

Residential Tenancies Authority

# ANNUAL REPORT

2016–17



## Feedback

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- Consultancies
- Overseas travel
- Queensland Language Services Policy.

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# CHAIR'S MESSAGE

As Chair of the Board, I am pleased to report on the RTA's outstanding achievements during the past financial year. A strategic focus on enhancing customer service, improving other service delivery functions and further strengthening business sustainability, has been achieved through the implementation of new business systems and innovative frontline solutions.

Significant changes to the key areas of dispute resolution, bond management and investigations have further enhanced our interaction with clients and major stakeholders, with an increase of some 97,439 frontline contacts.

During 2016–17, the RTA conducted 815 investigations, representing an increase of 15.3 per cent from the previous year. The upgrade of electronic service facilities also resulted in faster finalisation of client transactions. Infringement notices and education were used to encourage compliance and to ensure fairness for all clients.

The RTA was also a strong contributor to the government's 10-year Queensland Housing Strategy, which aims to provide safe, secure and affordable housing options for all Queenslanders, as well as reviewing the *Residential Tenancies and Rooming Accommodation Act 2008* to create a more contemporary legislative framework for the sector.

In summary, 2016–17 has been a year of progressive achievement for the RTA, with improvements to customer service, the strengthening of regulatory functions, and significant input into the Queensland Government's housing initiatives to ensure fairness and impartiality in the residential rental sector.

I would like to thank the Minister for Housing and Public Works and Minister for Sport, the Honourable Mick de Brenni MP, for his ongoing engagement with the Board; sincere thanks also to our outgoing board members Darryl Mutzelburg, Jane Seawright, Roslyn Wallace and Jan Williams, for their invaluable contribution over the years.

CEO Darren Barlow, his leadership team and staff have again shown their outstanding dedication over the past 12 months. Their knowledge, commitment and hard work continue to help the RTA become an even more responsive organisation to the needs of the Queensland community.

We have also welcomed four new members to the Board this year, Steve Ryan, Sally Watson, Janet Benson and Paul Melville. I look forward to working with them for another challenging but successful year ahead.

Catherine Sinclair  
RTA Board Chair





# CEO'S MESSAGE



It has been a tremendously rewarding year. The transformational change we promised last year has been delivered.

Our vision, *Renting that works for everyone*, informed our planning, decisions and activities in 2016–17 transforming us into an agile, responsive organisation.

Old business systems and processes were overhauled to ensure we have the capacity to focus on the evolving needs of our clients well into the future.

We wanted all our clients – from tenants to property managers and property owners – to benefit from the change, with equity and fairness remaining the cornerstone of our aspirations as an organisation.

A concerted focus on seamless, organisational efficiency put the client's needs centre stage and brought with it significant internal changes.

Our staff played an important role in this success story. I am extremely proud of their commitment and enthusiasm for change and appreciated each and every contribution they made to shaping this process of renewal.

Change can be unsettling however, so we put considerable effort into guiding staff and mapping the way forward, refining and clarifying processes along the way.

Extensive staff training and feedback sessions were the key to the success of multiple, organisation-wide projects, including the introduction of new financial management, recordkeeping and bond management systems.

The leadership team and staff had to adjust and retrain around their usual daily duties. Their efforts paid off. We now have the technology and the underlying business processes in place to truly deliver on our customer service vision.

The next 12 months will be a period of consolidation and reflection, with our strategic plan focusing on enhanced client service, lean systems, adaptive people and business sustainability. These will be the yardsticks by which we will measure our future success.

We will ensure all our systems, processes and staff mapping continue to yield positive results before continuing along the transformation path. The history of organisational reform tells us this is crucial.

The outlook is positive. We have managed to contain costs and improve services, while making changes to workflow and staffing arrangements.

The RTA's financial position has also improved following the stabilisation of our investment portfolio. Healthy cash flow allows us to continue operating as a self-funded organisation, cementing our key role in supporting and regulating the residential rental sector.

I would like to sincerely thank my leadership team and all staff for their hard work and perseverance during this time of change. I would also like to acknowledge the Board for their timely advice, continued support and belief in our transformation journey.

Darren Barlow  
RTA Chief Executive Officer

# ABOUT US

## Our vision

*Renting that works for everyone*

## About us

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

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

The RTA is responsible to the Minister for Housing and Public Works and Minister for Sport, the Honourable Mick de Brenni MP and is governed by a board of directors who are appointed by the Governor in Council.

The income earned from the investment of rental bonds pays for our operating costs. The RTA does not receive any funding from Queensland Government consolidated revenue.

We work with all sector groups including tenants, residents, lessors and lessor's agents, community and industry stakeholder groups and the Queensland Government.

### In 2016–17 the RTA:

- transformed outdated business systems
- consulted with the residential rental sector about the review of the Act
- established a more proactive approach to legislative compliance
- increased responsiveness to dispute resolution, and
- achieved a 50 per cent increase in forms submitted online.

These changes helped the RTA keep pace with the evolving needs of the residential rental sector in Queensland.

## Our role

The RTA's main functions are outlined in the Act and include:

- providing tenancy information
- managing rental bonds
- providing a dispute resolution service
- investigating offences under the Act and prosecuting where appropriate
- providing community education
- providing policy advice to the Minister about residential tenancy and rooming accommodation issues and the operation of the Act, and
- monitoring sector data and conducting research.

We support the Queensland residential rental sector by providing accessible, flexible and targeted services within a legislative framework.

## Our history

The RTA was established as the Rental Bond Authority under the *Rental Bond Act 1989*, offering primarily a rental bond service. The *Residential Tenancies Act 1994* replaced the Rental Bond Act and expanded services to include tenancy information and dispute resolution. The organisation's name was then changed to the Residential Tenancies Authority.

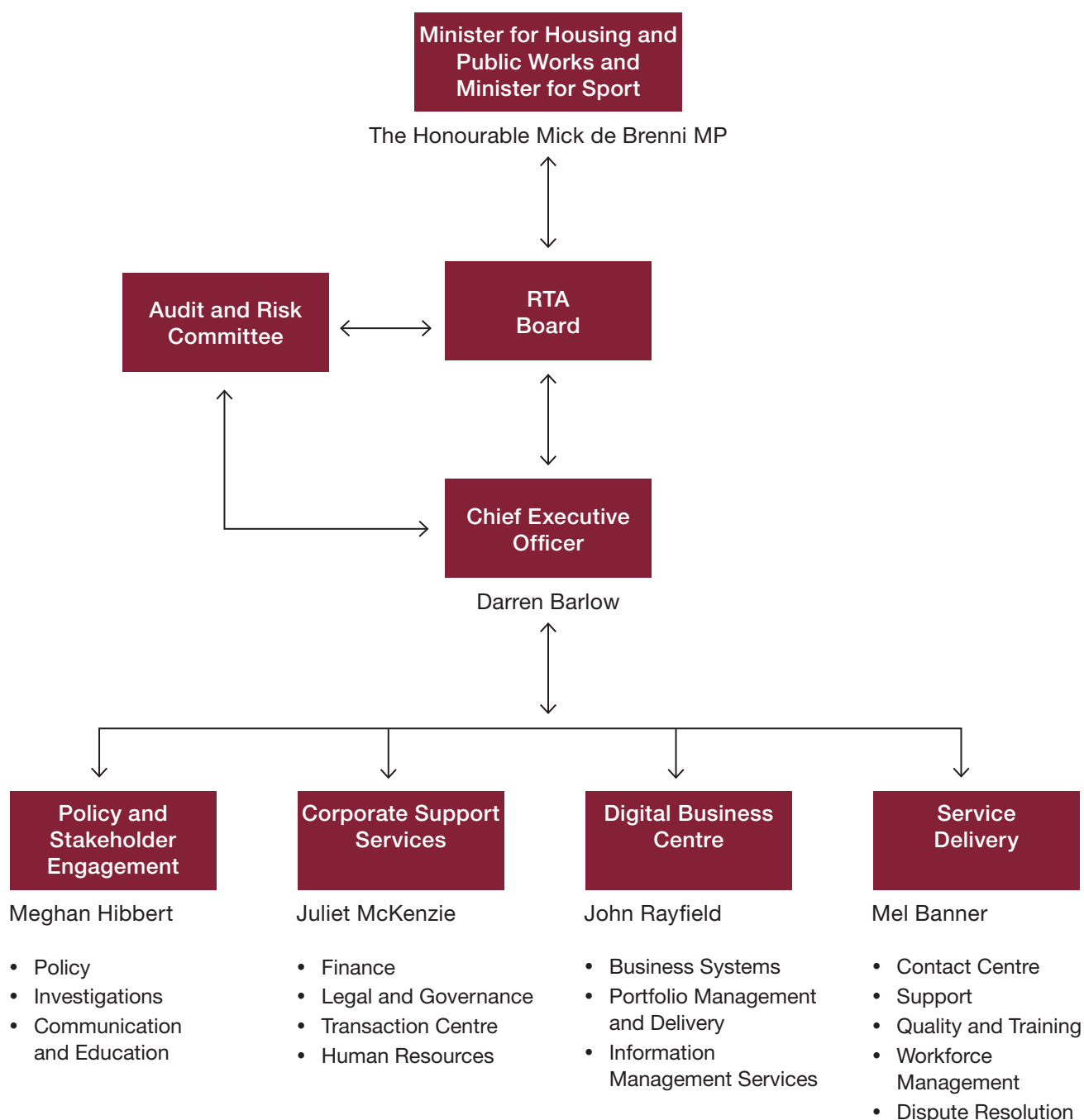
The *Residential Services (Accommodation) Act 2002* introduced legislation to cover rooming accommodation such as boarding houses, aged rental and supported accommodation. In July 2009, the *Residential Tenancies Act 1994* and *Residential Services (Accommodation) Act 2002* were combined and replaced with the *Residential Tenancies and Rooming Accommodation Act 2008*.



Renting that works  
*for everyone*

# ORGANISATIONAL STRUCTURE

Our structure is aligned to the strategic plan and maximises the operational capability and capacity of management and staff.





# RTA BOARD

The RTA Board establishes the RTA's strategic direction and corporate governance standards (see page 19). There was a change of board membership on 1 November 2016 and 11 May 2017.



**Catherine Sinclair**

BSc, MA, FAICD, FAIM (Chair), DUniv

## **Chair**

Catherine 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 Consultancy Bureau Pty Ltd and a Councillor of the Royal National Agricultural and Industrial Association of Queensland. Her previous experience includes appointments as Director of Brisbane Airport Corporation, LinkWater Projects, the Army and Air Force Canteen Service, 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.



**Sally Watson**

BSocWk, MPubPolicy

## **Director**

Sally Watson was appointed as a Director on 1 November 2016. Ms Watson has extensive experience in working in housing and homelessness services across the public and not-for-profit sectors. Based in Far North Queensland, Ms Watson is a lecturer in social work at James Cook University in Cairns. Previously, she was North Queensland Coordinator for the Tenants Union of Queensland and Executive Director of Homelessness Australia in Canberra. Ms Watson is a board member of Tenants Queensland. She holds a Bachelor of Social Work from the University of Queensland and a Master of Public Policy from the Australian National University.



**Deborah Duffy**

JP, Cdec, MAICD

## **Director**

Deborah Duffy was appointed as a Director on 7 April 2010. Ms Duffy is a Director 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 about Queensland's rental sector to the Board – in particular, housing issues in North Queensland.





**Paul Melville**

LLB, Solicitor

**Director**

Paul Melville was appointed as a Director on 11 May 2017. He has over 15 years' experience as a director and board member, currently working as joint Managing Director of Halcyon, a Board member of the Urban Development Institute of Australia, and a Director of Black and White Holdings Limited.

Mr Melville has an extensive legal background, previously operating as a solicitor and senior partner within his own firm. He holds of Bachelor of Law from the Queensland University of Technology and was admitted as a Solicitor of the Supreme Court of Queensland.



**Janet Benson**

MA(Public Sector Policy and Leadership)

**Director**

Janet Benson was appointed as a Director on 11 May 2017. She is the owner and principal of Bluemint Property Management and brings a comprehensive understanding of the Queensland property sector – in particular, residential property management. Ms Benson has a background in the Queensland public sector, working as the Executive Director of the Human Service CEO Committee, and Executive Director of Homelessness Programs at the Department of Housing and Public Works. She brings extensive knowledge of social housing, rental affordability, and homelessness issues in Queensland. Ms Benson holds a Master of Arts (Public Sector Policy and Leadership) from Griffith University and is a licensed real estate agent in Queensland.



**Steve Ryan**

CertTeach, MAICD, MAIST

**Director**

Steve Ryan was appointed as a Director on 1 November 2016. Mr Ryan is an experienced board member with over 40 years' experience in strategic leadership, governance and service delivery. He has worked across the public, union, superannuation and not-for-profit sectors. Mr Ryan was Deputy Chairman of QSuper's Board of Directors and Board of Trustees and a board member of the Queensland Studies Authority's Governing Body. He was also an executive member of the Queensland Teachers' Union, the Australian Education Union and the Queensland Council of Unions. Mr Ryan is a former president of the Queensland Teachers' Union.



**Penny Gillespie**

BA(Hons)

**Director**

Penny Gillespie was appointed as a Director on 1 November 2013. Ms Gillespie is the Director of 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 (QShelter) and prior to that Queensland State Director of Mission Australia. Ms Gillespie has also held senior executive positions within the Queensland Department of Housing and the Department of Community Services, Child Safety and Disability Services.

# 2016–17 SNAPSHOT



## CONTACT CENTRE PHONE ENQUIRIES

2012–13	2013–14	2014–15	2015–16	2016–17
383,431	414,793	408,630	405,916	<b>413,775</b>



## NEW BOND LODGEMENTS<sup>1</sup>

2012–13	2013–14	2014–15	2015–16	2016–17
259,810	262,895	264,030	266,868	<b>276,448</b>



## NUMBER OF BONDS HELD<sup>2</sup> (30 JUNE)

2012–13	2013–14	2014–15	2015–16	2016–17
513,074	527,695	541,442	555,820	<b>582,052</b>



## VALUE OF BONDS<sup>3</sup> (\$'M 30 JUNE)

2012–13	2013–14	2014–15	2015–16	2016–17
697.11	721.47	744.37	774.08	<b>815.56</b>



## INVESTIGATIONS FINALISED<sup>4</sup>

2012–13	2013–14	2014–15	2015–16	2016–17
555	728	543	690	<b>815</b>





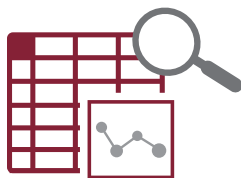
### REQUESTS FOR DISPUTE RESOLUTION

2012-13	2013-14	2014-15	2015-16	2016-17
25,444	27,036	26,197	26,428	<b>27,405</b>



### WEBSITE VISITS<sup>5</sup>

2012-13	2013-14	2014-15	2015-16	2016-17
1,389,912	1,639,653	1,995,776	2,305,020	<b>2,494,263</b>



### RENTAL SECTOR DATA

2012-13	2013-14	2014-15	2015-16	2016-17
291	214	246	219	<b>230</b>



### OPERATING DEFICIT/SURPLUS (\$'M)

2012-13	2013-14	2014-15	2015-16	2016-17
4.66	-1.97	-10.01	-9.35	<b>0.72</b>

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
4. Previous annual reports recorded the number of commenced investigations into non-compliance during the financial year
5. Measurement methodology changed in 2012-13

# PERFORMANCE HIGHLIGHTS 2016–17

## Enhanced client service

Objectives	Aims 2016–17	Achievements 2016–17
Deliver services that make renting easier for everyone	75-second average answer speed	288-second average answer speed
	Proportion of Contact Centre calls answered within 120 seconds	More than 80% of Contact Centre calls were answered within 120 seconds
	Proportion of bonds lodged online (10% or more) and proportion of bond refund forms processed through online channels (40% or more)	17.5% online lodgements 71% refund forms processed through online channels
	90% of bond refunds processed in 2 working days	79.9% of bond refunds processed in 2 working days
	80% of disputes resolved where parties participated in conciliation	70.8% disputes resolved through conciliation <i>Note: system changes designed to improve accuracy of results resulted in a lower figure</i>
	80% of disputes finalised within 28 days	69.4% disputes finalised within 28 days
Sustain strong relationships with our stakeholders	Create collaborative initiatives with stakeholder groups	Statewide collaboration with the Office of the Commissioner for Body Corporate and Community Management, REIQ and Queensland Shelter (QShelter).  Industry Development Forum (stakeholder consultative group) workshops held to consider proposed amendments to the Act as part of the Queensland Housing Strategy 2017–27
Maintain our focus on education	Strengthen stakeholder engagement and deliver a mix of educational programs (digital resources, publications and events)	Increase in YouTube visits (13,383) and website visits (2.49m)  75 tenancy seminars, webinars, forums, displays, presentations and videos  Clients educated about their responsibilities under the Act when breaches were identified. Nearly half of all investigations (48.5%) involved clients being educated about their obligations under tenancy law
	Continue to improve access to tenancy information	Improved access to tenancy information through the website and other digital resources



## Lean systems

Objectives	Aims 2016–17	Achievements 2016–17
Deliver simple, cost-effective systems enabling great client services	Development of interactive strategic and operational plans Decommission legacy systems and archive data	Strategic and operational plans developed Decommissioning underway, payroll/HR systems reviewed and ready for replacement
Streamline business processes	Implement Dispute Resolution intake model Increase efficiencies and reduce risk through the implementation of paperless mail distribution processes Centralise and triage multiple business processes into a single support unit	Dispute Resolution intake model implemented New mail distribution processes have increased efficiencies and reduced risk through paperless mail distribution processes Support unit created to centralise and triage processes
	Revise infrastructure roadmap in line with Queensland Government strategy Manage business performance through the use of analytics and real-time dashboard reporting Implement new quality assurance process and new policies for compliance and enforcement	Infrastructure requirements revised Developing analytics and dashboard Implementation of quality assurance process and new policies for compliance and enforcement

## Adaptive people

Objectives	Aims 2016–17	Achievements 2016–17
Support engaged people committed to the RTA's success	Finalise Organisational Change Management strategy	Organisational Change Management strategy finalised and implemented to include cultures and values training
	Develop an action from Working for Queensland survey results	Action plans developed
Foster development and innovation with a mobile, flexible and agile workforce	Develop and implement divisional change plans	Divisional change plans implemented Piloting of flexible work arrangements

