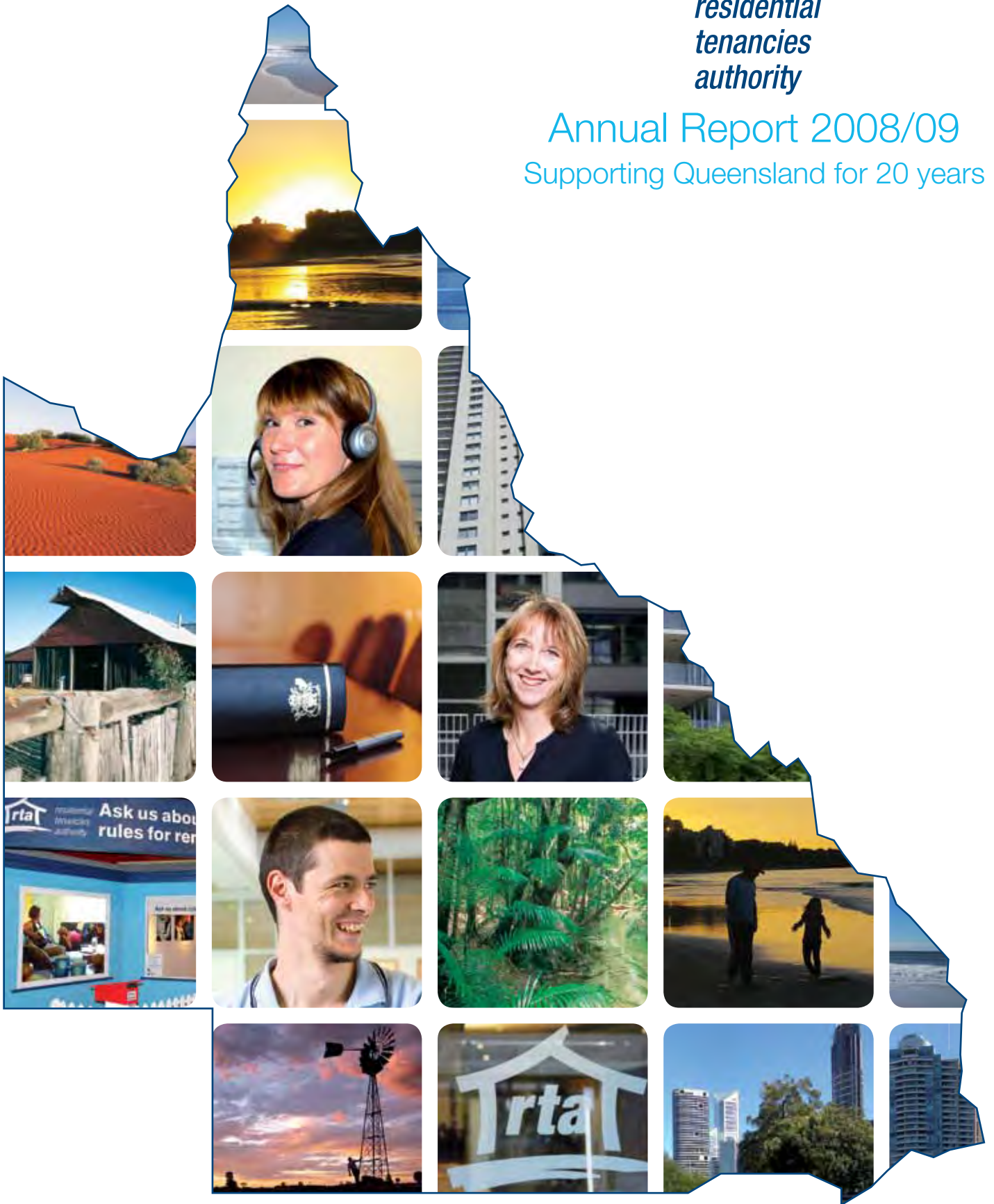




*residential  
tenancies  
authority*

Annual Report 2008/09  
Supporting Queensland for 20 years



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Brisbane City and Story Bridge from Captain Burke Park.

# Our Vision

## About the RTA

The Residential Tenancies Authority (RTA) is a self funded regulatory authority committed to providing targeted and dedicated services to meet the diverse needs of the Queensland residential rental sector.

The core responsibility of the RTA is to administer the *Residential Tenancies Act 1994* (Tenancies Act) and the *Residential Services (Accommodation) Act 2002* (Accommodation Act) while providing fair and unbiased information for all parties involved in the Queensland rental sector.

The Tenancies Act establishes the fundamental rights and responsibilities of tenants, lessors (landlords), property managers and caravan park managers.

The Tenancies Act sets out what tenants, lessors, property managers and park managers can and cannot do; and how to address issues that may arise during a tenancy and what measures can be taken if there is a breach of the provisions within the Tenancies Act.

The Tenancies Act does not cover holiday lettings, retirement villages or manufactured homes.

The Accommodation Act sets out the rights and responsibilities of residents and providers of boarding houses, supported accommodation, aged persons' rental complexes and student accommodation.

Generally accommodation is defined as a residential service if:

- its purpose is to provide accommodation in return for the rent of one or more rooms
- it allows a minimum of four residents occupying rooms on the premises
- there are shared facilities for residents to use such as a common area or bathroom, or if residents are provided with either a food or personal care service.

In administering the Acts, the RTA works collaboratively with all sector groups including tenants, residents, lessors, property managers, caravan park managers, residential providers, community housing groups, industry bodies and the Queensland Government.

## Our Role

The main functions of the RTA include providing:

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

As a Queensland statutory authority, the RTA is governed by a Board of Directors (see page 19) with knowledge and experience relevant to the Queensland residential rental sector with the Chairperson and six Directors appointed by the Governor-in-Council for three year terms.

As a result of the Queensland State Election held on 21 March, 2009, the RTA portfolio shifted from Public Works, Housing and Information and Communication Technology, to Community Services and Housing (see page 21 for an organisational chart).

The RTA's revenue is sourced primarily from the investment of rental bonds lodged in accordance with legislation.

## Our Values

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

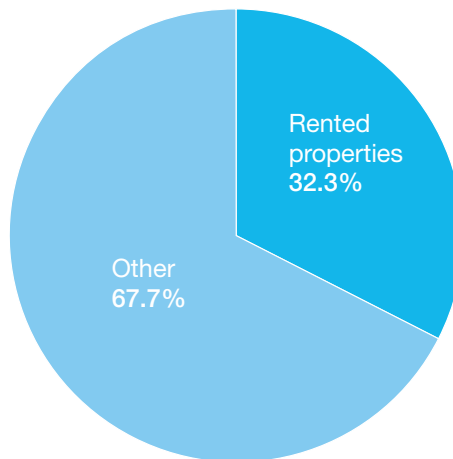
- **Client focus:** Developing and enhancing our services to meet the needs of our clients.
- **Organisational leadership:** Practicing consultative leadership and valuing our staff contribution to support innovation and to achieve collective goals.
- **Governance:** Ensuring our processes and actions are transparent and open to public scrutiny.
- **Collaboration:** Working in a cooperative way with our stakeholders and business partners for the benefit of the entire community.
- **Impartiality:** Being honest and ethical in our interactions with all parties.
- **Respect:** Valuing diversity and treating all people with dignity and respect.



## Who are our clients?

The RTA is here to assist all Queensland tenants, residents, lessors, property managers, caravan park managers and residential service providers. According to the Australian Bureau of Statistics 2006 Census of Population and Housing, there were 452,596 rented properties in Queensland, representing 32.3% of dwellings for which tenure was recorded.

See page 14 for more information on Queensland's residential rental sector.



## What's the demand for RTA services annually?

Client Contact Centre enquiries	350,713
Dispute resolution requests	19,276
Bonds lodged	241,835
Website visits	963,005

See page 27 for more information on the RTA's full range of client services.

## Financial summary

	2008/09	2007/08	%	
	\$'000	\$'000	Change	
Operating revenue	7,169	23,263	-69.2%	▼
Operating expenses	23,816	24,319	-2.1%	▼
Total assets	531,583	490,548	8.4%	▲
Total liabilities	499,670	439,790	13.6%	▲
Value of bonds held	490,269	432,216	12.4%	▲

Refer to page 3 to view the RTA's highlights for 2008/09

### About this Annual Report

The RTA Annual Report 2008/09 presents fundamental performance information in a clear, concise and reader-friendly manner.

This report contains an inclusive record of RTA activities and achievements for the 2008/09 financial year and summarises key priorities and challenges for the year ahead in a way that is easy to understand and navigate.

In line with the RTA Strategic Plan 2007-2010, this report presents the RTA's performance according to its three priorities.

**Our Clients**

**Our Sector**

**Our Organisation**

To obtain additional copies of this report, find out more about its contents or to provide feedback, please turn to the back page.

# Highlights 2008/09

## Our Clients

### Client service records broken

The RTA continued to demonstrate excellence in client service delivery.

A growing rental sector, increased sector awareness of RTA services and the impending introduction of new tenancy laws saw increased demand for RTA client services.

RTA service delivery remained high, as 350,000 calls were received with more than 19,000 dispute resolution requests, more than 240,000 bonds lodged and almost one million website visitors.

### New conciliation process streamlines operations

Telephone conferencing has resulted in a positive outcome for RTA clients as requests for conciliation increase each year. The three way telephone calls allow all parties to have their say and to hear the concerns of the other party.

A positive and more efficient outcome for all parties is more likely to be achieved through telephone conferencing.

## Our Sector

### Introduction of new Act

With the introduction of the new rental legislation on 1 July, 2009, the RTA had the task of ensuring the sector was ready for its commencement.

The RTA undertook an awareness campaign outlining key changes including free seminars to stakeholder groups.

Forms, fact sheets and publications were re-written and staff were trained on amendments to the legislation.

### RTA 2009 Grants

The 2009 RTA Community Education Public Grants Scheme plays an important role in ensuring tenancy information is delivered to groups who may otherwise not receive this information.

For over a decade, the RTA grants have enabled community groups to deliver education programs promoting a better understanding of rental legislation throughout Queensland.

With more than one million dollars allocated through the grants scheme since commencement, more than \$180,000 was offered in the latest round.

## Our Organisation

### Updated systems

With the impending introduction of the new Act, it was imperative that the RTA website and business system reflected the changes ahead of the 1 July implementation.

The website is one of the RTA's major resourcing tools recording close to one million visits this year. All forms, fact sheets and web pages were completely re-written and posted ahead of the Act's introduction.

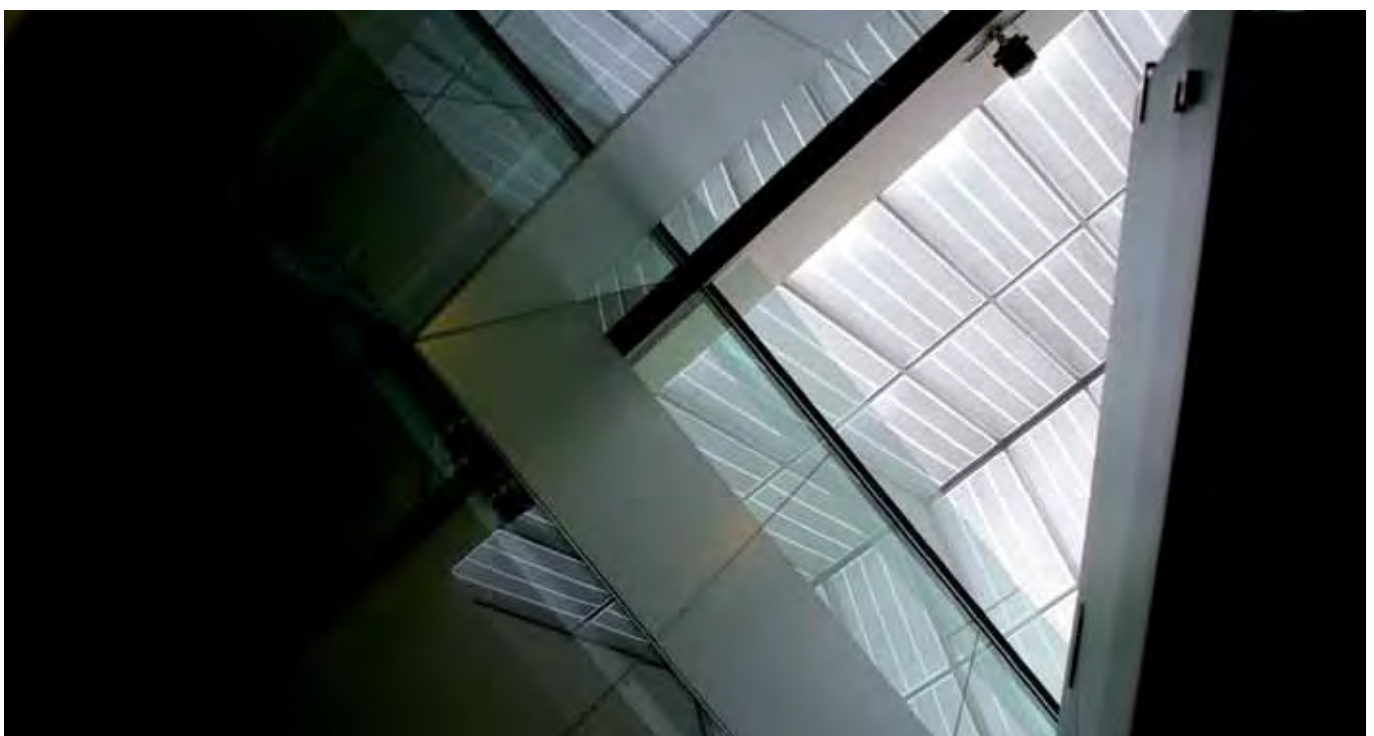
### Intranet redevelopment

The RTA's new Intranet was launched in April 2009 and provides staff with improved access to consistent, reliable and accurate information.

The Intranet has delivered improved search capabilities and it is planned to develop electronic workflows to enhance existing manual processes.

### Disaster recovery enhanced

In line with these updates to the core business systems of the RTA, the disaster recovery capability has been similarly updated as a key component of business continuity.



RTA atrium highlighting computer etched environmentally friendly skylight (page 50).



# Five Year Performance Summary

		2008/09	2007/08	2006/07	2005/06	2004/05
<b>Our Clients</b>						
Contact Centre enquiries	Number	350,713	346,010	327,085	309,145	286,447
Bond lodgements	Number	241,835	235,160	229,244	221,601	218,938
Number of bonds held	Number (at June 30)	417,875	399,533	382,009	365,667	350,201
Value of bonds held <sup>1</sup>	\$'m (at June 30)	490.3	432.2	374.4	329.3	293.2
Investigations commenced	Number	589	666	746	557	580
Requests for dispute resolution	Number	19,276	18,188	16,877	15,182	14,299
Client satisfaction results	Rating/10	N/A	8.2	N/A	7.9	N/A
Website user sessions	Number	963,005	1,049,607	950,642	808,697	556,362

<b>Our Sector</b>						
Briefing notes and ministerial correspondence	Number	137	133	179	134	107
Response to statistical enquiries	Number	276	318	352	307	195
Grant funding for Community Education	\$'000	148	80 <sup>2</sup>	159	99 <sup>3</sup>	136
TAAS(Q) funding <sup>4</sup>	\$'m	3.2	3.2	3.2	3.1	3.1

<b>Our Organisation</b>						
Employees (full time equivalent)	Number	165	150	143	133	119
Staff training hours	Total hours	4290	3365	2896	3972	2655
Client and stakeholder reporting (as indicated in Annual Report awards)	Australasian Reporting Awards (ARA)	Gold	Gold	Gold	Gold	Gold
Quality assurance certification	Achieved/not achieved	achieved	achieved	achieved	achieved	achieved
Operating surplus/deficit	\$'m	(16.6) deficit	(1.1) deficit	9.2 surplus	10.2 surplus	5.5 surplus
Accumulated surplus	\$'m	27.7	36.8	30.6	25.3	26.1

1 Excludes unclaimed bond money and Australia Post settlements.

2 Additional funds committed in 2007/08 were paid in 2008/09.

3 Additional funds committed in 2005/06 were paid in 2006/07.

4 Also funded by Department of Communities.

# Performance Overview

Key strategic priorities	Objectives	Targets and comments for 2008/09
<b>Our Clients</b> Provide quality services to meet the diverse and evolving needs of Queensland's residential rental sector (pages 27-36).	<b>Service Quality</b> Continually achieve high standards of quality in service delivery in terms of relevance, accuracy, timeliness and accessibility.	Answer 90.0% of calls within two minutes. Process 95.0% of Australia Post refunds within 15 minutes. Process 85.0% of non-Australia Post refunds within two working days. Resolve 65.0% of disputes through participation in conciliation. Finalise 70.0% of disputes within 28 days of receipt. Successfully finalise 85.0% of investigations. Finalise 90.0% of investigations within six months of commencement. Develop and implement an action plan based on key areas for improvement identified in the 2008 Client Satisfaction Survey.
	<b>Service Awareness and Utilisation</b> Continue to position the RTA as the key information provider to the residential rental sector ensuring current and potential clients are aware of and can easily access RTA services.	Implement Phase Two of e-Services enabling client access to online bond administration services. Improve information on the RTA website for all stakeholders to assist in the prompt resolution of disputes.
<b>Our Sector</b> Support and enhance effective legislative and policy frameworks and collaborate with stakeholders to sustain an evolving residential rental sector (pages 37-44).	<b>Regulation</b> Regulate the sector through a policy framework which considers the rights and responsibilities of all parties and its impact on the sector.	Commence implementation of the new <i>Residential Tenancies and Rooming Accommodation Act 2008</i> , following its passage through Parliament and draft and introduce the <i>Residential Tenancies and Rooming Accommodation Regulation 2009</i> to support the Act.
	<b>Engagement</b> Engage with stakeholders to identify emerging trends and improve understanding of the issues affecting the residential rental sector.	Engage with sector stakeholders and maintain quality consultative processes.
	<b>Support</b> Support the sector through education, industry analysis and funding initiatives.	Maintain high quality and regular statistical reporting and analysis. Undertake a program of outreach and education activities with a focus on regional areas. Conduct a new funding round for the Community Education Public Grants Scheme. Provide funding of \$3.3m for the continued operation of the TAAS(Q) program to provide community based tenancy information and advice.
<b>Our Organisation</b> Continue to build an innovative and flexible organisation undertaking accountable and sustainable operations in a healthy and motivated work environment (pages 45-58).	<b>Our People</b> Build a strong organisation based on sound planning and leadership while maintaining a skilled, service-oriented and motivated workforce.	Conduct a review of the RTA Performance Development Scheme and Policy and implement outcomes of the review.
	<b>Our Environment</b> Support whole-of-government initiatives for environmental sustainability.	Continue to implement environmentally friendly initiatives such as waste and energy reduction and maintain organisational awareness.
	<b>Our Business Operations</b> Continually improve RTA systems and processes to support the achievement of business outcomes.	Continue redevelopment of RTA Intranet for improved internal communications and information management. Develop and review the required component documents of the RTA Corporate Governance Framework.
	<b>Our Finances</b> Maintain financial accountability and sustainability.	Achieve target of 7.75% return on investment.



Were these targets achieved?	Aims for 2009/10
Answered 85.6% (350,713) calls within two minutes, almost meeting target (page 29).	Achieve 85.0% of calls answered within two minutes.
Processed 97.8% of Australia Post bond refunds from across Queensland within 15 minutes, exceeding target (page 30).	Maintain 95.0% of Australia Post refunds processed within 15 minutes.
Processed 87.2% of non-Australia Post refunds within two working days, exceeding target (page 30).	Maintain 85.0% of non-Australia Post refunds processed within two working days.
Resolved 65.6% of disputes through participation in conciliation, exceeding target (page 32).	Maintain 65.0% of disputes resolved through participation in conciliation.
Finalised 87.9% of disputes within 28 days of receipt exceeding target, despite a significant increase in the number of disputes processed (page 32).	Maintain 70.0% of disputes finalised within 28 days of receipt.
Resolved 96.9% of investigations successfully, exceeding target (page 32).	Maintain 85.0% of investigations being successfully resolved.
Finalised 91.3% of all investigations within six months, exceeding target (page 32).	Maintain 90.0% of investigations finalised within six months of commencement.
Action plan implemented based on results of the 2008 Client Satisfaction Survey.	Undertake fifth biennial client satisfaction survey.
Implementation of Phase Two delayed due to the impending introduction of the <i>Residential Tenancies and Rooming Accommodation Act 2008</i> (page 33).	Implement Phase Two of e-Services enabling client access to additional online bond administration services such as e-Lodgements.
Ongoing website enhancements have improved client usability and accessibility (page 33).	Maintain relevant information on the RTA website for stakeholders and provide increased functionality through interactive PDF forms.
<p>The <i>Residential Tenancies and Rooming Accommodation Act 2008</i> was passed by Parliament in December 2008 and the associated regulation was made in June 2009.</p> <p>Internal and external resources such as fact sheets and RTA forms were developed and information sessions carried out throughout Queensland promoting the changes to all stakeholder groups.</p>	Complete community education activities and monitor operations of the new Act.
Conducted quarterly Industry Development Forums, outreach activities and targeted liaison (page 40).	Continue to engage with sector stakeholders and maintain quality consultative processes.
Quarterly updates of rental sector information including median rents published on website. Data regularly cited in industry publications and media (page 41).	Maintain high quality and regular sector data reporting and analysis.
Conducted education visits to Mount Isa, Gold Coast, Ipswich, Sunshine Coast, Woorabinda, Cairns, Yarrabah, Rockhampton and Brisbane. Allocated \$180,000 to 14 community organisations through the RTA's Community Education Public Grants Scheme (page 41).	Continue to undertake education activities with a focus on regional areas. Conduct a new funding round for the Community Education Public Grants Scheme.
Funding of \$3.2m provided for the community based TAAS(Q) program (page 43).	Provide funding of \$3.4m for the continued operation of the TAAS(Q) program to provide community based tenancy information and advice.
The review of the Performance Development Scheme was completed in November 2008. The new policy and support documentation is available to all staff on the RTA Intranet. Team leaders were also trained in the use of the revised scheme (page 47).	Review and update content of the RTA's legislation training course to reflect the provision of the new <i>Residential Tenancies and Rooming Accommodation Act 2008</i> .
Maintained waste and energy reduction activities including reducing water usage by 12.5% and electricity usage by 9.3% over a 12 month period (page 51).	Continue to implement environmentally friendly initiatives such as waste and energy reduction and maintain organisational awareness.
Successfully introduced new RTA Intranet improving internal information for staff. Changes also reflected the introduction of the <i>Residential Tenancies and Rooming Accommodation Act 2008</i> (page 53).	Continue development of RTA Intranet for improved internal communications and information management.
Successfully developed and introduced the RTA Corporate Governance Framework which acts as the overarching document setting the structure, rules and responsibilities of Corporate Governance.	Continue the development of the management standards component of the Corporate Governance framework including project management and policy development.
Rate of return on investments of 1.37% was below target reflecting the impact of the global financial crisis.	Achieve target of 5.0% return on investment.

# Chair's Message



Given the commitment shown over the past 12 months, the Board and I are confident that the RTA will continue to build on its successes and maintain its high level of support for the Queensland residential rental sector.

## Financial challenges

The RTA's revenue comes solely from investment income and therefore has been heavily impacted by the global financial crisis. Fortunately, the Board appreciated the potential volatility of investment returns and had built up sufficient reserves to see the RTA through this time.

## Strategic direction

The RTA's 2007-2010 Strategic Plan continues to guide the RTA, identifying key challenges and strategies that will enhance organisational sustainability.

The plan continues to build on the existing framework of 'Our Clients, Our Sector and Our Organisation'.

Drafting is in progress for the 2009-2012 Strategic Plan outlining the direction of the organisation for the next four years.

## Serving regional Queensland

The Board of Directors and I have a strong commitment to ensuring regional clients have access to the full range of RTA services.

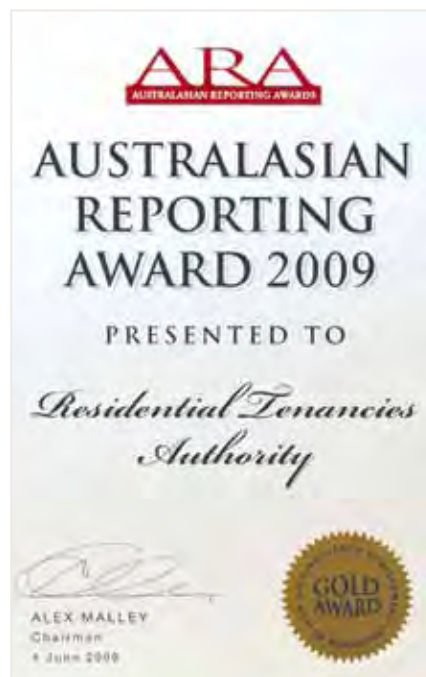
The RTA's partnership with Australia Post provides the sector with 577 locations throughout Queensland where access to the full range of forms and fact sheets is available.

We service regional Queensland with a toll free telephone information and conciliation service, regional conciliators and provide information on the RTA website.

This year Mount Isa was the location of the RTA regional Board meeting, with discussions held with local real estate agents, private lessors and tenant advocates.

## Excellence in reporting

As a Queensland Government Statutory Authority, it is crucial that we are



transparent and accountable to our stakeholders and information contained within the Annual Report is not only accurate and relevant, but also easy to navigate and understand.

The 2007/08 RTA Annual Report was recognised with its seventh consecutive Gold Award in the Australasian Reporting Awards.

## The year ahead

As Chair, I welcome the introduction of the *Residential Tenancies and Rooming Accommodation Act 2008* on 1 July, 2009. The Act is the result of more than four years of legislative review and policy development and extensive stakeholder and public consultation.

I believe the new Act balances the rights and responsibilities of both tenants and lessors in order to meet today's housing challenges and will provide a balanced framework now and well into the future.

## Change of Minister

The Queensland State Election was held in March, 2009, and saw a new Minister appointed to the RTA.

I would like to take this opportunity to thank former Minister for Housing, the Hon Robert Swarten MP for his contribution to not only the RTA, but to the wider Queensland residential sector.

Mr Swarten was responsible for seeing the new Act passed in Parliament and leaves a legacy of change that has seen the Queensland rental sector prosper.

On behalf of the Board and myself, I would also like to welcome the Hon Karen Struthers MP, Minister for Community Services and Housing, who was appointed on 26 March, 2009, and who has already shown a keen interest in the RTA including attending a Board meeting.

## Acknowledgement

I would like to take this opportunity to thank the Board of the RTA, the General Manager, Mr Fergus Smith, and the RTA executive members, for continually striving for excellence even in the face of financial constraints. The RTA has been innovative in streamlining operations while maintaining a very high level of customer care and focus.

