earning variation	734,095	(3,670)	(3,670)	1,468	1,468
Actual result		(1,975)	62,595	(1,975)	62,595
Changed result		(5,645)	58,925	(507)	64,063
Parent					
2015 Market risk		50 pts less than actual		20 pts greater than actual	
Investment earning variation	754,388	(3,772)	(3,772)	1,509	1,509
Actual result		(10,013)	52,582	(10,013)	52,582
Changed result		(13,785)	48,810	(8,504)	54,091
2014 Market risk		50 pts less than actual		50 pts greater than actual	
Investment earning variation	734,095	(3,670)	(3,670)	1,468	1,468
Actual result		(1,975)	62,595	(1,975)	62,595
Changed result		(5,645)	58,925	(507)	64,063

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

25. Financial instruments (cont'd)

(f) Fair value

	Group			
	Classification of financial instrument (including fair value levels – refer to note 1(k))			Total carrying amount
2015	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2015 \$'000
Financial assets				
Cash and cash equivalents	-	50,284	-	50,284
Other financial assets	-	754,388	-	754,388
Total	-	804,672	-	804,672
2014	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2014 \$'000
Financial assets				
Cash and cash equivalents	-	58,109	-	58,109
Other financial assets	-	734,095	-	734,095
Total	-	792,204	-	792,204
	Parent			
	Classification of financial instrument (including fair value levels – refer to note 1(k))			Total carrying amount
2015	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2015 \$'000
Financial assets				
Cash and cash equivalents	-	50,173	-	50,173
Other financial assets	-	754,388	-	754,388
Total	-	804,561	-	804,561
2014	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2014 \$'000
Financial assets				
Cash and cash equivalents	-	58,017	-	58,017
Other financial assets	-	734,095	-	734,095
Total	-	792,112	-	792,112

There were no transfers between levels during the reporting period.

The RTA and its controlled entity recognises cash and cash equivalents and other financial assets at fair value.

The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

26. Related party disclosures

During the year, the RTA paid service fee income to its controlled entity, the RTEO, of \$16,930,000 (2014: \$15,884,000).

27. Contingencies

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.

28. 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.

29. Budget vs. actual comparison

Statement of Comprehensive Income

		Original Budget 2015	Actual 2015	Variance	Variance % of Budget
	Variance Notes	\$'000	\$'000	\$'000	\$'000
Income					
Investment revenue	1	37,742	24,517	(13,225)	-35%
Other revenue		-	18	18	
Rental income		-	-	-	
Other income:					
Gain on sale of assets		-	-	-	
Total income		37,742	24,535	(13,207)	-35%
Expenses					
Employee expenses	2	18,723	16,865	1,858	10%
Supplies and services	3	13,125	13,506	(381)	-3%
Grants and subsidies	4	5,182	2,595	2,587	50%
Depreciation and amortisation		607	669	(62)	-10%
Impairment Losses	5	-	650	(650)	
Other expenses		105	263	(158)	-150%
Total expenses		37,742	34,548	3,194	8%
Operating result for the Year		-	(10,013)	(10,013)	-
Other Comprehensive Income		-	-	-	-
Total Operating Result		-	(10,013)	(10,013)	-

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

29. Budget vs. actual comparison (cont'd)

Statement of Financial Position

		Original Budget 2015	Actual 2015	Variance	Variance % of Budget
	Variance Notes	\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents		50,581	50,284	(297)	-1%
Other financial assets	6	750,531	754,388	3,857	1%
Receivables	7	1,239	492	(747)	-60%
Other current assets	8	285	700	415	146%
Total current assets		802,636	805,864	3,228	0%
Non current assets					
Intangible assets	9	15,043	5,976	(9,067)	-60%
Property, plant and equipment	10	1,813	1,616	(197)	-11%
Other non-current assets	8	-	142	142	
Total non current assets		16,856	7,734	(9,122)	-54%
Total assets		819,492	813,598	(5,894)	-1%
Current liabilities					
Payables		1,000	1,684	(684)	-68%
Rental bonds and unclaimed monies	11	750,531	755,495	(4,964)	-1%
Accrued employee benefits	12	1,089	2,493	(1,404)	-129%
Total current liabilities		752,620	759,672	(7,052)	-1%
Non current liabilities					
Operating lease payable		-	202	(202)	
Accrued employee benefits	12	1,728	1,142	586	34%
Other non-current liabilities	13	1,891	-	1,891	100%
Total non current liabilities		3,619	1,344	2,275	63%
Total liabilities		756,239	761,016	(4,777)	-1%
Net assets		63,253	52,582	(10,671)	-17%
Equity					
Accumulated surplus		63,253	52,582	(10,671)	-17%
Total equity	14	63,253	52,582	(10,671)	-17%