## Business sustainability

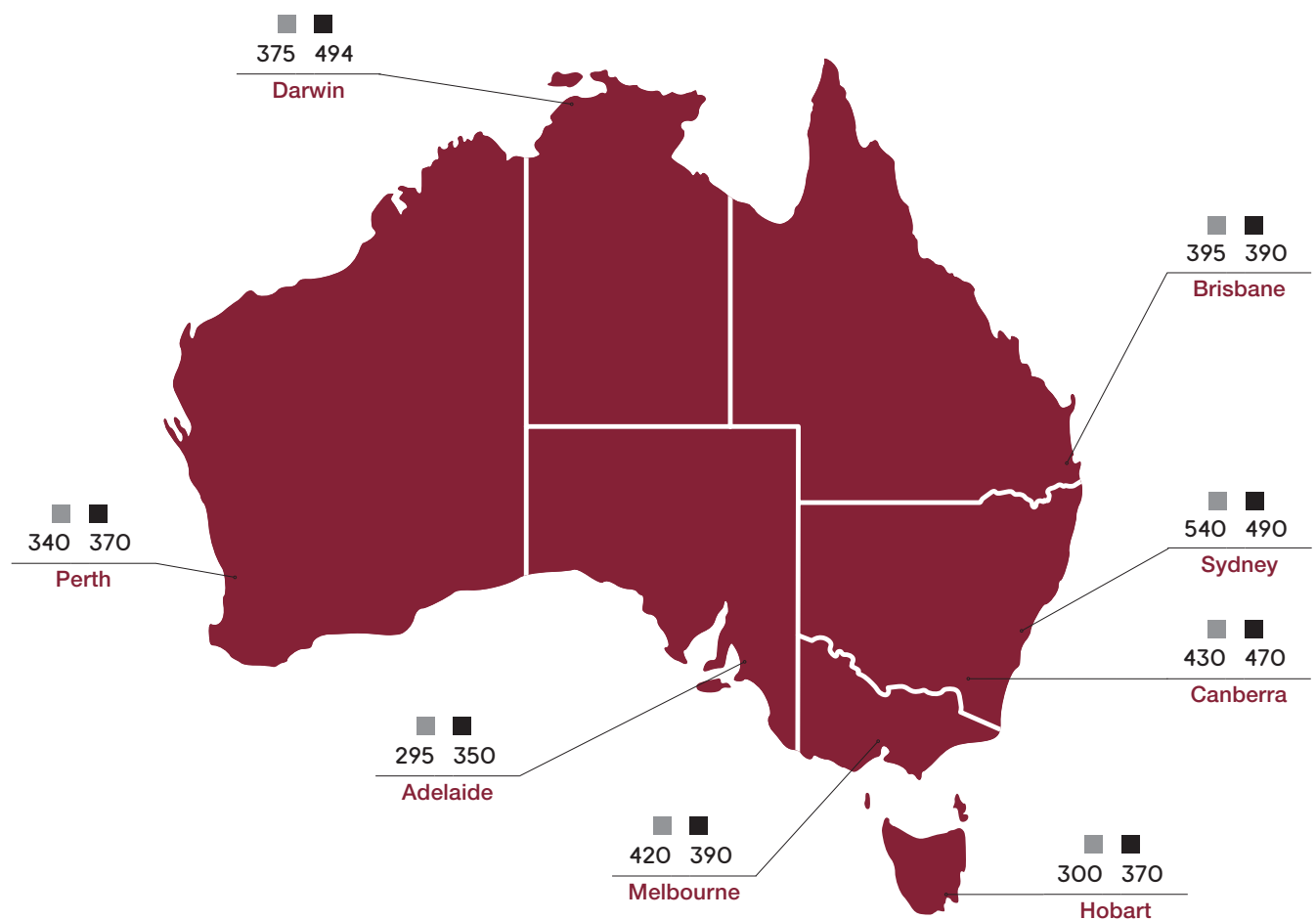
Objectives	Aims 2016–17	Achievements 2016–17
Deliver value for money service	Deliver high quality, cost-effective services 90% of investigations finalised within 6 months	An 8.1% increase in client interactions 93.9% of investigations finalised within 6 months
Grow value through innovation and cost-base efficiency	Review and revise key business processes to reduce complexity and increase productivity	More than 35 major initiatives undertaken to streamline and update work processes as part of the Post Implementation Business Review
Address financial sustainability	3.34% return on investment	Achieved a 4.4% return on investment

# QUEENSLAND'S RESIDENTIAL RENTAL SECTOR

## Queensland in comparison to Australia

The graph shows the median weekly rents for two dwelling types across Australia:

- three bedroom house, Brisbane is ranked fourth (equal with Melbourne) at \$390 per week, and
- two bedroom flat or townhouse, Brisbane is ranked fourth at \$395 per week.



### Legend showing dwelling types

Two bedroom other dwellings (\$)    Three bedroom houses (\$)

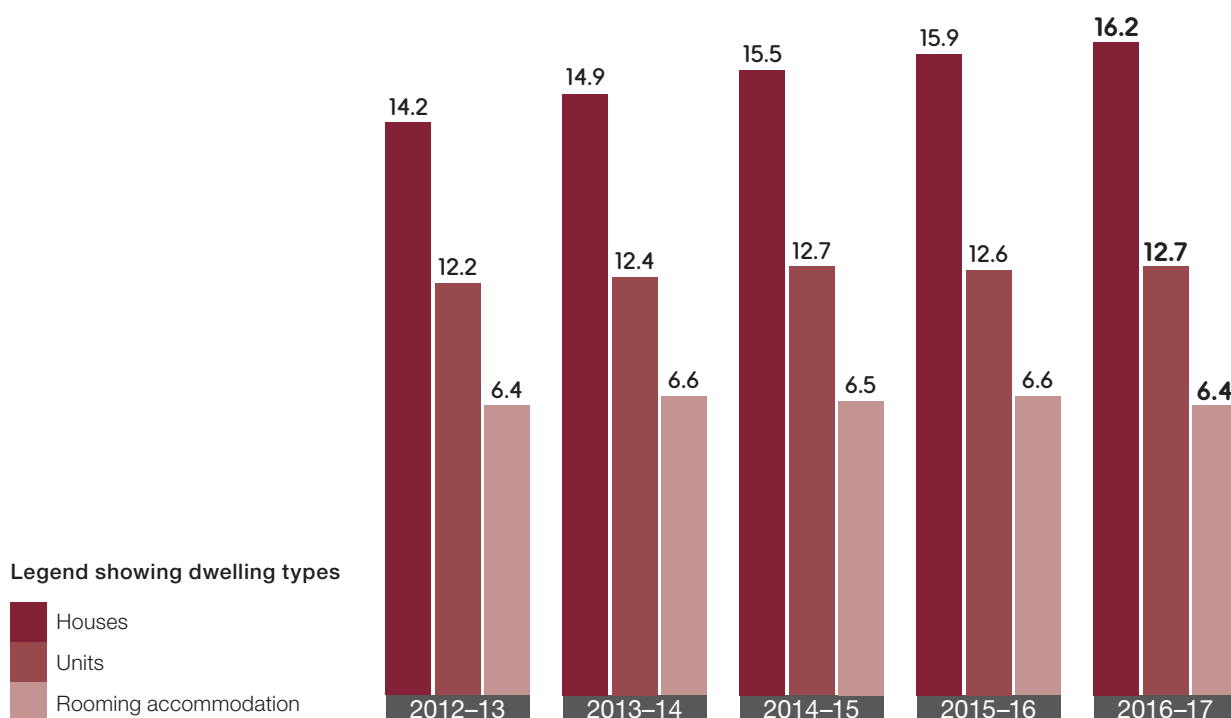
Real Estate Institute of Australia (REIA) March 2017 quarter data





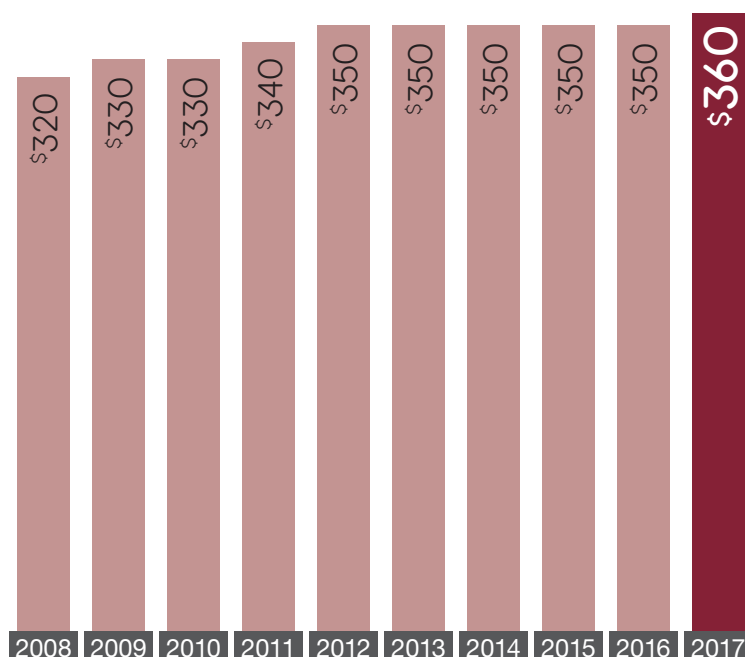
### Median length of tenancies (months)

The graph below shows the median length of tenancies in Queensland between 2012–13 to 2016–17.



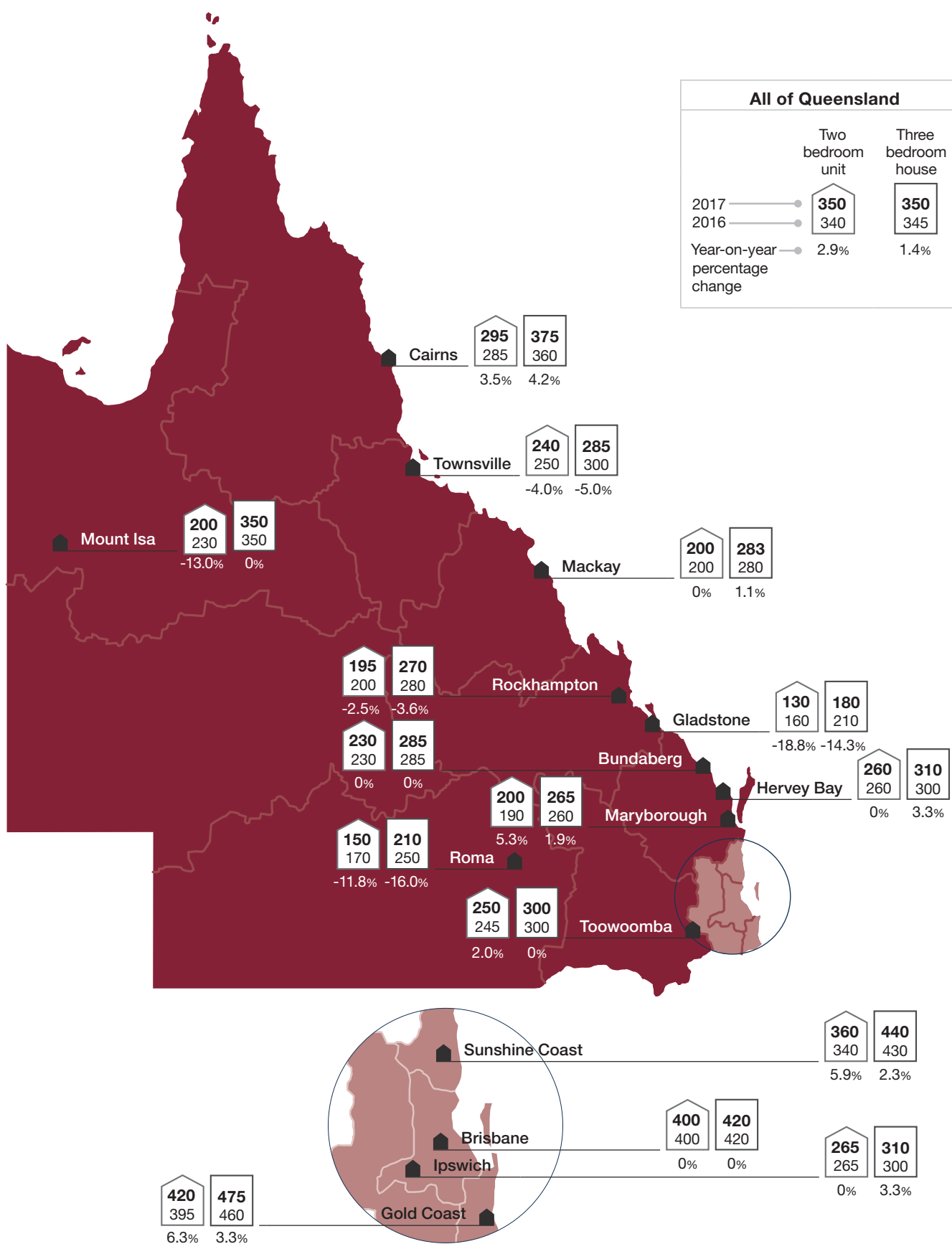
### Weekly median rents

The chart below shows median weekly rents based on new bonds lodged in the June quarter of each financial year between 2008–09 to 2016–17.



## Median rents for Queensland and major centres

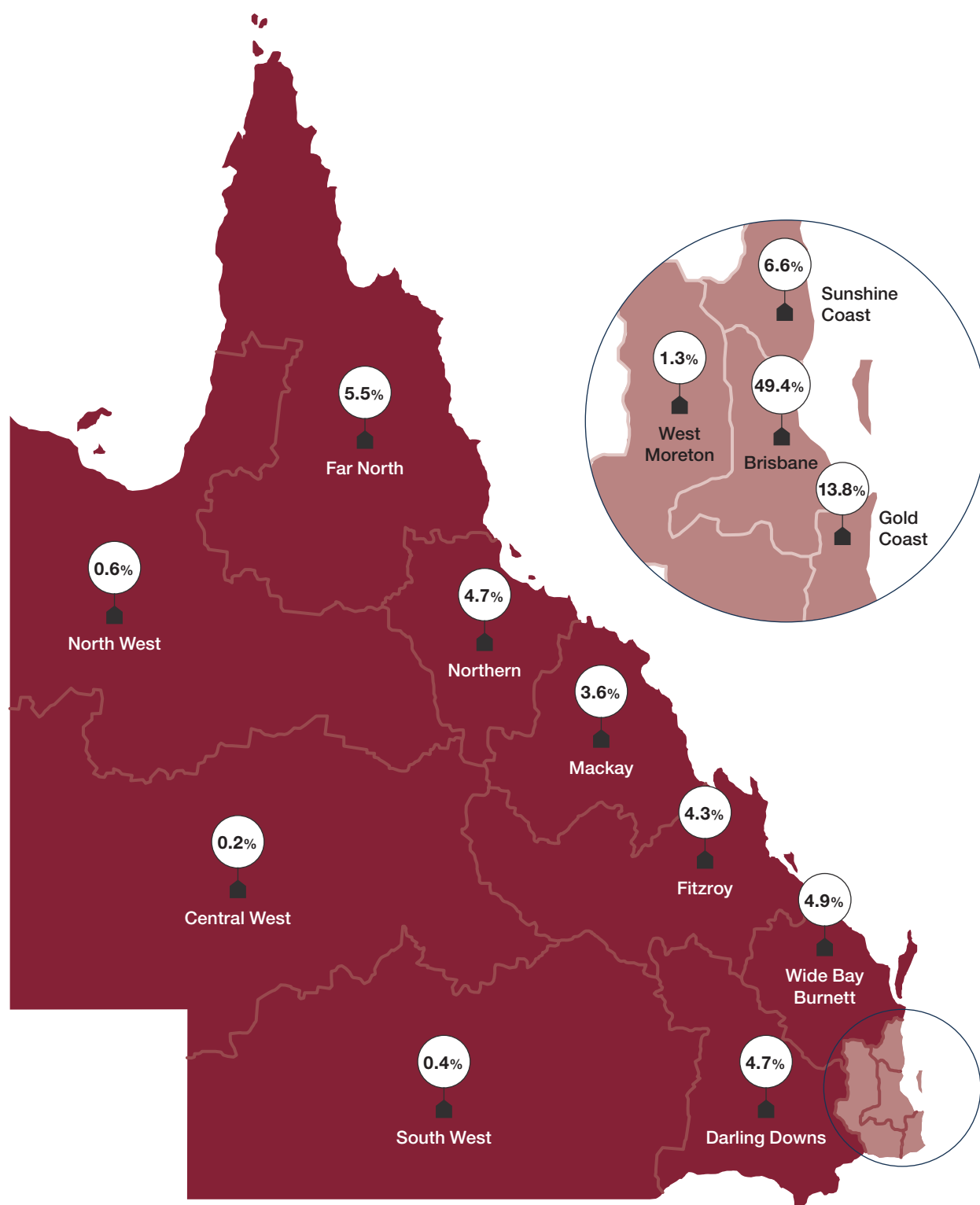
Data below is based on new bonds lodged with the RTA in the June quarters of 2016 and 2017.





## Queensland bonds held by the RTA

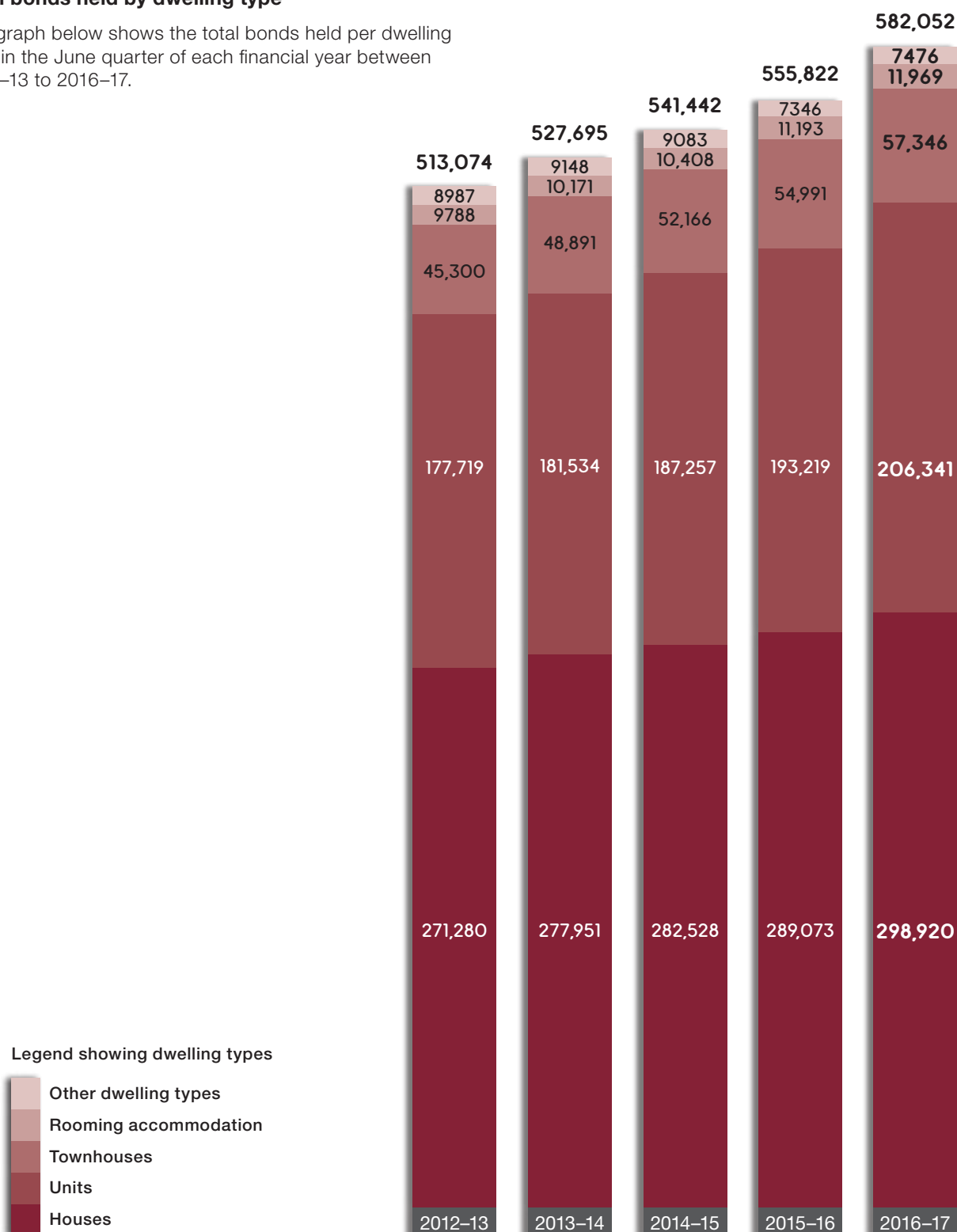
Data below is based on bonds held by the RTA as at 30 June 2017.