The Board and I would like to welcome Ms Lee Banfield as a newly appointed member of the Board.



**John Battams - Chair, RTA Board**

# General Manager's Message



Like all organisations reliant on investment returns, it has been a tough year given the world economic climate. I am proud to say however, that the RTA has maintained its renowned high level of customer service.

## Our Clients

### Rental market places unprecedented pressure on RTA services

Although rent levels are more stable than last financial year, the Queensland rental market continues to grow, placing increasing demand on RTA services.

Over the past 12 months, the RTA's Client Contact Centre has answered more than 350,000 calls (an increase of 1.4% compared with 2007/08 results) with 46.0% answered immediately (refer page 29).

Demand for bond refund and lodgement services also continued to grow with an average of 2,763 bond forms processed daily, an increase of 3.5% compared to 2007/08 (refer page 30).

There was a 6.0% increase on the number of dispute resolution requests received during the year, taking the total number of requests to 19,276. Of the disputes finalised, 87.9% were completed within 28 days (refer page 32).

In line with our Strategic Plan, a key focus of the RTA is to develop our capabilities for greater accessibility and better services for our clients.

The challenge for the RTA will be to achieve its goals in a tight budgetary environment.

## Our Sector

### New Legislation passed

On 2 December, 2008, the Queensland Parliament passed legislation that will see the *Residential Tenancies Act 1994* and *Residential Services (Accommodation) Act 2002* repealed and replaced with the *Residential Tenancies and Rooming Accommodation Act 2008*.

The aim of the new legislation is to balance the needs of lessors and tenants and ensure the laws keep pace with changes in the rental market.

The RTA embarked on a series of workshops held in various locations throughout Queensland to promote awareness of the new laws.

The sessions outlined the rights and responsibilities of tenants, lessors and agents and explained how the changes would affect them.

This year, the Community Education Public Grants Scheme allocated more than \$180,000 to community groups to promote changes to the new Act, targeting clients from culturally and linguistically diverse backgrounds.

RTA staff have worked hard to prepare for the introduction of the new laws and a smooth transition is envisaged for 1 July, 2009.

## Our Organisation

### Maintaining the financial sustainability of the RTA

The RTA is a Queensland statutory authority that is self-funded solely by the revenue generated from its investments, primarily of rental bonds lodged with it.

The global financial crisis has severely impacted on the RTA's investment returns, with the RTA achieving an overall rate of return of 1.37% as compared with a budget forecast of 7.75% (refer page 54).

This has led to an operating deficit of \$16.6m (refer page 54).

However, in anticipation of such a scenario, the RTA had set aside reserves in previous years when investment returns had exceeded targets. Therefore the RTA remains on a strong financial footing.

The RTA's forecast investment return for 2009/10 has been reduced to 5.0% (refer page 57) due to the fall in market interest rates and yields.

This reduction in forecast investment returns has led to lower forecast revenue for the 2009/10 financial year. Nevertheless, due to the careful review of all operational expenditure areas, the RTA has been able to budget for a small surplus for the next financial year.

## The RTA Team

With the continued support of our Minister, the Hon Karen Struthers, MP, the Chair of the Board, Mr John Battams, our Board members and all RTA staff, I am confident the RTA will continue to successfully support the Queensland residential rental sector. To have maintained our level of service to the sector in the face of increasing client demand while introducing new legislation and carefully managing costs is a credit to all staff.

I would like to take this opportunity to express my sincere appreciation of the support and dedication shown by staff during what has certainly been a demanding year.



**Fergus Smith - General Manager**

# Supporting Queensland for 20 years

## History of the RTA

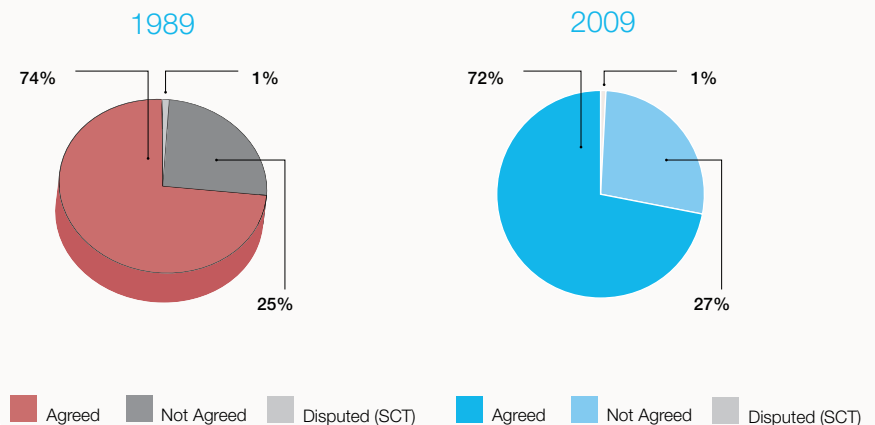
The Residential Tenancies Authority (RTA) started life as the Rental Bond Authority (RBA) after being created under the *Rental Bond Act 1989*.

It was envisaged that through the establishment of a dedicated authoritative body such as the RBA, a fairer rental system would be established for Queenslanders. In contrast to other jurisdictions, Queensland remains the only state with a dedicated statutory authority to administer tenancy legislation and provide related services.

The RBA ceased and became the Residential Tenancies Authority on 3 April, 1995, following the repealing of the *Rental Bond Act 1989* and the *Residential Tenancies Act 1975* and the introduction of the *Residential Tenancies Act 1994*.

The RTA assumed the role of bond lodgement and refund services formerly provided by the RBA and expanded to include services such as tenancy information and conciliation.

## 20 year comparison bond refund type



## 20 years serving the RTA

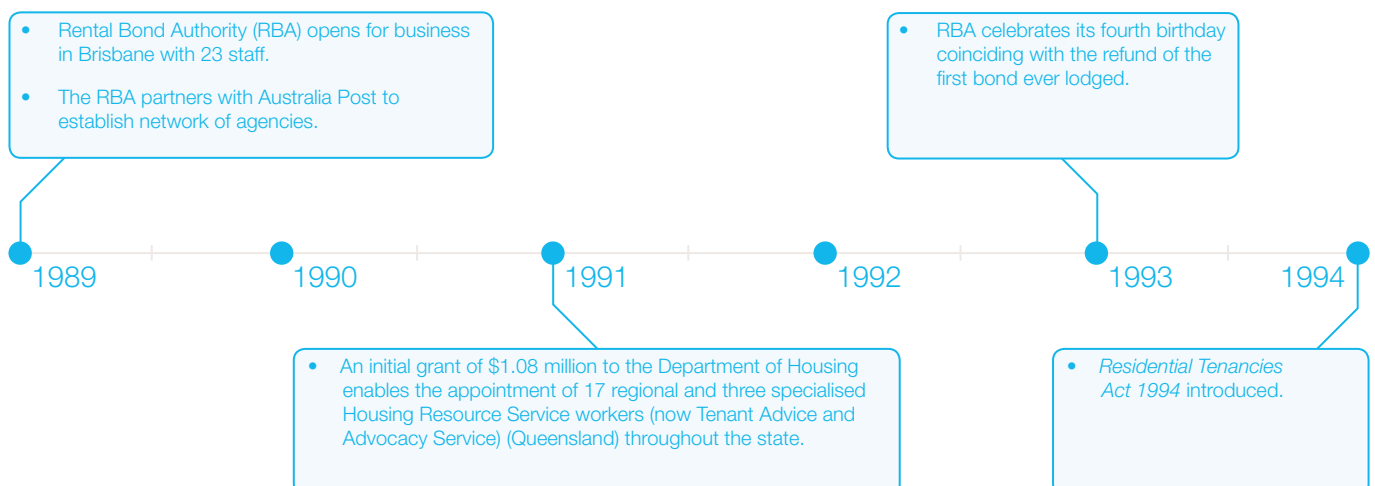


1989 Annual Report - Alan Tupper.

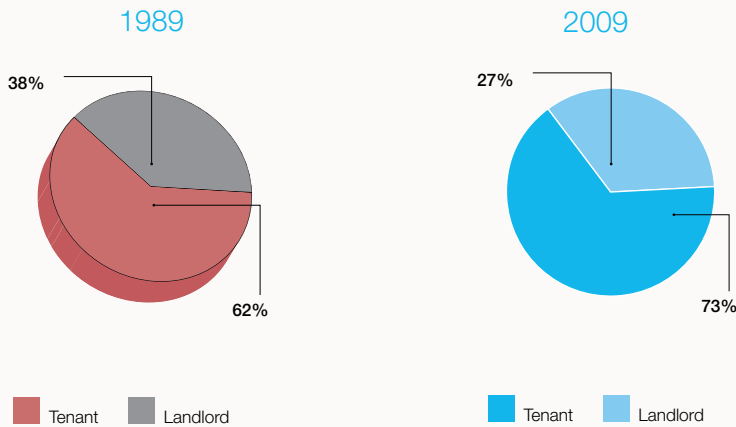


2009 Annual Report - Alan Tupper.

## RTA supporting Queensland for 20 years



## 20 year comparison bond refund disbursement



## The need for change

While both the *Residential Tenancies Act 1994* and the *Residential Services (Accommodation) Act 2002* encapsulates each intended market, the growing and changing needs of the Queensland rental market meant a review of both Acts was warranted in order to ensure legislation kept up with the growing needs of the sector.

Following extensive consultation within the sector, it was decided that a new law was needed to ensure the system was fairer and that legislation kept pace with changes in the rental market and continued to meet the needs of Queenslanders.

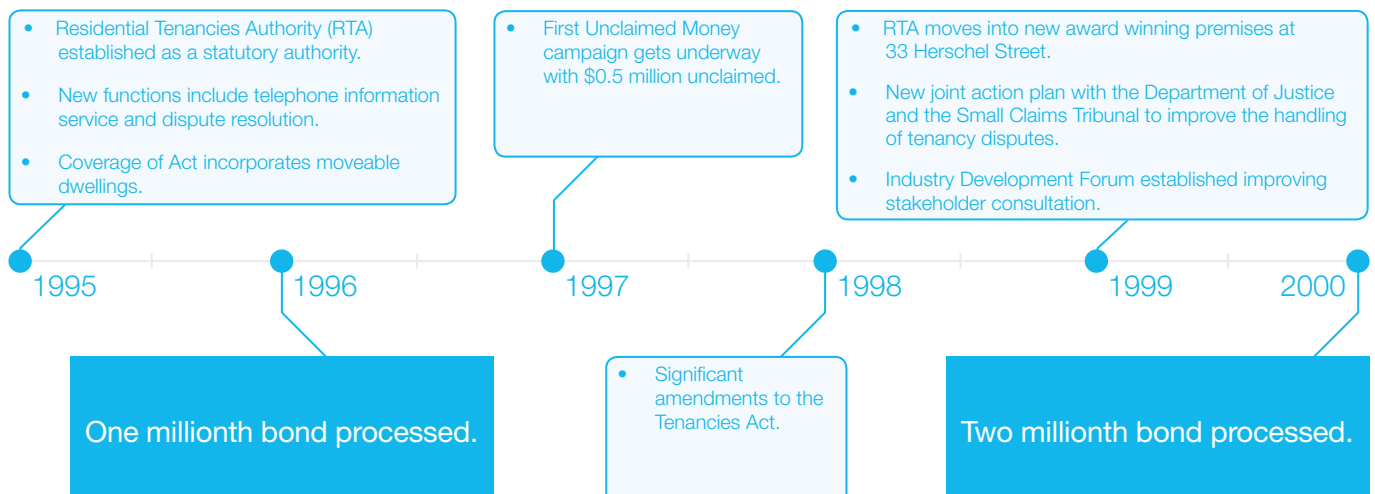
This was achieved by combining the *Residential Tenancies Act 1994* and the *Residential Services (Accommodation) Act 2002*, and updating many of the existing provisions into the new *Residential Tenancies and Rooming Accommodation Act 2008*, effective from 1 July, 2009.



1989 Annual Report - Peter Melrose.



2009 Annual Report - Peter Melrose.



# Supporting Queensland for 20 years

## General Managers of the RTA

Since inception in 1989, the RTA or RBA as it was known then, has been guided by four General Managers including Mr Robin Yarrow who was at the helm from 1989 through to 1994 before Mr Terry Hogan took charge and the RBA became the RTA.

In 1997, the RTA's longest serving General Manager, Ms Carolyn Mason took over and remained in the position for close to a decade before Mr Fergus Smith was appointed to the role in 2006.

Throughout the history of the organisation, the RTA has been under the umbrella of a number of different ministerial portfolio's including Housing, Consumer Affairs, Fair Trading and Communities.



RBA reception 1989.

## Weekly rent comparison

Area	1989/90 # <sup>1</sup>	2008/09 # <sup>2</sup>	
		Two bdrm units	Three bdrm houses
Atherton	\$121	\$180	\$280
Brisbane	\$139	\$350	\$370
Bundaberg	\$104	\$195	\$255
Cairns	\$128	\$250	\$300
Gladstone	\$108	\$240	\$300
Gold Coast	\$163	\$340	\$390
Hervey Bay	\$111	\$220	\$250
Ipswich	\$126	\$230	\$270
Mackay	\$97	\$280	\$375
Maryborough	\$78	\$160	\$230
Mount Isa	\$136	\$280	\$420
Maroochydore	\$119	\$285	\$350
Noosa Heads	\$132	\$320	\$370
Rockhampton	\$102	\$210	\$275
Toowoomba	\$101	\$180	\$250
Townsville	\$107	\$270	\$320

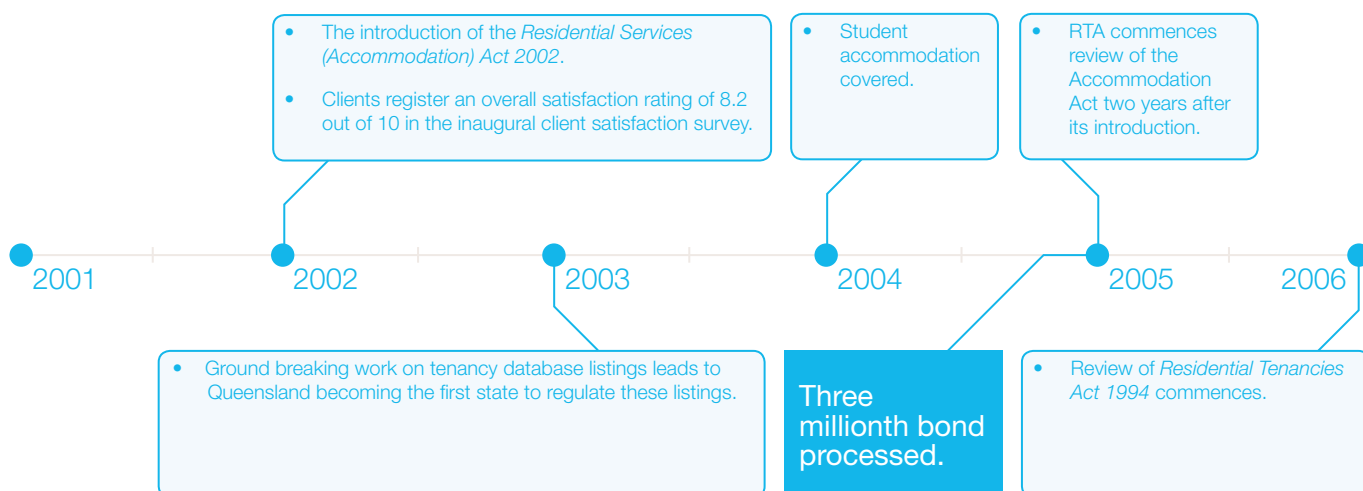
#1 Information is calculated on the average rent from the 1989/90 Annual Report and includes all dwelling types.

#2 Information is calculated on the median weekly rent and is broken into two bedroom units and three bedroom houses as they are the most commonly reported dwelling types.



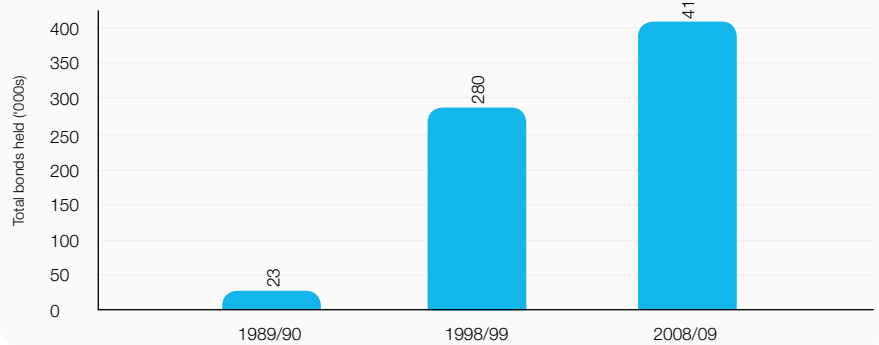
RTA reception 2009

## RTA supporting Queensland for 20 years

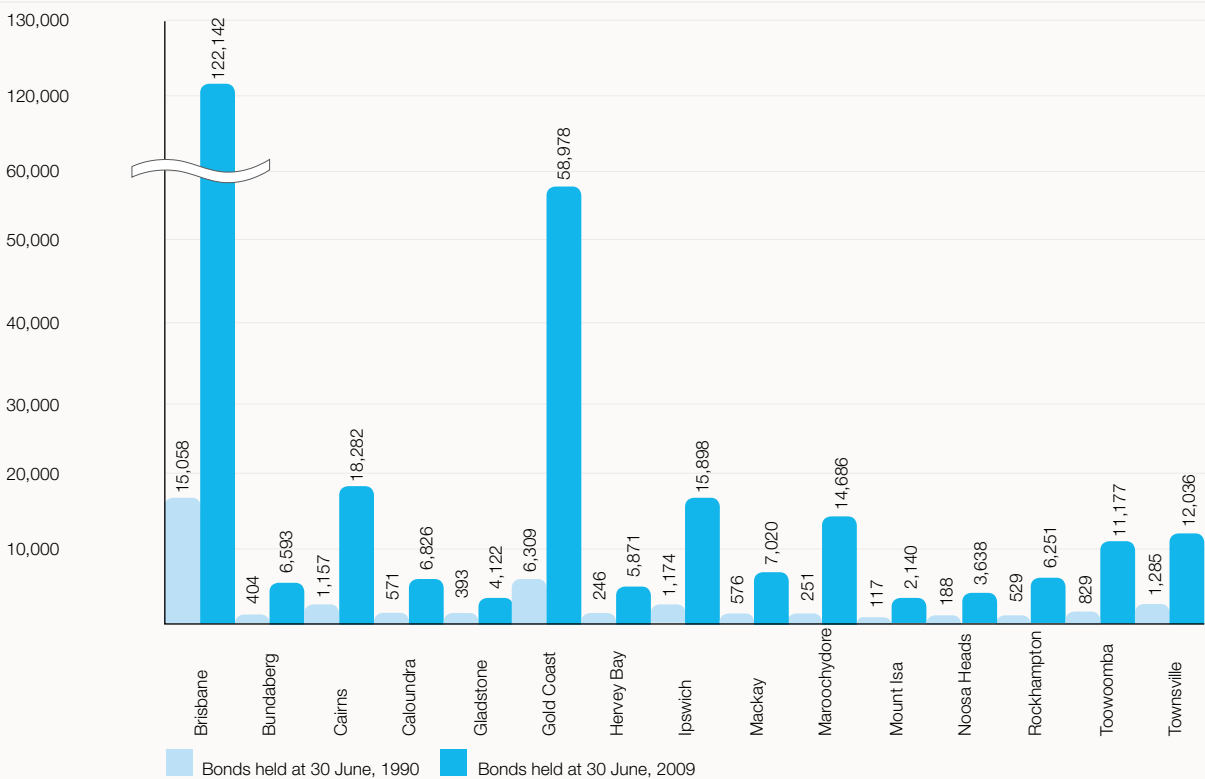


While the RTA has seen many achievements over the last 20 years, it is with the future that its priorities lie. With Queensland the only state to offer the level of services and resources provided by the RTA, the organisation will continue to grow and support the rental sector now and into the future.

### Total number of bonds held



### 20 years of bonds held



- RTA launches Phase One of its online bond management system e-Services.

## 2009

New Act to commence on 1 July.

- Residential Tenancies and Rooming Accommodation Bill introduced into Parliament.
- Bill passed on 2 December.

# Queensland's Private Residential Rental Sector

The RTA's rental bond database provides the foundation for the most comprehensive, up-to-date and reliable source of data available on Queensland's private residential rental sector. Economists, government, property managers, analysts, developers and employers use the RTA's rental sector data extensively.

## About the data

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

Bond lodgement data has been collected since 1989 under the *Residential Tenancies Act 1994* and previously the *Rental Bond Act 1989*. Until August 2002, RTA rental bond data related mostly to general tenancies, including moveable dwellings and some boarding houses. From 23 August, 2002, the RTA began administering the *Residential Services (Accommodation) Act 2002* which requires the lodgement of rental bonds for defined residential services including private boarding houses, aged rental accommodation, supported accommodation and privately operated student rooming accommodation. The following analysis of the residential rental sector does not include residential services as rental bonds are not commonly taken in this sector and current data does not provide a reliable analysis. See Our Sector starting page 37 for discussion of activity within the RTA's broader sector.

Bond records provide data for a range of factors, including the rental property location, dwelling type (including the number of bedrooms), weekly rent paid, and the type of person managing the rental property (ie agents, lessors, moveable

dwelling park owners). Combined with operational data, such as dates of transactions, this data is used for analysis of:

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

## The size of the sector

At 30 June, 2009, the RTA held 417,875 rental bonds compared with 394,183 at 30 June, 2008. The number of bonds held throughout the year grew by 23,269 or 6.0%. There was an increase in both the number of new bonds lodged and bonds refunded. The difference between the number of bonds lodged and refunded remained high, leading to a continuation of the growth in bonds held. There were 233,844 new lodgements in 2008/09 and 216,478 refunds.

During the RTA's early years of operation, much of the growth in bonds held was due to the increase in people complying with the legislative requirement to lodge bonds. More recently, the growth in bonds

Queensland continues to have the highest proportion of rented dwellings of any state with some analysts suggesting that up to 40% of Queensland households could be renting within the next 10 years.

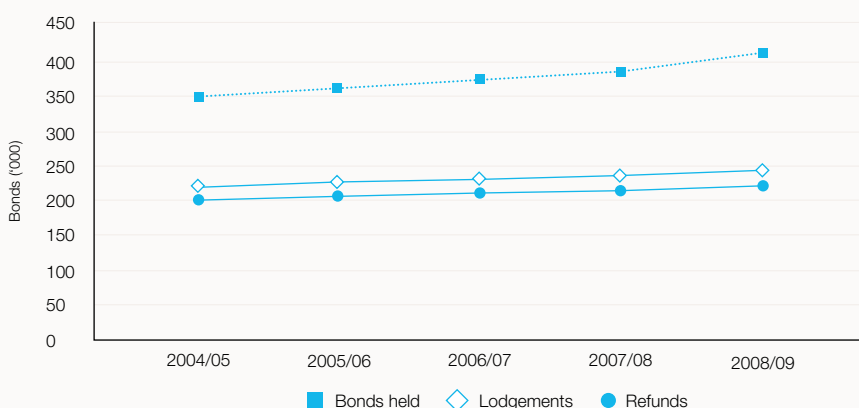
is indicative of changes in the market influenced by a range of factors over the past five years.

## Population growth continues

In the 12 months to June 2008, Queensland's share of Australia's population growth was 31.8% or 98,000 people. At this time, Queensland had an estimated population of 4.3 million or 20.0% of the nation's total population. Net interstate migration (an average net



## Bonds held, lodgements and refunds - 2004/05 - 2008/09





gain of 440 each week) and net gains from overseas migration accounted for 23.6% and 42.1% of growth respectively, while 34.3% was from natural increase (births less deaths).

### Demand for rental housing

A population increase translates to greater demand for housing and renting appears to be growing as a tenure of both choice and necessity. According to the 2006 Census of Population and Housing, there were 452,596 rented dwellings in Queensland, approximately 90,000 more than ten years earlier in 1996. The Census results showed that rented dwellings accounted for 32.3% of occupied dwellings for which tenure was known. Results from previous census for 1996 and 2001 showed that 31.3% and 31.5% respectively of dwellings were being rented at the time. The Census results show that Queensland continues to have the highest proportion of rented dwellings of any state.

### An easing market

A property boom in the early 2000s was fuelled by high population growth, increased full-time employment, low interest rates and government incentives. The effect was increased property prices and higher rental values. Over the past 12 months, the housing market has not grown to the extent of previous years due to national and global financial factors.

Some factors such as continued high population growth and housing construction rates continuing to run below underlying demand have put pressure on the housing market.

In late 2008 and early 2009, low interest rates and an increase in government incentives saw more first home buyers enter the market. This has possibly had a positive flow-on effect to the residential rental market as vacancy rates increased and rents stabilised.

This has seen pressure on the 'tight' Queensland private rental market begin to ease slightly. However, there are still many renters on low incomes who want to buy a home, but financial pressures often mean these tenants remain in the rental market for longer periods.

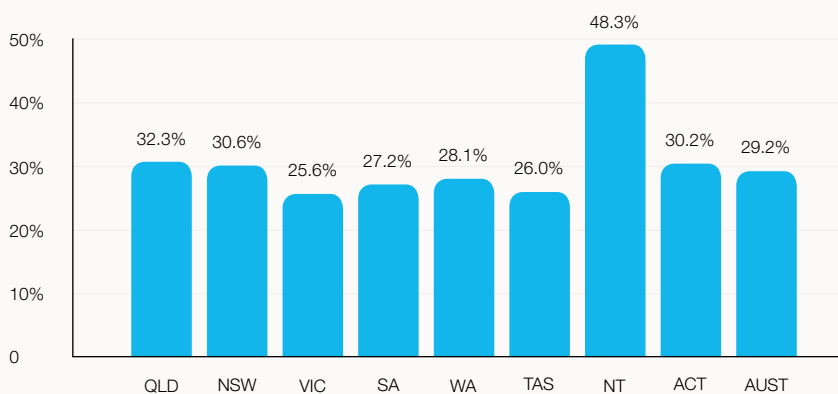
### High density dwellings

In recent years, there has been growth in high density dwelling types, specifically rooming style accommodation catering for students and community title schemes consisting mainly of flats, units and/or townhouses. Rooming style accommodation is used mostly by international students, particularly in their early years of study.

According to Queensland Education and Training International, in September 2008 there were 49,566 international student enrolments, 24.0% higher than a year earlier and 14.6% of the Australian total.