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

29. Budget vs. actual comparison (cont'd)

Statement of Cash Flows

		Original Budget 2015	Actual 2015	Variance	Variance % of Budget
	Variance Notes	\$'000	\$'000	\$'000	\$'000
Statement of Cash Flows					
Inflows					
Interest income		2,308	2,166	(142)	-6%
Bond lodgements	15	320,000	378,935	58,935	18%
Investment income					
Other operating receipts			18	18	
GST collected from customers		1	31	30	
GST refunds received	16		1,638	1,638	
Outflows					
Bond claims	15	(298,416)	(354,543)	(56,127)	19%
Employee expenses	17	(18,641)	(16,553)	2,088	-11%
Supplies and services	18	(13,132)	(13,850)	(718)	5%
Grants and subsidies	19	(5,182)	(2,595)	2,587	-50%
Other expenses		(80)	(290)	(210)	263%
GST paid to suppliers	16	(73)	(1,648)	(1,575)	2157%
Other		(498)	-	498	-100%
Net cash provided by operating activities		(13,713)	(6,691)	7,023	51%
Cash flows from investing activities					
Inflows					
Loss from Sales of property, plant & equipment		(25)	-	25	100%
Investments redeemed	20	35,434	33,348	(2,086)	-6%
Outflows					
Payments for property, plant and equipment		(210)	(152)	58	28%
Payments for intangibles	21	(11,767)	(3,330)	8,437	72%
Payments for investments	22	(21,584)	(31,000)	(9,416)	-44%
Net cash used in investing activities		1,848	(1,134)	(2,982)	-161%
Net increase/(decrease) in cash and cash equivalents		(11,865)	(7,825)	4,040	34%
Cash and cash equivalents at beginning of financial year		62,446	58,109	(4,337)	-7%
Cash and cash equivalents at end of financial year		50,581	50,284	(297)	-1%

Notes to and forming part of the financial statements (cont'd)

for the year ended 30 June 2015

29. Budget vs. actual comparison (cont'd)

Explanations of Major Variances

Statement of Comprehensive Income

1. Decrease in investment revenue is due to lower than expected return on investments this financial year.
2. Employee expenses is lower than the budgeted figure due to current staff vacancies being filled by agency staff.
3. Supplies and Services is slightly higher than the budgeted figure due to an increase in payments to employment agencies being offset by a reduction in contractor and consultant expenses associated with the development costs of the enterprise wide myRTA transformation program.
4. Reduction in grants to the Department of Housing and Public Works occurred as a result of the lower than expected investment returns this financial year.
5. Impairment loss expense for the current year regarding the Customer Relationship Management Software Work in Progress is \$650,000 compared to a nil budget. This is as a result of previously capitalised design costs that are no longer being utilised by the organisation.

Statement of Financial Position

6. Increase in other financial assets to budgeted figure is due to larger than budgeted growth in rental bond holdings and subsequent value of investments.
7. Decrease in receivables occurred due to a lower accrued interest receivable as a result of lower investment returns this financial year.
8. Increase in Other Current and Non Current Assets occurred due to the acquisition of additional software licences and ongoing software maintenance that was purchased as part of the myRTA program.
9. Decrease in intangible assets to budgeted figure is due to revised estimates for the timing of the capitalisation of the systems development costs of the enterprise wide myRTA transformation program.
10. Decrease in property, plant and equipment is due to a revised estimate of timing of expenditure on computer equipment as part of the enterprise wide myRTA transformation program.
11. Increase in rental bonds and unclaimed monies to budgeted figure is due to larger than budgeted growth in rental bond holdings and subsequent value of investments.
12. Increase in accrued employee benefits is due to revised estimate of annual leave and long service leave entitlements.
13. The budgeted liability of \$1.891 million related to a Lease Incentive Liability that the RTA was progressively amortising over the life of its operating lease for its premises at 179 Turbot Street, Brisbane. In October 2013 the Lessor sold the building to a third party, which required them to pay out the Net Present Value of the Lease Incentives to the RTA, which it recognised as Other Income. This also resulted in the RTA clearing the remaining Lease Incentive Liability balance to counteract this receipt of other income.
14. Equity was lower than what was budgeted primarily as a result of a lower than expected return on investments this financial year.