### Total bonds held by dwelling type

The graph below shows the total bonds held per dwelling type in the June quarter of each financial year between 2012–13 to 2016–17.





# OUR CORPORATE GOVERNANCE

**Business transformation brings new opportunities. This financial year we introduced a new corporate governance framework to support all our activities. The framework is linked to reporting, business planning, decision making and client service. It adds additional rigour around transparency, accountability and efficiency.**

Our Strategic Plan 2016–20 aligns with our vision and focuses on enhanced client service, lean systems, adaptive people and business sustainability. The shift to the new strategic plan saw changes to our strategic objectives and priorities.

The RTA's corporate governance framework is based on the Queensland Treasury Corporate Governance Guidelines for Government Owned Corporations and 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

### Role of the Chief Executive Officer (CEO)

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 divisional directors attend as required. The CEO also leads our executive and leadership teams by ensuring strategic priorities and operations are on track.

The Executive Leadership Team (page 36) includes divisional directors and meets regularly.

### Role of the RTA Board

Our Board of Directors reflects the diversity of the sector. They bring a wealth of knowledge and expertise in sector representation, commercial activities, corporate governance and community service. The Queensland Parliament's Governor in Council appoints the Chair and six directors to the Board. Remuneration for Board Directors is determined through Cabinet-approved procedures, administered by the Queensland Government's Department of the Premier and Cabinet.

The induction program for new directors focuses on governance and operations, and includes 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 and policy
- setting values and standards
- endorsing our annual budget
- monitoring business performance
- monitoring the RTA's investment activities and financial position
- ensuring significant business risks are identified and managed effectively, and
- ensuring performance of the Board and management is regularly assessed.

### 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 Steve Ryan (ARC Chair), Deborah Duffy (Director), Penny Gillespie (Director), and Catherine Sinclair (ex-officio member/Chair). The CEO and Chief Financial Officer (CFO) report to this committee.

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 Internal Audit Strategic Plan 2016–19, developed by ARC, maintains accountability, ensures compliance and identifies business processes to be audited each financial year. Internal and external auditors attend each ARC meeting.

ARC achievements in 2016–17:

- Reviewed and endorsed the new:
  - procurement policy
  - delegations policy
  - governance framework
- Approved the Internal Audit Strategic Plan 2016–19

The ARC adhered to the terms of its charter and the Queensland Treasury's Audit Committee Guidelines.

## Board meetings

### 1 July 2016 to 31 October 2017

Directors
Catherine Sinclair (Chair)
Deborah Duffy
Penny Gillespie
Darryl Mutzelburg
Jane Seawright
Roslyn Wallace
Jan Williams
Susan Rix AM (Independent)

### Full Board

Attended	Scheduled
4	4
4	4
3	4
3	4
4	4
4	4
4	4
n/a	n/a

### Audit and Risk Committee (ARC)

Attended	Scheduled
1	1
n/a	n/a
n/a	n/a
1	1
1	1
1	1
1	1
1	1

### 1 November 2016 to 30 June 2017

Directors
Catherine Sinclair (Chair)
Deborah Duffy
Penny Gillespie
Sally Watson*
Steve Ryan*
Janet Benson*
Paul Melville*
Darryl Mutzelburg*

### Full Board

Attended	Scheduled
7	7
7	7
4	7
6	7
7	7
2	2
1	2
2	2

### Audit and Risk Committee (ARC)

Attended	Scheduled
3	3
3	3
2	3
n/a	n/a
3	3
n/a	n/a
n/a	n/a
1	1

\* Sally Watson and Steve Ryan were appointed to the RTA Board in November 2016 and Janet Benson and Paul Melville were appointed in May 2017. Darryl Mutzelburg resigned in January 2017 and ceased duties in March 2017.





## 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 Leadership 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 when legislation changes and is reviewed by the ARC annually 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 staff have an ethical responsibility to report actual, or suspected, instances of official misconduct as defined in the *Public Interest Disclosure Act 2010*. There were no disclosures this financial year.

## 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, and
- economic and efficient use of resources.

## Committees and groups

The Consultative Committee (CC) provides a forum to discuss staff relations and ensures issues are managed appropriately. The committee meets quarterly and whenever issues arise.

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

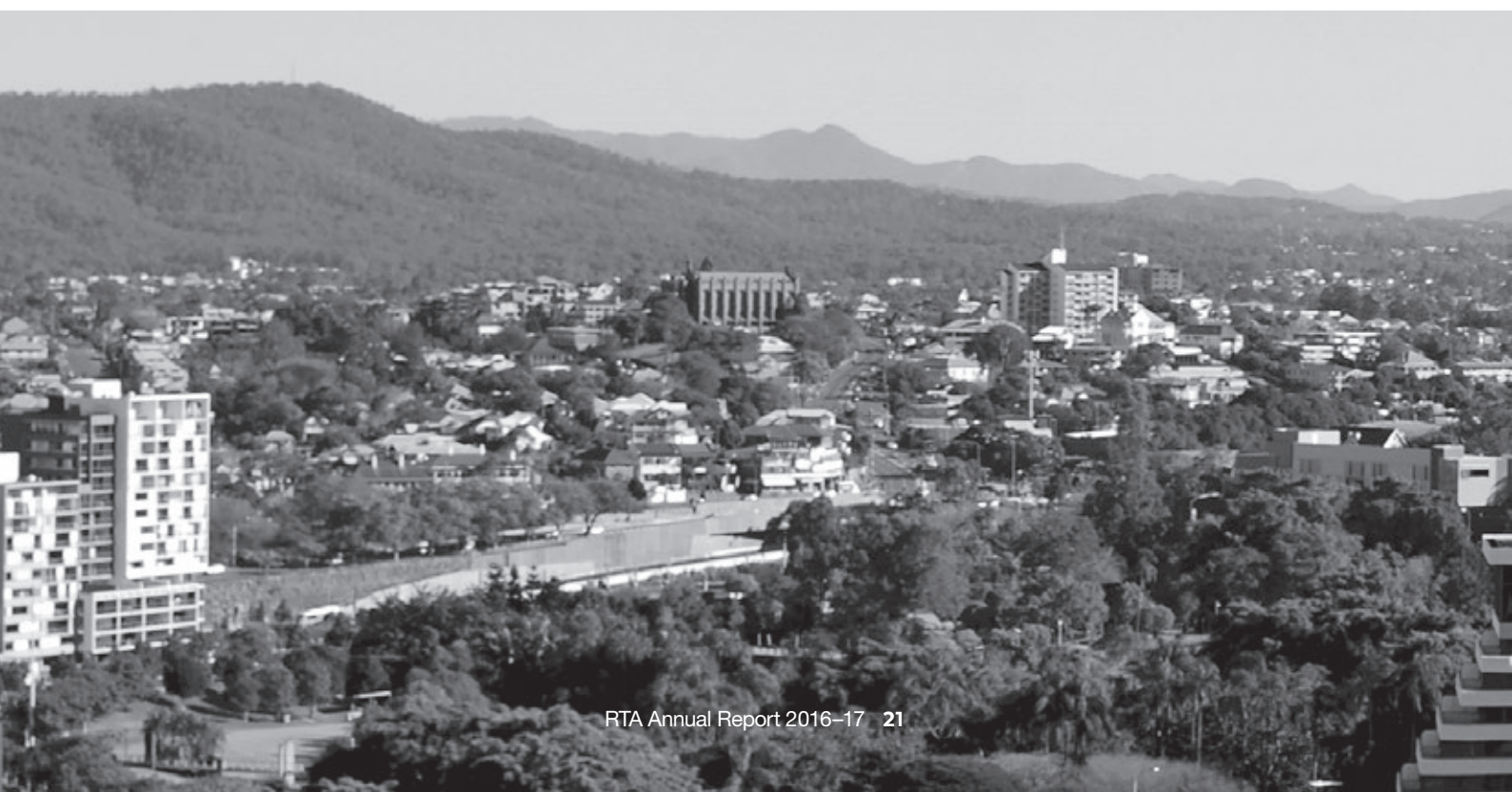
## Ethical standards

The RTA Code of Conduct provides a framework for ethical conduct based on the principles and values of the *Public Sector Ethics Act 1994*. All staff must carry out their duties with integrity and impartiality, be accountable and transparent, and promote the public good. All staff have completed mandatory Code of Conduct training using the online management system myPlace. The code is also reflected in all our Human Resources policies, procedures and initiatives.

## Positive 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 179 formal client complaints in 2016–17 (55 in 2015–16). With more than 1.3 million client interactions this financial year, this equates to approximately one complaint for every 7,263 interactions. The increase in complaints occurred during the transition to the new business system.



## Performance review framework

The RTA 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 below outlines our 2016–17 performance against the key elements of the framework.

Function	Purpose	Achievements 2016–17
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. These targets include the number of enquiries, the quality of information provided and timeliness of the response	Full performance reports provided at each board meeting
Internal audit program	Reports progress and recommendations from internal audit to the ARC	Full status of all audits provided to the ARC – no critical level risks
Service Delivery Statement	Contributes to the Minister's report on performance and budget results to the Queensland Parliament	Effective investment management resulted in stronger returns outperforming the budgeted target
Annual Report	High reporting standards ensure accountability to the RTA's clients, sector and staff	Full compliance with the Queensland Government's 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 2016–20 visit [www.rta.qld.gov.au](http://www.rta.qld.gov.au) to access a copy. The 2016–20 strategic plan identifies priorities relating to enhanced client service, lean systems, adaptive people and business sustainability. Progress of the plan is documented in this annual report.

The strategic plan is underpinned by an annual business plan and divisional operational plans specifying activities and performance levels to be achieved. 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. 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 Records Management Unit maintains centralised control and oversees the records management framework.

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).

A phased implementation of RTA's new SharePoint and RecordPoint electronic document and records management system (eDRMS) is currently in progress. The new eDRMS has been successfully implemented in pilot areas. Full implementation across all business areas is planned for late 2017.

### Right to information

The *Right to Information Act 2009* (RTI Act) allows members of the public access to certain information controlled by the Queensland Government. The RTA supports right to information principles by operating in an open, transparent and accountable manner while protecting the privacy of clients and staff. In 2016–17, 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 2016–17, the RTA responded to 1,121 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 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 2016–17, the RTA received nine applications from individuals for access to documents containing their personal information.



# OUR CLIENTS

## KEY RESULTS



**2,494,263**  
website visits



**413,775**  
phone enquiries



**70.8%**  
disputes resolved



**276,448**  
new bonds lodged



**95%**  
of clients highly satisfied  
with Contact Centre service  
(June 2017 survey results)



**209,087**  
distributed RTA publications

## FUTURE PRIORITIES

- Increase proactive compliance with the Act
- Raise RTA profile to meet the needs of more people in the sector
- Contribute to the Queensland Housing Strategy
- New service delivery KPIs
- Implement Workforce Management Tool



# OUR TAILORED SERVICES



**The RTA's focus on the needs of our clients has led not only to significant operational change, but also a shift in mindset and culture.**

Over the past year, the RTA has worked on developing a flexible workforce that can quickly shift resources and refocus priorities depending on the daily needs of clients and stakeholders.

To ensure we are moving in the right direction, we take every opportunity to gather client feedback through post-call surveys, online feedback, workshops and focus groups.

A large part of the RTA's role is to provide clients with clear, concise tenancy advice. We do this through our Contact Centre, a comprehensive

website and an engaging suite of publications, which all help tenants, property managers/owners and stakeholders gain a clearer understanding of Queensland tenancy law.

With the introduction of new business systems we can now use bond-related data to provide more targeted services and education to stakeholders, especially those who need it the most. Next financial year this data will be used for proactive compliance and education.

## Client phone enquiries

In 2016–17 the RTA's Contact Centre answered a near record level of calls without an increase in staff.

This increase did not affect call quality with monthly client satisfaction surveys recording very positive results. In June, over 95 per cent of clients surveyed said they were highly satisfied with the quality of service provided by Contact Centre staff. These monthly surveys, ongoing reviews of calls and regular staff training all help to inform our quality management program.

Service quality and resolving client issues at first point of contact continued to be a main focus for the RTA this financial year.

In 2016–17 we responded to 413,775 phone enquiries (up 1.9 per cent from 405,916 calls in 2015–16). Staff responded to an average of 1,649 calls each working day in 2016–17 (up from 1,611 in 2015–16).

### Calls Answered by RTA's Contact Centre 2012–13 to 2016–17

2012–13	383,431
2013–14	414,793
2014–15	408,630
2015–16	405,916
2016–17	413,775

Average talk time was 393 seconds in 2016–17 (up from 355 seconds in 2015–16). This highlights the ongoing complexity of enquiries and the time needed to provide appropriate, comprehensive information at first point of contact.

The Contact Centre answered 35.3 per cent of calls within two minutes (target 80 per cent). The average wait time for callers was 288 seconds (target 75 seconds), compared with 100 seconds in 2015–16.

The implementation of the new business system and a renewed focus on quality client interactions affected call wait times this financial year. The new system allows us to take more detailed information from our clients helping us to provide more targeted services now and into the future.

The RTA is also moving away from a more traditional and outdated approach to Contact Centre metrics. This is reflected in the realigned key performance indicators for the next financial year. These changes promote positive client experiences and increase satisfaction with our services.

## Website

The RTA's website provides a wealth of important information for our clients and stakeholders.

The website clearly sets out information on bond management, dispute resolution, investigation, and policy and education services.

In 2016–17 all content on the website was extensively reviewed and re-written to ensure our tenancy information was clearer, concise and more client-centric.

Visits to our website increased to 2.49 million in 2016–17 (up from 2.3 million in 2015–16), continuing a steady upward trend. Clients viewed over 7.72 million pages. The number of users accessing our website from mobile devices also jumped from the previous financial year (880,000 in 2015–16 to 1.04 million in 2016–17).

The RTA held three webinars this financial year, including one with the Office of the Commissioner for Body Corporate and Community Management.

We produced two videos to help educate clients about the correct way to fill out an entry condition report, an important tool in the bond process. These informative videos are available through our website and YouTube channel ([www.youtube.com/RTAQueensland](http://www.youtube.com/RTAQueensland)).

Each month, the RTA received about 900 pieces of online feedback from clients about the website, with the majority being positive. The print-friendly function on the RTA's website enabled the printing of 41,000 pages. The share function supported the distribution of 7,200 pages via email.

## Publications on tenancy law

The RTA's comprehensive suite of publications continued to help our clients navigate often complex tenancy legislation.

More than 209,087 copies of RTA publications were distributed to clients during 2016–17. These included legislated publications, such as the *Pocket guide for tenants – houses and units* (Form 17a) and other useful resources for property managers/owners, such as *Managing general tenancies in Queensland*. There were 375,061 publications distributed in 2015–16 (including forms and fact sheets).

Clients can order or download publications from our website or phone the RTA direct to request copies. Selected publications are also available in up to 15 languages other than English.

# BOND MANAGEMENT

Bond management was one of the biggest beneficiaries of this year's organisational transformation. Our clients' increased appetite for online access along with improvements to key internal systems has helped the RTA move away from paper-based processing of bond refunds and lodgements.

While bond processing was temporarily affected during the transition to a more dynamic system, the changes seen have significantly enhanced client service and our future capabilities.

The new system also provided the RTA with the opportunity to significantly ramp up internal controls over processing and validation of bonds.



## NEW BONDS

Growth  
**3.6%**

2015–16	2016–17
266,868	276,448



## BOND PROCESSING TIMES

### Lodgements

**78%**  
Target 90%

Lodgement documents  
processed in 3 days

2015–16	2016–17
341,070	412,504*

### Refunds

**79.9%**  
Target 90%

Refund forms processed  
in 2 days

2015–16	2016–17
349,251	329,538

\* Following system changes bond lodgements are now recorded differently. The 2016–17 figures include the total number of bond lodgement documents sent to the RTA.

## Online lodgements and refunds

Our popular online services have continued to reap rewards for our valued clients.

All clients can request bond refunds and upload lodgement forms online (via the RTA website). Property managers/owners who manage multiple tenancies are encouraged to register for eServices, the RTA's secure online bond management facility. During the year, 59,243 eServices refund forms were received (a decrease from 62,731 in 2015–16), representing 18.0 per cent of all refunds (18.0 per cent in 2015–16).

The upgrading and promotion of our online facilities saw a significant increase in the number of forms lodged electronically, improving customer service and resulting in the faster finalisation of transactions.

In 2016–17, 172,272 refund forms were lodged online (via our website) representing 52.4 per cent of refunds. Together with eServices bond refunds, 70.4 per cent of all bond refund forms (328,765) were processed online (up from 47.7 per cent in 2015–16) exceeding the target of 40 per cent.



Due to business system changes this financial year, bond lodgements are now recorded differently. In 2016–17 there were 407,902 lodgement documents received by the RTA, with 70,970 submitted online, representing 17.4 per cent of the total, exceeding the target of 10 per cent.

## Managing bonds

There was growth in demand for our bond management services in 2016–17, with an increase of 14.3 per cent in bond forms processed compared to the previous year. On average, 3,443 forms were processed each day (3,000 in 2015–16), with 864,408 forms processed for the year.