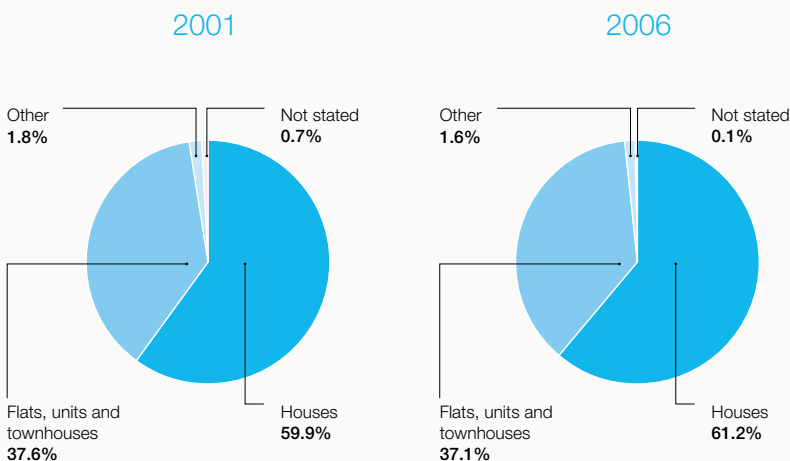


Proportion of occupied private dwellings rented - 2006\*



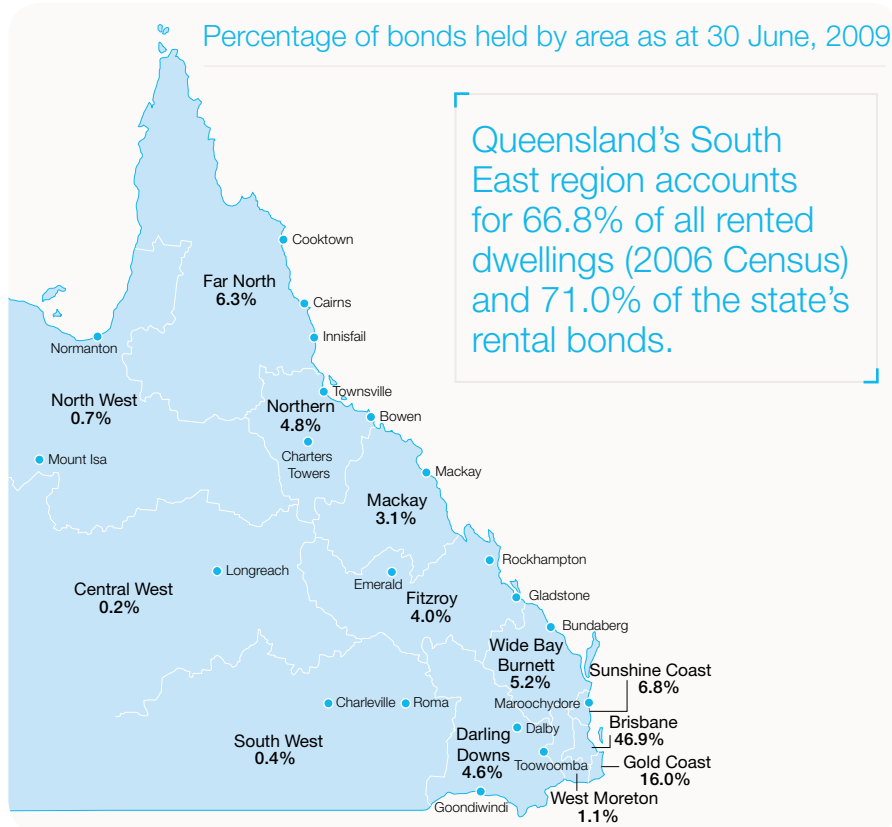
\* For occupied private dwellings where tenure was known.  
Source: ABS, 2006 Census of Population and Housing.

Type of dwellings rented in Queensland 2001 and 2006



Source: ABS, 2001 and 2006 Census of Population and Housing.

# Queensland's Private Residential Rental Sector



## What are people renting?

A comparison of data from the 2001 and 2006 Census showed that the number of rented flats, units and townhouses in Queensland increased from 153,709 to 160,325, an increase of 4.3%. These dwelling types represented 37.1% of all rented dwellings in 2006 compared with 37.6% in 2001. The increase in rented houses was greater than for flats, units and townhouses. There were 264,404 rented houses in 2006, 7.9% more than the 2001 figure. Houses represent 61.2% of all rented dwellings in 2006 compared with 59.9% in 2001. The chart on the previous page shows the changes in the types of dwelling rented in Queensland in 2001 and 2006.

## Where are people renting?

The RTA's bond data provides a guide to the distribution of rental properties throughout Queensland. The data as at 30 June, 2009, is presented on the map opposite. As shown, 71.0% of rental properties for which the RTA was holding a rental bond were located in the south east corner of the state, in the Brisbane, Gold Coast, Sunshine Coast and West Moreton Statistical Divisions. In comparison, 66.0% of the state's population (Regional Population Growth, Australia 2007/08) and 66.8% of rented dwellings, not including those rented from the State Housing Authority, (2006 Census) were in the area.

Brisbane and Gold Coast statistical divisions saw the largest growth in bonds with an increase of 9,794 bonds, representing 56.7% of the total growth. Other areas experiencing noticeable growth include the Wide Bay Burnett statistical division which grew by 1,345 or 6.8% and the Fitzroy, Mackay and Far North Statistical Divisions which experienced growth of 6.6%, 5.3% and 5.2% respectively.

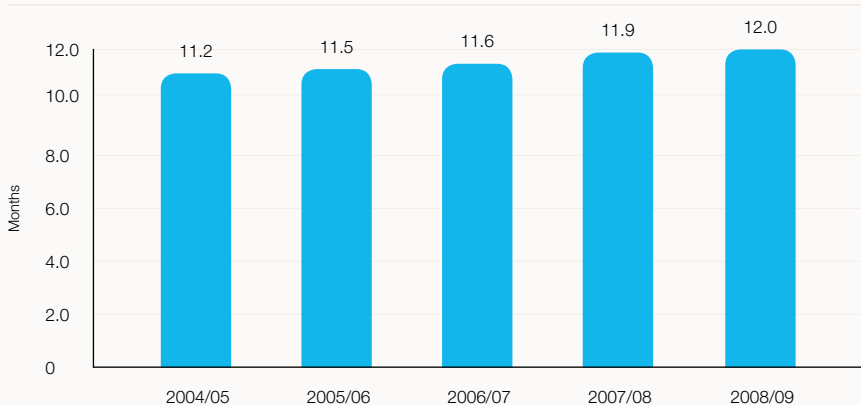
## Who is renting in Queensland?

Excluding the growing number of properties for which tenure is not recorded, Census results showed there were 452,596 rented properties in Queensland, representing 32.3% of the 1,399,142 dwellings for which tenure was recorded. Of these dwellings, 89.3% were renting in the 'private' sector.

According to the 2005/06 ABS Housing Occupancy and Costs Survey, household types most likely to rent are:

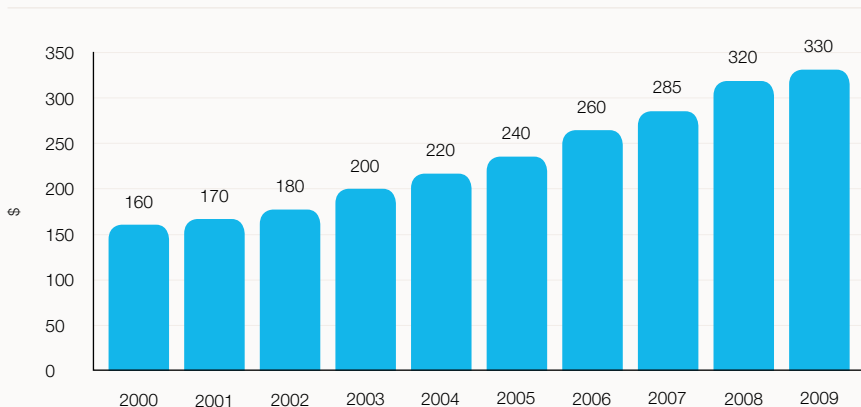
- group households which represent 10.5% of households and 78.9% are renters
- one parent and dependents households representing 14.3% of households and 64.2% are renters

## Median length of tenancies (months) - 2004/05 to 2008/09



## Median weekly rents - Queensland

(Based on new bonds lodged in June quarter each year for flats, houses and townhouses)



- lone person households which represent 28.0% of households and 35.3% are renters. Renters aged less than 35 years make up 51.1% of lone persons households.

The household type least likely to rent is couples aged 55 years and over, representing 15.3% of households and only 7.9% of all renters.

According to data published by the Real Estate Institute of Australia for the March 2009 quarter, at \$340 per week Brisbane is ranked fifth in terms of median weekly rents for three bedroom houses, after Darwin, Canberra, Perth and Sydney. At \$340 per week Brisbane is also ranked fifth in terms of median weekly rents for two bedroom other dwellings after Sydney, Canberra, Darwin and Perth.

### Longer tenancies

The length of time rental bonds are held by the RTA provides an indication of the length of tenancies. Based on bonds which were paid out in 2008/09, the median length of time bonds were held was 12.0 months compared to 11.9 months in 2007/08. Further, 49.5% of bonds were finalised within 12 months (50.7% in 2007/08). The first graph on the left shows that in comparison to 2004/05, the median length of time bonds were held was 11.2 months with 54.5% being finalised within 12 months.

This measure demonstrates the continuing trend towards longer tenancies and is consistent with a tight rental market. Tenancies in houses are generally longer than those in flats/units with the median length of time bonds were held in 2008/09 for flats/units being 11.6 months (11.4 months in 07/08) compared to 12.7 months for houses (12.7 months in 2007/08).

### Who manages properties?

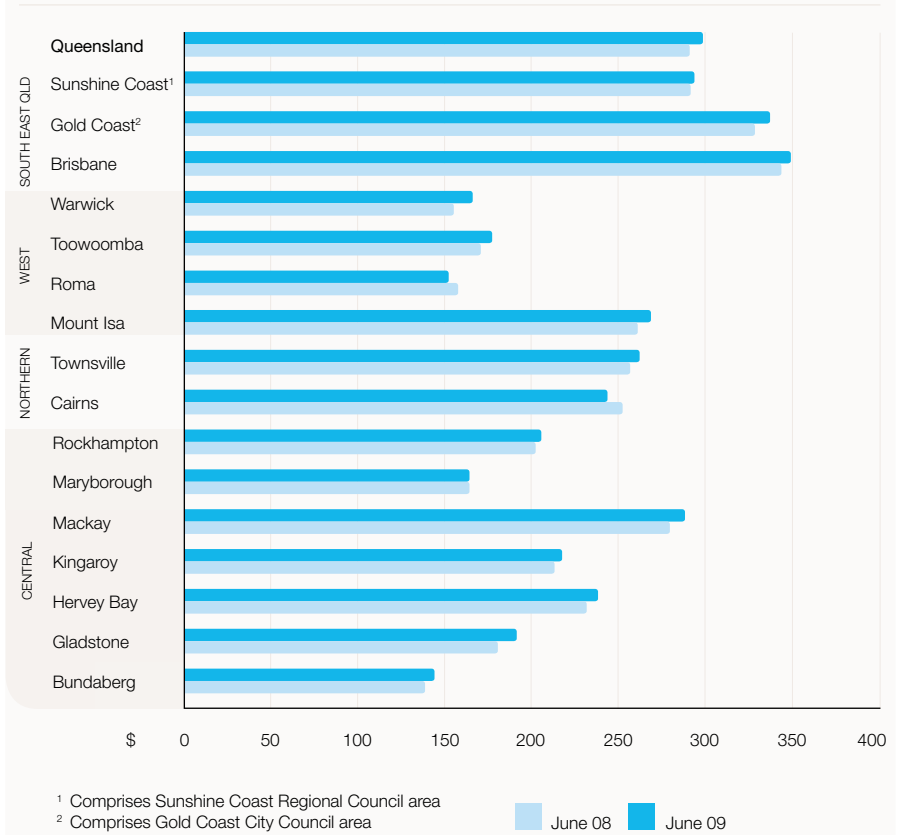
Information recorded on RTA bond lodgement forms in 2008/09 show that 83.5% of rental properties were managed by licensed real estate agents, 14.8% were managed by lessors or owners with 1.7% managed by other parties.

### Rents – whole of Queensland

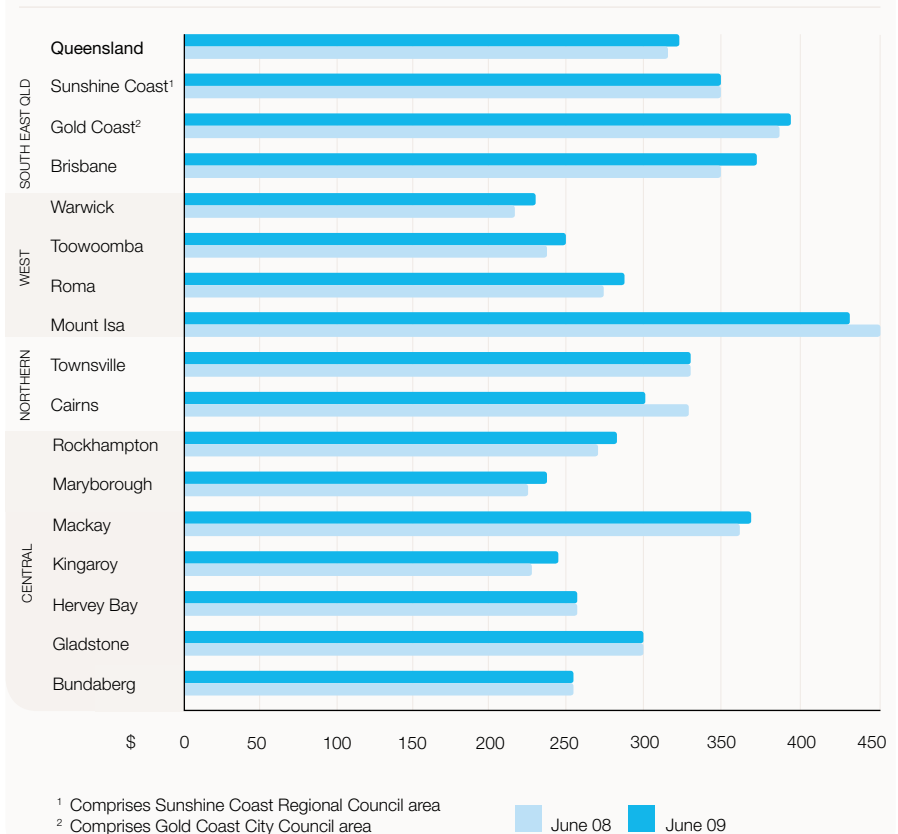
The weekly rent applicable when a bond is lodged (generally at the beginning of a tenancy) is recorded in the RTA's rental bond database. An analysis of bond lodgement data during a period provides a guide to market rentals at the time.

The bottom chart on page 16, shows rents for Queensland from 2000 to 2009. After a period of stability in rents, particularly in the mid to late nineties, there have been steady increases over the past ten years, particularly since 2002.

Median weekly rents - 2 bedroom flats  
(Based on new bonds lodged in June quarters 2008 and 2009)



Median weekly rents - 3 bedroom houses  
(Based on new bonds lodged in June quarters 2008 and 2009)



# Queensland's Private Residential Rental Sector

The growth shown in RTA bonds over time provides an indication of the level of growth in the number of properties being rented.

Rents have begun to stabilise in the past 12 months. Increases in housing affordability and vacancy rates have started to relieve pressure on rent increases.

## Rent - centres in Queensland

Queensland has a number of housing markets based on factors including location and dwelling type. The charts on the previous page show changes in median weekly rents in selected areas of Queensland between June 2008 and June 2009 for the two most common dwelling types. Traditionally, the most expensive areas in terms of rents are in South East Queensland, particularly areas of Brisbane and both the Gold and Sunshine Coasts. In recent times, mining centres such as Mackay and Mount Isa have also had higher rent levels. Areas which experienced more significant rent increases for both houses and flats included Warwick, Kingaroy and Toowoomba.

Considerable increases in rents for flats were also experienced in Bundaberg and Gladstone, while Roma and Mackay had large rent increases for houses. In contrast, Cairns showed a decrease for both flats and houses while Roma saw a decrease for flats and Mount Isa for houses.

## Vacancy rates remain low

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

Unpublished results are available at Local Government Area level annually.

Results from the June 2009 survey show the overall vacancy rate for rental dwellings in Queensland was 4.6%. This figure has increased from 2.8% in June 2008, indicating that vacancy rates have eased significantly over the past 12 months.

Brisbane had the lowest vacancy rates with inner Brisbane 3.3% (1.6% in June 2008), the remainder of Brisbane at 2.8% (2.2% in June, 2008) and Brisbane surrounds

increasing to 3.9% up from 2.7% in June 2008.

The vacancy rates on the Gold Coast have increased to 5.4% (3.9% in June 2008) with the rest of Queensland increasing to 5.7% compared to 3.1% in June 2008.

## For more information

Information relevant to Queensland's residential rental market is regularly reported through the RTA's website [www.rta.qld.gov.au](http://www.rta.qld.gov.au)



Brisbane City from Mt Coot-tha

# The RTA Board

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



## Chair - John Battams

Entering his fifth year as Chair, Mr Battams was first appointed in December 2004. Mr Battams brings significant corporate directorship experience as a former director of a not-for-profit health fund, a private investment group of companies and WorkCover Queensland. Mr Battams is currently Director and Chair of the Board of one of Australia's largest industry superannuation funds. He has extensive knowledge of Queensland in his capacity as General Secretary of the Queensland Teachers' Union. As President of the Queensland Council of Unions, Mr Battams also brings significant experience in leading organisations, forging good working relationships with senior management and employees and developing and implementing business plans.



## Lee Banfield

Appointed to the Board in June 2009, Ms Banfield is currently the Manager of the Tenant Advice and Advocacy Service TAAS(Q) on the Sunshine Coast. Ms Banfield brings with her extensive knowledge of the Queensland rental sector through her experience as a property manager and years of experience working with the Tenant Advice and Advocacy Service (Queensland) and Tenants Union of Queensland (TUQ). Ms Banfield has also been a Queensland Shelter representative on the RTA Industry Development Forum.



## Cathy Bavage

Appointed to the RTA Board in 1995, Ms Bavage is also the Chair of the RTA Audit and Risk Committee. Ms Bavage brings to the Board a long and distinguished history of involvement with supported accommodation and related services as well as chairing a large community services network in the Bayside area of Brisbane. Ms Bavage's experience in developing and managing community services further enhances the RTA's understanding of high needs groups within all sectors of the residential rental community.



## Darrell Brady

Mr Brady has served on the RTA Board from April 2001 to April 2007 before being reappointed in March 2008. As a licensed real estate agent, member of the Real Estate Institute of Queensland (REIQ), licensed general auctioneer and a national accredited trainer and facilitator, he brings to the Board a wealth of knowledge about the rental sector. Mr Brady also brings to the table a practical understanding of the residential rental community from tenant, agent and lessor perspectives.



## Luella Camp

Appointed to the Board in April 2001, Ms Camp brings with her a balanced perspective to the Board from her years of experience with school and community related activities. Ms Camp's involvement in numerous community groups responsible for assisting families with accommodation issues gives her a deep understanding of community issues.



## Roslyn Wallace

Appointed to the RTA Board in April 2004, Ms Wallace is also a member and Secretary of the Property Owners' Association of Queensland (POAQ) and a member of the Unit Owners Association of Queensland (UOAQ). Ms Wallace brings to the Board her vast experience and skill in interviewing, advising and supporting parties, particularly lessors with rental concerns. Ms Wallace also has prior RTA experience as an Industry Development Forum member and active participant in a range of consultations on the residential rental sector.



## Charles Ware

Appointed to the RTA Board in April 2005, Mr Ware is also a member of the RTA Audit and Risk Committee. Mr Ware brings to the Board more than 20 years experience in property law and government practice as partner in a Central Queensland private legal practice. Through directorship experience with current appointments including Deputy Chancellor of Central Queensland University and Deputy Chairman of Gladstone Ports Corporation, Mr Ware brings a wealth of experience to the RTA Board. Mr Ware has also held prior positions in the Queensland electricity supply industry.

# Corporate Governance

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

The RTA's Corporate Governance Framework is based on the Queensland Auditor-General's model and involves two major perspectives:

## Organisational Perspective

Showing how the management structure and management standards provide the RTA's leadership and direction.

## Accountability Perspective

Showing how internal monitoring and review mechanisms and external accountabilities provide assurances that the RTA will achieve its objectives.



## The role of the Board

The Board of the RTA operates in accordance with its responsibilities outlined in the legislation. The RTA Board Charter outlines the powers reserved to the Board, delegations made to management and provides clarity in the respective roles and responsibilities of the Chair, Board and General Manager.

The Board's specific responsibilities include:

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

As Chief Executive Officer, the General Manager provides strategic policy advice to the Chair, Board and Minister on the operation and monitoring of the legislation.

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

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

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

As part of the annual review process, the RTA Board Charter was reviewed in December 2008. Profiles of the RTA Board members are on page 19.

## Organisational Perspective

### Management Structure

The management structure includes the organisational arrangements which enable the RTA to carry out its role.

### The RTA Board

The Governor-in-Council appoints the Board and is comprised of a Chair and six Directors for a term of three years. The current term for RTA Directors expires in April 2010. All new Directors participate in an induction program covering governance, RTA operations and familiarisation with the management team.

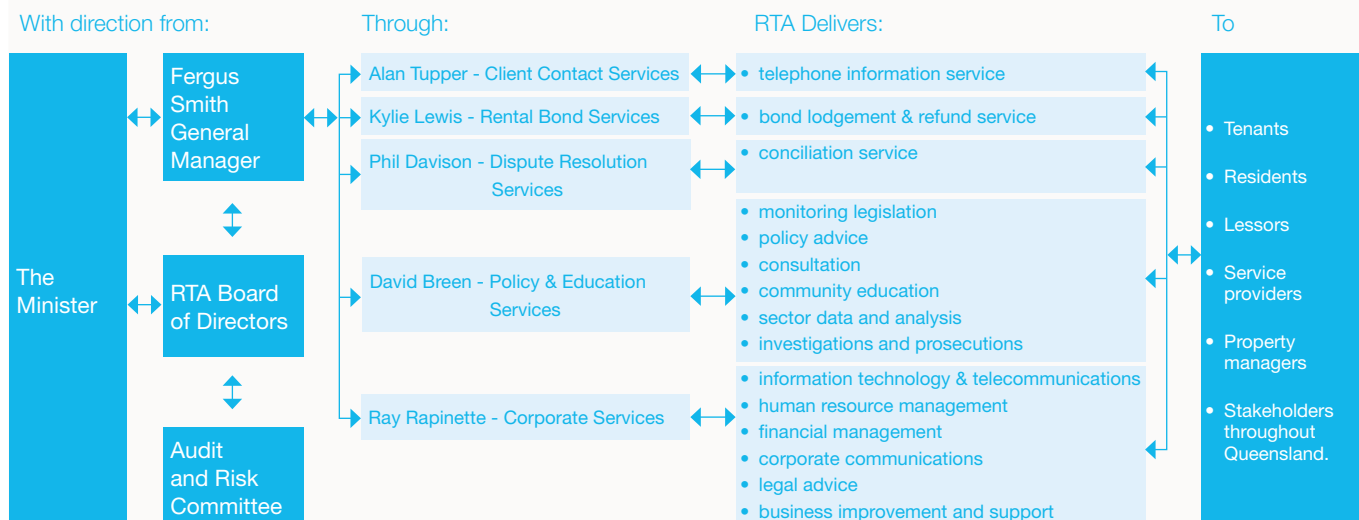
Board members have diverse skills and expertise and are selected on the basis of their knowledge of and experience in Queensland's residential rental sector.

Remuneration for Board members is determined through Cabinet approved procedures, administered by the Department of Industrial Relations and based on the Board's functions and powers. Each year the Board conducts a regional Board meeting providing the opportunity to meet with representatives from the local residential rental sector. This year, the Board convened in Mount Isa on 4 September, 2008, joining Minister for Housing, the Hon Robert Swarten MP, host a successful meeting of stakeholders.

### Board meetings for 2008/09

Members	Full Board	Scheduled Meetings	Audit & Risk Committee <sup>2</sup>	Scheduled Meetings	Notes
John Battams	11	11	4	4	1. Appointed to Board in June 2009.
Roslyn Wallace	11	11			2. Catherine Blunt attended ARC meetings as an independent member.
Charles Ware	11	11	4	4	
Cathy Bavage	11	11	4	4	
Darrell Brady	11	11			
Luella Camp	10	11			
Lee Banfield <sup>1</sup>	0	0			

## Organisational structure



### Audit and Risk Committee

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

The ARC consists of Ms Cathy Bavage (ARC Chair/RTA Director), Charles Ware (ARC Member/RTA Director), Mr John Battams (ex-officio member/RTA Chair) and Ms Cathy Blunt (Independent Member).

The main functions of the ARC are to oversee RTA accounting policies and practices, the integrity of financial statements and reports, the scope, quality and independence of the RTA's external audit arrangements, the monitoring of the internal audit function and the effectiveness of risk measures.

This committee is also responsible for monitoring overall legal and regulatory financial compliance.

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

### Organisational structure

The RTA has a functional structure aligned to the strategic plan and aimed at maximising the operational capability and capacity of management and staff. This structure was reviewed in late 2008 with minor changes introduced to reduce the number of reporting levels.

### RTA Executive Team

The General Manager leads the RTA Executive Team and is comprised of the divisional managers. The Executive Team takes a proactive role and meets weekly to ensure strategic priorities and operations of the RTA are on track. To view the RTA's Executive Team profiles see page 26.

### Agency Consultative Committee

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

### Information Steering Committee

The Information Steering Committee is chaired by the General Manager and attended by senior management. An independent expert provides advice on aspects of project management and emerging technologies.

### Management Standards

Management Standards outline the existence and adequacy of organisational policies and standards as well as the roles and responsibilities defined through the delegation process.

### Ethical standards

The RTA's Code of Conduct guides staff to carry out their duties with efficiency, integrity, confidentiality and impartiality and to deliver a high standard of service to the community.

The RTA values clients' privacy and adheres to the Queensland Government's privacy regime which sets standards for the

collection, use, storage and disclosure of personal information. The RTA's Privacy Plan outlines how clients can access and amend personal information held by the RTA and can be found at [www.rta.qld.gov.au](http://www.rta.qld.gov.au).

### Freedom of Information Act

The RTA operates in a transparent and accountable manner while maintaining appropriate confidentiality for clients. In 2008/09, the RTA responded to 16 requests for access to files related to bonds, dispute resolution and investigations under the *Freedom of Information Act 1992* (FOI). Some documents or parts of documents are exempt under FOI law to protect the public interest and/or the personal and business affairs of others. The FOI Act will be replaced by the *Right to Information Act 2009*, commencing 1 July, 2009.