Statement of Cash Flows

15. Increase in bond lodgements and bond claims to budgeted figures is due to larger than budgeted growth in rental bond holdings and subsequent value of investments.
16. GST refunds and GST Paid were offset against each other for budgeting purposes. The calculated actual GST refunded when offset against what was paid to suppliers results in a cash outflow of approximately \$10K.
17. Cash outflows for Employee Expenses is lower than the budgeted figure due to current staff vacancies being filled by agency staff.
18. Cash outflows for Supplies and Services is slightly higher than the budgeted figure due to an increase in payments to employment agencies being offset by a reduction in contractor and consultant expenses associated with the development costs of the enterprise wide myRTA transformation program.
19. Reduction in grants to the Department of Housing and Public Works occurred as a result of the lower than expected investment returns this financial year.
20. Investment income lower than budgeted amount due to lower than expected returns on investments this financial year.
21. Decrease in cash outflows for intangible assets to budgeted figure is due to revised estimates for the timing of the capitalisation of the systems development costs of the enterprise wide myRTA transformation program.
22. Increased cash outflows for investments is the result of larger than budgeted growth in rental bond holdings and subsequent value of investments.

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT

To the Board of the Residential Tenancies Authority

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 2015, 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 Chief Executive Officer and Chairperson of the entity and the consolidated entity comprising the Residential Tenancies Authority 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 gives a true and fair view and 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 report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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 be removed only 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 2014 to 30 June 2015 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



M J KEANE CA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

Management certificate

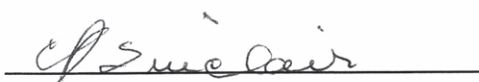
RESIDENTIAL TENANCIES AUTHORITY AND CONTROLLED ENTITY

MANAGEMENT CERTIFICATE for the year ended 30 June 2015

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 2015 and of the financial position of the Authority and its controlled entity at the end of that year.


Darren Barlow
Chief Executive Officer



Catherine Sinclair
Chairperson, RTA Board

26 August 2015

Glossary

Acronyms and abbreviations

Act, the	<i>Residential Tenancies and Rooming Accommodation Act 2008</i>
ARAMA	Australian Resident Accommodation Managers' Association
ARC	Audit and Risk Committee
CPAQ	Caravan Parks Association of Queensland
CALD	Culturally and linguistically diverse
CC	Consultative Committee
CSBA	Customer Service Benchmarking Australia
EAP	Employee Assistance Program
EEO	Equal Employment Opportunity
FMT	Full Management Team
FTE	Full-time equivalent (staff)
IDF	Industry Development Forum
IPMSC	Information and Portfolio Management Steering Committee
IP Act	<i>Information Privacy Act 2009</i>
OCM	Organisational Change Management
PaCSIA	Peace and Conflict Studies Institute Australia
PDS	Performance Development Scheme
PID Act	<i>Public Interest Disclosure Act 2010</i>
PMO	Program Management Office
POAQ	Property Owners' Association of Queensland
QCAT	Queensland Civil and Administrative Tribunal
QIC	Queensland Investment Corporation
QShelter	Queensland Shelter
REIQ	Real Estate Institute of Queensland
RTA	Residential Tenancies Authority
RTEO	Residential Tenancies Employing Office
RTI Act	<i>Right to Information Act 2009</i>
SLG	Staff Liaison Group
TIS	Translating and Interpreting Service
TQ	Tenants Queensland

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Letter of compliance

16 September 2015

The Honourable Leeanne Enoch MP
Minister for Housing and Public Works and
Minister for Science and Innovation

GPO Box 2457
Brisbane Qld 4001

Dear Minister

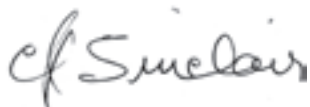
I am pleased to present the Annual report 2014–15 and financial statements for the Residential Tenancies Authority.

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 on page 96 of this annual report.

Yours sincerely



Catherine Sinclair
Board Chair

Compliance checklist

Summary of requirement		Basis for requirement	Annual report page reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister	ARRs – section 8	95
Accessibility	Table of contents	ARRs – section 10.1	3
	Glossary		93
	Public availability	ARRs – section 10.2	2
	Interpreter service statement	Queensland Government Language Services Policy ARRs – section 10.	2
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 10.4	2
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FPMS *Financial and Performance Management Standard 2009*

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The Residential Tenancies Authority (RTA) is the Queensland Government statutory body that administers the *Residential Tenancies and Rooming Accommodation Act 2008*.

The RTA makes a positive difference to the residential rental sector by providing tenancy information, bond management, dispute resolution, investigation, policy and education services.

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