Bond lodgement documents accounted for 412,504 of all form types processed. Bond refunds and bond change forms (transfers and changes to property manager/owner and tenants) totalled 451,904 forms processed.

There was a higher than expected increase in new bonds lodged with the RTA; 276,448 in 2016–17, up 3.6 per cent from 266,868 (1.1 per cent growth) in 2015–16.

With median rents remaining stable, and in some areas decreasing, fewer bond top-ups (which occur when rent is increased) were received. In 2016–17, 20.1 per cent of bond lodgements were extra payments made to existing bonds (21.8 per cent in 2015–16).

Average daily lodgements increased slightly to \$1.62m in 2016–17 (\$1.533m in 2015–16).

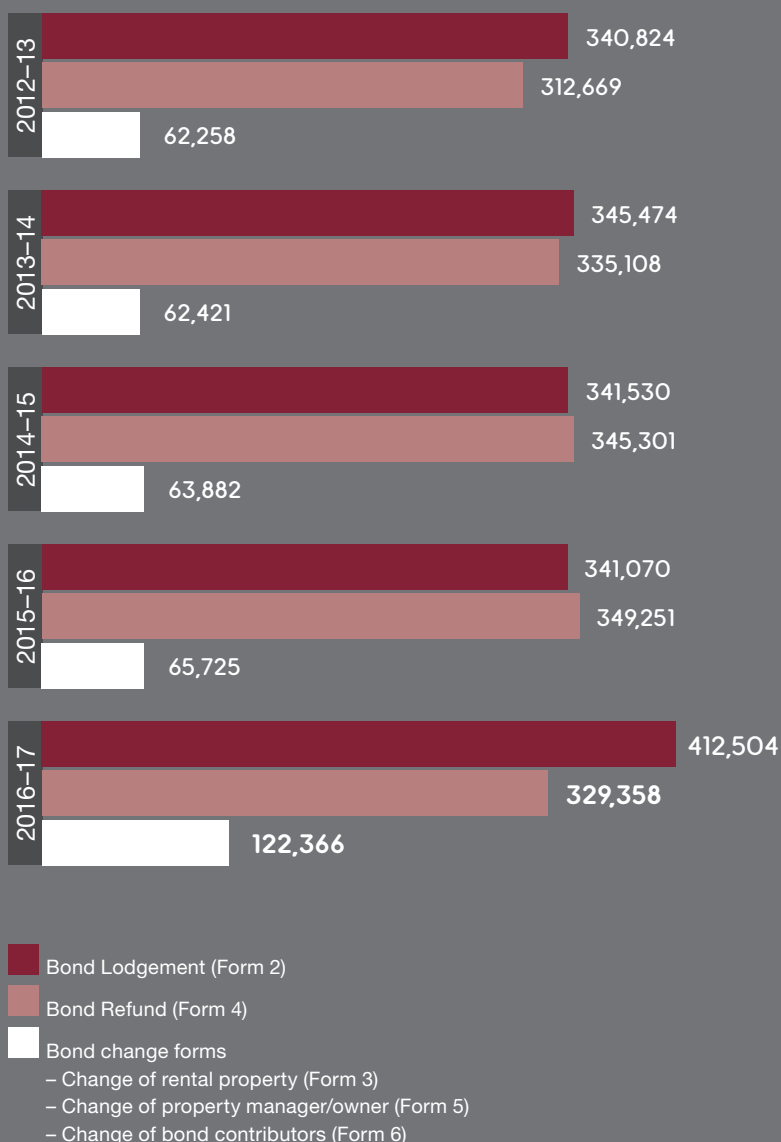
## Daily refunds

Bonds refunded in 2016–17 fell to 980 per day (1,003 in 2015–16) and the daily average value of refunds remained stable at \$1.44m (\$1.41m in 2015–16). In 2016–17, we processed 79.9 per cent of bond refund requests within two working days, under the target of 90 per cent (91.4 per cent in 2015–16).

Of all bonds refunded, 67.1 per cent were paid out as agreed, (68.1 per cent in 2015–16). Of the 'non-agreed' cases, a significant proportion (83.8 per cent) were finalised after a *Notice of claim* was issued and not disputed. In total, 71.6 per cent of bond money by value was returned to tenants.

### Bond forms processed

2012–13 to 2016–17\*



\* Note: Following system changes, bond lodgement and change of property manager/owner forms are now counted differently. The 2016–17 figures include the total number of bond lodgement and change of property manager/owner documents processed by the RTA.

# DISPUTE RESOLUTION

The RTA is one of the few statutory bodies in Australia that offers tenants, property managers and property owners a dispute resolution service.

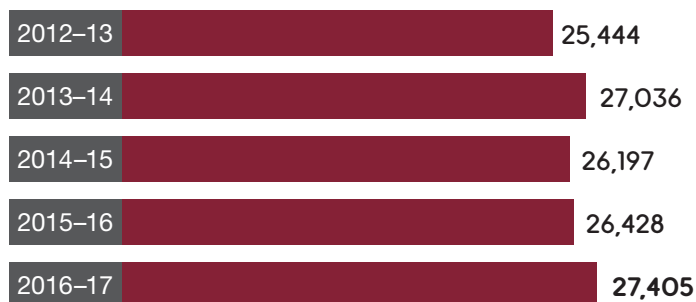
This year saw a major recalibration of the way we view the conciliation process. This cultural shift rewards conciliators that actively encourage clients to participate in the conciliation process, with less focus on closing cases.

While resolution rates dropped in 2016–17, this was part of a deliberate strategy to rethink our approach and redefine our key performance indicators in this important area.

Workflow changes that included the rotation of staff and the streamlining of dispute resolution tasks also increased organisational efficiency and provided better client service.

## Dispute resolution requests received

2012–13 to 2016–17



## Conciliation

Conciliation saves our clients time and money by helping them resolve disputes without the need to go to the Queensland Civil and Administrative Tribunal (QCAT). When clients participated in conciliation, 70.8 per cent (82 per cent in 2015–16) of disputes were resolved. Overall 47.1 per cent of disputes lodged were resolved (49.9 per cent in 2015–16).

According to QCAT data only 15.3 per cent of finalised disputes proceeded to the tribunal for a decision.

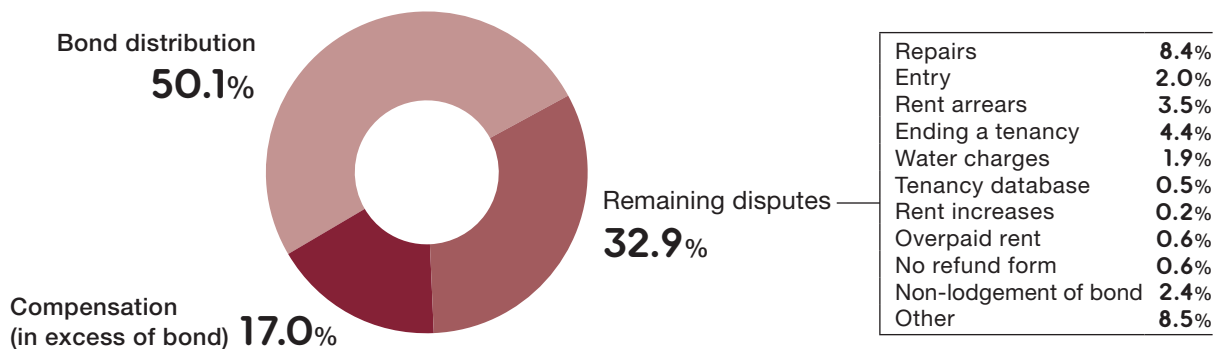
## Reasons for disputes

Disagreement over how a bond will be paid out remains the most common form of dispute, accounting for 50.1 per cent of all disputes received in 2016–17. Repairs, entry, rent arrears and ending a tenancy were the next most common areas of disagreement.

Compensation claims for amounts in excess of the bond and claims submitted after the bond has been paid out represented 17.0 per cent of all disputes while 32.9 per cent of disputes occurred during a tenancy. Such disputes often related to ending a tenancy, rental arrears, repairs and maintenance.

## Reasons for disputes

2016–17





# OUR SECTOR

## KEY RESULTS



**PROACTIVE**  
compliance agenda



**REVIEW**  
of the Act



**675 PEOPLE**  
attended 3 webinars



**3,380 PEOPLE**  
were reached through  
70 presentations, displays and forums



**REGIONAL FOCUS -**  
workshops in Rockhampton,  
Bundaberg, Cairns



**DATA SHARING**  
provided to government agencies for  
geocoding, planning and debt collection

## FUTURE PRIORITIES

- Harness technology to improve compliance
- Develop triage/risk processes to manage investigations and complaints
- Support the Commonwealth Games Homelessness and Housing Action Plan



# REGULATING THE SECTOR



## **The Queensland Housing Strategy 2017–2027 is a 10-year framework which aims to provide Queenslanders with better pathways to safe, secure and affordable housing.**

The RTA consulted widely with our stakeholders across the state to help inform this strategy.

The Queensland Housing Strategy Action Plan 2017–2020 includes a review of the *Residential Tenancies and Rooming Accommodation Act 2008* to better protect tenants and property owners and improve housing stability for people living in the private rental sector.

The RTA will continue to work closely with government and non-government stakeholders to achieve the objectives of the strategy and the review of the Act.

In 2016–17 the RTA took a more proactive approach to compliance and enforcement action, with the sector regularly educated about tenancy law and the consequences of non-compliance.

## **Other government agencies**

The RTA continued to provide submissions to other legislative reviews that affect the sector. These submissions included the Fire and Emergency Services (Smoke Alarms) Amendment Bill 2015, the Property Law Review report on Lot Entitlements, the Property Law Review Issues Paper on the *Procedural issues under the Body Corporate and Community Management Act 1997*, and the Regulatory Impact Statement for on-supply customer access to energy rebates and the Energy and Water Ombudsman Queensland.

The RTA works collaboratively with various government agencies including the Office of Fair Trading (OFT), Queensland Police Services (QPS) and Queensland Fire and Emergency Services (QFES), gathering intelligence about compliance matters in the sector, conducting investigations and bringing about enforcement action.

We also liaised regularly with the Queensland Civil and Administrative Tribunal (QCAT), Department of Housing and Public Works, Department of Justice and Attorney-General (DJAG), Department of Premier and Cabinet (DPC) and Queensland Treasury.

## **Collaborative stakeholder relationships**

In 2016–17, we responded to 230 requests (219 in 2015–16) for rental data and other statistical information from various government agencies, stakeholders, the housing industry and the community.

Client 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.

We strengthened collaborative sector relationships through Industry Development Forums (IDF), 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)

As well as holding regular forums, the RTA continued to meet and work collaboratively with non-government agencies to provide education and policy advice to address emerging issues and ensure fairness in the sector.

Compliance operations also provided an opportunity to understand the needs of our stakeholders. Formal and informal meetings with property managers, Rent Connect and QSTARS provided opportunities to discuss and address compliance in the sector.

We also supported the Minister for Housing and Public Works as part of our legislated functions and worked with stakeholders to develop and implement legislation, policies and programs and services. This ensures all voices are properly represented when government decisions are made.

# SUPPORTING THE SECTOR

In 2016–17, we hosted tenancy seminars, industry and peak body presentations and other information sessions and displays across Queensland. This allowed us to connect with over 3,380 clients, providing them with information about their tenancy rights and responsibilities while listening to their concerns.

## Regional focus

During the year there was a focus on regional Queensland with seminars in Rockhampton, Bundaberg and Cairns for property managers/owners. The seminars covered an overview of tenancy law and key topics such as lease breaks, abandonment and resolving disputes.

In collaboration with QShelter we conducted two tailored tenancy law interactive workshops for community housing providers in the Bundaberg and Cairns regions.

We attended various sector conferences, seminars, forums and regional meetings with CPAQ, REIQ, ARAMA, QCAT, QPS and POAQ presenting tenancy information and answering member questions.

## Tackling the ‘Difficult Ds’

In collaboration with the REIQ, the RTA co-produced and presented the ‘Difficult Ds’ presentation touching on topics such as database listings, domestic violence, death, disputes and damage. These sessions, held across Queensland, were popular and well received.

We conducted seven presentations for international students, raising awareness of our services while providing an overview of their rights and obligations

under Queensland tenancy law. About 500 posters were sent to TAFE colleges, universities and English language schools across the state, raising awareness of the RTA with students.

## Webinars and events

Over 630 clients across the state joined tenancy webinars conducted by the RTA. These webinars covered general tenancy and body corporate information for property managers and property owners. A webinar about body corporate issues involved collaboration with the Office of the Commissioner for Body Corporate and Community Management.

Our ‘Three Rs’ webinar (rent, repairs and refunds) attracted a record number of 819 registrations with topics such as rent arrears, rent increase, maintenance, emergency repairs, bond claims and disputes covered.

We produced two videos about the entry condition report process for tenants and property managers/owners attracting over 3,000 views on our website. All our videos and webinars are available on our website and YouTube channel ([www.youtube.com/RTAQueensland](http://www.youtube.com/RTAQueensland)).

We hosted promotional information stands at public events such as NAIDOC Week’s Musgrave Park Family Fun Day and the Multicultural Development Association’s WELCOMEfest. We also held a stall at the Mental Health Expo North Brisbane to raise awareness of the RTA’s services and answer tenancy questions.

**“An informative, succinct and interesting presentation.”**

*Rockhampton property manager at RTA seminar*





## Supporting our culturally and linguistically diverse 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.

In 2016–17, we supported CALD clients by:

- committing to the Queensland Government's Multicultural Action Plan
- strengthening community networks to raise awareness of our organisation and services through information sessions, seminars and consultation sessions
- ensuring contact information for the Translating and Interpreting Service (TIS) is included on all publications, ensuring CALD clients can access tenancy information in their own language
- providing educational seminars for international students.

In 2016–17, we received 356 calls using the TIS, (down 42.1 per cent on last year). The most requested languages were Mandarin (85 calls in 2016–17, 140 in 2015–16), Korean (57 calls in 2016–17, 92 in 2015–16) and Spanish (24 calls in 2016–17, 29 calls in 2015–16).

Downloads of *Pocket guide for tenants – houses and units* (Form 17a):

- 162 Simplified Chinese
- 38 Traditional Chinese
- 28 Spanish
- 52 Korean
- 106 Arabic
- 42 Vietnamese
- 40 Japanese

## Online publications increase in popularity

Subscriptions to our online publication *Open house – property managers and owners* continued to grow. In 2016–17, the total number of subscribers grew from 9,726 to 11,452. 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.

*Open house – caravan park managers* (403 subscribers) helped strengthen our relationship with the caravan sector by providing helpful and relevant information. *Open house – community support workers* (574 subscribers) provided practical tenancy information for community support workers to help their vulnerable clients. We also launched *Open house – tenants* in 2016 (4289 subscribers).

We continued to contribute articles 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.





# PROACTIVE COMPLIANCE AGENDA

**This year we ramped up our regulatory function, taking a more proactive approach to breaches of the Act.**

This resulted in the investigation of 1,956 offences and a number of prosecutions including action against a property manager who disconnected essential services to a rental home.

In 2016–17, 815 investigations were finalised (93.9 per cent within six months).

We worked closely with sector stakeholders and other government agencies to encourage compliance. This allowed the RTA to establish new stakeholder relationships while building on existing ones. We continued compliance work in regional areas with 26 per cent of investigations conducted outside South East Queensland.

## Compliance operations

During a compliance operation in Townsville and Ayr numerous real estate agents were educated about their legal obligations and the role of the RTA. They were also updated on changes to service delivery and tenancy database laws. During the operation, we worked with the Queensland Police Service, Office of Fair Trading and Queensland Fire and Emergency Services, as well as support agencies, such as QSTARS and LawRight.

This cooperative compliance work allowed appropriate referrals, intelligence sharing, cooperative compliance activities and joint enforcement action, resulting in

greater compliance across a number of areas. A new compliance and enforcement policy and procedure has been implemented to align the RTA with other regulatory authorities.

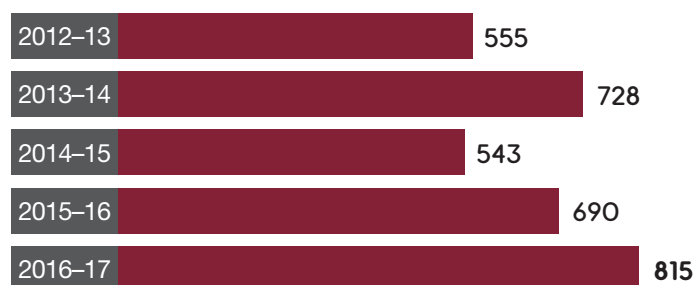
While enforcement action, such as issuing infringement notices and prosecutions is pursued for serious and repeat offences, an emphasis on education continues to prove most effective. This approach is the most productive and beneficial to the rental sector, with instances of re-offending remaining low.

Types of offences investigated include: non-lodgement of bond, failure to provide documentation, unlawful entry, terms in agreements that breach the Act, and various offences including the issuing of appropriate bond and rent receipts, quiet enjoyment and privacy issues, terminating of agreements and tenancy database matters.

This financial year 10 penalty infringement notices were issued, seven to corporations and three to individuals for failure to pay rental bonds to the RTA within 10 days, failure to provide bond receipts and using photos containing the tenant's possessions without written consent.

## Finalised investigations into non-compliance with the Act

2012–13 to 2016–17\*

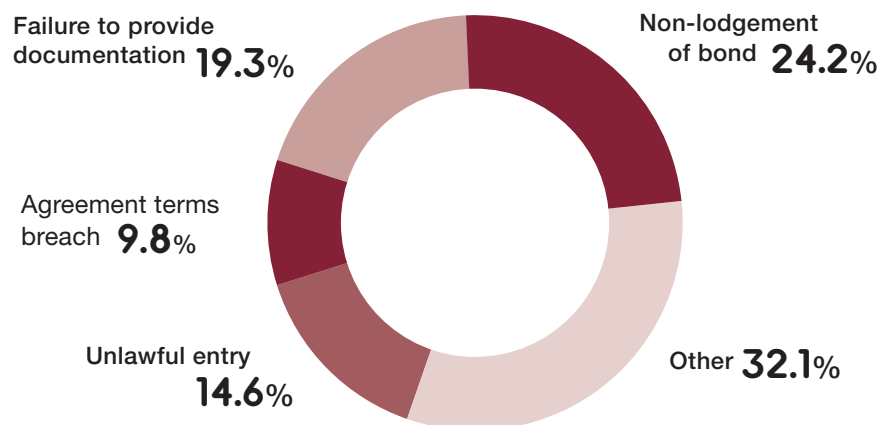


\*Previous annual reports recorded the number of commenced investigations into non-compliance with the Act.



## Types of offences investigated in 2016–17

2016–17 financial year\*



\*These categories have changed following business system changes this financial year.