### Whistleblowers Protection Act

The *Whistleblowers (Disclosure to Member of Parliament) Amendment Act 2007*, amended the *Whistleblowers Protection Act 1994* to require all Queensland public sector entities to provide statistical information relating to public interest disclosures throughout the year. For the period 2008/09, the RTA received no disclosures pursuant to the *Whistleblowers Protection Act 1994*.

### Accountability Perspective

#### Internal and external accountability

Internal accountability examines the effectiveness of the planning and control environment, management of risk and the associated internal audit function, flow of information to and from the Executive Team and engagement with stakeholders.

# Corporate Governance continued

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

## Business planning

The RTA has an established business planning process as shown in the diagram below. The RTA Board sets the strategic direction of the organisation, documented and formalised through the RTA's Strategic Plan 2007-2010.

The plan details a range of strategies to achieve the vision of working together to support and enhance an evolving rental sector. It also identifies the RTA's continuing strategic priorities: Our Clients, Our Sector, Our Organisation.

Structured according to these strategic priorities, the Annual Report is the main vehicle for reporting the RTA's progress. The strategic plan is underpinned by

corporate support plans, an annual business plan and unit operational plans specifying activities and performance levels to be achieved.

The RTA has five major support plans:

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

In conjunction with their line manager, all staff complete annual performance development plans to identify their contribution to RTA planning and performance as well as establishing professional development requirements.

## Financial planning

The annual budget process runs in parallel with the business planning cycle with planning undertaken in the context of the financial environment. Business priorities identified as part of the development of the annual business plan form the basis for detailed budget allocations which fund the activities in operational plans. In the latter part of the financial year, the Board endorses the upcoming year's administration budget for Ministerial approval.

A core part of the RTA's business planning cycle includes performance monitoring and environmental scanning. The Board and Executive Team review performance to date, sector trends and stakeholder issues particularly at the start of the planning cycle.

The budget and performance are reviewed against monthly targets as part of standardised reporting processes. A comprehensive mid year budget review allows for internal reallocations to be made within budget, if necessary, ensuring performance targets are met. The RTA reports to public stakeholders through the Annual Report, Service Delivery Statements and associated Parliamentary Estimates processes.

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

## Risk management

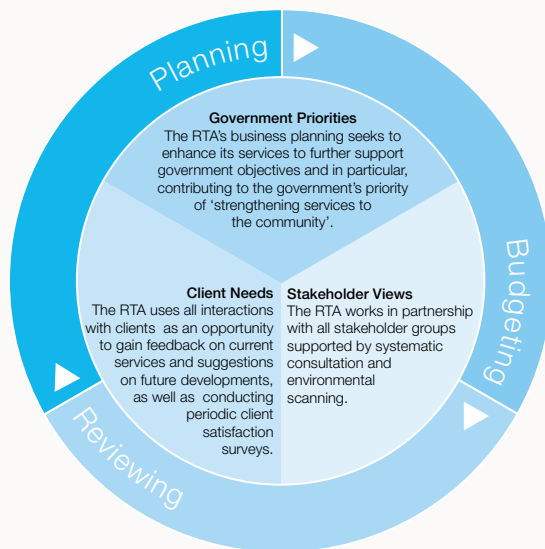
The RTA's Risk Management Framework is designed to assist staff in implementing risk management practices and to facilitate a risk management culture.

In November 2008, a review of the Risk Management Framework was undertaken to:

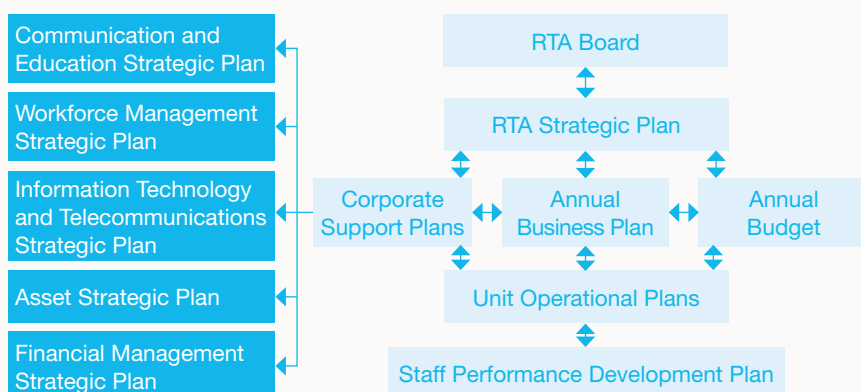
- Identify opportunities for improvement.
- Review the risk register.
- Ensure formal risk management approaches that are appropriate to the RTA's level of risk have been adopted.

Senior staff, team leaders and the Executive Team participated in a Risk Management Workshop to review the current risk rating process and to review the risk register.

RTA business planning cycle



RTA business planning overview





## Performance review framework

Function	Purpose	2008/09 achievements
Monthly financial reporting	Reports level of revenue and expenditure against the approved budget at each Board meeting.	Comprehensive monthly financial reports provided at each Board meeting - no major variances from expenditure budget.
Performance measures	Reports achievement against annual performance targets and quantity, quality, timeliness and location at each Board meeting.	Full performance reports provided at each Board meeting - majority of performance targets achieved.
Internal audit program	Reports progress and recommendations from internal audit for Board Audit and Risk Committee endorsement.	Full status of all audits provided to Audit and Risk Committee - no current critical level risks.
Quality assurance certification	Maintains certification against the relevant ISO standard.	ISO 9001:2000 certification renewed.
Client satisfaction survey	Biennial survey to gauge client satisfaction and identify areas for improvement through an action plan.	Average client satisfaction rate 8.2 out of 10 achieved in 2007/08. Next survey due in 2009/10.
Service Delivery Statements	Contributes to the Minister's report on performance and budget results to the Parliamentary Estimates Committee.	Actual expenditure less than budget forecasts.
Annual Report	High reporting standards ensure accountability to the RTA's clients, sector and staff.	Achieved seventh consecutive Gold Award from Australasian Reporting Awards.

### Internal Audit

The Audit and Risk Committee appointed HLB Mann Judd to provide an internal audit service for three years commencing in 2008. The Annual Internal Audit Plan for 2008/09 was completed and included the following reviews:

#### Bond Refund Review

This review concluded that the RTA maintained, in all material respects, effective control procedures for processing bond refunds.

#### Payroll Review

The review concluded that the RTA maintained, in all material respects, effective control procedures in relation to payroll processing.

#### Risk Management Review

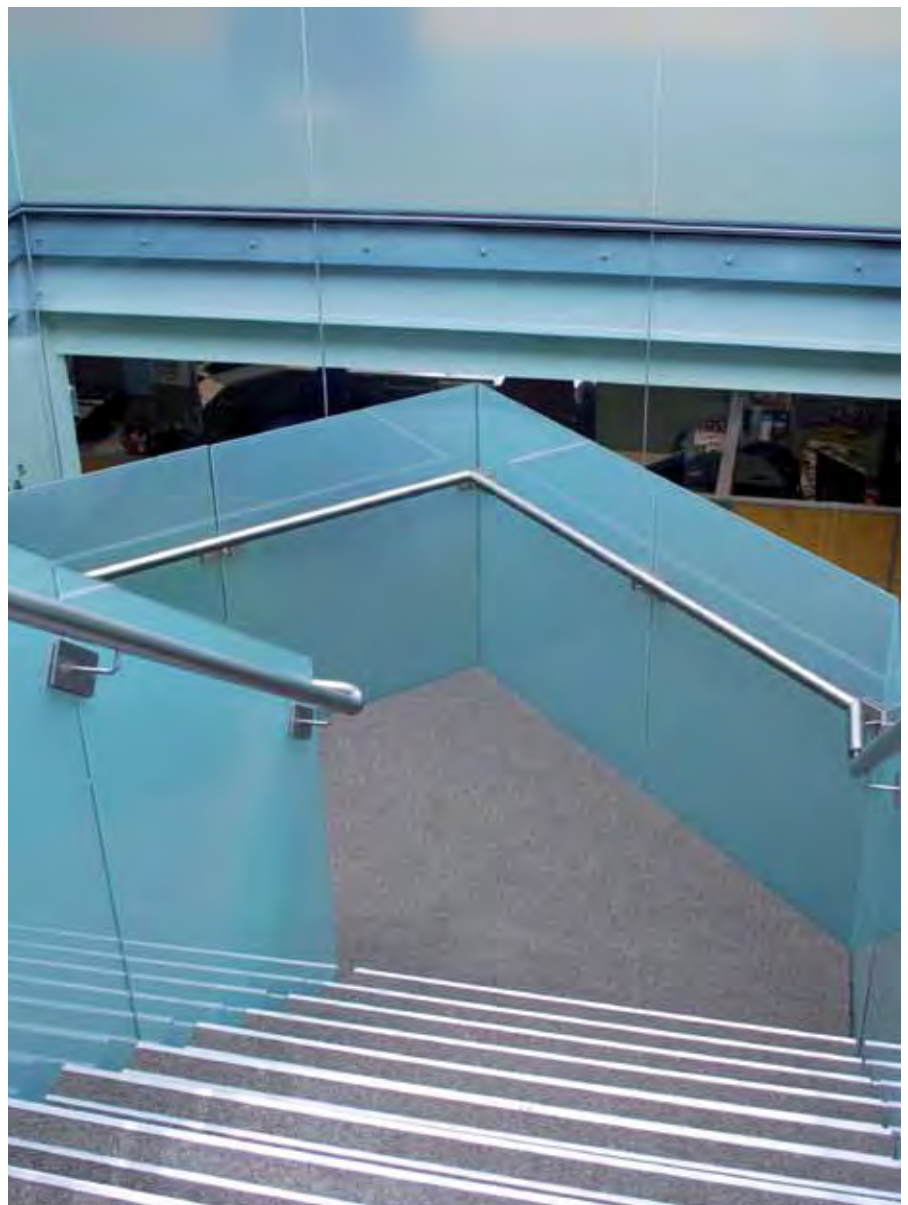
This review resulted in a refined Risk Register and Risk Assessment matrix.

#### Access Controls to Core Systems Review

This review concluded that the RTA maintained a sound system of internal control over unauthorised access to RTA systems.

### Performance Review Framework

The RTA Board and General Manager are responsible for monitoring and reviewing the performance of the RTA. The performance review framework ensures this role is undertaken with comprehensive knowledge of the full depth and breadth of the RTA's functions. The table above outlines the RTA's 2008/09 performance against key elements of this framework.



RTA atrium staircase.

The RTA's high standards of disclosure, responsibility and transparency are reflected in the way it consults with stakeholders to achieve the RTA's vision of 'Working together to support and enhance an evolving rental sector'.

## Stakeholder engagement

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

The RTA's high standards of disclosure, responsibility and transparency are reflected in the way it consults with stakeholders to achieve the RTA's vision of 'Working together to support and enhance an evolving rental sector'.

## Industry Development Forum

The Industry Development Forum is comprised of representatives from key rental sector stakeholders and is chaired by the General Manager. Four forums were held in 2008/09 and provided the RTA with feedback, opportunities for community engagement and input on policies and future directions.



### Specific consultations

The RTA undertook specific consultations with key stakeholders in the following areas:

- consultation in developing the RTA's Strategic Plan 2009-12
- ongoing involvement in cross government working groups to develop uniform national legislation for tenancy databases and the establishment of the Queensland Civil and Administrative Tribunal (QCAT).

### Business partners

The RTA works closely with key business partners and has developed strategic partnership agreements with:

- Queensland Investment Corporation – provides tailored investment services for the RTA.
- Australia Post – enables the RTA to maintain a local agency service

network around the state. In 2008/09 Australia Post services to the RTA included:

- eLetter Solutions (printing of cheques, receipts and notices)
- Business Post (parcels)
- Display and Print on Demand (RTA forms available at Australia Post outlets)
- Postbillpay (bond lodgement and refunds via Australia Post outlets)
- Postlogistics (forms warehousing and distribution)
- Decipha (opening and sorting incoming mail).

### Overseas travel

The RTA's Board members and staff did not undertake overseas travel during 2008/09.

## Did You Know



... In 1989/90, the Authority received just over 30,000 telephone calls. In 2008/09 the Authority received more than 350,000 telephone calls.

...The Australia Post fax network in 1989 enabled the Authority to provide the fastest refund operation of its kind anywhere in the world.

...The first computers used by the Authority in 1989 were IBM 286 and 386's costing \$18,000 and \$22,000 respectively.



## Future Priorities - Corporate Governance

The RTA is strongly committed to further developing its Corporate Governance Framework and will focus on enhancing the Management Standards component. A number of internal audits are planned as part of the second year of a three year Internal Audit Program. The Board and management of the RTA will also continue to promote and maintain the RTA's high standards of corporate governance and reporting.

### Key activities for 2009/10 are to:

- Continue development and review of the Corporate Governance Framework, in particular the Management Standards component.
- Standardise the development and review of administrative policies and their enabling procedures.
- Broaden the scope of the Information Steering Committee to encompass RTA-wide projects and review, standardise and embed an effective project management methodology.
- Conduct a test of RTA's business continuity plans and facilities.

# Executive Team

The RTA's Executive Team effectively manages daily operations within the RTA's strategic framework.



## **Fergus Smith, BSc, GAICD, MA, MBA - General Manager**

Appointed General Manager in August 2006, Mr Smith brings strong leadership skills and extensive knowledge of the Queensland housing sector. This knowledge ensures the RTA continues to support and enhance Queensland's ever evolving residential rental sector. Prior to his appointment, Mr Smith was the RTA's Corporate Services and Investigations Manager from 2002 to 2006. Before commencing with the RTA, Mr Smith spent seven years with the Queensland Department of Housing in senior management in areas such as policy, strategic planning, research, performance management, housing systems initiatives and community housing. Mr Smith has also worked in Queensland TAFE and as the Director of Client Services for the Queensland Treasury Corporation.



## **Ray Rapinette, BCom, GAICD - Corporate Services Manager**

Joining the RTA in January 2007, Mr Rapinette has more than 20 years of local government experience and 18 years in the banking industry. Mr Rapinette held executive management positions in local government in areas including corporate governance, policy and organisational performance, strategic and operational planning, financial management, organisational development, information technology and telecommunications, risk and property and facilities management. Corporate Services provides internal support to the RTA through human resources, corporate communications, legal, financial management, information technology and project assistance while supporting the Queensland residential rental sector and RTA clients through external communications channels.



## **David Breen, BA (Hons), Grad Cert (Housing Mgt & Policy) - Policy and Educational Services Manager**

Joining the RTA in 1999, Mr Breen has extensive knowledge of the Queensland housing sector holding a number of executive positions in the Department of Housing. Having considerable experience with disability services in Tasmania, Victoria and Queensland, Mr Breen managed the unit that established the Queensland Government Program 'HomeAssist/Secure', which removes some housing related difficulties for people with a disability and the elderly. Policy and Education Services undertakes research, policy development, community education and investigations to maintain integrity and balance with Queensland's residential tenancies rental sector.



## **Phil Davison, BSW, Grad Dip (HR & IR) - Dispute Resolution Services Manager**

Mr Davison joined the RTA in January 2006, as Manager Dispute Resolution Services. Mr Davison has previously held positions with Queensland government bodies, worked for the Office of Adult Guardian and Manager of complaints of the Anti-Discrimination Commission Queensland for more than seven years. Dispute Resolution Services supports the RTA's clients by providing specialist conciliation services to help resolve disputes arising in agreements under the Tenancies Act and the Accommodation Act.



## **Kylie Lewis, BBus (Mgt) - Rental Bond Services Manager**

Joining the RTA in 1995, Ms Lewis was appointed to the position in May 2009, bringing with her extensive public service experience. Ms Lewis' career at the RTA spanned many roles beginning as Research Officer (Statistics). Before joining the RTA, Ms Lewis worked for organisations including the Lands Department, the Queensland Government Statisticians Office and the Department of Education and Corrective Services. The Rental Bond Services Division provides a rental bond custodial service including the processing of all bond lodgements and refunds.



## **Alan Tupper - Client Contact Services Manager**

As the longest serving Executive member, Mr Tupper has been part of the Executive Team since the creation of the Rental Bond Authority (RBA) in 1989. Mr Tupper played a pivotal role in getting the RBA off the ground as a member of the first management team and oversaw the administration of the *Rental Bond Act* 1989 ahead of the introduction of the RTA in 1995. Before joining the RBA, Mr Tupper had almost 20 years experience in management, held banking and retail positions in both the private and public sectors. The Client Contact Services Division offers a free telephone information service for tenants, lessors, agents, residents and accommodation providers.

# Our Clients



## Services for Our Clients

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

## Objectives

### Service Quality

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

### Service Awareness and Utilisation

Continue to position the RTA as the key information provider to the residential rental sector ensuring that current and potential clients are aware of and can easily access the RTA's services.

# Key Results

- Received 1,392 calls each working day or 350,713 calls for the year, up 1.4%.
- Answered 46.0% of calls immediately and 86.5% within two minutes, almost achieving target of 90%.
- Processed an average of 2,763 bond forms daily, or 696,190 for the year, up 3.5%.
- Processed 97.8% of Australia Post refunds within 15 minutes, exceeding target of 95%.
- Achieved a take up rate for e-Services of 1622 agents, representing 59.2% of all bonds held compared to 50.0% last financial year.
- Received 19,276 requests for dispute resolution, up 6.0%.
- Finalised 87.9% of disputes within 28 days of receipt, exceeding target of 70.0%.
- Resolved 65.6% of disputes where parties participated in conciliation, exceeding target of 65.0%.
- Successfully resolved 96.9% of the 589 cases investigated.
- Promoted the RTA through response to media enquiries, advertising, the RTA website and targeted community education activities.



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# Our Clients

## Focus on Service Quality

With a significant increase in demand for client services, RTA staff remain committed to providing consistently high quality information and support services to our clients.

### Delivering accurate information

The RTA Client Contact Centre is an integral part of the RTA's client service frontline, responding to an average of 1,392 calls each working day in 2008/09 (1,379 daily in 2007/08). With a thorough knowledge of Queensland tenancy law, staff provide accurate and helpful information to clients.

As growth of the state's residential rental sector continues, demand for RTA services increases. Client Contact Centre enquiries increased 1.4% in 2008/09 to 350,713 calls (compared to 346,010 in 2007/08).

The majority of client calls continue to be bond related, accounting for 61.8% of all calls. However, the proportion of bond queries has reduced (63.3% in 2007/08) due to agents now accessing their own bond records via the RTA's e-Services

facility (see page 33 for more information on e-Services). Other common client enquiries include rent increases, maintenance issues and breaking tenancy agreements.

Despite increased demand, the Client Contact Centre maintained high service quality standards, with 46.0% of all calls answered immediately (target 55%) and 85.6% within two minutes (target 90%). The average waiting time for callers was 53 seconds in 2008/09, showing an increase compared with the previous year (41 seconds). The three busiest months recording the highest daily averages in 2009 were January (1,493), February (1,674) and March (1,541).

Significantly, average talk time in 2008/09 was 212 seconds compared to 199 seconds in 2007/08. This was largely due to increased call complexity.

The RTA introduced online enquiries as a further client access point in July 2008. More than 3000 online enquiries about bond and tenancy matters (averaging more than 15 per day) were received during 2008/09.

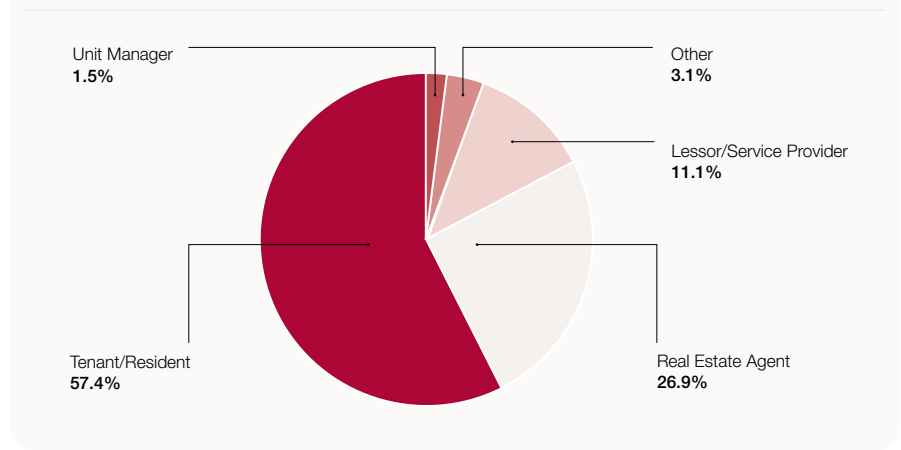
Consistency and quality of information is a constant focus for the RTA. The RTA's Monitoring for Quality project is used to safeguard the organisation's high service standards. The Contact Centre Skills, Performance, Expertise, Attitude, Knowledge (SPEAK) program provides a framework for ongoing improvement.

During the year, staff also continued to work on identifying call quality monitoring software tools for enhancing overall performance. This culminated in the approval to purchase new software which will be used to monitor call quality.

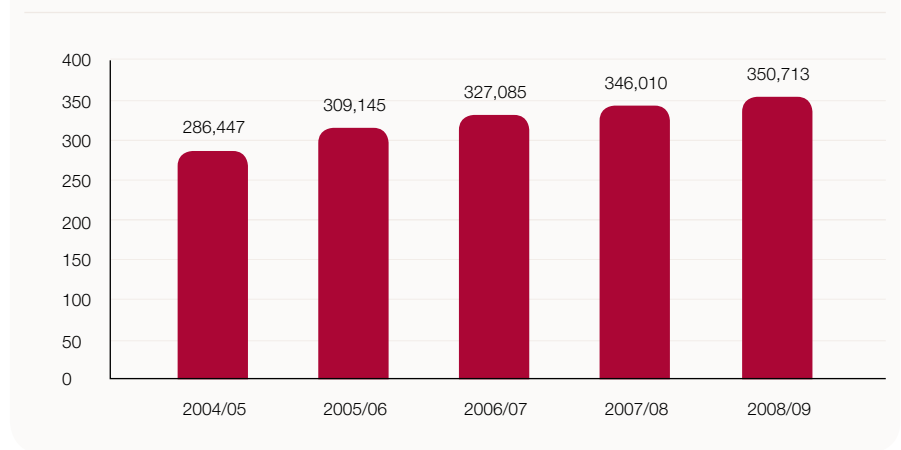


Mandy Lewis, Dispute Resolution.

### Client Contact Centre - calls logged by client type - 2008/09



### Calls answered by the RTA's Contact Centre - 2004/05 to 2008/09



# Our Clients continued

## Rental bond management

The management of rental bonds is one of the RTA's core client service functions with 2763 bond forms processed daily (compared to 2669 daily in 2007/08).

In 2008/09, the RTA processed a record of 696,190 bond forms. This figure comprised 353,224 bond lodgement forms (341,426 in 2007/08) and 342,966 bond refund/change bond forms (328,385 in 2007/08).

The peak months for bond administration services were from December to March, with daily averages of bond forms processed above 2950 and a maximum daily average of 3250 forms processed in February.

## Bond lodgements

New bonds lodged rose from 235,160 in 2007/08 to 241,835 this year, illustrating the ongoing growth of the state's rental sector. In monetary terms, average daily figures grew significantly in 2008/09 to \$1,250,000 in bond lodgements compared to \$1,132,000 in 2007/08. The flattening of rent levels reflecting changing economic conditions led to decreasing bond top-ups toward the end of the year.

In order to maintain high client service levels, bond management initiatives derived from the RTA's Monitoring for Quality project continued to be developed throughout 2008/09. This ensures the accurate and complete transfer of information between property managers and the RTA. Ongoing work will further streamline bond transactions.

## Refund of bonds

Demand for bond refund services also grew during the year with an average 887 bond refunds finalised daily (868 in 2007/08). The average value of the RTA's bonds refunded daily, increased to \$1,022,000 in 2008/09 from \$902,000 in 2007/08. Of all bonds refunded, 72.2% were agreed by the parties and, of the remaining 27.8%, 86.2% were finalised after a *Notice of Claim* was issued and not disputed. In total, 72.3% of bond monies was returned to tenants (73.3% in 2007/08).

The RTA's online bond management service, e-Services, provides agents with the option to process a refund where they direct 100 percent of the bond to be paid to the tenant. In 2008/09, 7625 refunds were processed through e-Services (3149 in 2007/08).

In 2008/09, the RTA processed 97.8% of Australia Post refunds within 15 minutes, exceeding the target of 95%.

The proportion of non Australia Post

refunds (via mail or direct credit) processed within two working days totalled 87.2% for the year, exceeding the target of 85%.

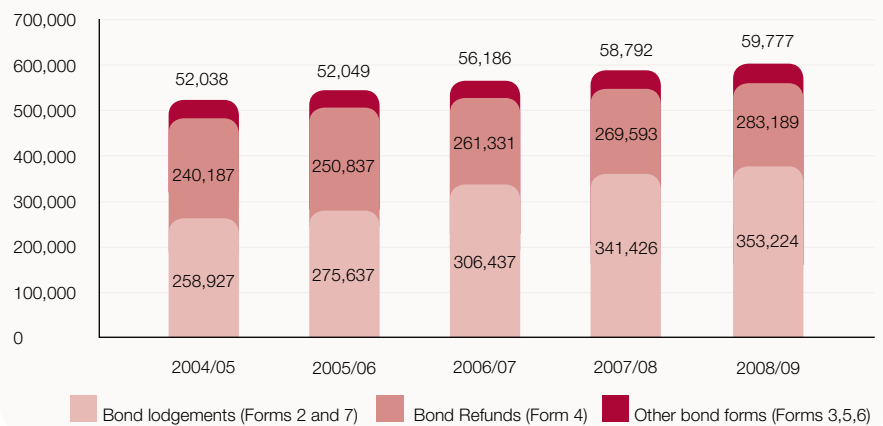
The RTA continues to encourage clients to use direct credit for bond refunds, with 50.9% of all transactions processed by this method compared to 49.9% in 2007/08.

This refund method continues to grow in popularity amongst self-managing lessors, with 68.5% of refunds paid to lessors via direct credit against 67.1% the previous year. The adoption rate for tenants using this method remained consistent with 34.9% receiving direct credit refunds.

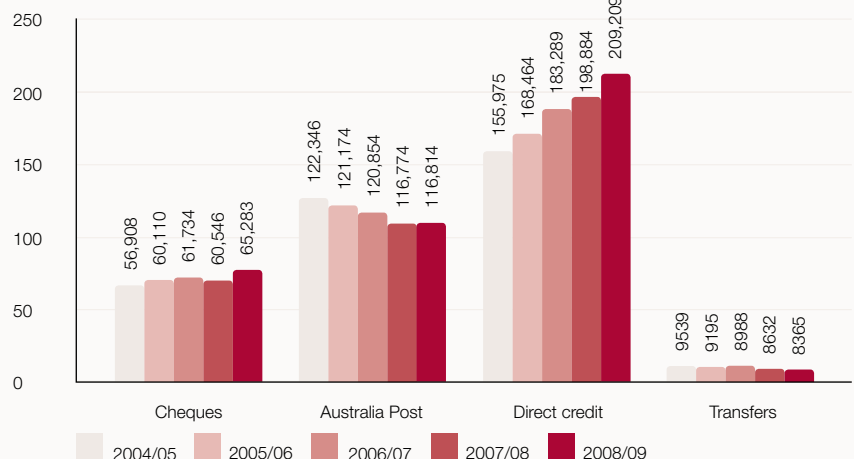


Marc Fidler, from the Contact Centre.

## Forms received for bond processing - 2004/05 to 2008/09

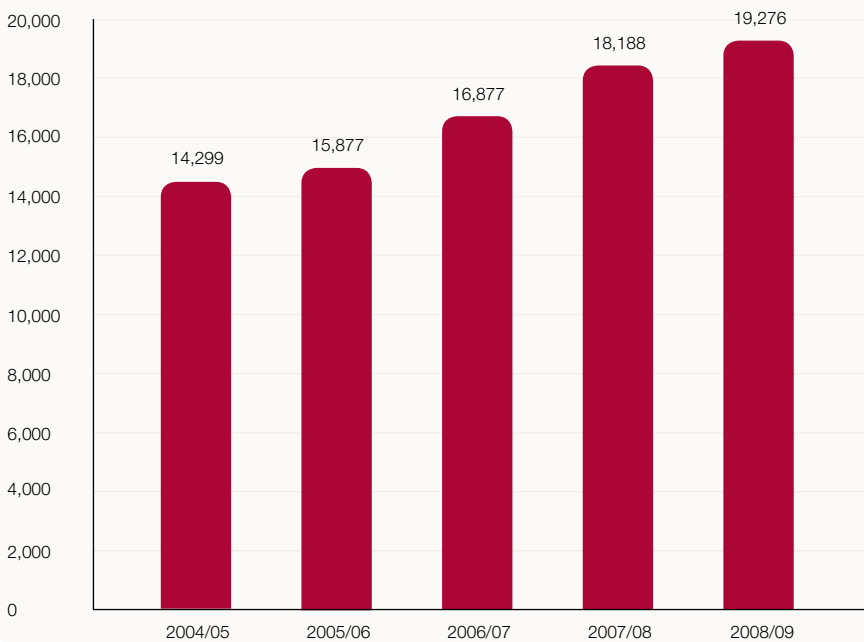


## Bond refund transactions by refund option - 2004/05 to 2008/09





## Dispute resolution requests received - 2004/05 to 2008/09



## What are the reasons for disputes?

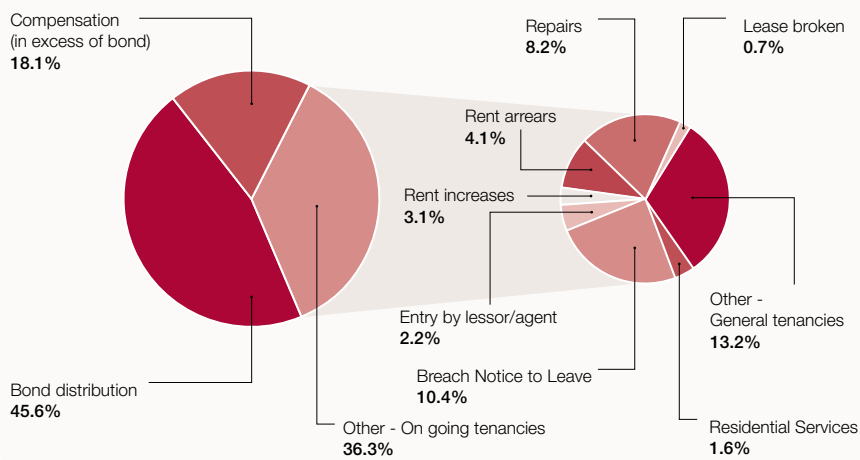
A tenancy dispute can occur for a variety of reasons including cleaning or outstanding rent. Disputes relating to the distribution of bond money at the end of a tenancy accounted for 45.6% of all disputes received during the year.

The RTA also receives disputes involving claims for compensation in excess of the rental bond held for the rental premises, after the bond has been distributed (18.1%).

A significant proportion of disputes relate to ongoing tenancies and accounted for 36.3% of all disputes.

The reasons for disputes during tenancies often relate to issues involving repairs and maintenance to premises, rental arrears and terminating a tenancy.

## Reasons for disputes - 2008/09



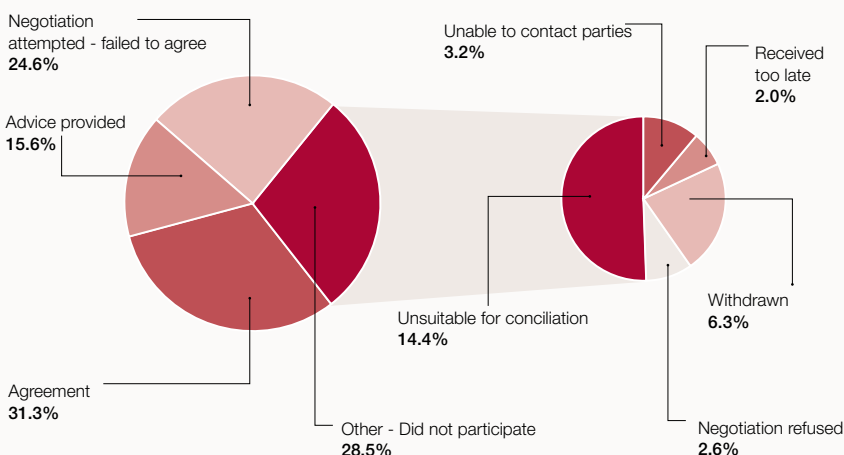
## Resolving tenancy disputes

The RTA's free Dispute Resolution Service assists all clients involved in disputes under the Tenancies Act and the Accommodation Act. RTA conciliators primarily use shuttle negotiation by telephone and telephone conferencing to assist parties reach an agreement. However, meetings can also be facilitated between parties where appropriate.

The RTA's Dispute Resolution staff provide high quality support to clients by:

- providing information about the legislation
- encouraging resolution of disputes by generating options and sharing offers
- assisting parties to exchange relevant information and documents such as receipts.

## Results of dispute resolution requests processed - 2008/09



In 2008/09, the RTA again experienced an increase in the total number of dispute resolution requests received (6.0%), with a total of 19,276 requests compared with 18,188 in 2007/08. The number of dispute resolution requests received under the Accommodation Act increased 12.1% with 324 requests received in 2008/09 compared with 289 in 2007/08.

The increase in the total number of disputes received by the RTA may be the result of a number of ongoing interrelated factors, including greater awareness of the RTA's services, a tight Queensland rental market, an increase in median rents and an increase in the number of people renting.

## Achieving positive outcomes

Disputes are generally resolved through a three way telephone hook up with parties (telephone conferencing), or separate shuttle telephone negotiations with each party. While conciliation is a voluntary process and the RTA cannot compel parties to participate, people are encouraged to take part as there is a strong possibility the matter will be resolved without the need for further action in the court system.

In 2008/09, the proportion of resolved disputes after parties participated in conciliation was 65.6% against a target of 65%. The RTA continues to identify and analyse trends in the sector to understand the nature of disputes.

Despite the increased volume of disputes, the RTA achieved timely outcomes finalising 87.9% of disputes within 28 days of receipt in 2008/09, against a target of 70%.

The RTA continued to work in partnership with the Australian Centre for Peace and Conflict Studies (ACPACS) to provide specialised telephone conferencing skills training for conciliators.

To further improve operational efficiencies, the RTA optimised the availability of 15 sessional conciliators in regional Queensland and continued to review processes ensuring disputes lodged are within jurisdiction and suitable for conciliation.

## Collaborating with the Small Claims Tribunal

While the RTA encourages self resolution of disputes, the Tenancies and Accommodation Acts provide a two-step dispute resolution process involving the RTA and the Tribunal.

As part of a joint action plan with the Tribunal, the RTA continues to promote the information booklet, *Handling Tenancy Disputes in the Small Claims Tribunal*. The RTA also continues to work with the Tribunal to improve administrative coordination between agencies.

Reports provided by the RTA's data interchange with the Tribunal indicate that only 16.9% of disputes finalised by the RTA in 2008/09 had a related Tribunal application. This result illustrates the important role the RTA's Dispute Resolution Service plays in minimising the number of cases proceeding unnecessarily to the Tribunal. Of the finalised disputes with a related Tribunal application, 61.1% involved bonds, 24.6% involved compensation being sought in excess of the bond and 14.3% involved ongoing tenancies.

## Types of investigations and prosecutions

The RTA investigates complaints about breaches of offence provisions in the Acts as part of the RTA's function of promoting compliance with tenancy laws.

Investigations are conducted impartially and in accordance with the principles of natural justice. Most investigations are in response to complaints from tenants, lessors or agents, however the RTA also initiates proactive investigations from operational information.

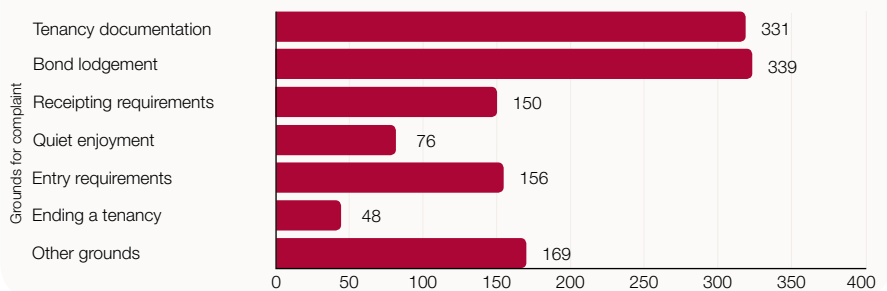
The RTA aims to promote compliance with the Acts. Where it is established that an offence has been committed, investigations staff may take an educative approach dependant on a range of factors including

seriousness of the offence, cooperation with the investigation and any past history of offences. Prosecutions are initiated for more serious cases or where there is a history of offences.

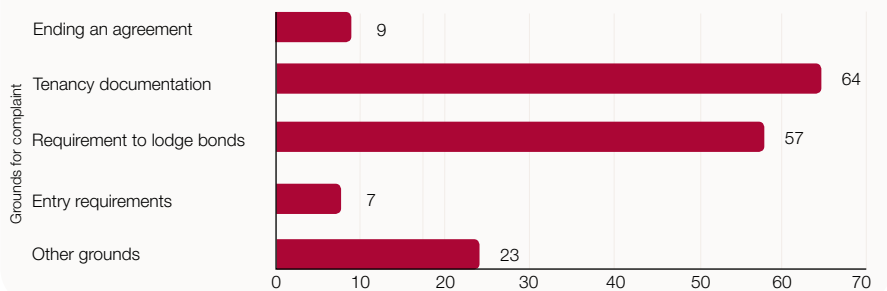
In 2008/09, the RTA conducted 589 investigations which, while lower than the previous year, reflects a drop in complaints received. Of investigations carried out, 96.9% were successfully resolved, with 91.3% finalised within six months exceeding target of 90%. Most unsuccessfully and resolved cases related to issues outside the RTA's jurisdiction.

Of cases investigated, 29 were successfully prosecuted in the Magistrate's Court, double the number of prosecutions carried out last year, reflecting an increase in more serious cases being reported.

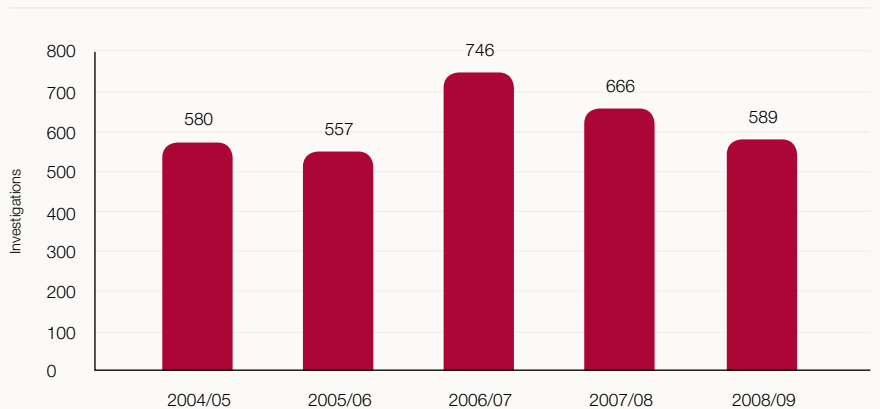
### Grounds for investigations of complaints regarding breaches of the Residential Tenancies Act 1994 - 2008/09



### Grounds for investigations of complaints regarding breaches of the Residential Services (Accommodation) Act 2002 - 2008/09



### Investigations for non-compliance with Acts 2004/05 to 2008/09



## Focus on Service Awareness and Utilisation

RTA staff provide a wide variety of information and support services, allowing our clients to choose the contact option that best suits their needs.

### Providing accessible service options for clients

With a statewide service delivery responsibility, the RTA is committed to maintaining multi-channel access to client services, ensuring all client groups receive appropriate support. Often the first point of contact, the RTA's Contact Centre can be reached on 1300 366 311 from anywhere in Australia for the cost of a local call. Clients may listen to a range of recorded information or talk directly with a client services officer.

RTA clients may access tenancy and residential service forms through a variety of service channels. Clients can download individual forms and fact sheets from the RTA's website. Forms are available by calling, faxing or emailing the RTA's forms distributor. Alternatively, all bond and tenancy forms are available through the RTA's print on demand, and stockholding arrangements with selected Australia Post outlets throughout Queensland. The RTA's partnership with Australia Post provides a local agency service network at 577 locations around Queensland, providing clients with better access to forms and tenancy information.

The RTA's online bond management service, e-Services, continued to grow in popularity in 2008/09. This facility, introduced in August 2007, provides agents with the convenience of viewing or downloading bond records and processing refunds where 100% of the bond is to be paid to the tenant. By 30 June, 2009, 1622 agents were registered to use e-Services.

Together, these agents represent 59.2% of all bonds held (50.0% in 2008).

Of agents given the opportunity to take up e-Services (those with 10 or more bonds), 48.0% are now registered (43.6% in 2008).

The 2008/09 financial year saw resources redirected to prepare the RTA for the implementation of the new *Residential Tenancies and Rooming Accommodation Act 2008*.

Design and development continued in 2008/09 for the next phase of e-Services which will enable agents to lodge bonds online, either in whole or in part. Although originally planned for release in 2008/09, this functionality is now expected to be available in 2010.

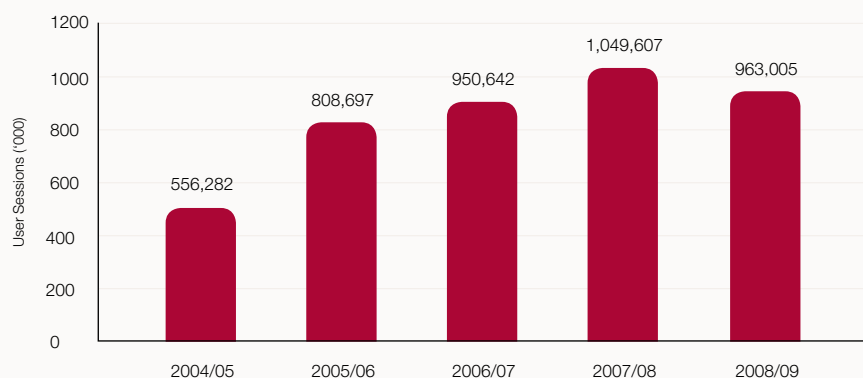
The RTA website ([www.rta.qld.gov.au](http://www.rta.qld.gov.au)) is an essential information and educational resource for clients. In 2008/09 the site recorded 963,005 visits compared to 1,049,607 visits registered in 2007/08.

This in part is due to reduced communication activities as a result of the impending introduction of the *Residential Tenancies and Rooming Accommodation Act 2008*.

The most frequently downloaded (111,390) publication or form in 2008/09, was the *General Tenancy Agreement (Form 18a)*.

In 2008/09, e-Bulletins continued to be used to provide information to client groups such as tenants, agents and self managing lessors on a number of issues including e-Services and changes to the Acts.

### Website user sessions - 2004/05 to 2008/09



RTA front counter provides a number of client resources, including information, forms and fact sheets.

# Our Clients - RTA Publications

## RTA Forms

RTA approved forms are available from the RTA's website [www.rta.qld.gov.au](http://www.rta.qld.gov.au) and from most Australia Post outlets around Queensland or from the RTA's distributor on 1300 136 939 or fax (07) 3216 2258 or email [RTAForms.qld@auspost.com.au](mailto:RTAForms.qld@auspost.com.au)



### Forms for Residential Tenancies

Use these forms if you are either living in or managing townhouses, flats, houses, moveable dwellings or houseboats.

- Form 1a Entry Condition Report (General Tenancies)
- Form 1b Entry Condition Report (Moveable Dwelling/Site)
- Form 2 Bond Lodgement
- Form 3 Transfer of Bond
- Form 4 Refund of Rental Bond
- Form 5 Change of Lessor or Lessor's Agent
- Form 6 Change of Shared Bond Arrangement
- Form 7 Part Payment of Rental Bond
- Form 8 Lessor's Agent Signature Record#
- Form 9 Entry Notice
- Form 10 Notice of Lessor's Intention to Sell
- Form 11 Notice to Remedy Breach
- Form 12 Notice to Leave
- Form 13 Notice of Intention to Leave
- Form 14a Exit Condition Report (General Tenancies)
- Form 14b Exit Condition Report (Moveable Dwelling/Site)
- Form 15 Abandonment Termination Notice
- Form 16 Dispute Resolution Request
- Form 17a Renting a home: a tenant's guide to the rules for renting in Queensland
- Form 17b Renting in Queensland - Your rights and responsibilities as a tenant in moveable dwelling tenancies
- Form 18a General Tenancy Agreement
- Form 18b Moveable Dwelling Tenancy Agreement

### Forms for Residential Services

Use these forms if you are living in or managing rented rooms in privately run boarding houses, aged rental, supported or student accommodation.

- Form R1 Condition Report
- Form R2 Bond Lodgement
- Form R3 Transfer of Bond
- Form R4 Refund of Rental Bond
- Form R5 Change of Service Provider/Manager
- Form R6 Change of Shared Bond Arrangement
- Form R7 Part-Payment of Rental Bond
- Form R8 Service Provider's/Manager's Signature Record#
- Form R9 Entry Notice
- Form R11 Notice to Remedy Breach
- Form R12 Notice to Leave
- Form R13 Resident Leaving Form
- Form R16 Dispute Resolution Request
- Form R18 Residential Service Agreement

# Not available at Australia Post outlets

The following RTA publications are available online at [www.rta.qld.gov.au](http://www.rta.qld.gov.au) or by calling 1300 366 311.

- Update newsletter
- Managing General Tenancies: Information resource for Managers of General Tenancies
- Handling Tenancy Disputes in the Small Claims Tribunal: A guide for all parties involved in renting in Queensland
- Renting in Queensland: Guide for Caravan and Relocatable Home Park Operators \*Available online only
- A Resident Information Booklet
- RTA Statement of Affairs
- RTA Strategic Plan
- RTA Annual Reports (1999 – 2007/08)

## RTA Fact Sheets

The RTA produces a range of fact sheets addressing specific aspects of residential tenancies and can be downloaded from the RTA's website [www.rta.qld.gov.au](http://www.rta.qld.gov.au).



### Fact Sheets for Residential Tenancies

- Abandoned premises
- Allowing time when serving notices – General Tenancies
- Allowing time when serving notices – Moveable Dwellings
- Caravan parks and manufactured homes
- Charging for electricity and other services in a moveable dwelling park
- Continuing a fixed term tenancy
- Dispute resolution services
- Domestic violence – information for tenants
- Entry and privacy
- Five most frequently asked questions
- Goods and documents left behind
- Important renting information for natural disaster victims
- Moveable dwelling park closure
- Police powers to deal with a serious nuisance
- Rent payments and holding deposits
- Rental premises – use condition and repairs
- Renting in Queensland
- Residential tenancy agreements
- Share homes, co-tenancies and subletting
- Smoke Alarms
- Tenancy databases
- Terminating a tenancy agreement
- Water charging



### Fact Sheets for Residential Services

- Coverage of the Accommodation Act
- Dispute resolution services
- Ending a residential service agreement
- Entry and privacy
- Forms
- Goods and documents left behind
- House rules
- Power to remove a resident
- Rent
- Rental bond
- Residential service agreements
- Residents with impaired capacity
- Rights and responsibilities of residents and service providers
- Information for providers of student accommodation
- Information for students



**The RTA website offers comprehensive information for all parties involved in renting a home.**

Whether you are a tenant, student, service provider, real estate agent, property manager or lessor, everything you need to know about renting a property in Queensland is available on the RTA website.

The website contains all forms and fact sheets required throughout a tenancy and useful information such as quarterly median rents, hints on how to resolve disputes and information for school students.

[www.rta.qld.gov.au](http://www.rta.qld.gov.au)

Sign up for e-Bulletins ▶

RTA's e-Bulletins service keeps clients up to date with all the news about renting or managing a rental property in Queensland.

To sign up for e-Bulletins, go to [www.rta.qld.gov.au/subscribe.cfm](http://www.rta.qld.gov.au/subscribe.cfm)

## Raising Awareness

During 2007/08, the RTA developed a range of strategies to raise awareness of the RTA and its services amongst targeted client groups. Findings from the 2006/07 RTA Awareness Research project provided a clear snapshot of current awareness across the state, client service expectations and how best to communicate to specific client groups.

Based on this research, the RTA increased the effectiveness of its communication activities by producing integrated campaigns including targeted media advertising, electronic media strategies and public relations activities. Communications campaigns implemented in 2008/09 included information on tenancy law and

awareness campaigns on changes to tenancies legislation.

The RTA uses a wide variety of communication channels to get its message across, including e-Bulletins, web advertising, radio and print media and public relations activities such as media releases, press interviews and community service announcements.

## Did You Know



... By June 30, 1990, the Authority had paid 4527 bond refunds worth \$2.63 million. In 2008/09 the Authority paid 223,648 bond refunds worth \$257.4 million.

...The RTA averages 887 bond refunds every day worth \$1.02 million.

## Future Priorities - Our Clients

### Key activities for 2009/10 are to:

- Implement Phase Two of the RTA's e-Services facility to provide agents with enhanced online bond management facilities such as lodgements.
- Implement call recording technology as part of the Call Quality Program and maintain high quality client service.
- Expand telephone conferencing as a key method to resolve disputes as well as continuing to utilise telephone shuttle negotiation.
- Develop links and liaise with the Queensland Civil and Administrative Tribunal (QCAT) which will replace the Small Claims Tribunal in handling tenancy disputes from 1 December, 2009.
- Review strategies for maintaining statewide client access to the RTA's services.
- Systematically review RTA forms with a focus on usability and processing efficiencies.
- Maintain focus on proactive investigations and assessment of industry trends, while continuing to resolve all complaints received within agreed performance indicators.
- Continue to communicate the benefits of e-Services to agents and promote direct credit as the preferred method of bond payment.



## Case Study - The Kitchen

At the end of a tenancy, the lessor was claiming the full bond of \$1040 due to a small burn mark about the size of a 50 cent piece left on the kitchen bench top by the tenants.

The lessor claimed that given the nature of the burn, there was no other option but to replace the entire bench top. While the tenants agreed that they were certainly responsible for the burn mark, they felt that claiming the full bond was excessive, especially given they had lived in the property for over four years and were exceptional tenants.

During conciliation with the RTA, the lessor agreed that the tenants took great care of the property and always paid rent on time adding that this issue was not personal, but more so a business decision.

Asked by the RTA conciliator if he had looked into his insurance policy, he advised that up until now he hadn't but he would certainly look into it and get back to all parties concerned.

The lessor looked at his insurance policy and found that he could in fact claim the bench top as part of the policy advising his excess to claim would be \$250.

The RTA conciliator asked the tenants if they would be prepared to pay the \$250 excess and if this would be acceptable to the lessor. The tenants replied saying they were more than happy to pay as they caused the damage, but just not the full bond amount of \$1040 as that was excessive for the damage done.

The lessor agreed with the compromise and was delighted that the differences were able to be sorted with both parties apologising to each other for letting the matter escalate this far.

Living in a small country town, they all wished to remain on friendly terms and agreed on coffee in the future.

Both parties agreed that a resolution would not have been possible if not for the RTA conciliation.

# Our Sector



## Enhancing Our Sector

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

## Objectives

### Regulation

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

### Engagement

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

### Support

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

# Key Results

- Oversaw the drafting of the *Residential Tenancies and Rooming Accommodation Act 2008* and *Residential Tenancies and Rooming Accommodation Regulation 2009*.
- Reviewed and introduced new suites of forms, fact sheets and support material with revised standard terms as required by the new legislation.
- Supported the Queensland Government's work in establishing draft national tenancy database legislation.
- Oversaw the preparation of the Australasian Residential Tenancies Conference 2009 and program, which the RTA will host in September, 2009.
- Participated in government reviews such as the review of Queensland Tribunals which will result in the establishment of the Queensland Civil and Administrative Tribunal (QCAT).
- Continued to support the development of options for low-income households to access and sustain private rental tenancies.
- Undertook community education on tenancy law and related issues with a focus on the introduction of the *Residential Tenancies and Rooming Accommodation Act 2008*.
- Provided \$180,000 to 14 community organisations through RTA's 2008/09 Community Education Public Grants Scheme.

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# Our Sector

## A strong and evolving rental sector

Queensland has a growing rental sector with a strong demand for rental housing, as the market faces challenges of housing and related infrastructure demands due to population growth.

In such a dynamic environment, it is essential that legislative and policy frameworks remain effective and relevant.

The RTA is an integral component of Queensland's rental sector, acting as regulator, educator, policy advisor and service provider for the private and public residential rental markets. Its essential work in monitoring legislation, developing policy, working in partnerships and providing education contributes to maintaining a fair and balanced rental community.



RTA Policy and Education Services Manager, David Breen and Principal Policy Officer, Janet Arber, discuss current tenancy issues to ensure legislative and policy frameworks remain effective.

## Regulating Our Sector

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

This is achieved by reviewing and providing advice on the operation of the laws administered, as well as providing policy advice to agencies responsible for other legislation which impacts on the rental sector.

The policy focus for much of 2008/09 was on drafting and seeking passage of the Residential Tenancies and Rooming Accommodation Bill 2008.

The Bill amended and combined the provisions of the existing *Residential Tenancies Act 1994* and *Residential Services (Accommodation) Act 2002*. Both these Acts will be repealed when the new *Residential Tenancies and Rooming Accommodation Act 2008* commences on 1 July, 2009.