## Successful prosecutions

Three prosecutions were undertaken this year, one against a licensed agent and two against property managers.

**A Brisbane rooming accommodation manager** was fined \$10,000 and ordered to pay costs after he was found guilty of 27 breaches of the Act. The property manager, who failed to lodge bonds with the RTA and tenancy documentation was also convicted of unlawfully requiring residents to purchase goods and services. The manager, who was previously prosecuted by the RTA, was also found guilty of unlawfully recovering possession of a rental property.

**A Brisbane property owner**, who was also a licensed real estate agent, was fined \$4750 after being found guilty of three counts of contracting out of the Act by including terms that evade the legislation and including a term that penalises the tenant for late rent which contravenes the Act. The defendant, who was also previously prosecuted by the RTA, was ordered to pay RTA filing fees.

**A Cairns property owner**, and first time offender, was found guilty of failing to lodge a bond and provide tenancy documentation to the RTA, and interfering with a tenant's quiet enjoyment by disconnecting essential services to the property during the tenancy. The defendant was fined \$3000 and ordered to pay RTA filing fees. No conviction was recorded.



# OUR ORGANISATION

## KEY RESULTS



**NEW myPLACE  
ONLINE** learning  
management system



**PERFORMANCE  
FRAMEWORK AND  
SYSTEM** implemented



**TALENT and  
SUCCESSION**  
management



**REVIEW OF ALL**  
health and safety systems



New **REWARD AND  
RECOGNITION** program



**26 EMPLOYEES**  
celebrated over 10 years  
of service

## FUTURE PRIORITIES

- embed new HR system
- develop new workforce reporting system
- performance plans for all employees by end of 2017
- implement Safety Management Plan and health and wellbeing initiatives
- implement Learning and Development Strategy initiatives
- define workforce analytics and HR metrics



# RTA EXECUTIVE LEADERSHIP TEAM



**Darren Barlow**

BCom, MBA (Advanced), FCPA, FAICD,  
DipFinServ, SAFin, MAPIO

## **Chief Executive Officer**

Darren Barlow was appointed Chief Executive Officer in April 2015.

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. Previously, Darren was a director at the Master Builders Association of Queensland and General Manager of Strategic Relations at 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.



**Meghan Hibbert**

Grad DipSocSci (Housing Mgt and Policy),  
DipBusMgt, BOrgLead

## **Director, Policy and Stakeholder Engagement**

Meghan leads the Policy and Stakeholder Engagement division which delivers research, consultation, policy development, investigations, communication, and community education to a wide range of stakeholders to maintain integrity and balance within Queensland's residential rental sector.

Joining the RTA in July 2016, Meghan has extensive knowledge in the housing and community services sector. Having worked in the program and policy areas of the Department of Housing and Public Works, and in operations and asset management for Housing NSW, Meghan brings with her more than 10 years' executive and senior management experience.





**John Rayfield**

EMBA

**Chief Information Officer**

John is responsible for the RTA's information, communication and technology strategies, driving the use of enabling technologies to deliver innovative solutions. He joined the RTA in October 2015 following more than nine years at Tatts Group, where he oversaw the development of lotteries, wagering and gaming systems.

John has more than 20 years' experience in leadership roles across the financial services, supply chain and gambling industries. As a strategic technology leader, John's expertise includes the development and introduction of new products, services and software solutions while leading business transformations in complex environments.

John has an Executive MBA majoring in Leadership and International Business from the Queensland University of Technology.



**Melanie Banner**

**Director, Service Delivery**

Melanie joined the RTA in 2008 and was appointed to the Executive Team in August 2011. Melanie's division provides our clients with personalised tenancy information, support and dispute resolution services.

She brings 17 years' public sector frontline leadership experience to the RTA, at state and federal government levels.



**Juliet McKenzie**

BCom (Accounting), FCPA

**Chief Financial Officer**

Juliet McKenzie leads the RTA's Corporate Support Services division, which includes Finance and Transaction services, Human Resources, Corporate Governance and Legal services.

Juliet has extensive leadership experience in corporate services, developing commercial initiatives, financial structures and policies during mergers, government restructuring and complex project management activities including crisis management.

Juliet joined the RTA in November 2015 after 15 years in the water industry, where she held executive and senior finance roles at Seqwater.

# OUR PEOPLE

**Our staff are the key to our success and the RTA has put enormous energy into building an adaptive workforce during a time of significant organisational change.**

This focus, which is an important pillar of the organisation's strategic plan, is helping to build the foundations of a high-performance culture.

The Learning and Development Strategy, a major RTA initiative in 2016–17, was developed and implemented to achieve that goal.

The strategy includes:

- enhancing capability to improve performance and productivity
- adopting modern and best practice approaches in the sector
- minimising organisational and operational risk, and
- enhancing organisational performance.

Other strategic initiatives include:

- talent and succession management
- reward and recognition
- myPlace online learning management system, and
- new performance framework.

## Talent and succession management plan

This plan identifies staff members with ability, potential and passion to move into senior roles in the RTA.

The RTA's framework was built to:

- develop leadership pathways to ensure business continuity
- resource talent development to ensure a greater return on investment
- identify and deploy the best candidates for key positions
- develop critical technical capability, and
- develop potential successors.

Succession planning has occurred for all critical roles across the RTA, as well as talent assessment across the executive and leadership teams.

## Reward and recognition program

This program recognises and rewards staff who help build a high performance culture at the RTA. The old rewards program was reviewed and updated to align with our corporate values and government practice. The new plan addresses the Working for Queensland survey results across a range of areas (e.g. engagement, learning and development, recognition and performance) and prepares the organisation for the rollout of a new performance framework.

## myPlace online learning management system

The RTA's new approach to training blends online learning solutions for staff while saving the business more than \$50,000.

The myRTA learning management system allows staff 24/7 access to training modules on PCs, smartphones and tablets and replaces the more traditional and costly face-to-face approach. myRTA helps maximise individual potential and encourages staff to become adaptive and flexible in the workplace.

myPlace streamlines metrics and reporting and helps mitigate risk by ensuring staff complete mandatory training in areas such as safety and privacy.

The system also includes conduct, work health and safety, discrimination and Equal Employment Opportunities (EEO), information privacy and fraud awareness training.

It will also be used as an integrated talent management solution and will roll out and track our new performance framework.





## Performance framework

The framework, which aims to help create a high performing organisation, was trialled across the RTA this financial year and will be formally launched later in 2017.

The RTA's strategic objectives are embedded in the framework and encourage all employees to support, and participate in, a high performance environment.

The Public Service Commission's competency framework, outlines expectation of behaviour in the workplace and helps enable career path planning and the transfer of skills across the Queensland Public Sector.

The new performance framework will be hosted in myPlace to enable streamlined tracking, reporting, intelligence gathering and forward planning, delivering on our strategic goal of developing lean systems.

There has been a significant investment in developing capability to coincide with the launch of the framework. This included the development of programs for all staff including the leadership team.

The Learning and Development Strategy can be directly linked to our culture and values through employee inductions, performance reviews and recognising employees for exemplary work or displaying RTA values.

## Safety and employee wellbeing remains a priority

In 2016–17, there were 23 workplace incidents that occurred without any lost time due to injury. All legislative and reporting requirements, including those to regulatory bodies, were met. The organisation also supported a number of employees through rehabilitation programs to facilitate a safe return to the workplace after a significant absence or injury.

A full review of the workplace health and safety systems and processes was conducted in 2016–17 with an increased focus on education and awareness and building capability across the business.



The Wellness Program gave staff the opportunity to increase their knowledge of health issues through annual health assessments, skin cancer checks and the flu vaccination program. This year, the RTA also became corporate partners with healthcare providers, Medibank Private and Bupa. Seminars about how to deal with stress and anxiety, and general mental health matters as well as financial information sessions with QSuper, Remserv and Smart Salary were integrated into the program.

Our free, confidential counselling and online service for staff has proven popular during the year. The Employee Assistance Program saw an increase in staff accessing the service during a time of significant organisational change.

## Promoting equity at work

We promote a discrimination-free workplace by educating staff about anti-discrimination laws through formal induction training, brochures and pamphlets, and information on the intranet.

The RTA supports Equality of Employment Opportunity (EEO) events such as Mental Health Week,

International Women's Day and Domestic Family Violence Prevention Month. EEO and anti-discrimination requirements and principles are incorporated into RTA policies, procedures and training.

## Healthy work-life balance

The RTA continued to encourage staff to maintain a healthy work-life balance by providing flexible accrued time, part-time employment, casual employment and formal working from home arrangements.

The introduction of the new Queensland Public Service Officers and Other Employees' Award – State 2015 has provided greater flexibility for staff with additions such as the ability to utilise recreation leave and long service leave on half pay or take recreation leave as a part day.

With the introduction of more efficient technologies and ways of doing business, the RTA has piloted arrangements for employees to work interstate or overseas. This allows the RTA to retain highly talented and capable people, whilst they are supporting family commitments.

## Our workforce is the key to our success

Our workforce is critical in the achievement of the deliverables of the RTA strategy.

High staff retention continued in 2016–17 and, as at 30 June 2016, 26 employees recorded 10 or more years of service with our organisation representing nine per cent of our workforce.

Of these, 11 employees (four per cent of the workforce) completed 15 or more years of service, eight employees (three per cent of the workforce) completed 20 or more years of service, and two employees (one per cent of the workforce) had completed 25 or more years of service.

The annual separation rate for 2016–17 was 20.8 per cent of the workforce. This rate includes staff who resigned to take up roles elsewhere in the public service. During the period, three employees received redundancy packages at a cost of \$327,430.

## Workforce profile

### Employees (FTE) by division\* as at 30 June 2017

Office of the CEO	1
Policy and Stakeholder Engagement	22.80
Corporate Support Services	81.60
Digital Business Centre	27.56
Service Delivery	100.88
<b>Total</b>	<b>233.84</b>

\* Note: This table does not include contract and temporary agency staff.

### Employees by occupation and gender† as at 30 June 2017

Occupation	Female	Male
Managers and administrators	4	6
Professionals	21	21
Clerical and administrative workers	137	60
<b>Total</b>	<b>162</b>	<b>87</b>

† Note: This table does not include contract and temporary agency staff and RTEO employees on unpaid leave of greater than 8 weeks.

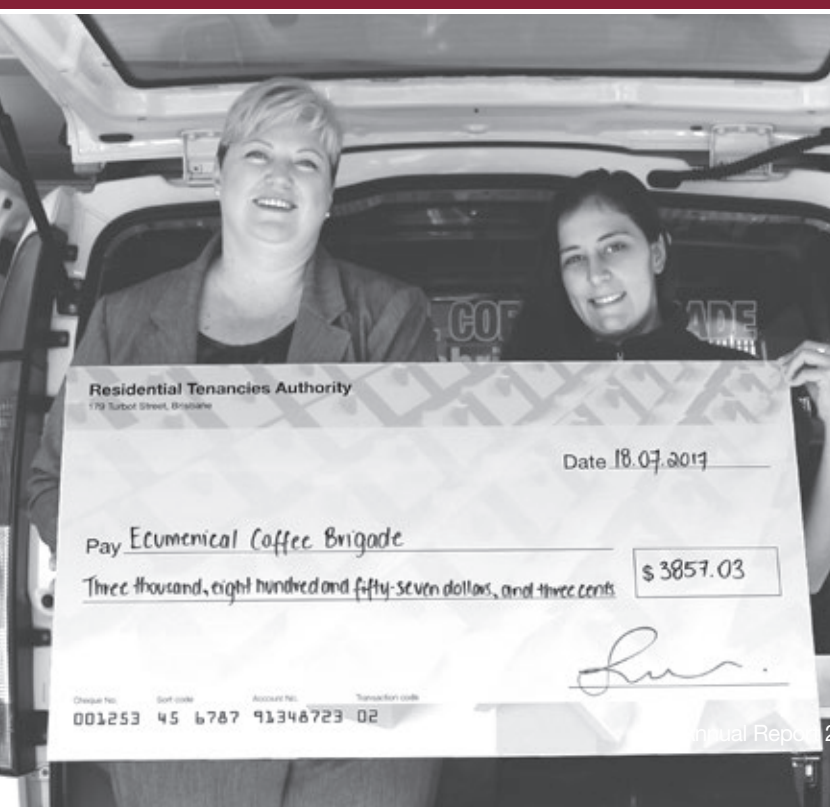
## RTA staff raised over \$7,500 for homeless charities

For over a decade, RTA staff have made a difference to the lives of Brisbane's homeless and disadvantaged by collecting gold coin donations every Friday for two worthy charities.

We remain committed to our favourite charities, the Ecumenical Coffee Brigade (ECB) and the Brisbane Youth Service (BYS), who help the homeless. During 2016–17, we raised \$7,714 for these charities.

RTA's Director of Policy and Stakeholder Engagement, Meghan Hibbert, presents a donation cheque to Alison Kelly of the Ecumenical Coffee Brigade.

RTA's Manager of Communication and Education, Julez Clarke, presents a donation cheque to Angelique Ettia and Annemaree Callander of the Brisbane Youth Service.





# OUR FINANCES

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## KEY RESULTS



**4.4%**  
return on investment



**\$0.72M**  
operating surplus



**\$815.56M**  
value of bonds held



Focus on **REDUCING**  
**TRANSACTION** costs

## FUTURE PRIORITIES

- enhancements to software and internal processes
- customised reports for staff and stakeholders



# FINANCIAL OVERVIEW

## Higher investment returns

This financial year saw investment returns outperform forecasted results with investment income exceeding budget by \$8.4m. The value of bonds held during 2016–17 increased by 5.35 per cent from \$774.1m to \$815.5m.

The average rate of return on investments of rental bonds was 4.4 per cent against a budgeted return of 3.3 per cent, which is an improvement from 3.45 per cent in 2015–16. Investment returns were \$34.970m in 2016–17, on the back of strong results in the retail property sector and the performance of bonds with continuing low interest rate environment in Australia.

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 our fund manager, Queensland Investment Corporation (QIC) to ensure investment risks are carefully managed.

The improvement in investment returns year-on-year resulted in an operating income of \$34.989m, up from \$27.420m achieved in 2015–16. Expenses decreased from \$37.195m to \$34.267m, resulting in an operating surplus of \$0.722m. Net financial instruments held at the RTA as at 30 June 2017 were \$34.200m compared with \$36.489m the previous year. This includes financial assets of \$865.005m (cash, investments and receivables) less \$830.805m in financial liabilities (payables, rental bonds and unclaimed monies held on behalf of clients).

## Healthy financial position

Due to strong investment returns, the RTA continued to maintain a healthy balance sheet, with no debt and a high level of liquid assets. Total equity increased by 1.69 per cent from \$42.81m in 2015–16 to \$43.53m.

### Financial performance

2011–12 to 2015–16 (\$'m)

Financial year	Income	Expenditure	Surplus/deficit
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)
2015–16	27.420	37.195	(9.775)
<b>2016–17</b>	<b>34.989</b>	<b>34.267</b>	<b>0.722</b>

## Financial performance

Our 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. The year's operating surplus is \$0.722m. This result is due to actual investment returns outperforming forecast combined with lower non-recurrent expenditure on portfolio delivery projects. While investment returns improved to 4.4 per cent compared with 3.45 per cent in the previous year, income was \$8.424m above budget. Costs continued to be managed during the year and full year costs were contained to \$0.732m below budget. The operating surplus improved our accumulated surplus by \$0.722m. 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 will result in a forecast deficit in 2017–18.

Taking into account the ongoing low interest rate environment in Australia and international markets, the forecast level of investment returns is 3.20 per cent.

## 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, and
- 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 predominantly 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 RTA has also allocated investment funds to the Queensland Treasury Corporation (QTC).

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 as at 30 June 2017

Fund type	Investment range	Amount invested (\$'m)	Allocation QIC	Allocation QIC/QTC/other
QIC Bond Plus Fund	0–45%	163.2	20.1%	
QIC Cash Enhanced Fund	0–100%	184.9	22.7%	
QIC Global Credit Fund	0–45%	340.5	41.8%	
QIC Global Credit Opportunities Fund	0–20%	1.8	0.2%	
QIC Property Fund	0–20%	123.4	15.2%	
<b>Total QIC</b>		<b>813.9</b>	<b>100%</b>	<b>97.9%</b>
QTC		13.95		1.7%
Other		3.18		0.4%
<b>Total funds invested</b>		<b>788.4</b>		<b>100%</b>

## Selected financial and operating data

The RTA has compiled the financial information for the year ending 30 June 2017 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

Overall expenditure (excluding grants) increased by \$2.072m (6.4 per cent) to \$34.267m primarily due to the increase in staff costs resulting from the temporary increase in staff numbers required to process increased bond transactions after the go live of the myRTA system.

## Total expenditure by type

### Total expenditure by type

Expenditure	2015–16	2016–17
Salaries and related expenses	51.2%	61.0%
Investment fees	4.2%	4.8%
Grants and subsidies	13.4%	0.0%
Supplies and services	27.9%	29.30%
Other expenses	3.3%	4.9%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Employee expenses

Employee expenses increased by \$1.867m (9.8 per cent) from \$19.042 in 2015–16 to \$20.909 in 2016–17 due to increase in service volumes and additional resources temporarily required with the transition to the new system.

## Supplies and services

Supplies and services decreased by \$0.247m (-2.07 per cent) from \$11.927m in 2015–16 to \$11.680m in 2016–17 due to cost savings initiatives and the impact of a delay in the implementation of the new system.

## Improved efficiency reduces costs

The RTA continues to focus on reducing transaction costs through the increasing use of automation and enabling clients to self-service.



# 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.

For information in relation to the RTA and its controlled entity's financial statements, please call (07) 3046 5400, or visit [rta.qld.gov.au](http://rta.qld.gov.au).

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2017

		Group		Parent	
		2017	2016	2017	2016
	Notes	\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Investment revenue	2	34,970	27,403	34,970	27,403
Other revenue	2	19	17	19	17
<b>Total Income</b>		<b>34,989</b>	<b>27,420</b>	<b>34,989</b>	<b>27,420</b>
<b>Expenses</b>					
Employee expenses	3	20,909	19,042	488	400
Supplies and services	6	11,680	11,927	32,104	30,572
Grants and subsidies	7	-	5,000	-	5,000
Depreciation and amortisation	8	1,354	572	1,354	572
Impairment losses	9	-	329	-	329
Other expenses	10	324	325	321	322
<b>Total Expenses</b>		<b>34,267</b>	<b>37,195</b>	<b>34,267</b>	<b>37,195</b>
<b>Operating Result for the Year</b>		<b>722</b>	<b>(9,775)</b>	<b>722</b>	<b>(9,775)</b>
<b>Other Comprehensive Income</b>					
		-	-	-	-
<b>Total Operating Result</b>		<b>722</b>	<b>(9,775)</b>	<b>722</b>	<b>(9,775)</b>

The accompanying notes form part of these statements.