Parliament passed the new Act on 8 December, 2008, which was the culmination of a four year process in updating Queensland's tenancy laws.

*The Residential Tenancies and Rooming Accommodation Regulation 2009* was approved by Governor-in-Council in June, 2009, and will support the provisions of the new Act.

The new legislation incorporates changes which were developed during comprehensive reviews in both 2006 and 2007. RTA policy staff worked closely with the Office of the Queensland Parliamentary Counsel as drafting instructors during the complex drafting process of the new Act and supporting Regulation.



The Queensland Government building at the Brisbane Ekka housing the RTA display.

While fundamental aspects of the new legislation remain unchanged, there are a number of significant changes to processes and new requirements and regulations for emerging issues. The RTA undertook a review of forms and education materials reflecting the changes and commenced an information campaign introducing changes

to the sector. Education activities will continue into the 2009/10 year.

The RTA continued to work with other government entities to further strengthen legislative frameworks around rental arrangements and have input into reviews which impact on renting in Queensland.

## Responding to sector issues

Representative and democratic governance requires the public sector to be responsive and accountable to its clients. The RTA offers a support role to the Minister's office by providing expert advice. Following the March 2009 State Election, the RTA now reports to the Minister for Community Services and Housing and Minister for Women, the Hon Karen Struthers MP. During the year, the RTA:

- prepared information for 82 replies to Ministerial correspondence
- provided 55 briefing notes and submissions about emerging tenancy law and related issues
- replied to two Parliamentary Questions on Notice
- responded to 36 requests for other information.

The RTA also coordinated research and briefing papers for the Board and Minister on key legislative and other policy issues.

## Engaging with Our Sector

The RTA supports the Queensland Government's community engagement strategy, and aims to work with stakeholders in a collaborative environment. In addition to formal community consultation during legislative reviews, the RTA relies on sector representatives to participate in Stakeholder Working Parties, which are formed as required, to provide input into its legislative reviews. Interaction with peak bodies and stakeholders is promoted through regular round table discussions at quarterly Industry Development Forums. These provide an opportunity for the RTA to consult with the sector on emerging policy issues and gives them an opportunity to raise industry issues or views for open debate or clarification. In 2008/09 topics included:

- input into Queensland Government legislative reviews including targeted stakeholder consultation into the review of Tribunals and development of the Queensland Civil and Administrative Tribunal, and updates on reviews of manufactured homes legislation
- briefings on developments in uniform legislation for tenancy databases
- specific consultation on draft versions of the Residential Tenancies and Rooming Accommodation Bill 2008 and the proposed *Residential Tenancies and Rooming Accommodation Regulation 2009*, including changes to standard terms



*The RTA presents free workshops for lessors and industry representatives throughout Queensland.*

- presentations about RTA business developments, including the dispute resolution teleconferencing initiative and e-Services
- stakeholder input into the RTA's Strategic Plan 2009-2012
- updates on the Australasian Residential Tenancies Conference 2009, which the RTA is hosting
- overview of implementation plans for the new legislation, including identifying opportunities where the RTA could support sector initiatives.

From 9 to 11 September, 2009, the RTA will host the 8th Biennial Australasian Residential Tenancies Conference, which will invite representatives from around Australia and New Zealand to examine emerging issues in the residential rental sector and provide unique opportunities for networking in this specialised field. The conference theme "Rental Realities - Under the Spotlight" will explore the challenges currently facing the residential tenancies sector in Australasia, and discuss new ideas and approaches. Conference delegates will be able to choose workshops from three specialty streams:

- Tenancy Tribunals and Dispute Resolution.
- Tenancy Information and Community Education.
- Tenancy Policy and Legislation.

## Collaborating with other government agencies

Queensland Government agencies play an important role in reviewing and addressing a diverse range of sector issues and the RTA participates in a number of cross government working groups. The RTA valued the opportunity to have input into reform groups such as the review of neighbourly relations, a national working party responsible for introducing uniform legislation on tenancy databases and a cross government working group developing water demand management strategies.

The RTA enjoys a strong partnership with the Department of Communities, working together to investigate opportunities for supporting affordable housing initiatives for low-income households.

Throughout 2008/09, the RTA liaised with the Chief Magistrate and representatives of the Small Claims Tribunal as part of an ongoing action plan to facilitate better access to the Tribunal and encourage greater consistency. In 2009, the Senior Magistrate responsible for tenancy dispute issues, Mr Bill Randall, retired. Mr Randall handled most tenancy disputes in the Brisbane Small Claims Tribunal for many years and provided regular articles for the RTA's flagship publication 'Update', providing information about the Tribunal's general approach to common issues. The RTA appreciates the contribution he has made in the sector during his career.

## Supporting the sector

### Monitoring sector trends

The RTA continued to be a key source of rental sector information for all stakeholder groups and the general public throughout 2008/09 by way of its analysis of rental bond lodgement data. Quarterly reports detailing median weekly rents according to location and type of premises and data on monthly RTA operational activity are published on the RTA's website. The RTA's median weekly rent data is prepared on a quarterly basis and is often cited in the media reporting on the current state of the Queensland rental market.

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

In 2008/09, the RTA responded to more than 270 requests for rental market data and other statistical information from various government agencies, stakeholders and the community. This represents a slight decrease in requests from 2007/08. While the number of requests has decreased, data requests are becoming increasingly complex. This may indicate a growing need to analyse Queensland's tight residential rental sector in greater detail.

### Providing ongoing community education and support

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

- delivery of an outreach program of information sessions and information displays
- production and distribution of targeted information resources
- support of community organisations by providing funding for tenancy education through a small grants program
- development of strategic partnerships with key industry stakeholders.

This year's community education focused on providing information and education to members of the rental sector about Queensland's new tenancy legislation. Over 1000 people attended public information sessions conducted by RTA staff.



Jason King, Senior Research Officer provides valuable rental data to the sector.



RTA display stall at the Ekka provides community education on the rules for renting in Queensland.

Managers of council owned caravan parks, property managers from major real estate franchises, the Real Estate Institute of Queensland (REIQ), resident managers from the Queensland affiliation of the Australian Resident Accommodation Managers Association (ARAMA), supported accommodation providers from Supported Accommodation Providers Association (SAPA) and staff from community housing provider organisations and Queensland Community Housing Coalition (QCHC) attended a further 18 targeted information sessions conducted for their groups.

RTA staff also carried out community education in regional areas including Gold Coast, Sunshine Coast, Rockhampton, Wooroobinda, Cairns, Yarrabah, Toowoomba and Mount Isa and several

Brisbane locations where they delivered information sessions and provided educational support to tenancy workers from community organisations and government departments.

The RTA provided information for the general public at its display at Brisbane's RNA Show and for targeted groups at events such as the Brisbane City Council International Student Civic Reception.

The focus of each information display varied and included students with a disability - Post Schools Options Expo, property managers - Real Estate Institute of Queensland Property Management Conference, culturally and linguistically diverse community members - Multicultural Festival, Aboriginal and Torres Strait Islander people - NAIDOC Family Fun Day.

## Providing up-to-date information to tertiary students

Targeted training and education for key student groups continued throughout the year.

Key activities included:

- providing resources to student accommodation offices around Queensland universities (fact sheets, key rings, rent reminder calendars)
- provided copies of the translated 'Renting in Queensland' fact sheet for international students to international student officers around Queensland
- attending Queensland University of Technology's Course and Careers Day
- attending Brisbane City Council's Civic Welcome for International Students
- holding meetings with various student accommodation providers to help support their understanding of the Acts
- partially funding Queensland University of Technology's sharehousing website through the RTA Community Education Public Grants Scheme
- partially funding Griffith University program through RTA Community Education Public Grants Scheme to train student partners – helping students understand their rights when renting in Queensland.

These activities assisted tenants in student accommodation to be informed of their rights and responsibilities at key times such as at orientation and end of semester.

## Residential Tenancies Authority Multicultural Action Plan

With growing diversity in the Queensland population, the state government renewed its commitment to multiculturalism through the development and implementation of Multicultural Queensland – Making a World of Difference.

The RTA developed its own Multicultural Action Plan which reports annually to Multicultural Affairs Queensland on initiatives aimed at delivering culturally responsive services to Queensland's diverse rental sector.

These initiatives are clustered into two categories:

- activities which enhance the cultural competencies of the RTA's workforce
- activities that enhance access to the RTA's services for people from Culturally And Linguistically Diverse (CALD) communities.

One key strategy of the Multicultural Action Plan was improving accessibility to tenancy information resources for the CALD community.

In 2008/09, the RTA made significant progress in implementing this strategy through the multilingual fact sheet review, outreach program and continued promotion of interpreter services.

As a result of the RTA's efforts to keep clients from CALD backgrounds informed of Queensland rental laws, there has been a 31% increase in the usage of interpreter services.

## Community Education Grants Scheme

In 2008, the RTA awarded grants totalling \$180,000 to 14 organisations, targeting a range of groups throughout Queensland.

The annual Community Education Public Grants Scheme continues to be an effective educational strategy for the RTA.

The scheme aims to promote a better understanding of the rules for renting in Queensland by funding non-profit community organisations to deliver tenancy information to their clients.

The recommended projects for the 2008/09 Grants Scheme achieved a spread of projects across RTA priority target audiences:

- Aboriginal and Torres Strait Islander (2)
- culturally and linguistically diverse (5)
- caravan park sector (1)
- disability (1)
- youth (1).

The proposed projects also achieved a geographic spread throughout the state: North Queensland (1), regional South East Queensland (4), wider Brisbane area (2), Fraser Coast (3) and Statewide (4).

The RTA brought forward the 2009/10 grant round to enable community education activities for the new Act to commence as soon as possible. The RTA received 42 applications and recommended 14 projects for funding.

## Did You Know

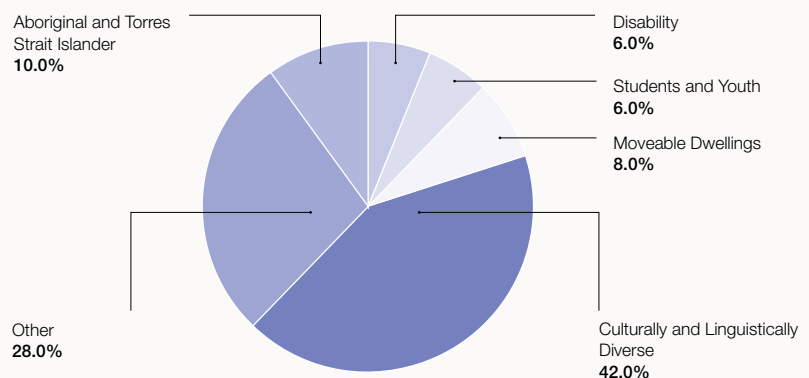


...In 1989, bond refunds through Australia Post took about an hour, in 2009 they take less than 15 minutes.

...According to ABS Census data, in 1989/90, 26.8% or just over 223,000 of the approximate 833,000 private dwellings in Queensland were rented, compared with 32.3% or just over 450,000 of the approximate 1.4 million private dwellings in 2008/09.

The RTA developed its own Multicultural Action Plan which reports annually to Multicultural Affairs Queensland on initiatives aimed at delivering culturally responsive services to Queensland's diverse rental sector.

Community Education Grants - allocated funding - 2008/09



## Funding tenant advice services and affordable housing initiatives

The RTA supports tenants by funding a client-based tenant advice service. This year, the RTA provided \$3.2 million in funding to the Department of Communities for the Tenant Advice and Advocacy Service (Queensland), which provides information, advice and advocacy assistance using a case management approach through 29 community based services throughout the state.

The RTA also provided the Department of Communities with \$100,000 for research and feasibility studies for affordable housing initiatives.

During 2008/09, the RTA funded the Tenants' Union of Queensland directly with a grant of \$235,000 for work it undertook as a peak advisory body providing tenancy law reform policy advice.

## Working with Our Sector

The RTA's vision of 'Working together to support and enhance an evolving rental sector' is realised through its multi-faceted role within Queensland.

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

The RTA's role in the residential rental sector is illustrated in the above diagram. Based on the Queensland Government's policy cycle, it illustrates the leadership and coordination role of the RTA in developing and implementing preferred policy options in conjunction with the sector and stakeholders to directly benefit our clients.

Clients are the focus of the RTA's service delivery and include current, past and future clients in the following groups: tenants, residents, lessors, property managers, park managers and providers.

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

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



This is achieved through quarterly Industry Development Forums hosted by the RTA, individual liaison, reference groups, and participation in Stakeholder Working Parties convened for the purpose of reviewing legislation. Stakeholder groups include:

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

- Boarding House Action Group
- Queensland Pensioners and Superannuants League.

The RTA also maintains close alliances with its service partners, including Australia Post and its investment partner, the Queensland Investment Corporation, as well as the Small Claims Tribunal.



Carly Philips prepares materials for RTA seminars.

## Future Priorities - Our Sector

The RTA will continue to collaborate with its stakeholders to ensure policy framework and legislation for the residential rental sector remains effective and the sector continues to be informed and educated about their rights and responsibilities. A major priority, after the introduction of the changes to legislation, will be ongoing monitoring to identify any unintended consequences or areas of concern.

### Key activities for 2009/10 are to:

- Continue to support the introduction of the new *Residential Tenancies and Rooming Accommodation Act 2008* and the *Residential Tenancies and Rooming Accommodation Regulation 2009*.
- Finalise a statewide community education and information program to support the implementation of the new tenancy legislation.
- Complete the 2009/10 Community Education Public Grants Scheme funding round.
- Monitor the implementation of new tenancy laws.
- Support the introduction of the new Queensland Civil and Administrative Tribunal (QCAT). The RTA will provide seed funding in 2009/10 to establish the Tribunal's ability to record hearings to enable clients to access transcripts.
- Continue work in collaboration with the Office of Fair Trading to finalise the development of uniform national legislation for tenancy databases.
- Provide ongoing policy advice on key issues to the Board and Minister.
- Host the Australasian Residential Tenancies Conference 2009 on the Gold Coast in September 2009.
- Continue to provide funding to the Department of Communities for the Tenant Advice and Advocacy Service (Queensland) program to provide community based tenancy information, advice and advocacy assistance in 29 locations around Queensland.

The RTA is always pleased to work with community groups to promote Queensland tenancy law and especially to those who may otherwise find it difficult to receive information through traditional means.



RTA fact sheet translated into Simplified Chinese.



From left, Bin Han, Kathy Tin, Italia Then, Frances Lin, David Lin, Allen Munck, David Breen, Moses Seo.

## Case Study - Working with community groups

The RTA is always pleased to work with community groups to promote Queensland tenancy law and especially to those who may otherwise find it difficult to receive information through traditional means.

After attending an RTA workshop outlining the upcoming changes to the Act, David Lin of Davellin Lawyers approached the RTA with a plan to translate the information session into Chinese and Korean.

It was agreed that the RTA and the Chinese and Korean communities would all benefit from having the information translated, especially considering the most popular translated fact sheets on the RTA website is the Chinese version (traditional and simplified) with the Korean fact sheet the third most popular.

For the first time, the RTA information session was translated at presentations

conducted for the Chinese and Korean communities at the Taiwan Centre in Brisbane in June 2009, with over 270 people attending.

The presentation was also shown on Taiwanese cable television.

Feedback from the audience was excellent with the majority of attendees very pleased with the presentations, commenting that they would be happy to attend future sessions.

The RTA appreciated the support from these community representatives, particularly Mr Lin, that enabled it to reach Chinese and Korean audiences and explain Queensland's new tenancy laws to tenants and lessors in Queensland in their own languages.

# Our Organisation



## Supporting Our Organisation

As demand for RTA services continues to grow with the changing Queensland rental sector, the skilled staff employed at the RTA continually provide high level support for our clients. This is facilitated by innovative and sustainable processes through a positive and family friendly work environment.

## Objectives

### Our People

Continue to build a strong organisation based on sound planning and leadership while maintaining a skilled and service orientated workforce.

### Our Environment

Continue to implement environmentally friendly practices.

### Our Business Operations

Continue to improve the RTA's systems and processes to support the achievement of business outcomes.

### Our Finances

Maintain financial accountability and sustainability.

# Key Results

- The RTA successfully implemented the Residential Tenancies Employing Office (RTEO) which enabled RTA staff to return to state jurisdiction.
- The RTA continued its extensive training and development program providing access to specialist programs to enhance the knowledge and capability of our frontline staff.
- Implemented new RTA Intranet, providing staff with easy access to pertinent information including standard responses and staff services.
- The Quality Audit of the RTA re-affirmed the RTA's robust methodology, its strong internal review processes and staff commitment.
- During 2008/09, the RTA progressed its recordkeeping project which aims to embed good recordkeeping practices within standard RTA business processes and systems.
- Rolled out Desktop Replacement Program incorporating more energy efficient computers for all RTA staff.
- With comprehensive backup facilities now in place, the RTA can provide timely recovery of business critical systems should core components become seriously interrupted or be otherwise unavailable.
- Upgraded both finance and payroll functions to provide improved functionality and reporting.

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# Our Organisation

## Our People

The RTA actively maintains a client focussed culture that embraces a professional approach to service delivery within a healthy and positive work environment.

### Workforce profile

To meet increased demand for client services, there has been an increase in the number of full time equivalent staff (FTE) from 150 in 2007/08, to 166 in 2008/09.

The RTA continues with its strong direct client service focus, with 74.9% of all RTA staff occupying client service positions. The RTA's remaining staff are dedicated to undertaking necessary corporate support and business management roles.

The RTA's high staff retention levels has continued. As at 30 June, 2009, 48 employees had achieved more than ten years of service at the RTA. This represents 27.3% of the RTA workforce of 176. Of these, 17 employees (9.7% of the workforce) had achieved 15 or more years of service.

### Workforce and industrial relations

In response to WorkChoices Legislation introduced in 2006, the Queensland State Parliament passed the Statutory Bodies Legislation Amendment Bill.

This amended the *Residential Tenancies Act 1994* to create a non-corporate entity, the Residential Tenancies Employing Office (RTEO) which became the employer of RTA staff.

This change provided the opportunity for RTA staff to return to the state industrial jurisdiction, protecting employees' existing work entitlements and conditions and maintaining parity with the rest of the Queensland Public Service.

The RTEO was successfully implemented on 1 July, 2008.

To ensure staff continue to maintain salary parity and working conditions with Queensland Public Service departments, the RTA became a participant in the current State Government core enterprise development negotiations.

### Work, family and lifestyle

A balance between work and lifestyle is an important focus of the RTA's human resources strategy. The RTA continues to encourage staff to balance work, family and lifestyle, with 12.5% (22 staff) engaged in part time work. This commitment is supported by a range of policies providing staff with a flexible work environment. These include accumulated time off, variable working hours, compassionate and bereavement leave, leave without pay, long service leave at half pay and family leave as well as 14 weeks paid parental leave.

The RTA recognises that the work performance, health and safety of its staff can be affected by a range of personal issues. The RTA also provides an Employee Assistance Program, with staff and/or their family members able to access free counselling and support services.

### Workforce action planning

In July 2008, all sections of the RTA developed action plans in response to the outcomes of the 2008 RTA Workforce Attitude Survey.

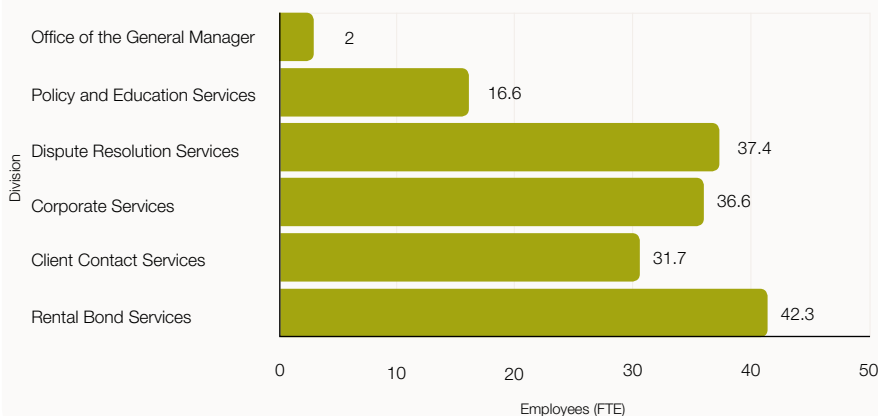
The content of these action plans included a range of activities such as changing the design of some RTA forms, the review of some telephone system functions, the development of a new RTA Intranet, and the review of the RTA performance development scheme. All teams have made significant progress on their plans with more than 40 actions completed and many of the remainder finalised to the point of requiring ongoing monitoring.

### Building skills and knowledge

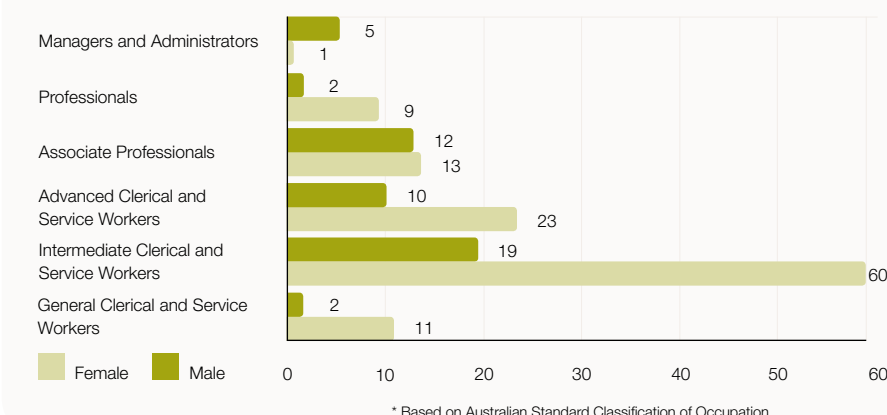
The RTA delivers an accredited short course in tenancy law, *Utilise Legislation*, delivered under a co-provider agreement with TAFE Open Learning. This three day program was delivered in November 2008, with 11 staff attending. The course will be reviewed in light of the introduction of the new *Residential Tenancies and Rooming Accommodation Act 2008*.

As part of the RTA's induction process in 2008/09, new staff participated in

Employee (FTE) by division as at 30 June, 2009



Employee by occupation and gender at 30 June, 2009





RTA front counter provides a free information service.

information sessions on Understanding Anti-Discrimination Law and the RTA's Code of Conduct. These sessions continue to be an effective and low cost means of conveying essential information to staff, and will be complemented by online refresher training for all staff every second year of employment.

In consultation with team leaders, two training calendars in 2008/09 were created and published in July 2008, and January 2009. The January 2009, training calendar was re-designed to strengthen the link between the RTA's core skills and learning needs identified in the training calendar. Written communication, project management and problem solving skills emerged as the most common learning needs.

### **Fostering reward and recognition**

The RTA's Reward and Recognition program has received support from all levels of the organisation. This program provides staff with the opportunity to highlight outstanding performance by individuals and teams.

In 2008 nominations of a high standard were received across the three categories of Excellence in Job Performance,

Above and Beyond the Call of Duty and Project /Team Work Resulting in Excellence in Customer Service. Staff rather than managers initiated the majority of this year's nominations.

This financial year also heralded a change to the way the RTA recognised long serving employees. Employees serving 10 and 15 years with the RTA were recognised in an annual presentation thanking them for their continuous service.

### **Equity in our workplace**

The RTA's Equity Committee provides advice, assistance, direction and support for the internal equal employment opportunity (EEO) planning and implementation process within the Authority. The committee organised several events throughout 2008/09, including inviting a member of Brisbane's East African Burundi community to speak at a Harmony Day lunch and sponsoring seven staff to attend the UNIFEM International Women's Day breakfast.

UNIFEM is the United Nations development fund for women promoting human rights, political participation and economic security. Staff support for these events was strong.

### **Maintaining a safe workplace**

The RTA continued to maintain its high standard of workplace health and safety in 2008/09, with the incident rate remaining at a very low level. There were an average of 1.35 incidents for every 10,000 hours worked.

The RTA Workplace Health and Safety Committee continued to meet every two months, contributing to the high safety of the RTA working environment.

Refresher training in first aid, resuscitation and safety was also conducted for those staff in first aid and safety officer positions.

Additionally, the workplace health and safety officer conducted on the spot ergonomic assessments of all staff workstations and desk layouts which contributed to improved staff posture.

With the potential impact on the RTA workforce and client service delivery of an influenza pandemic, the RTA has commenced development of an Influenza Preparedness Plan which will be integrated with the RTA's Crisis Management Plan.

These plans provide a framework for responding to a situation, providing support for affected staff and managing any disruptions to normal business operations.

Influenza vaccinations were again offered to all RTA staff prior to the onset of winter, with 60 staff (34.1%) participating in the program.

The RTA also continued to maintain a rehabilitation service for staff returning to the workforce after illness or injury. Trained RTA rehabilitation officers worked closely with the staff member, their team leader and the medical practitioner.

### **Maintaining a healthy workplace**

The RTA's Corporate Health Program continues to run successfully and was extended for a further 12 months across 2008/09. This program aims to encourage staff to take care of their health and provides the support needed to maintain their wellbeing over time.

The program not only allows staff to access an extensive range of health and fitness related information, but also offers a monthly health activity or seminar.

Participation levels and feedback continue to be positive across the full range of activities.

Events for staff in 2008/09 included a workshop on developing resilience, flu vaccinations, lung function tests and heart health screenings.

## Communicating with our staff

Regular formal and informal communication is a feature of a developing and enhanced feedback mechanism for all RTA staff. These include regular meetings, briefings and committees, emails and the use of other communication tools.

A high focus on the timely delivery of internal communications was especially pertinent in 2008/09 with the introduction of the *Residential Tenancies and Rooming Accommodation Act 2008* replacing both the *Residential Tenancies Act 1994*, and the *Residential Services (Accommodation) Act 2002*.

Internal communication strategies were put in place and developed to ensure all RTA staff were aware of the changes to the Act and how those changes would effect not only the section they worked in, but the whole Queensland rental sector. To achieve this, staff were fully briefed on the basics of the changes regardless of their operational area, with more area specific training provided closer to the introduction of the new Act.

Staff were also provided with a slidecast to view at their convenience outlining changes to the new Act.

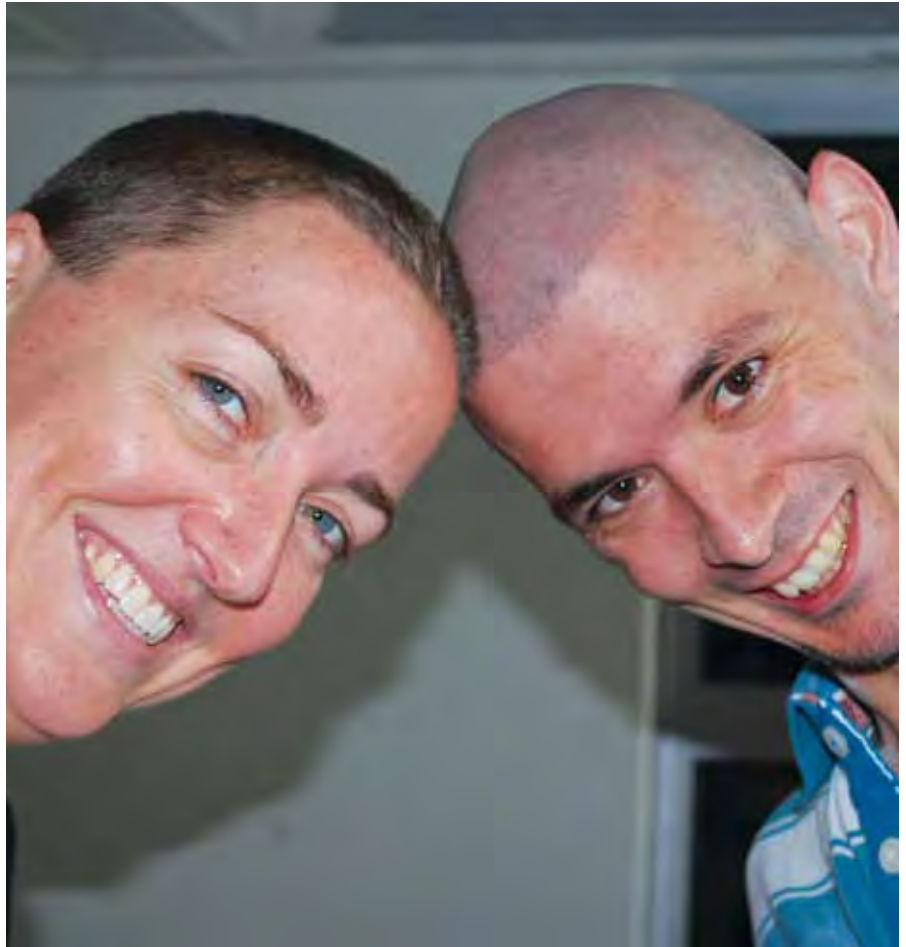
Regular team and management meetings continue to be held across the organisation to successfully disseminate information throughout the RTA. These are held in conjunction with monthly Workgroup Committee meetings which include representatives from staff and management addressing both workplace issues and social activities.

The RTA's internal monthly newsletter *Open House*, kept staff informed on a range of operational issues including the introduction of the new Act, Code of Conduct updates, training opportunities, Word and Excel shortcuts as well as changes and updates to the RTA website and Intranet.

*Open House* also provides a platform for staff to list information about social events, provide information on health, fitness and environmental practice issues, safety updates and providing recognition for long serving staff members and those who were awarded for their efforts in going above and beyond the duties they were employed to do.

A 'keeping in touch kit' continues to be mailed on a monthly basis to staff that are on extended leave, including through illness, secondment or maternity leave.

This ensures that staff are kept up to date with relevant workplace practices and issues assisting with their return to work.



*Davina Jones and Daniel Turnell participate in the Leukaemia Foundation's 'World's Greatest Shave'.*

## Supporting community projects

A variety of charitable causes were supported by the RTA and its staff in 2008/09.

The RTA staff rallied to provide funds for those affected by the devastating Victorian bushfires as well as the North Queensland floods.

A number of RTA staff also participated in the World's Greatest Shave, raising funds for the Leukaemia Foundation.

Staff of the RTA contributed items for the Brisbane City Council Homeless Connect appeal, supported the Ecumenical Coffee Brigade (ECB) and the Brisbane Youth Service through weekly cash donations for wearing casual clothes on Friday, as well as contributions of non-perishable food, clothing and toiletries.

Other charity groups were also supported throughout the year with staff participating in many other benevolent causes including annual fundraising events for the Cancer Foundation.

Savings from the in-house production of the RTA's corporate Christmas card was again donated to the Ecumenical Coffee Brigade in 2008.

## Supporting a positive RTA culture

The RTA continues to foster a positive organisational environment. In addition to social activities held at a team level, a variety of RTA wide activities were conducted throughout the year in a bid to encourage cross divisional interactions between staff.

Staff of the RTA enjoyed participating in the following events coordinated by the social club:

- staff Christmas function
- Melbourne Cup luncheon
- Queen's Birthday BBQ bash
- staff ten pin bowling function
- soup day
- warehouse shopping tour
- family day annual cricket match
- multicultural morning tea.

Through the ongoing commitment of the social club, the RTA continues to produce a productive yet enjoyable work environment.

# Our Organisation continued

## Our Environment

The RTA is committed to and remains focused on building organisational awareness of environmentally friendly practices and continues to implement environmental initiatives including water conservation, recycling and responsible energy usage.

The RTA is proud of its efforts to achieve environmental sustainability.

RTA environmental sustainability initiatives include:

- **Environmental education** – the RTA actively promotes the message of environmental sustainability at outreach events such as the RNA Show and through external mediums such as e-Bulletins.

As water conservation continues to be a pertinent issue, the RTA provides clients with tips on ways to preserve this precious resource.

The RTA also promotes the resources of external organisations, such as the Queensland Water Commission, in a bid to educate the community about the need to conserve water.

- **WaterWise** – the RTA has actively promoted the WaterWise project, a Queensland Government initiative operated through the Department of Environment and Management.

The WaterWise project is promoted through media statements, external publications and fact sheets as well as through the Client Contact Centre and RTA outreach events.

- **Water recycling** – all staff are actively encouraged to utilise the RTA water recycling bins. A large water container is located on each floor with staff directed to empty their unused water into it. This water is then used to water the RTA's plants, ensuring less water is going to waste.
- **Water saving devices** – in a further attempt to preserve water, the RTA has ensured that all toilets are fitted with a dual flush function, saving thousands of litres of water every year, and all internal taps are fitted with aerators, again utilised to save water.

- **Environmentally friendly skylight** – the RTA's offices at 33 Herschel Street has been fitted with an environmentally friendly skylight utilising state of the art technology to enhance and foster better environmental practices within the workplace.

Constructed using computer etched glass, the skylight allows light to permeate through the building while blocking harmful UV rays.

The use of the skylight provides natural heating therefore reducing the need to artificially heat the premises during the colder months, while also blocking direct heat from the sun via deflection allowing the premises to remain cooler during the hotter months.

The technology utilised in the skylight project featured in a Queensland University of Technology study.

- **Use of natural lighting** – special blinds have been installed on all windows allowing staff members to better utilise natural light permeating the building. This in turn reduces the need to be as heavily dependent on energy.

Special blinds were also installed on overhead lighting panels providing a more natural lighting effect. These combined initiatives provide staff with adequate light in which to work without the need to enhance lighting within each workstation.

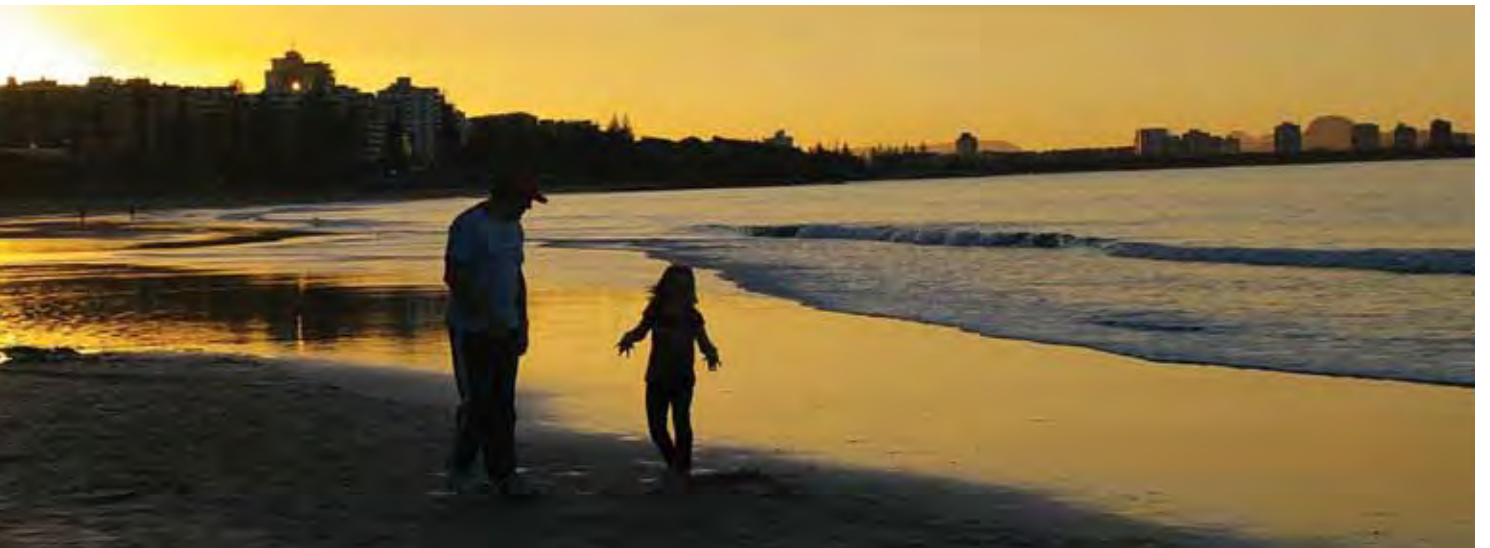
- **Shutters** – metal shutters have been strategically located on the external area of the Herschel Street premises to further reduce the need to be heavily reliant on air conditioning in the hot Queensland summer months. The shutters provide a heat barrier on all external windows.
- **No lights policy** – the RTA's no lights policy ensures that all unused lights are turned off every night. By ensuring all lights are switched off, the RTA is

cutting down on energy usage and, in turn, is helping tackle climate change.

- **Control Systems** – all RTA lighting and air conditioner functionality is now linked to a state of the art security system. This ensures that lights and air conditioning don't operate on weekends and public holidays. The security system is programmed to recognise public holidays and both systems shut down prohibiting use and reducing electricity usage.
- **Staggered working times** – the RTA offers and promotes staggered working hours where appropriate, thus lessening peak hour traffic congestion. Staggered times also reduces the need for employees to drive to work and encourages the use of public transport.
- **Printing reduction** – the RTA encourages all staff to think twice before they print a hard copy document. In cases where an electronic version will suffice, staff are asked not to print material. By reducing the amount of printing and photocopying that occurs, the RTA saves both paper and



At a time when it takes up to one million years for a glass bottle to break down, 80 years for a plastic milk bottle to fully biodegrade and between 200 and 500 years for a soft drink can, it is paramount that as much of this material is recycled as possible and not sent to landfill.



printer cartridges. RTA staff are also encouraged to set their printing default to double sided, again further reducing the amount of paper being used. While it is impractical for the RTA to be 100% paperless, the organisation encourages that where possible, electronic copies are used as opposed to printing a hard copy.

- **Annual Report** – in keeping with best environmental practices, the RTA offers the option of receiving the Annual Report as a PDF. This method ensures more clients choose the electronic version over hard copy. The RTA has limited the production of hard copies to 300.
- **Internal communications** – the RTA provides staff with environmental messages through the internal newsletter *Open House*.

Staff are kept abreast of the organisations' environmental practices and invited to provide feedback on how to better protect the environment.

The publication is now produced as a PDF link on the RTA Intranet website

in a bid to save on ink and paper costs associated with printing.

- **Electronic communications** – in a move to minimise the reliance on paper resources, the RTA stopped printing its external stakeholder publication *Update* and instead, provides information to the sector through e-Bulletins.
- **Paper recycling** – every RTA staff member has been given a special bin located under their desk for the collection of recycled material, predominantly waste paper. The use of these bins ensures that less material is dumped in landfill.
- **Recycling bins** – the RTA has installed recycling bins in each kitchen in a bid to encourage recycling practices by staff.
- **Removal of styrofoam cups** – considering it takes more than 500 years for a styrofoam cup to break down, the RTA has replaced them with disposable plastic cups.

All staff are regularly reminded to place the cups in the recycling bin. However most staff bring their own cup or mug.

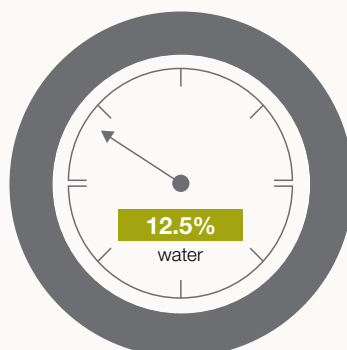
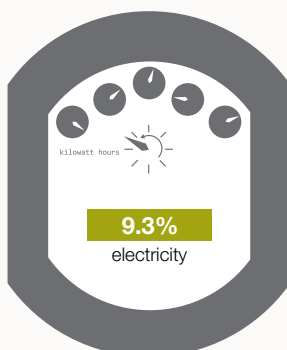
- **New electricity tariff** – the RTA re-negotiated its electricity contract reducing operating costs by an average of \$500 a month while also reducing its carbon footprint.

Environmental considerations when replacing the older desktop computers have seen the purchase during the later part of the year of energy efficient computers, which in conjunction with the ability to automatically power off desktops when not in use, will add to the RTA's ongoing efforts to reduce energy consumption. In addition, all future server and printer acquisitions will take into account their energy efficiency rating and overall effect on the environment.

- **Fuel efficient company car** – the RTA utilises a single fuel efficient company car.

Staff are directed and encouraged to use it when required, as opposed to hiring a larger vehicle.

## Water and electricity savings in 2008/09



The above figures represent the savings made over the course of the 2008/09 financial year for both water and electricity.

While a range of environmental initiatives have already been instigated by the RTA and are yielding positive results, the RTA will continue to explore all opportunities to improve environmental sustainability.

## Our Business Operations

The RTA continues to improve systems and processes to ensure the successful achievement of business goals. During the 2008/09 financial year, the RTA's Bond Advisory Services division was reviewed, given the growing number of client interaction.

As a result of this review, Bond Advisory Services was split into two separate divisions, Rental Bond Services and Client Contact Services, each with a manager and three team leaders (see organisational structure page 21).

### Quality management

The RTA continues to demonstrate its commitment to providing excellence in client service by ensuring all procedures and processes are thoroughly reviewed on a cyclical ongoing basis. The process of review, titled the 'Process Evaluation Procedure' (PEP), is an essential and key business driver that underpins the RTA's Quality Management System.

The RTA continues to maintain its accreditation and this year achieved certification to the new International Quality Assurance Standard ISO 9001:2008.

The Quality Audit was this year conducted by SGS Australia Pty Ltd. The auditor's comments and conclusions reaffirmed the RTA's robust methodology, its strong internal review processes and staff commitment, all reinforcing the RTA as a quality organisation.

In recognising the importance of continuous improvement as part of the organisational culture, the RTA provides ongoing professional training and mentoring.

This allows our self directed teams to initiate the structured evaluation process, identify improvement opportunities and achieve a great sense of satisfaction that their work is an effective contributor to the continuous improvement cycle.

In 2008/09, 35 evaluations were undertaken as part of the PEP process from which 29 key opportunities for improvements were identified.

Apart from the formal PEP process that involves all staff at the RTA, other quality improvement initiatives are identified and range from updating and enhancing client contact skills, call quality monitoring, an extensive training and development program and access to specialist programs to enhance the knowledge and capability of our frontline staff.

### Technology at the RTA

The adoption of appropriate technology systems and processes is fundamental to

the RTA's capacity to meet the growing demands of the Queensland rental sector. To support this ongoing requirement, the RTA undertook a number of key activities.

A major activity of 2008/09 was the enhancement of the RTA's core business system supporting the new legislative requirements the *Residential Tenancies and Rooming Accommodation Act 2008* scheduled to come into force on 1 July, 2009. Information Technology and Telecommunications systems and processes affecting all areas of the RTA have been modified to ensure the smooth transition to the new Act on 1 July, 2009, without any interruption to RTA services.

In addition to the enhancement of the core business system for the new Act, the internet based e-Services application is being updated to enable agents to lodge bonds online. This facility, will be piloted later in 2009.

Other support systems, including payroll, the human resource information system, email, finance system and the organisation's Intranet have also been enhanced and upgraded during the year to ensure efficiencies continue to be maintained and improved through appropriate technology.

The RTA also implemented a full desktop computer replacement program including a new Standard Operating System.

### Providing resilient facilities

Due to increasing client demand, it is imperative that RTA information and systems remain secure and operational.

In 2008/09, the RTA further strengthened its crisis management systems by minimising risk to business processes via two key mechanisms:

- the ongoing provision of a disaster recovery facility for all business critical systems
- the establishment of a business continuity site.

With comprehensive backup facilities now in place, the RTA can provide timely recovery of business critical systems should core components become seriously interrupted or be otherwise unavailable.

The development of this site allows the RTA to take advantage of improved technologies, restore client services promptly and sustain its operations.

The RTA partnered with the Building Services Authority (BSA) to house its disaster recovery servers and fax gateway at BSA's existing facility at Robina. The RTA's disaster recovery facility was further

enhanced during the year to ensure all business critical systems including bond administration, bond faxing service to Australia Post outlets, imaging, and financial systems are replicated. Components of the RTA's existing hardware and software configurations continue to be upgraded, enabling the organisation to take advantage of facilities such as remote 'lights out' management, data replication and online performance monitoring.

Bond and financial systems are now able to operate in full recovery mode along with the imaging and fax gateway systems, resulting in all of the RTA's current business critical systems being operational at the disaster recovery facility.

The RTA's business continuity site provides a contingency in the event of an emergency resulting in the RTA's Herschel Street offices being unavailable.

Located at Eight Mile Plains, 15kms from the Brisbane CBD, this facility provides the capability to relocate staff and use its backup systems at the disaster recovery site in Robina in the case of a disaster.

### Focus on business improvement

The RTA continues to progress important initiatives designed to build capacity in



response to growing demand for client services. Projects include:

### Enhanced recordkeeping

During 2008/09, the RTA progressed its recordkeeping project which aims to embed good recordkeeping practices within standard RTA business processes and systems. Key achievements include completing the recordkeeping framework and the review of the current recordkeeping system.

During the year, external consultants were engaged to perform a recordkeeping audit and the results demonstrated the RTA had made significant improvements in recordkeeping.

### Intranet redevelopment

The RTA's new Intranet was launched in April 2009, and provides staff with improved access to consistent, reliable and accurate information. The Intranet has delivered improved search capabilities and it is planned to develop electronic workflows to enhance existing manual processes.

### Corporate Framework

In 2008/09, work continued enhancing the RTA's Corporate Governance Framework, bringing together documents which outline

the way in which the RTA is governed and managed in order to achieve its strategic goals and operate with integrity.

The overarching Corporate Governance Framework describes current management structures and standards as well as internal and external mechanisms used to ensure the organisation meets statutory obligations and controls required for effective corporate governance. In addition to developing the overarching framework, the project involves the development and review of the component documents, applying standards to ensure consistency.

This framework will include a reliable and easily accessible system to store and retrieve the latest versions of policies, procedures, plans, reports and charters which are required for effective corporate governance at the RTA.

For more information on the RTA's Corporate Governance and Risk Management Frameworks, see pages 22 and 23.



RTA server



Daniel Turnell and Lyndon Cottam work together maintaining e-Services.

## Did You Know



...that in 1989, the RTA's computer system had the capacity to store information from more than 200,000 bond lodgements. Today, the RTA's computer system has no imposed technological limit meaning we are easily capable of handling more than 200 million bond lodgements.

...By June 30, 1990, bond lodgements totalled 48,459 worth about \$26 million. In 2008/09 the RTA holds 417,875 bonds worth \$490 million.

...In 1989/90, there were just over 15,000 bonds held for the Brisbane Local Government Area. In 2008/09 there are more than 122,000 bonds held for the same area.

# Our Organisation - Finance Report

## Our Finances

The RTA is a self-funded statutory authority with revenue sourced primarily from investment of rental bonds lodged with the RTA in accordance with the *Residential Tenancies Act 1994* and the *Residential Services (Accommodation) Act 2002*.

The 2008/09 financial year continued with solid growth in investments driven by a 1.2% overall increase in bond lodgements of \$59.019m, compared to \$58.321m in 2007/08.

In 2008/09, the RTA's investment returns were affected by the global financial crisis. In light of volatile market conditions, the RTA undertook an extensive review of its financial investment strategies with fund manager Queensland Investment Corporation Ltd (QIC). Although the RTA achieved a positive return on investments, the rate of return was well below the budget estimate. However, tight control of operational expenditure assisted the RTA to minimise the extent of the deficit to \$16.647m.

### Income

In order to remain self sufficient, the RTA relies on investment returns on financial assets to fund operational expenses. Hence, the RTA's financial performance and financial position are dependent on achieving adequate investment returns.

The average rate of return on investments was 1.37% against a target return of 7.75%, reflecting the impact of the global financial crisis. The result has been an operating income of \$7.169m, down \$16.094m on the result achieved in 2007/08.

Net financial assets classified as financial instruments held at the RTA as at 30 June, 2009, are \$22.025m compared to \$38.398m the previous year<sup>1</sup>. This is represented by financial assets of \$519.375m (cash and investments) less financial liabilities of \$497.350m (being rental bonds and unclaimed monies held on behalf of clients).

The RTA manages cash in accordance with Division 4 of the *Residential Tenancies Act 1994* and invests that cash in accordance

with provisions of the *Statutory Bodies Financial Arrangements Act 1982*.

During 2008/09, a decision was taken to distinguish RTA's earnings from the main investment portfolios and establish 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 and funds are allocated across a range of asset classes in accordance with the Investment Strategy adopted by the RTA Board.



The Business Operations Portfolio represents the earnings from investments and is used to fund all RTA business operating expenses and grants. 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.

Funds are held in at-call accounts and short-term fixed deposits and managed in accordance with the *Statutory Bodies Financial Arrangements Act 1982* and cash flow requirements.

<sup>1</sup> Refer Note 24 of the General Purpose Financial Report.

## Key information

### Selected financial and operating data

The RTA has compiled the financial information for the financial year ending 30 June, 2009, and prior from audited financial statements and related notes prepared in accordance with Australian Equivalents to International Financial Reporting Standards (where appropriate), the *Financial Administration and Audit Act 1977*, the *Financial Management Standard 1997* and Australian Accounting Standards (including the Australian Accounting Interpretations).

This consolidated financial statements were reported on by an independent auditor directly appointed by the Queensland Audit Office. The Auditor-General delegated Mr Junaide Latif of Cranstoun & Hussein to conduct the audit for the RTA commencing the financial year 2006/07 for a period of three years.

The RTA is a self-funded statutory authority with revenue sourced primarily from investment of rental bonds lodged with the RTA in accordance with the *Residential Tenancies Act 1994* and the *Residential Services (Accommodation) Act 2002*.

Allocation of investment funds managed through QIC	Investment Range	Amount invested as at 30 June 2009 - \$m	Allocation 30 June 2009
<b>Fund Type</b>			
Cash Enhanced Fund	0% - 100%	281.854	56.7%
Global Credit Fund No.1	0% - 45%	131.355	26.4%
Global Credit Opportunities Fund No.1	0% - 20%	36.759	7.4%
Property Fund	0% - 20%	42.569	8.6%
Overlay		4.589	0.9%
<b>Total</b>		<b>497.126</b>	<b>100.0%</b>



## Operating expenditure

Operating expenditure decreased by \$0.503m to \$23.816m due to a range of factors.

### Employee expenses

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

Employee expenses rose by \$1.529m (15.5%) from \$9.839m in 2007/08 to \$11.368m in 2008/09. This is attributable to core agreement increases and an increase in staff levels to enable enhanced service delivery and to meet current demands placed on the RTA by the growing Queensland rental market.

### Supplies and services

Supplies and services rose by \$0.876m (13.5%) from \$6.467m in 2007/08 to \$7.343m in 2008/09. Generally the overall increase is due to the increase in equipment expenses and investment fees.

### Grants and subsidies

There are several major grants that the RTA provides each year.

Grants decreased by 43.6% from \$6.620m in 2007/08 to \$3.734m in 2008/09.

Due to the impact of the global financial crisis on the RTA's investment income, the RTA decreased the grant allocation for the Housing Affordability Grant from \$3.100m in 2007/08 to \$0.100m in 2008/09.

### Depreciation and amortisation

Depreciation and amortisation increased by 19.6% from \$0.930m to \$1.112m as internally generated software and other assets became operational and depreciable.

The RTA uses technology extensively to support service provision and this increase is due to the impact of acquiring and developing technology assets.

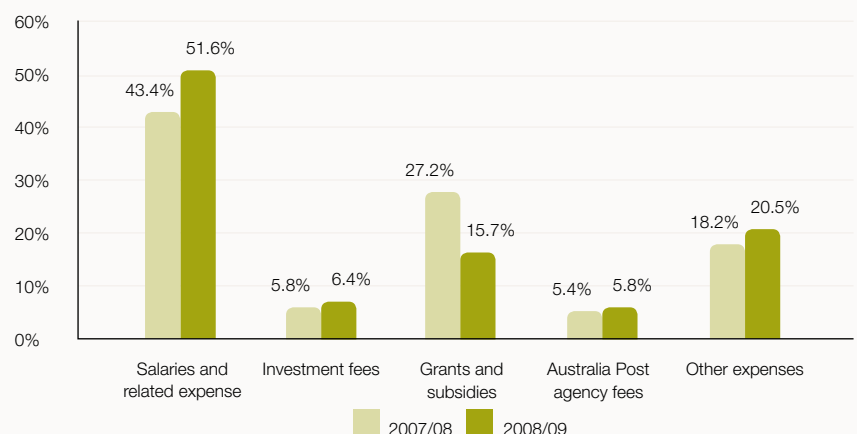
### Improved efficiency

The RTA continues to successfully manage its transaction costs through the increased uptake of electronic transactions such as direct credit of bond refunds and clients utilising the website to gain access to forms that can be downloaded, reducing the costs to the RTA.

RTA Grants	2009	2008
	\$m	\$m
<b>Grant</b>		
Housing Affordability Grant	0.100	3.100
Lady Bowen Trust	-	0.100
RTA Community Education Public Grants Scheme	0.148	0.080
Tenant Advice and Advocacy Service (Qld) Grant	3.245	3.175
Other Grants	0.241	0.165
<b>Total</b>	<b>3.734</b>	<b>6.620</b>



### Expenditure by type



# Our Organisation - Finance Report continued

## Cost per client activity

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

The graphs on the right outline the average cost per client activity for the key RTA services to clients in 2007/08 and 2008/09 for four activities:

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

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

Increases in the overhead costs to achieve higher governance standards have led to an increase in costs per client activity.

For 2008/09, the cost to respond to a telephone call was \$10.87, up from \$9.50 the previous year.