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

		Group		Parent	
		2017	2016	2017	2016
	Notes	\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>					
Cash and cash equivalents	11	50,677	70,892	50,584	70,685
Other financial assets	12	813,888	753,341	813,888	753,341
Receivables	13	440	495	426	480
Other current assets	14	460	600	455	586
<b>Total current assets</b>		<b>865,465</b>	<b>825,328</b>	<b>865,353</b>	<b>825,092</b>
<b>Non current assets</b>					
Intangible assets	15	11,951	8,218	11,951	8,218
Property, plant and equipment	16	1,003	1,373	1,003	1,373
Other non-current assets	14	42	78	42	78
<b>Total non current assets</b>		<b>12,996</b>	<b>9,669</b>	<b>12,996</b>	<b>9,669</b>
<b>Total assets</b>		<b>878,461</b>	<b>834,997</b>	<b>878,349</b>	<b>834,761</b>
<b>Current liabilities</b>					
Payables	17a	850	1,241	4,797	4,934
Rental bonds and unclaimed monies	17b	829,591	786,673	829,591	786,673
Operating lease payable	17c	47	-	47	-
Accrued employee benefits	18	3,329	3,082	68	22
<b>Total current liabilities</b>		<b>833,817</b>	<b>790,996</b>	<b>834,503</b>	<b>791,629</b>
<b>Non current liabilities</b>					
Operating lease payable	17c	317	325	317	325
Accrued employee benefits	18	798	869	-	-
<b>Total non current liabilities</b>		<b>1,115</b>	<b>1,194</b>	<b>317</b>	<b>325</b>
<b>Total liabilities</b>		<b>834,932</b>	<b>792,190</b>	<b>834,820</b>	<b>791,954</b>
<b>Net assets</b>		<b>43,529</b>	<b>42,807</b>	<b>43,529</b>	<b>42,807</b>
<b>Equity</b>					
Accumulated surplus		43,529	42,807	43,529	42,807
<b>Total equity</b>		<b>43,529</b>	<b>42,807</b>	<b>43,529</b>	<b>42,807</b>

The accompanying notes form part of these statements.



## STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2017

	\$'000	\$'000
	Accumulated Surplus	Total Equity
	Group	
<b>2017</b>		
Balance as 1 July 2016	42,807	42,807
Operating result from continuing operations	722	722
<b>Balance as at 30 June 2017</b>	<b>43,529</b>	<b>43,529</b>
<b>2016</b>		
Balance as at 1 July 2015	52,582	52,582
Operating result from continuing operations	(9,775)	(9,775)
<b>Balance as at 30 June 2016</b>	<b>42,807</b>	<b>42,807</b>
	Parent	
<b>2017</b>		
Balance as 1 July 2016	42,807	42,807
Operating result from continuing operations	722	722
<b>Balance as at 30 June 2017</b>	<b>43,529</b>	<b>43,529</b>
<b>2016</b>		
Balance as at 1 July 2015	52,582	52,582
Operating result from continuing operations	(9,775)	(9,775)
<b>Balance as at 30 June 2016</b>	<b>42,807</b>	<b>42,807</b>

The accompanying notes form part of these statements.

## STATEMENT OF CASH FLOWS

for the year ended 30 June 2017

		Group		Parent	
		2017	2016	2017	2016
	Notes	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
<b>Inflows</b>					
Interest income		2,036	1,729	2,036	1,729
Bond lodgements		405,176	388,954	405,176	388,954
Other operating receipts		19	17	19	17
GST collected from customers		1	1	1	1
GST refunds received		1,729	1,471	1,733	1,471
<b>Outflows</b>					
Bond claims		(362,257)	(357,868)	(362,257)	(357,868)
Employee expenses		(20,733)	(18,726)	(442)	(389)
Supplies and services		(11,858)	(11,922)	(32,036)	(30,373)
Grants and subsidies		-	(5,000)	-	(5,000)
Other expenses		(338)	(359)	(341)	(341)
GST paid to suppliers		(1,660)	(1,466)	(1,660)	(1,466)
<b>Net cash provided by/(used in) operating activities</b>	19	<b>12,115</b>	<b>(3,169)</b>	<b>12,229</b>	<b>(3,265)</b>
<b>Cash flows from investing activities</b>					
<b>Inflows</b>					
Investments redeemed		28,387	61,576	28,387	61,576
<b>Outflows</b>					
Payments for property, plant and equipment		(28)	(184)	(28)	(184)
Payments for intangibles		(4,689)	(2,717)	(4,689)	(2,717)
Payments for investments		(56,000)	(34,898)	(56,000)	(34,898)
<b>Net cash provided by/(used in) investing activities</b>		<b>(32,330)</b>	<b>23,777</b>	<b>(32,330)</b>	<b>23,777</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(20,215)</b>	<b>20,608</b>	<b>(20,101)</b>	<b>20,512</b>
Cash and cash equivalents at beginning of financial year	11	70,892	50,284	70,685	50,173
<b>Cash and cash equivalents at end of financial year</b>	11	<b>50,677</b>	<b>70,892</b>	<b>50,584</b>	<b>70,685</b>

The accompanying notes form part of these statements.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### A) BASIS OF FINANCIAL STATEMENT PREPARATION

#### GENERAL INFORMATION

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 head office and principal place of business of the RTA is Level 23 179 Turbot Street BRISBANE QLD 4000.

#### COMPLIANCE WITH PRESCRIBED REQUIREMENTS

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 applicable to not for profit entities. In addition, the financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2016, other authoritative pronouncements and the requirements prescribed by:

- *Residential Tenancies and Rooming Accommodation Act 2008* (Qld); and
- *Statutory Bodies Financial Arrangements Act 1982* (Qld).

#### PRESENTATION

##### Currency and Rounding

Amounts included in the financial statements are in Australian dollars and 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 reflects the audited 2015–16 financial statements except where it has been restated where necessary to be consistent with disclosures in the current reporting period.

##### Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the RTA does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

### AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

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

#### BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except for investments which are reported at fair value and provisions expected to be settled 12 or more months after reporting date which are measured at their present value.

##### Historical Cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

##### 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 estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current/depreciated replacement cost methodology.
- The *income approach* converts multiple future cash flows amounts to a single (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

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.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

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 QIC 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.

For short term trade receivables and payables with a contractual maturity date of one year or less, the carrying amount, as adjusted for any allowances for impairment, is deemed to reflect the fair value. There are no other assets or liabilities of the RTA which are measured at fair value. There were no transfers of assets between fair value hierarchy levels during the period.

### Present Value

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

### Net Realisable Value

Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

### THE REPORTING ENTITY

The consolidated financial statements include all income, expenses, assets, liabilities and equity of the 'economic entity' comprising the RTA and the entity that it controls. All transactions and balances internal to the economic entity have been eliminated in full.

The RTA as an economic entity consists of the parent entity together with the Residential Tenancies Employing Office (RTEO) as a controlled entity. The parent entity financial statements include all income, expenses, assets, liabilities and equity of the RTA only.

## B) OBJECTIVES AND PRINCIPAL ACTIVITIES OF THE RTA

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.

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).

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.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 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.

## 1. Summary of other significant accounting policies

### (a) 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), Goods and Services Tax (GST) and Pay-As-You-Go (PAYG) withholding requirements.

The RTA and its controlled entity are also required to comply with 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.

### (b) Accounting estimates and judgements

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 3

Recognition of Intangibles – Note 15

Depreciation and Amortisation – Note 15 and Note 16

Impairment of non-current assets – Note 15

### (c) Future impact of accounting standards not yet effective

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future commencement dates are set out below:

#### **AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers**

These standards will first apply to the RTA from its financial statements for 2019–20.

The RTA has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts. Potential future impacts identifiable at the date of this report are as follows:

- A range of new disclosures will be required by the new standards in respect of the RTA's revenue.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### **AASB 9 Financial Instruments and AASB 2014–7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)**

These standards will first apply to the RTA from its financial statements for 2018–19. The main impacts of these standards on the RTA are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the RTA's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

The RTA has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as this classification of financial assets at the date of initial application of the new standard will depend on the facts and circumstances existing at that date, the RTA's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the RTA enters into, all of the RTA's financial assets are expected to be required to be measured at fair value (instead of the measurement classifications presently used in Note 22) with the possible exception of the RTAs investment in the QIC Global Credit Fund and other investments in debt securities, which may require measurement at amortised cost. In the case of the RTA's current receivables, as they are short-term in nature, the carrying amount is expected to be reasonable approximation of fair value. Changes in the fair value of those assets will be reflected in the organisation's operating result.

### **AASB 9 Financial Instruments and AASB 2014–7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)**

The RTA will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2018–19. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2018–19 financial statements to explain the impact of adopting AASB 9. The RTA is still assessing the transitional disclosure and impact on presentation from adopting this standard.

### **AASB 16 Leases**

The new standard, will first apply to the RTA from its financial statements for 2019–20. When applied, the standard supersedes AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a lease, AASB 115 Operating Leases – Incentives and AASB Interpretation 127 Evaluating the Substances of Transactions Involving the Legal Form of a Lease.

#### Impact for Lessees

Unlike AASB 117 Leases, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use assets (representing rights to the underlying leased asset) and a liability

(representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying asset is of low value.

In effect, the majority of operating leases (as defined by the current AASB 117) will be reported on the statement of financial position under AASB 16. There will be a significant increase in assets and liabilities for agencies that lease assets. The impact on the reported assets and liabilities would be largely in proportion to the scale of the agency's leasing activities

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will initially be recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance change (the effective rate of interest) in the lease. The finance cost will be recognised as an expense.

AASB 16 allows a 'cumulative approach' rather than a full retrospective application to recognising existing operating leases. If a lessee chooses to apply the 'cumulative approach' it does not need to restate the comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application. The RTA will await further guidance from Queensland Treasury on the transitional accounting method to be applied.

The RTA has not yet quantified the impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB16 to its current operating leases, including the extent of additional disclosure required.

Although the RTA anticipates that the adoption of AASB 16 may have an impact on RTA's accounting for operating leases, it is impracticable at this stage to provide a reasonable estimate of such an impact.

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

### **Accounting Standards Applied for the First Time in 2016–17**

No new Australian Accounting Standards effective for the first time in 2016–17 have had any material impact on this financial report.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 2. Income

#### Investment revenue

Interest on cash assets and investments

	Group		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Return on investments	32,934	25,630	32,934	25,630
Bank interest	2,036	1,773	2,036	1,773
<b>Total Investment revenue</b>	<b>34,970</b>	<b>27,403</b>	<b>34,970</b>	<b>27,403</b>

#### Other revenue

Sundry income	18	17	18	17
Bad debts recovered	1	-	1	-
<b>Total Other revenue</b>	<b>19</b>	<b>17</b>	<b>19</b>	<b>17</b>

<b>Total income</b>	<b>34,989</b>	<b>27,420</b>	<b>34,989</b>	<b>27,420</b>
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#### Accounting Policy – Investment Revenue Recognition

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 either QIC Managed Funds or QTC Guaranteed Capital Cash Fund. Any interest derived on funds invested with other financial institutions is brought to account when earned.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 3. Employee expenses

#### Employee benefits

	Group		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	16,870	15,434	285	275
Allowances	231	62	-	-
Annual leave expense	209	42	24	7
Long service leave expense	271	417	12	-
Employer superannuation contributions	2,022	1,874	44	48
<b>Total Employee benefits</b>	<b>19,603</b>	<b>17,829</b>	<b>365</b>	<b>330</b>

#### Employee related expenses

Fringe benefits tax	14	7	11	7
Workers' compensation insurance	121	107	2	2
Payroll tax	917	838	23	24
Other employee related expenses	254	261	87	37
<b>Total Employee related expenses</b>	<b>1,306</b>	<b>1,213</b>	<b>123</b>	<b>70</b>
<b>Total Employee expenses *</b>	<b>20,909</b>	<b>19,042</b>	<b>488</b>	<b>400</b>

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:

	Group		Parent	
	2017	2016	2017	2016
	No.	No.	No.	No.
	234	196	1	1

\* Total Employee expenses for the group include redundancies of \$327,430 in the 2016-17 financial year (2015-16: \$351,842). Also included was an ex-gratia (Section 831) payment to former core agreement employees totalling \$nil (2015-16: \$12,242).

#### Accounting Policy – Wages, Salary 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.

#### Accounting Policy – 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.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 4. Key management personnel and remuneration expenses

#### (a) Key Management Personnel

As from 2016–17, the RTA's responsible Minister is identified as part of the organisations Key Management Personnel (KMP), consistent with additional guidance included in the revised version of AASB 124 Related Party Disclosures. That Minister is the Honorable Mick de Brenni MP.

The following details for Non-Ministerial 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 2016–17. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive management.

Key management personnel and remuneration disclosures are made in accordance with the *Financial Reporting Requirements for Queensland Government Agencies* issued by Queensland Treasury.

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment Authority	Date appointed to position
<b>Chief Executive Officer</b>	The Chief Executive Officer is responsible for ensuring the authority is managed as required by the policies of the Board.	CEO/s487 <i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Appointed 5 May 2015
<b>Chief Financial Officer</b>	Responsible for leading the Corporate Support Services team, including Corporate Governance and Legal Services, Financial Services and Human Resources. This role also oversees the Transaction Centre for rental bond processing of all bond lodgements and refunds.	SES 2; s497 <i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Appointed 2 November 2015
<b>Chief Information Officer</b>	Responsible for the RTA's information, communication and technology strategies, driving the use of enabling technologies to deliver innovative digital solutions for the RTA.	SES 2; s497 <i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Appointed 6 October 2015
<b>Director – Policy and Stakeholder Engagement</b>	Leads the Policy and Stakeholder Engagement team, undertaking policy development and research, proactive community education and compliance activities and stakeholder engagement.	SO 3; s497 <i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Current: Appointed 18 July 2016  Former: Appointed 25 October 1999 Ceased 18 July 2016
<b>Director – Service Delivery</b>	Heads the RTA's Service Delivery division that comprises of 4 business units which include the Contact Centre, Support, Dispute Resolution and Quality and Training.	SO 2; s497 <i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Appointed 29 August 2011
<b>A/Manager – Transaction Centre</b>	Oversees the RTA's provision of a rental bond custodial service including the processing of all bond lodgements and refunds.	AO8; s497 <i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Appointed 1 July 2016



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 4. Key management personnel and remuneration expenses (continued)

#### (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 three year contract effective from 13 April 2015.

For the 2016–17 year, the remuneration of key executive management personnel increased by 2.5% (15–16 2.5%) 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.

#### 1 July 2016 – 30 June 2017

Position (service date if less than full year)	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	280	-	6	30	-	316
Chief Financial Officer	177	-	4	15	-	196
Chief Information Officer	174	-	4	19	-	197
Director – Policy and Stakeholder Engagement (Appointed 18 July 2016)	131	-	3	17	-	151
Executive Manager – Policy and Education (1 July 2016 to 18 July 2016)	8	-	-	1	-	9
Director – Service Delivery	134	-	3	17	-	154
A/Manager – Transaction Centre	110	-	3	13	-	126
<b>Total</b>	<b>1,014</b>	<b>-</b>	<b>23</b>	<b>112</b>	<b>-</b>	<b>1,149</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 4. Key executive management personnel and remuneration (continued)

#### (b) Remuneration (continued)

1 July 2015 – 30 June 2016

Position (service date if less than full year)	Short Term Employee Benefits		Long Term Employee Benefits	Post Employee Benefits	Termination Benefits	Total Remuneration
	Base	Non- Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	272	-	6	30	-	308
Chief Finance Officer (02 November 2015 – 30 June 2016)	114	-	2	12	-	128
Acting Executive Manager – Corporate Services (1 July 2015 to 30 October 2015 (Temporary Assignment)	46	-	1	6	-	53
Executive Manager – Rental Bonds Services (Ceased 30 June 2016)	117	-	3	14	-	134
Acting Executive Manager Information Management Services (1 July 2015 to 17 July 2015)	10	-	-	1	11	22
Acting Executive Manager Information Management Services (1 July 2015 to 30 September 2015)	37	-	2	4	-	43
Chief Information Officer (6 October 2015 to 30 June 2016)	123	-	3	13	-	139
Program Director, Portfolio Management and Delivery (1 October 2015 to 30 June 2016)	97	-	2	12	-	111
Executive Manager – Policy and Education	89	-	2	11	-	102
Acting Executive Manager – Policy and Education (1 July 2015 to 30 October 2015)	59	-	2	7	-	68
Executive Manager – Client Services	126	-	3	16	-	145
<b>Total</b>	<b>1,090</b>	<b>-</b>	<b>26</b>	<b>126</b>	<b>11</b>	<b>1,253</b>

#### (c) Other Transactions with Key Management Personnel and their Related Parties

For the 2016–17 Financial Year there were no material related party transactions between the RTA and Key Management Personnel other than ordinary citizen transactions.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 5. 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	Date Ceased
<b>Current Board</b>		
Ms Catherine Sinclair (Chair)	April 2013	
Ms Deborah Duffy	April 2010	
Ms Jane Seawright	November 2012	October 2016
Ms Helen Roslyn Wallace	April 2004	October 2016
Mr Darryl Mutzelburg	April 2013	March 2017
Ms Penny Gillespie	November 2013	
Ms Jan Williams	November 2013	October 2016
Ms Sally Watson	November 2016	
Mr Stephen Ryan	November 2016	
Mr Paul Melville	May 2017	
Ms Janet Benson	May 2017	

#### Board members remuneration

	Group		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
The total remuneration paid to Board Members:				
Ms Catherine Sinclair (Chair)	52	51	52	51
Ms Deborah Duffy	21	21	21	21
Ms Helen Roslyn Wallace	7	20	7	20
Mr Darryl Mutzelburg	15	20	15	20
Ms Jane Seawright	7	20	7	20
Ms Penny Gillespie	21	20	21	20
Ms Jan Williams	7	20	7	20
Ms Sally Watson	14	-	14	-
Mr Paul Melville	3	-	3	-
Ms Janet Benson	3	-	3	-
Mr Stephen Ryan	14	-	14	-
<b>Total Board member payments</b>	<b>164</b>	<b>172</b>	<b>164</b>	<b>172</b>

The 2016–17 board fees included fees of \$150,091 plus superannuation of 14,324. The 2015–16 board fees included fees of \$157,206 plus superannuation of \$14,935.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 5. Board disclosures (continued)

#### (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.

#### (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)	<b>Chair, Residential Tenancies Authority</b> Director, The Consultancy Bureau Director, National Board of Committee for Economic Development of Australia Councillor, Royal National Agricultural and Industrial Association of Queensland
Mr Stephen Ryan	<b>Board member, Residential Tenancies Authority</b> Chair, RTA Audit and Risk Committee Member, National Board, GROW
Ms Deborah Duffy	<b>Board member, Residential Tenancies Authority</b> Director, REIQ Director, KAM3 Pty Ltd
Mr Darryl Mutzelburg	<b>Board member, Residential Tenancies Authority</b>
Ms Jane Seawright	<b>Board member, Residential Tenancies Authority</b> Director, The Australian Festival of Chamber Music President, 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, CMTE Share Plan Pty Ltd, UDDTek Pty Ltd, Dig Technologies Pty Ltd, Intellidril Pty Ltd Company Secretary, Northern Australia Primary Health Limited Fellow, Australian Institute of Company Directors Member, Queensland Law Society.
Ms Helen Roslyn Wallace	<b>Board member, Residential Tenancies Authority</b> Secretary, The Property Owners' Association of Queensland Member, The Unit Owners Association of Queensland
Ms Penny Gillespie	<b>Board member, Residential Tenancies Authority</b>
Ms Jan Williams	<b>Board member, Residential Tenancies Authority</b> Director, Defence Housing Australia
Ms Sally Watson	<b>Board member, Residential Tenancies Authority</b>
Mr Paul Melville	<b>Board member, Residential Tenancies Authority</b> Joint Managing Director, Halcyon Management Pty Ltd Board Member, Urban Developments Institute of Australia Director, Black and White Holdings Limited
Ms Janet Benson	<b>Board member, Residential Tenancies Authority</b> Owner and Principal, Bluemint Property Management

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 5. Board disclosures (continued)

#### (d) Audit and Risk Committee

The RTA Board has also formed an Audit and Risk Committee that was chaired by Ms Susan Rix AM, who was an independent member until the 31st October 2016. Mr Stephen Ryan took over as Chair of the Audit and Risk committee in February 2017.

During the 2016–17 financial year, Ms Rix was paid a total of \$900 GST Excl (15–16 \$4,950) 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 5 (a).

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

Member	Date of Appointment	Date Ceased
Ms Susan Rix AM (Chair)	April 2013	October 2016
Mr Stephen Ryan (Chair)	February 2017	
Ms Catherine Sinclair (Ex-officio)	April 2013	
Ms Jane Seawright	April 2013	October 2016
Ms Helen Roslyn Wallace	April 2010	October 2016
Mr Darryl Mutzelburg	April 2013	March 2017
Ms Jan Williams	July 2014	October 2016
Ms Deborah Duffy	December 2016	
Ms Penny Gillespie	December 2016	

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 6. Supplies and services

	Group		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Advertising	17	32	17	32
Mailing services	261	302	261	302
Archival fees and charges	29	75	29	75
Bank charges	130	101	130	101
Board fees	149	158	149	158
Contractors and consultants	8,902	7,300	8,875	7,265
Less: Capitalised costs	(4,589)	(2,717)	(4,589)	(2,717)
Equipment expensed	201	249	201	249
Investment fees	1,639	1,567	1,639	1,567
Information Technology Expenses	464	365	464	365
Legal expenses	64	36	64	36
Operating lease rental	2,230	2,253	2,230	2,253
Postage	519	569	519	569
Printing and stationery	124	115	123	115
Repairs and maintenance	136	113	136	113
RTEO service fees	-	-	20,540	18,788
Software maintenance	463	533	463	533
Software licences	137	129	137	129
Telephone	215	178	215	177
Travel expenses	40	50	37	46
Other supplies and services	549	519	464	416
<b>Total Supplies and services</b>	<b>11,680</b>	<b>11,927</b>	<b>32,104</b>	<b>30,572</b>

### 7. Grants and subsidies

Department of Housing and Public Works	-	5,000	-	5,000
<b>Total Grants</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>

The RTA paid a grant in the 2016 financial year 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.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 8. Depreciation and amortisation

Depreciation and amortisation were incurred in respect of:

Plant and equipment

Computer equipment

Leasehold improvements

Intangible assets

Internally generated software

Purchased software

**Total Depreciation and amortisation**

Group		Parent	
2017	2016	2017	2016
\$'000	\$'000	\$'000	\$'000
23	43	23	43
100	108	100	108
275	275	275	275
842	-	842	-
114	146	114	146
1,354	572	1,354	572

### 9. Impairment losses

Intangible Assets

**Total Impairment Losses**

-	329	-	329
-	329	-	329

Refer to Note 15 for details of the recognised impairment loss for 2015–16.

### 10. Other expenses

External audit fees \*

Internal audit fees

Bad and impaired debts

Insurance premiums

**Total Other Expenses**

35	34	32	31
102	148	102	148
55	38	55	38
132	105	132	105
324	325	321	322

\* Total external audit fees paid to Queensland Audit Office relating to the 2016–17 financial year are estimated to be \$35,200 for the Group (2016: \$34,100 for the Group). There are no non-audit services included in this amount.

### 11. Cash and cash equivalents

Cash at bank

Queensland Treasury Corporation (QTC)

Term deposits

**Total Cash and cash equivalents**

Group		Parent	
2017	2016	2017	2016
\$'000	\$'000	\$'000	\$'000
3,467	2,342	3,374	2,135
31,710	60,550	31,710	60,550
15,500	8,000	15,500	8,000
50,677	70,892	50,584	70,685

#### Accounting Policy – 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.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 12. Other financial assets

Managed Funds – QIC	813,888	753,341	813,888	753,341
<b>Total Other Financial Assets</b>	<b>813,888</b>	<b>753,341</b>	<b>813,888</b>	<b>753,341</b>

Represented by:

	Group and Parent			
	Annual average return on investments	Treasurer approved strategic asset allocation parameter	Actual Allocation	Amount \$'000
<b>QIC Investment Products as at 30 June 2017</b>				
QIC Bond Plus Fund	3.99%	0% – 45%	20.06%	163,243
QIC Cash Enhanced Fund	2.78%	0% – 100%	22.72%	184,933
QIC Global Credit Fund	3.07%	0% – 45%	41.84%	340,524
QIC Global Credit Opportunities Fund	5.32%	0% – 20%	0.22%	1,775
QIC Property Fund	9.80%	0% – 20%	15.16%	123,413
<b>Total Portfolio</b>	<b>4.40%</b>		<b>100.00%</b>	<b>813,888</b>
<b>QIC Investment Products as at 30 June 2016</b>				
QIC Bond Plus Fund	3.02%	0 – 45%	20.33%	153,181
QIC Cash Enhanced Fund	2.68%	0 – 100%	34.24%	257,921
QIC Global Credit Fund	2.59%	0 – 45%	29.89%	225,118
QIC Global Credit Opportunities Fund	5.81%	0 – 20%	0.26%	1,975
QIC Property Fund	10.10%	0 – 20%	15.28%	115,146
<b>Total Portfolio</b>	<b>3.45%</b>		<b>100.00%</b>	<b>753,341</b>

#### Accounting Policy – Other Financial Assets

Managed Funds, managed by fund manager QIC, are generally available at call. These investments are held at market value in a portfolio of five products covering various levels of investment risk and investment return. The RTA does not engage in any transactions for speculative purposes.

The RTA and its controlled entity values the investment portfolio at market value as stated by the QIC investment portfolio funds manager which is categorised as level 2 in the fair value hierarchy. Refer to Note A for further information regarding the RTA's fair value accounting policies.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	Group		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b>13. Receivables</b>				
Debtors	91	69	82	54
Accrued interest revenue	211	219	211	219
GST receivable	138	207	133	207
<b>Total Receivables</b>	<b>440</b>	<b>495</b>	<b>426</b>	<b>480</b>

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

## 14. Other assets

### CURRENT

Prepayments	460	600	455	586
<b>Total Current</b>	<b>460</b>	<b>600</b>	<b>455</b>	<b>586</b>

### NON-CURRENT

Prepayments	42	78	42	78
<b>Total Non-current</b>	<b>42</b>	<b>78</b>	<b>42</b>	<b>78</b>
<b>Total Other assets</b>	<b>502</b>	<b>678</b>	<b>497</b>	<b>664</b>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	Group		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>15. Intangible assets</b>				
<b>Software purchased: At cost</b>				
Gross	1,012	911	1,012	911
Less: Accumulated amortisation	(918)	(804)	(918)	(804)
	94	107	94	107
<b>Software internally generated: At cost</b>				
Gross	14,607	2,995	14,607	2,995
Less: Accumulated amortisation	(3,837)	(2,995)	(3,837)	(2,995)
	10,770	-	10,770	-
<b>Work in progress: At cost</b>				
myRTA – Gross	-	8,111	-	8,111
myRTA Online Portal – Gross	1,087	-	1,087	-
	1,087	8,111	1,087	8,111
<b>Total intangible assets</b>	<b>11,951</b>	<b>8,218</b>	<b>11,951</b>	<b>8,218</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 15. Intangible assets (continued)

#### Intangible Assets Reconciliation

	Software Internally Generated	Software Purchased	Software Work In Progress	Total
Group and Parent				
	\$'000	\$'000	\$'000	\$'000
<b>2017</b>				
<b>Carrying amount at 1 July 2016</b>	-	107	8,111	8,218
Acquisitions	-	101	-	101
Acquisitions through internal development	-	-	4,588	4,588
Capitalisation of Completed Assets to Software Internally Generated	11,612		(11,612)	-
Amortisation	(842)	(114)	-	(956)
Impairment losses recognised in operating deficit *	-	-	-	-
<b>Carrying amount at 30 June 2017</b>	<b>10,770</b>	<b>94</b>	<b>1,087</b>	<b>11,951</b>
<b>2016</b>				
<b>Carrying amount at 1 July 2015</b>	-	253	5,723	5,976
Acquisitions through internal development	-	-	2,717	2,717
Amortisation	-	(146)	-	(146)
Impairment losses recognised in operating deficit *	-	-	(329)	(329)
<b>Carrying amount at 30 June 2016</b>	<b>-</b>	<b>107</b>	<b>8,111</b>	<b>8,218</b>

\* Impairment losses are shown as a separate line item in the Statement of Comprehensive Income. Impairment loss expense for the current year regarding the myRTA Software Work in Progress is \$nil (2016: \$329,000). This was a result of previously capitalised development costs that were no longer being utilised by the organisation.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 15. Intangible assets (continued)

#### Accounting Policy – Recognition

##### Basis of Capitalisation and Recognition Thresholds

Intangible assets of the RTA comprise both internally generated and purchased software as well as software that is still work in progress. Intangible assets with a historical cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed.

There is no active market for any of the RTA's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

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

Costs associated with the internal development of computer software are capitalised and amortised under the amortisation policy below. Costs that do not meet the criteria for capitalisation are expensed as incurred.

The residual value is zero for all the RTA's intangible assets.

#### Accounting Policy – Amortisation Expense

All intangible assets of the RTA have finite useful lives and are amortised on a straight line basis over their estimated useful life to the organisation. Straight line amortisation is used reflecting the expected consumption of economic benefits on a progressive basis over the intangibles useful life.

#### Useful Life

Key Estimate: For each class of intangible asset the following amortisation rates are used:

Intangible Asset	Useful Life
Software Purchased	3 to 10
Software Internally Generated	10

The RTA has developed an improved and integrated Client Portal. The associated costs of developing the Client Portal are currently accumulating as Work in Progress Capital until the Client Portal is launched, subject to ministerial approval, at which time the remaining Work in Progress will be formally recognised as an intangible asset and will begin to be amortised over the asset's estimated useful life to the RTA.

The myRTA integrated bond and financial management system was launched in August 2016. A transfer from Software Work in Progress to Software Internally Generated was processed to reflect this.

#### Accounting Policy – Impairment

All 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 in the profit and loss.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by the RTA, including discontinuing the use of the software. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 16. Property, plant and equipment

#### Leasehold improvements: At cost

	Group		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Gross	2,799	2,799	2,799	2,799
Less: Accumulated depreciation	(2,019)	(1,744)	(2,019)	(1,744)
	780	1,055	780	1,055

#### Plant and equipment: At cost

	Group		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Gross	319	319	319	319
Less: Accumulated depreciation	(282)	(259)	(282)	(259)
	37	60	37	60

#### Computer hardware: At cost

	Group		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Gross	1,293	1,264	1,293	1,264
Less: Accumulated depreciation	(1,107)	(1,006)	(1,107)	(1,006)
	186	258	186	258

Total property, plant and equipment	1,003	1,373	1,003	1,373
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#### Property, Plant and Equipment Reconciliation

	Leasehold Improve- ments	Plant and Equipment	Computer Hardware	Total
Group and Parent				
	\$'000	\$'000	\$'000	\$'000
<b>2017</b>				
Carrying amount at 1 July 2016	1,055	60	258	1,373
Acquisitions	-	-	28	28
Depreciation	(275)	(23)	(100)	(398)
<b>Carrying amount at 30 June 2017</b>	<b>780</b>	<b>37</b>	<b>186</b>	<b>1,003</b>
<b>2016</b>				
Carrying amount at 1 July 2015	1,331	51	234	1,616
Acquisitions	-	52	132	184
Depreciation	(276)	(43)	(108)	(427)
<b>Carrying amount at 30 June 2016</b>	<b>1,055</b>	<b>60</b>	<b>258</b>	<b>1,373</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 16. Property, plant and equipment (continued)

#### Accounting Policy – Recognition

##### Basis of Capitalisation and Recognition Thresholds

Items of property, plant and equipment with a historical cost equal to or exceeding the following thresholds in the year of acquisition are reported as Property, Plant and Equipment in the following classes:

Plant and Equipment        5,000

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

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the RTA. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

#### Accounting Policy – Cost of Acquisition

Historical cost is used for the initial recording of all property, plant and equipment acquisitions. Historical cost is determined as the value given as consideration and costs incidental to the acquisition, plus all other costs incurred in getting the assets ready for use.

#### Accounting Policy – Depreciation Expense

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 any 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.

For the RTA's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

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

Depreciation rates for each class of depreciable asset (including significant identifiable components):

Property, Plant and Equipment	Useful Life
Plant and Equipment	3 to 20 years
Computer Hardware	3 years
Leasehold Improvements	10 years

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	Group		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>17. Payables</b>				
<b>CURRENT</b>				
<b>a. Payables</b>				
Trade creditors	850	1,230	768	1,146
Payables to RTEO	-	-	4,029	3,777
International transfers	-	11	-	11
	850	1,241	4,797	4,934
<b>b. Rental bonds and unclaimed monies</b>				
Rental bonds	815,491	774,084	815,491	774,084
Unclaimed bond monies *	14,100	12,589	14,100	12,589
	829,591	786,673	829,591	786,673
<b>c. Operating lease payable</b>				
Operating lease payable **	47	-	47	-
	47	-	47	-
<b>Total Current</b>	<b>830,488</b>	<b>787,914</b>	<b>834,435</b>	<b>791,607</b>
<b>NON-CURRENT</b>				
<b>c. Operating lease payable</b>				
Operating lease payable **	317	325	317	325
<b>Total Non-current</b>	<b>317</b>	<b>325</b>	<b>317</b>	<b>325</b>
<b>Total Payables</b>	<b>830,805</b>	<b>788,239</b>	<b>834,752</b>	<b>791,932</b>

\* 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 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.

### Accounting Policy – 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.

### Accounting Policy – Lease Liabilities

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. The difference between actual lease payments in accordance with the lease agreement and the expenditure recorded under the above policy is recorded as an operating lease payable.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 17. Payables (continued)

#### Accounting Policy – 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. 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 as current liabilities at their undiscounted face value.

### 18. Accrued employee benefits

#### CURRENT

	Group		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Annual leave	1,407	1,198	37	13
Long service leave	1,599	1,615	16	3
Wages Outstanding	319	262	15	6
Time off in lieu	4	3	-	-
Paid Parental Leave	-	4	-	-
<b>Total Current</b>	<b>3,329</b>	<b>3,082</b>	<b>68</b>	<b>22</b>

#### NON-CURRENT

Long service leave	798	869	-	-
<b>Total Non-current</b>	<b>798</b>	<b>869</b>	<b>-</b>	<b>-</b>
<b>Total Accrued employee benefits</b>	<b>4,127</b>	<b>3,951</b>	<b>68</b>	<b>22</b>

All provisions include associated on-costs.

#### Accounting Policy – Accrued Employee Benefits

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 wholly settled within 12 months, the liabilities are recognised at their undiscounted values. For those entitlements not expected to be wholly settled 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.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	Group		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>19. Reconciliation of operating result to net cash from operating activities</b>				
<b>Reconciliation of Cash</b>				
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:				
Operating result	722	(9,775)	722	(9,775)
Add: Depreciation and amortisation	1,354	572	1,354	572
Impairment Losses	-	329	-	329
Increase in Accrued employee benefits	176	316	46	11
Decrease in Receivables	55	-	54	12
Decrease in Prepayments	176	164	167	165
Increase in Unclaimed bonds	1,511	1,463	1,511	1,463
Increase in Rental bonds	41,407	29,715	41,407	29,715
Increase in operating lease payable	39	123	39	123
	45,440	22,907	45,300	22,615
Less:				
Increase in Receivables	-	3	-	-
Decrease in Trade creditors	391	443	137	250
Unrealised increase in investments	32,934	25,630	32,934	25,630
<b>Net Cash used in operating activities</b>	<b>12,115</b>	<b>(3,169)</b>	<b>12,229</b>	<b>(3,265)</b>

## 20. 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 THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Group		Parent	
2017	2016	2017	2016
\$'000	\$'000	\$'000	\$'000

## 21. Commitments for expenditure

### (a) Capital commitments

The RTA and its controlled entity have 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:

These expenditures are payable:

Not later than one year	2,565	4,528	2,559	4,499
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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 have 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	7,360	9,770	7,360	9,770
<b>Total Future Minimum Lease Payments</b>				
Not later than one year	2,506	2,410	2,506	2,410
Later than one year and not later than 5 years	4,854	7,360	4,854	7,360
Later than 5 years	-	-	-	-
	7,360	9,770	7,360	9,770

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 THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	Group		Parent	
	2017	2016	2017	2016
Notes	\$'000	\$'000	\$'000	\$'000

## 22. 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	11	50,677	70,892	50,584	70,685
Other financial assets	12	813,888	753,341	813,888	753,341
Financial assets measured at amortised cost:					
Receivables	13	440	495	426	480
<b>Total Financial assets</b>		<b>865,005</b>	<b>824,728</b>	<b>864,898</b>	<b>824,506</b>

##### Financial liabilities

Financial liabilities measured at amortised cost:

Payables	17	850	1,241	4,797	4,934
Rental bonds and unclaimed monies	17	829,591	786,673	829,591	786,673
Operating lease payable	17	364	325	364	325
<b>Total Financial Liabilities</b>		<b>830,805</b>	<b>788,239</b>	<b>834,752</b>	<b>791,932</b>

### Accounting Policy – Financial Instruments: Recognition and Classification

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.

Financial Instruments are classified and measured as follows:

Category	Measured by
Cash and Cash Equivalents	Fair value through profit and loss
Other Financial Assets	Fair value through profit and loss
Receivables	Held at amortised cost
Payables	Held at amortised cost
Rental Bonds and Unclaimed Monies	Measured at amortised cost

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

## 22. Financial instruments (continued)

### (b) Financial Risk Management

The RTA's activities expose it to a variety of financial risks – credit risk, liquidity risk and market risk (interest and other price 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	Ageing analysis, earnings at risk
Liquidity Risk	Sensitivity analysis
Market Risk	Investment earnings sensitivity analysis

### (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, as represented below:

		Group		Parent	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
<b>Maximum exposure to credit risk</b>					
<b>Financial assets</b>					
Cash and cash equivalents	11	50,677	70,892	50,584	70,685
Other financial assets	12	813,888	753,341	813,888	753,341
Receivables	13	440	495	426	480
<b>Total Financial assets</b>		<b>865,005</b>	<b>824,728</b>	<b>864,898</b>	<b>824,506</b>

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.

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.

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.

No financial assets are past due as at 30 June 2017 (2016: \$nil).

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 22. Financial instruments (continued)

#### (d) Liquidity Risk

Liquidity risk refers to the situation where the RTA and its controlled entity may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The RTA and its controlled entity are exposed to liquidity risk only in respect of payables 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.

		Group			
		Payable in:			
		≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
		\$'000	\$'000	\$'000	\$'000
2017					
<b>Financial liabilities</b>					
Payables	17	850	-	-	850
Rental bonds and unclaimed monies	17	829,591	-	-	829,591
Operating lease payable	17	47	317	-	364
<b>Total Financial liabilities</b>		<b>830,488</b>	<b>317</b>	<b>-</b>	<b>830,805</b>
2016					
<b>Financial liabilities</b>					
Payables	17	1,241	-	-	1,241
Rental bonds and unclaimed monies	17	786,673	-	-	786,673
Operating lease payable	17	-	325	-	325
<b>Total Financial liabilities</b>		<b>787,914</b>	<b>325</b>	<b>-</b>	<b>788,239</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 22. Financial instruments (continued)

#### (d) Liquidity Risk (continued)

		Parent			
		Payable in:			
		≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
		\$'000	\$'000	\$'000	\$'000
2017					
<b>Financial liabilities</b>					
Payables	17	4,797	-	-	4,797
Rental bonds and unclaimed monies	17	829,591	-	-	829,591
Operating lease payable	17	47	317	-	364
<b>Total Financial liabilities</b>		<b>834,435</b>	<b>317</b>	<b>-</b>	<b>834,752</b>
2016					
<b>Financial liabilities</b>					
Payables	17	4,934	-	-	4,934
Rental bonds and unclaimed monies	17	786,673	-	-	786,673
Operating lease payable	17	-	325	-	325
<b>Total Financial liabilities</b>		<b>791,607</b>	<b>325</b>	<b>-</b>	<b>791,932</b>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 22. Financial instruments (continued)

#### (e) Market risk

The RTA and its controlled entity do not trade in foreign currency and are not exposed to material commodity price changes. The RTA is exposed to interest rate and other price risks 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.

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, in conjunction with its fund manager, throughout the year. To reflect a similar assessment 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 2016–17 year, the outcome for the RTA and its controlled entity is summarised in the table below:

	Return on earnings basis points				
	50 pts less than actual		20 pts greater than actual		
	Carrying amount	Operating Surplus/ (Deficit)	Equity	Operating Surplus/ (Deficit)	Equity
Group and Parent					
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2017 Market risk</b>					
Investment earning variation	813,888	(4,069)	(4,069)	1,628	1,628
Actual result		722	43,529	722	43,529
Changed result		(3,347)	39,460	2,350	45,157
<b>2017 Market risk</b>					
		50 pts less than actual		20 pts greater than actual	
Investment earning variation	753,341	(3,767)	(3,767)	1,507	1,507
Actual result		(9,775)	42,807	(9,775)	42,807
Changed result		(13,542)	39,040	(8,268)	44,314

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 23. Related party disclosures

During the year, the RTA paid service fee income to its controlled entity, the RTEO, of \$20,540,000 (2016: \$18,788,000).

For the 2016–17 Financial Year there were no material related party transactions between the RTA and Key Management Personnel other than ordinary citizens transactions.

### 24. 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.

### 25. 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.

### 26. Budget vs. actual comparison

#### Statement of Comprehensive Income

		Original Budget 2017	Actual 2017	Variance
	Variance Notes	\$'000	\$'000	\$'000
<b>Income</b>				
Investment revenue	1	26,546	34,970	8,424
Other revenue		12	19	7
<b>Total income</b>		<b>26,558</b>	<b>34,989</b>	<b>8,431</b>
<b>Expenses</b>				
Employee expenses	2	20,101	20,909	(808)
Supplies and services	3	13,089	11,680	1,409
Grants and subsidies		-	-	-
Depreciation and amortisation		1,463	1,354	109
Impairment Losses		-	-	-
Other expenses		316	324	(8)
Losses on sale/revaluation of assets		30	-	30
<b>Total expenses</b>		<b>34,999</b>	<b>34,267</b>	<b>732</b>
<b>Operating result</b>	4	<b>(8,441)</b>	<b>722</b>	<b>9,163</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operating Result</b>		<b>(8,441)</b>	<b>722</b>	<b>9,163</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 26. Budget vs. actual comparison (continued)

#### Statement of Financial Position

		Original Budget 2017	Actual 2017	Variance
	Variance Notes	\$'000	\$'000	\$'000
<b>Current assets</b>				
Cash and cash equivalents	5	73,557	50,677	(22,880)
Other financial assets	6	750,000	813,888	63,888
Receivables		468	440	(28)
Other current assets		432	460	28
<b>Total current assets</b>		<b>824,457</b>	<b>865,465</b>	<b>41,008</b>
<b>Non current assets</b>				
Intangible assets	7	11,636	11,951	315
Property, plant and equipment		934	1,003	69
Other non-current assets	8	142	42	(100)
<b>Total non current assets</b>		<b>12,712</b>	<b>12,996</b>	<b>284</b>
<b>Total assets</b>		<b>837,169</b>	<b>878,461</b>	<b>41,292</b>
<b>Current liabilities</b>				
Payables	9	1,451	850	601
Rental bonds and unclaimed monies	10	802,667	829,591	(26,924)
Operating lease payable		-	47	(47)
Accrued employee benefits	11	2,381	3,329	(948)
<b>Total current liabilities</b>		<b>806,499</b>	<b>833,817</b>	<b>(27,318)</b>
<b>Non current liabilities</b>				
Operating lease payable		325	317	8
Accrued employee benefits	12	1,142	798	344
<b>Total non current liabilities</b>		<b>1,467</b>	<b>1,115</b>	<b>352</b>
<b>Total liabilities</b>		<b>807,966</b>	<b>834,932</b>	<b>(26,966)</b>
<b>Net assets</b>		<b>29,203</b>	<b>43,529</b>	<b>14,326</b>
<b>Equity</b>				
Accumulated surplus	13	29,203	43,529	14,326
<b>Total equity</b>		<b>29,203</b>	<b>43,529</b>	<b>14,326</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 26. Budget vs. actual comparison (continued)

#### Statement of Cash Flows

		Original Budget 2017	Actual 2017	Variance
	Variance Notes	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
<b>Inflows</b>				
Interest income	14	719	2,036	1,317
Bond lodgements	15	397,781	405,176	7,395
Other operating receipts		-	19	19
GST collected from customers		-	1	1
GST refunds received		1,500	1,729	229
<b>Outflows</b>				
Bond claims		(361,714)	(362,257)	(543)
Employee expenses	16	(20,101)	(20,733)	(632)
Supplies and services	17	(13,089)	(11,858)	1,231
Grants and subsidies		-	-	-
Other expenses		(316)	(338)	(22)
GST paid to suppliers		(1,450)	(1,660)	(210)
<b>Net cash provided by/(used in) operating activities</b>		<b>3,330</b>	<b>12,115</b>	<b>8,785</b>
<b>Cash flows from investing activities</b>				
<b>Inflows</b>				
Investments redeemed		25,839	28,387	2,548
<b>Outflows</b>				
Payments for property, plant and equipment		(665)	(28)	637
Payments for intangibles	18	-	(4,689)	(4,689)
Payments for investments	19	(25,839)	(56,000)	(30,161)
<b>Net cash provided by/(used in) investing activities</b>		<b>(665)</b>	<b>(32,330)</b>	<b>(31,665)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2,665</b>	<b>(20,215)</b>	<b>(22,880)</b>
Cash and cash equivalents at beginning of financial year		70,892	70,892	(0)
<b>Cash and cash equivalents at end of financial year</b>		<b>73,557</b>	<b>50,677</b>	<b>(22,880)</b>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 26. Budget vs. actual comparison (continued)

#### Explanations of Major Variances

##### Statement of Comprehensive Income

1. Investment revenue exceeds budget due to higher than expected returns from the Investment portfolio. These returns were primarily driven by strong performance in the property portfolio and improved performances from global bond markets resulting from consistently lower interest rates.
2. Employee expenses exceeded estimates primarily due to an increase in rental bond transaction processing staff.
3. Supplies and services came in under budget due to a range of budget savings achieved during the year. Significant drops in postage and mail house costs due to the increase in online services and correspondence, a decrease in use of agency staff, increased capital development of software and lower than expected investment fees all contributed to the positive result.
4. The operating result was favourable to budget due primarily to the performance of the RTA's investment portfolio which returned 4.4% including capital gains. The RTA also was able to manage its costs to ensure total expenses were 2.1% under budget for 2016/17.

##### Statement of Financial Position

5. Cash has decreased due to moving funds from the Queensland Treasury Corporation – Guaranteed Cash Fund Rental Bond Portfolio into a Global Credit Fund with Queensland Investment Corporation.
6. Other Financial Assets have increased due to the movement between cash assets, refer note 5 above, and the growth in the Bonds held by the RTA, refer note 10 below.
7. Intangible assets have increased due to the continued enhancements to the myRTA system since it was launched.
8. Other non-current assets are below budget due to lower than expected prepayments being held for future software maintenance.
9. Payables are lower than budget due to lower than expected trade creditor balances compared with prior years. Budgets were based on prior year balances.
10. Rental bonds held in 2016–17 increased by 4.7% against budgeted 2.1% growth. This increase contributed the additional \$26.9 million to Rental bonds and unclaimed monies along with a 0.02% growth in the average budgeted value of rental bonds held.

11. Accrued employee benefits increased due to increases in staff numbers and the reallocation of benefits from non current liabilities as the length of service of staff increases, refer note 12 below.
12. Accrued employee benefits decreased due to the reallocation of benefits to current liabilities as the length of service of staff increases, refer note 11 above.
13. Equity is higher than budgeted due to the higher than expected investment returns and lower than budgeted costs resulting in a positive operating result that contributed to the accumulated surplus as opposed to the budgeted operating loss.

##### Statement of Cash Flows

14. Interest income is higher than budget due to the large proportion of cash invested in the QTC Capital Guaranteed Cash Fund and various term deposits for the majority of the financial year.
15. Cash received for bond lodgements increased in line with the increase in overall rental bonds held, refer to note 10 above.
16. Employee expenses increased due to the requirement for additional staff for rental bond transaction processing, refer to note 2 above.
17. Cash outflows for supplies and services is lower than budget due to expenditure being lower than budget for the year, refer note 3 above.
18. Payments for intangibles are above budget due to the continued development and enhancements of the myRTA system.
19. Cash outflows for investments increased due to the movement of cash balances from the QTC Capital Guaranteed cash Fund into the QIC Global Credit Fund in April 2017.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 27. Controlled entity

The following entity is controlled by the Residential Tenancies Authority:

#### Directly controlled

Name:	Residential Tenancies Employing Office
Purpose and Principal Activity:	Employs staff to perform work for the parent entity as per the work performance agreement between the two entities in accordance with the RTRA Act.
Nature of relationship:	<i>The Statutory Bodies Legislation Amendment Act 2007 (Qld) amended the Residential Tenancies Act 1994 (Qld) to allow the RTA to enter into a Work Performance Arrangement with the Residential Tenancies Employing Office (RTEO). This arrangement details how the RTEO provides employment services to the RTA. The RTEO invoices the RTA on a yearly basis for all expenses incurred as part of the arrangement.</i>
Auditor and Audit Fees:	Queensland Audit Office 2017: \$3K (2016: \$3K)
Financial Information:	
Total Assets: \$4.14 million (2016: \$4.01 million)	Total Revenue: \$20.54 million (2016: \$18.79 million)
Total Liabilities: \$4.14 million (2016: \$4.01 million)	Total Operating Result: \$nil (2016: \$nil)

# MANAGEMENT CERTIFICATE

RESIDENTIAL TENANCIES AUTHORITY AND CONTROLLED ENTITY

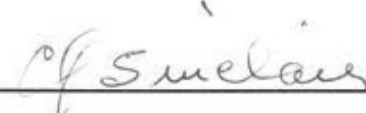
## MANAGEMENT CERTIFICATE for the year ended 30 June 2017

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This consolidated general purpose financial report has been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (Qld) (the Act), section 43 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 financial 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 2017 and of the financial position of the Authority and its controlled entity at the end of that year.
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

  
\_\_\_\_\_  
**Darren Barlow**  
Chief Executive Officer

  
\_\_\_\_\_  
**Catherine Sinclair**  
Chairperson, RTA Board

30 August 2017



# INDEPENDENT AUDITOR'S REPORT

To the Board of the Residential Tenancies Authority

## Opinion

I have audited the accompanying financial report of the Residential Tenancies Authority (the parent) and its controlled entity (the group). The financial report comprises the statements of financial position as at 30 June 2017, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Chief Executive Office and the Chairperson

In my opinion, the financial report:

- a) gives a true and fair view of the parent and group's financial position as at 30 June 2017, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009* and Australian Accounting Standards.

## Basis of Opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the parent and group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

## Other Information

The Board is responsible for the other information. The information comprises the information included in the group's annual report for the year ended 30 June 2017, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## Responsibilities of the Board 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 the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009* and Australian Accounting Standards, and for 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.

The Board is responsible for assessing the parent's and group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is intended to abolish the parent or group or to otherwise cease operations.

### **Auditor's Responsibilities for the Audit of the Financial Report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent's or group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

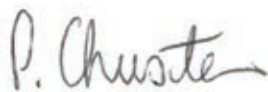
I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

# INDEPENDENT AUDITOR'S REPORT (con't)

## Report on other legal and regulatory requirements

In accordance with s.40 of the Auditor-General Act 2009, for the year ended 30 June 2017:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



P CHRISTENSEN, FCPA

As delegate of the Auditor-General



Queensland Audit Office

Brisbane



## GLOSSARY – ACRONYMS AND ABBREVIATIONS

<b>ARAMA</b>	Australian Resident Accommodation Managers' Association
<b>ARC</b>	Audit and Risk Committee
<b>BYS</b>	Brisbane Youth Service
<b>CALD</b>	Culturally and Linguistically Diverse
<b>CC</b>	Consultative Committee
<b>CPAQ</b>	Caravan Parks Association of Queensland
<b>DPC</b>	Department of Premier and Cabinet
<b>DHPW</b>	Department of Housing and Public Works
<b>DJAG</b>	Department of Justice and Attorney-General
<b>eDRMS</b>	Electronic Document and Records Management System
<b>ECB</b>	Ecumenical Coffee Brigade
<b>EEO</b>	Equal Employment Opportunity
<b>FTE</b>	Full-time Equivalent (staff)
<b>IDF</b>	Industry Development Forum
<b>IP Act</b>	<i>Information Privacy Act 2009</i>
<b>NAIDOC</b>	National Aborigines and Islanders Day Observance Committee
<b>OFT</b>	Office of Fair Trading
<b>PID Act</b>	<i>Public Interest Disclosure Act 2010</i>
<b>PMO</b>	Program Management Office
<b>PMSC</b>	Portfolio Management Steering Committee
<b>POAQ</b>	Property Owners' Association of Queensland
<b>QCAT</b>	Queensland Civil and Administrative Tribunal
<b>QFES</b>	Queensland Fire and Emergency Services
<b>QIC</b>	Queensland Investment Corporation
<b>QPS</b>	Queensland Police Service
<b>QShelter</b>	Queensland Shelter
<b>QSTARS</b>	Queensland Statewide Tenant Advice and Referral Service
<b>QTC</b>	Queensland Treasury Corporation
<b>REIA</b>	Real Estate Institute of Australia
<b>REIQ</b>	Real Estate Institute of Queensland
<b>RTA</b>	Residential Tenancies Authority
<b>RTEO</b>	Residential Tenancies Employing Office
<b>RTI Act</b>	<i>Right to Information Act 2009</i>
<b>RTRA Act</b>	<i>Residential Tenancies and Rooming Accommodation Act 2008</i>
<b>SES</b>	State Emergency Service
<b>SLG</b>	Staff Liaison Group
<b>TAFE</b>	Technical and Further Education
<b>TIS</b>	Translating and Interpreting Service
<b>TQ</b>	Tenants Queensland

## LIST OF CHARTS, GRAPHS AND TABLES

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# LETTER OF COMPLIANCE

27 September 2017

**The Honourable Mick de Brenni MP**  
**Minister for Housing and Public Works and Minister for Sport**

GPO Box 2457  
Brisbane Qld 4001

Dear Minister

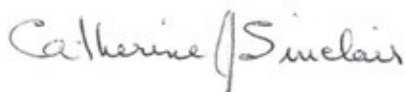
I am pleased to present the Annual Report 2016–17 and financial statements for the Residential Tenancies Authority.

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 91 of this report.

Yours sincerely



Catherine Sinclair  
**RTA Board Chair**



# COMPLIANCE CHECKLIST

	Summary of requirement	Basis for requirement	Page
<b>Letter of compliance</b>	A letter of compliance from the accountable officer or statutory body to the relevant Minister	ARRs – section 7	90
<b>Accessibility</b>	Table of contents	ARRs – section 9.1	3
	Glossary		89
	Public availability	ARRs – section 9.2	Inside front cover
	Interpreter service statement	Queensland Government Language Services Policy ARRs – section 9.3	Inside front cover
	Copyright notice	Copyright Act 1968 ARRs – section 9.4	Inside front cover
	Information licensing	QGEA – Information Licensing ARRs – section 9.5	Inside front cover
<b>General information</b>	Introductory information	ARRs – section 10.1	4,5
	Agency role and main functions	ARRs – section 10.2	5, 6, 7, 12, 13, 45
	Operating environment	ARRs – section 10.3	10-22, 24, 38
<b>Non-financial performance</b>	Government's objectives for the community	ARRs – section 11.1	4, 5, 19-22, 30
	Other whole-of-government plans/specific initiatives	ARRs – section 11.2	4, 30, 32, 39
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