The average cost to process a bond form remained relatively stable, recording a small increase of \$0.02 to \$10.09, reflecting increasing transactions allowing improved productivity in the delivery of this service.

To lodge a dispute and manage the resolution process, the cost increased by \$32 to \$253 for 2008/09.

Investigations have the highest activity cost of all RTA services at \$1,362, which reflects that criminal law prosecutions may be involved and thorough processes must be followed to collect evidence to meet standards required by law. In addition, the level of complexity of cases is increasing thus requiring additional resources.

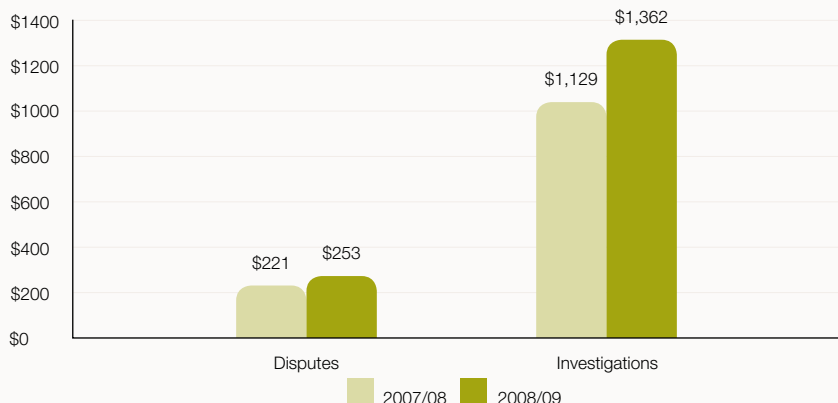
A decrease in the number of complaints received has led to an increase in cost per investigation commenced.

**The RTA has continued to focus on business improvements and on enhancing its internal and external financial processes.**

## Cost per activity - Bond Administration and Client Contact Centre



## Cost per activity - Dispute Resolution and Investigations



Note: the allocation and cost drivers have been updated to reflect the organisational re-structure of the RTA that occurred during 2008/09. Therefore the prior years results have been amended to reflect consistency in methodology.

## Financial performance

The financial performance of the RTA has weakened recently as indicated by the chart on the following page.

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

Though the RTA had an operating deficit for 2008/09 of \$16.647m, strong investment returns in previous years coupled with prudent management of operating expenditure has contributed to the financial health of the organisation.

While the RTA received an income stream below what was required to fund the services and functions of the organisation for the 2008/09 financial year, the RTA has ensured that investment funds are strategically managed for long term sustainability.

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

## Reserves

The RTA has established two reserves that are distinct from accumulated surplus that form total equity.

### Investment Fluctuation Reserve

The Investment Fluctuation Reserve was established by the Board in June, 2005, to address the volatility of investment returns and the potential impact on net equity.

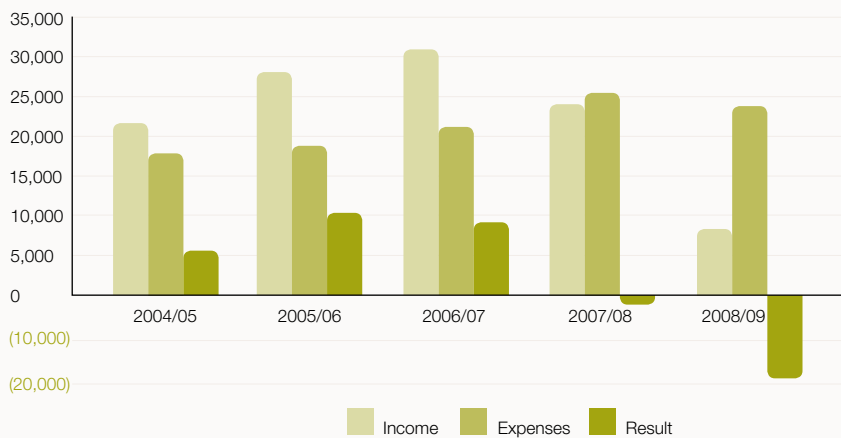
The reserve grew to a maximum of \$14.8m as at 30 June, 2007, however this has been fully utilised during 2007/08 and 2008/09 as a result of falling investment returns. The Board resolved to cease this reserve as at 30 June, 2009.

### Asset Revaluation Reserve

The RTA is the sole and outright owner of its business premises at 33 Herschel Street, Brisbane. Since acquisition in 1998, it has proven to be an excellent investment for the organisation as the foundation for the RTA's statewide services, as well as capital growth.



### Financial performance - 2004/05 to 2008/09



In recent years, there had been significant increases in property values, particularly within the CBD which were also impacted by the effects of the global financial crisis during 2008/09. Management sought the opinion of an independent valuer in June 2009, to perform a market valuation of both land and buildings. The revaluation concluded that 33 Herschel was now valued at \$8.3m as at 30 June, 2009, falling 22% from the previous year's market value. As confirmed by the registered property valuer, this is representative of falls across the Brisbane CBD.

Any decrease in the value of a class of assets or an individual asset resulting from an asset revaluation must be applied directly to the asset revaluation reserve in respect of that class, but only to the extent of prior revaluation increments.

The impact on the Asset Revaluation Reserve in the past two years resulted in an increase of \$0.770m during 2007/08 followed by a decrease of \$2.198m during 2008/09. The balance of the Asset Revaluation Reserve as at 30 June, 2009, is \$4.248m.

### Financial position

The RTA has a healthy balance sheet, with no debt and a high level of liquid assets.

Total equity decreased by 37.1% from 2007/08 but the strong performance of past years has provided a solid balance sheet position with total net assets of \$31.913m.

The RTA needs to protect its assets from market volatility and to achieve this, RTA investments are managed with three basic principles:

- 1) By setting a realistic target return for the ensuing financial year based on conservative estimates of market returns and rental bond growth.
- 2) Active management, monitoring and application of proactive measures in administering the investment strategy to manage volatility of investment revenues.
- 3) Forecasting balance sheet scenarios over a rolling five year period to ensure long-term financial sustainability.

### Did You Know ?

...The RTA processes 960 bond lodgements a day worth more than \$1.25 million.

...that in 1989/90, the RTA paid out over 4,500 bond refunds worth \$2.63 million. In 2008/09, the RTA paid out over 223,648 bond refunds worth more than \$257 million.

### Financial outlook

The RTA is committed to ensuring prudent management of investments through agreed strategies and processes in line with the provisions of the *Statutory Bodies Financial Arrangements Act 1982*. Given market uncertainty, the RTA is working closely with fund manager QIC, to ensure investment risks are carefully managed. Despite increasing operational costs driven by rising labour costs and servicing a growing market, the RTA anticipates an operating surplus of \$1.082m for the 2009/10 financial year reflecting a forecast return on investment of 5%.

The RTA continues to focus on business improvements and on enhancing its internal and external financial and budgetary management practices and processes.

The RTA continues to monitor Queensland Audit Office audit reports and implements the recommendations where appropriate. The RTA received an unqualified audit report for its financial statements for the 2008/09 financial year.

# Our Organisation

## Future Priorities - Our Organisation

### Key activities for 2009/10 are to:

- Review and update content of 'Utilise Legislation' training to reflect the introduction of the *Residential Tenancies and Rooming Accommodation Act 2008*.
- Roll out to all staff the extended online employee self service human resources software system.
- Implement revised Induction Program.
- Review of the RTA Strategic Age Management Plan.
- Install bike racks in RTA building to encourage staff to ride to work.
- Continue the development of the management standards component of the Corporate Governance Framework.
- Achieve a return on investment of 5%.

## Case Study - Award Winning Program for RTA

The RTA was awarded the Professional Advantage 2008 Business Improvement Award for Best New Implementation for the successful integration of Kwiktag, a computer program using barcode identification to scan creditor invoices into the RTA's financial system.

The need for the program was first identified in 2005, to provide quick and easy computer access to invoices rather than wading through boxes of paperwork whenever an invoice was called up.

When the search for such a tool began, there was seemingly nothing available in Australia to suit the RTA. The RTA was determined however, to find a way to cut down on the paperwork that was being filed each week.

The solution was discovered when an American company was found to be using Kwiktag, a product integrated with the same Microsoft computer program the RTA used for its data entry.

Kwiktag has now been fully integrated into the RTA's finance system. Kwiktag for Microsoft Dynamics GP provides easy access to scanned images and simplifies the time consuming task of filing and retrieving documents.

Kwiktag uses barcodes to group financial documentation for call-up throughout the organisation and there are a number of other benefits for the RTA.

Office space is scarce and previously the finance department was required to store documents on-site for internal and external audits, these documents can now be stored offsite. Auditing is achieved by viewing scanned images. The implementation has also had an environmental impact, with savings made in paper, toner and power usage.

The Kwiktag system also led to a re-designed finance form, the reduction from three pages to one, saves the RTA more than 2000 sheets of paper each year.

The RTA was one of the first Australian organisations to implement Kwiktag.



RTA Finance Officer Melissa Hoskins with the 2008 Business Improvement Award for Best New Implementation.

# Financial Statements



## General Purpose Financial Report

for the year ended 30 June, 2009.

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This financial report is a general purpose financial report of the Residential Tenancies Authority and its controlled entity and is presented in Australian Currency. The Residential Tenancies Authority and its controlled entity are both Queensland Government statutory bodies constituted under the *Residential Tenancies Act 1994*. The RTA and its controlled entity are controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the RTA is: 33 Herschel Street, BRISBANE QLD 4000.

# Income Statements

for the year ended 30 June, 2009

	Notes	Group		Parent	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>INCOME</b>					
Interest and Investment Revenue	3	7,145	23,245	7,145	23,245
Other Revenue	3	24	18	24	18
<b>Total Income</b>		<b>7,169</b>	23,263	<b>7,169</b>	23,263
<b>EXPENSES</b>					
Employee Expenses	5	11,368	9,839	228	9,839
Supplies and Services	6	7,343	6,467	18,486	6,467
Grants and Subsidies	7	3,734	6,620	3,734	6,620
Depreciation and Amortisation	8	1,112	930	1,112	930
Loss on Disposal of Assets	4	80	263	80	263
Other Expenses	9	179	200	176	200
<b>Total Expenses</b>		<b>23,816</b>	24,319	<b>23,816</b>	24,319
<b>OPERATING DEFICIT</b>		<b>(16,647)</b>	(1,056)	<b>(16,647)</b>	(1,056)

These Income Statements are to be read in conjunction with the attached Notes.

# Balance Sheets

as at 30 June, 2009

	Notes	Group		Parent	
		2009	2008	2009	2008
		\$'000	\$'000	\$'000	\$'000
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	10	21,952	1,468	21,912	1,468
Other Financial Assets	11	497,126	474,618	497,126	474,618
Receivables	12	319	249	319	249
Other Assets	13	351	180	247	180
<b>TOTAL CURRENT ASSETS</b>		<b>519,748</b>	476,515	<b>519,604</b>	476,515
<b>NON-CURRENT ASSETS</b>					
Intangible Assets	14	2,720	2,385	2,720	2,385
Property, Plant and Equipment	15	9,113	11,637	9,113	11,637
Other Assets	13	2	11	2	11
<b>TOTAL NON-CURRENT ASSETS</b>		<b>11,835</b>	14,033	<b>11,835</b>	14,033
<b>TOTAL ASSETS</b>		<b>531,583</b>	490,548	<b>531,439</b>	490,548
<b>CURRENT LIABILITIES</b>					
Payables	16 a	2,146	1,727	4,282	1,727
Rental Bonds and Unclaimed Monies	16 b	495,204	436,185	495,204	436,185
Accrued Employee Benefits	17	986	833	19	833
<b>TOTAL CURRENT LIABILITIES</b>		<b>498,336</b>	438,745	<b>499,505</b>	438,745
<b>NON-CURRENT LIABILITIES</b>					
Accrued Employee Benefits	17	1,334	1,045	21	1,045
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,334</b>	1,045	<b>21</b>	1,045
<b>TOTAL LIABILITIES</b>		<b>499,670</b>	439,790	<b>499,526</b>	439,790
<b>NET ASSETS</b>		<b>31,913</b>	50,758	<b>31,913</b>	50,758
<b>EQUITY</b>					
Accumulated Surplus	19	27,665	36,820	27,665	36,820
Asset Revaluation Reserve	18, 20	4,248	6,446	4,248	6,446
Investment Fluctuation Reserve	18	-	7,492	-	7,492
<b>TOTAL EQUITY</b>		<b>31,913</b>	50,758	<b>31,913</b>	50,758

These Balance Sheets are to be read in conjunction with the attached Notes.



# Statements of Changes in Equity

for the year ended 30 June, 2009

	\$'000	\$'000	\$'000	\$'000
	Accumulated Surplus	Asset Revaluation Reserve	Investment Fluctuation Reserve	Total Equity
<b>Group</b>				
<b>2009</b>				
<b>Balance at beginning of the reporting period</b>	36,820	6,446	7,492	50,758
Revaluation of Property, Plant and Equipment	-	(2,198)	-	(2,198)
Transfers from Investment Fluctuation Reserve	7,492	-	(7,492)	-
Change in Net Assets recognised in the Income Statement	(16,647)	-	-	(16,647)
<b>Balance at the end of the reporting period</b>	<b>27,665</b>	<b>4,248</b>	<b>-</b>	<b>31,913</b>
<b>2008</b>				
<b>Balance at beginning of the reporting period</b>	30,568	5,676	14,800	51,044
Revaluation of Property, Plant and Equipment	-	770	-	770
Transfers from Investment Fluctuation Reserve	7,308	-	(7,308)	-
Change in Net Assets recognised in the Income Statement	(1,056)	-	-	(1,056)
<b>Balance at the end of the reporting period</b>	<b>36,820</b>	<b>6,446</b>	<b>7,492</b>	<b>50,758</b>
<b>Parent</b>				
<b>2009</b>				
<b>Balance at beginning of the reporting period</b>	36,820	6,446	7,492	50,758
Revaluation of Property, Plant and Equipment	-	(2,198)	-	(2,198)
Transfers from Investment Fluctuation Reserve	7,492	-	(7,492)	-
Change in Net Assets recognised in the Income Statement	(16,647)	-	-	(16,647)
<b>Balance at the end of the reporting period</b>	<b>27,665</b>	<b>4,248</b>	<b>-</b>	<b>31,913</b>
<b>2008</b>				
<b>Balance at beginning of the reporting period</b>	30,568	5,676	14,800	51,044
Revaluation of Property, Plant and Equipment	-	770	-	770
Transfers from Investment Fluctuation Reserve	7,308	-	(7,308)	-
Change in Net Assets recognised in the Income Statement	(1,056)	-	-	(1,056)
<b>Balance at the end of the reporting period</b>	<b>36,820</b>	<b>6,446</b>	<b>7,492</b>	<b>50,758</b>

These Statements of Changes in Equity are to be read in conjunction with the attached Notes.

# Cash Flow Statements

for the year ended 30 June, 2009

	Notes	Group		Parent	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>Inflows</b>					
Interest Income		404	223	404	223
Bond Lodgements		315,567	284,155	315,567	284,155
Investment Income		6,744	23,014	6,744	23,014
Other Operating Receipts		24	18	24	18
GST Collected on Sales		5	3	5	3
GST Refunds Received		1,193	1,302	1,193	1,302
<b>Outflows</b>					
Bond Claims		(256,546)	(225,836)	(256,546)	(225,836)
Employee Benefits and On-costs		(11,028)	(10,066)	(2,068)	(10,066)
Supplies and Services		(7,931)	(5,350)	(16,934)	(5,350)
Grants and Subsidies		(2,842)	(6,620)	(2,842)	(6,620)
Other Expenses		(183)	(209)	(180)	(209)
GST Paid on Purchases		(1,214)	(1,401)	(1,214)	(1,401)
<b>Net Cash provided by Operating Activities</b>	21	<b>44,193</b>	59,233	<b>44,153</b>	59,233
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Inflows</b>					
Proceeds from sale of Investment Securities		29,000	1,000	29,000	1,000
<b>Outflows</b>					
Purchase of Property, Plant & Equipment and Intangible Assets		(1,201)	(1,439)	(1,201)	(1,439)
Purchase of Investment Securities		(51,508)	(57,822)	(51,508)	(57,822)
<b>Net Cash used in Investing Activities</b>		<b>(23,709)</b>	(58,261)	<b>(23,709)</b>	(58,261)
Net Increase in cash held		20,484	972	20,444	972
Cash and Cash Equivalents as at beginning of financial year		1,468	496	1,468	496
<b>Cash and Cash Equivalents at end of financial year</b>	21	<b>21,952</b>	1,468	<b>21,912</b>	1,468

These Cash Flow Statements are to be read in conjunction with the attached Notes.

# Notes to and forming part of the Financial Statements

for the year ended 30 June, 2009

## OBJECTIVES AND PRINCIPAL ACTIVITIES OF THE RTA

The Residential Tenancies Authority (the RTA) was established pursuant to the *Residential Tenancies Act 1994* (Qld) (the Act).

In terms of Section 289 of the Act, the RTA's functions are:

(a) to ensure the proper administration and enforcement of this Act and the Accommodation Act;

(b) to receive, hold and pay rental bonds under this Act and the Accommodation Act;

(c) to give advice to the Minister about:

- i. residential tenancy issues and residential services issues generally;
- ii. the operation of this Act and the Accommodation Act in particular;

(d) without limiting paragraph (c), to give advice to the Minister about:

- i. the application of this Act to agreements, premises or entities;
- ii. the application of this Act or the Accommodation Act to residential service agreements and rental premises under the Accommodation Act or entities;

(e) to provide information, educational and advisory services about the operation of this Act and the Accommodation Act;

(f) to collect and analyse information about residential tenancy issues and residential services issues;

(g) to provide a conciliation service to parties to disputes about agreements and residential service agreements;

(h) to intervene in, or support, proceedings about the application of this Act to agreements and proceedings about the application of the Accommodation Act to residential service agreements;

(i) to perform other functions given to the RTA under this Act or another Act; and

(j) to perform functions incidental to its other functions.

The RTA is a statutory body under Section 5 of the *Financial Administration and Audit Act 1977* (Qld). The RTA falls within the portfolio of the Minister for Community Services and Housing and Minister for Women.

The RTA is a self-funded regulatory body committed to providing targeted services to meet the diverse needs of Queensland's residential rental sector. The RTA's core responsibility and principal activity is to administer the *Residential Tenancies Act 1994* (Qld) and the *Residential Services (Accommodation) Act 2002* (Qld) and to provide services in accordance with those Acts.

On 23 April 2007 the Queensland Parliament passed the *Statutory Bodies Legislation Amendment Act 2007* (Qld) which amended the *Residential Tenancies Authority Act 1994* (Qld). These amendments included the establishment of the Residential Tenancies Employing Office (RTEO) as a statutory body for the purposes of the *Financial Administration and Audit Act 1977* (Qld).

The trading of the Residential Tenancies Employing Office (RTEO) commenced on 1 July 2008. Consequently, there were no transactions prior to 30 June 2008 and no assets or liabilities existed as at 30 June 2008. Accordingly, a separate financial report for the 2007/08 financial year was not prepared for the Residential Tenancies Employing Office nor was a consolidated financial report prepared. In accordance with *AASB 127 Consolidated and Separate Financial Statements, Interpretation 112 Consolidation – Special Purpose Entities* and Part 1 of Queensland Treasury's *Guidance Paper: Reporting and Account Requirements for Statutory Bodies and Employing Offices*, the RTEO is controlled by the RTA and the RTA is required to prepare a consolidated General Purpose Financial Report for the 2008/09 financial year. Thus, this financial report covers the Residential Tenancies Authority (RTA) and its controlled entity.

In accordance with Section 351 of the Act, all employees who transferred from the RTA to the RTEO keep all rights and entitlements, including entitlements to receive long service, annual and sick leave. The transfer of employee entitlements occurred on 1 July 2008 by way of an inter-entity account.

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 311 of the Act. This document provides the authority under which employees of the RTEO perform work for the RTA and stipulates operational activities of the RTEO effective from 1 July 2008.

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Accounting

The financial statements have been prepared in accordance with *Australian Equivalents to International Financial Reporting Standards* (AEIFRS), where appropriate and other mandatory professional reporting requirements and the requirements prescribed by:

- *Residential Tenancies Act 1994* (Qld)
- *Section 46F of the Financial Administration and Audit Act 1977* (Qld)
- *Financial Management Standard 1997*
- *Statutory Bodies Legislation Amendment Act 2007* (Qld)

Except where stated, the historical cost convention is used.

### (b) Principles of Consolidation

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

As at reporting date, the assets and liabilities of the controlled entity have been incorporated into the consolidated financial statements as well as its results for the year then ended. The RTEO commenced trading on 1 July 2008 in accordance with a Work Performance Arrangement with the RTA. Control was obtained by the RTA on the signing of that agreement and accordingly, they have entered the consolidated group for reporting purposes from that date.

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

### (c) The Reporting Entity

This financial report includes the consolidated financial statements and notes of the RTA and its controlled entity

# Notes to and forming part of the Financial Statements

for the year ended 30 June, 2009

('Group'), and the separate financial statements and notes of the RTA as an individual parent entity ('Parent').

## (d) Revenue Recognition

The RTA invests cash in accordance with Section 80 and 81 of the *Residential Tenancies Act 1994* (Qld), the *Statutory Bodies Financial Arrangements Act 1982* (Qld) and Regulations thereto. A majority of the cash is placed into investments that are managed by fund manager Queensland Investment Corporation Limited (QIC) and allocated across a range of investment funds in a unique portfolio fitting with the Investment Strategy adopted by the RTA Board. Investments are measured at their net market value at each balance date. Changes in the net market value of investments in this portfolio, positive or negative, are recognised as income in the Income Statement. Any interest derived on funds invested with other financial institutions is brought to account when earned.

## (e) Cash and Cash Equivalents

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

## (f) Other Financial Assets

Managed Funds, managed by fund manager QIC, are generally available at call. These investments are held at market value in a portfolio of five products covering various levels of investment risk and investment return (see note 11).

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

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

## (g) Receivables

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

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

## (h) Acquisitions of Assets

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

## (i) Property, Plant and Equipment

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

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

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

Land improvements undertaken by the RTA are included with buildings.

## (j) Revaluations of Non-Current Physical and Intangible Assets

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

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

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

Non-current physical assets measured at fair value are comprehensively revalued at least once every five years with interim

valuations, using appropriate indices, being otherwise performed on an annual basis where there has been a material variation in the index.

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

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

## (k) Intangibles

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

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

### *Purchased Software*

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

### *Internally Generated Software*

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

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

## (l) Amortisation and Depreciation of Intangibles and Property, Plant and Equipment

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

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

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

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

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

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

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

Class	Useful Life (years)
Buildings	40
Plant and Equipment:	
Leasehold improvements	2
Other equipment	3 to 20
Intangible Assets:	
Software Purchased	3
Software Internally Generated	3 to 5

## (m) Impairment of Non-Current Assets

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

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

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

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

## (n) Operating Leases

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

The RTA has no finance leases.

## (o) Payables

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

## (p) Rental Bonds and Unclaimed Monies

In accordance with Section 59 of the *Residential Tenancies Act 1994* (Qld) and regulations thereto, a person receiving a rental bond must, within 10 days of receiving it, pay it to the RTA. These bonds are withdrawn when the tenancies are terminated, which can be at any time following bond lodgement. In accordance with AASB 139 *Financial Instruments: Recognition and Measurement*, bonds are a financial liability and are regarded as being payable on demand. The fair value of a financial liability with a demand feature is not less than its carrying value. Bond lodgements are recognised as current liabilities.

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

## (q) Financial Instruments

### Recognition

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

### Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at fair value through profit and loss
- Other financial assets – held at fair value through profit and loss
- Receivables – held at amortised cost
- Payables – held at amortised cost

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

All disclosures relating to the measurement basis and financial risk management of other financial instruments held by the RTA are included in Note 24.

# Notes to and forming part of the Financial Statements

for the year ended 30 June, 2009

## (r) Employee Benefits

*Wages, Salaries, Annual Leave, Long Service Leave, Time-off-in-lieu (TOIL) and Sick Leave*

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

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

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

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

Within the Income Statement, on-costs such as payroll tax and workers' compensation insurance are a consequence of employing employees and are not included in an employee's total remuneration package. Hence they are recognised separately as employee related expenses rather than employee benefits. Employer superannuation contributions are regarded as employee benefits (refer Note 5).

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

### Superannuation

All employer superannuation contributions are paid to QSuper at rates determined by the Treasurer on the advice of the State Actuary. The QSuper superannuation scheme is for Queensland Government employees. All superannuation contributions are expensed in the period in

which they are paid or payable. The RTA and its controlled entity's obligations are limited to their contribution to QSuper and there is no responsibility by the RTA or its controlled entity to cover any shortfall in the funds' obligation to provide benefits to employees on retirement.

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

### Executive Remuneration

The RTA and its controlled entity did not employ any senior executive appointed under the *Public Service Act 2008* (Qld) and classified Senior Executive Service (SES) Level 1 and above, with total remuneration above \$100,000 in the financial year. Pursuant to the SBLA Act, the executive officer appointed to the employing office is the same person who holds an existing appointment as the General Manager of the RTA. No additional salary is paid for the performance of the dual role. The RTA General Manager is appointed by Governor in Council and not under the *Public Service Act 2008*. Therefore, there are no executive remuneration disclosures in the financial statements.

### (s) Borrowings

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

### (t) Commencement of the RTEO

All employee leave liabilities were transferred from the RTA as a consequence of legislative changes that applied to the RTEO from 1 July 2008.

Transitional provisions of the SBLA Act became effective on the commencement of trading of the RTEO and the subsequent transfer of all employees of the RTA on 1 July 2008 to the RTEO. In particular, section 351(3)(a) requires the person [being the employee transferring employment from the RTA to the RTEO] to keep all rights and entitlements, including entitlements to receive long service, recreation and sick leave and any similar entitlements that have accrued or were accruing to the person as an employee of the RTA. The transfer was executed on 1 July 2008 derecognising the entitlements (liability) in the RTA accounts

and recognising the entitlements as a liability in the RTEO accounts. The RTA subsequently recognised an equivalent liability for this amount as required by Queensland Treasury's *Guidance Paper: Reporting and Accounts Requirements for Statutory Bodies and Employing Offices*.

### (u) Insurance

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

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

### (v) Investment Fluctuation Reserve

The Investment Fluctuation Reserve was established in August 2005 to recognise and potentially minimise the impact of marginal and/or negative future investment returns. The RTA Board approved the cessation of this reserve as at 30 June 2009.

### (w) Taxation

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

### GST

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

Investment activity of the RTA is part of the RTA's overall enterprise. Accordingly, the RTA is subject to Division 70 of the GST Act which reduces the entitlement

for GST refundable for acquisitions for the purposes of investment portfolio management. Effectively, any GST paid on such expenditure is reduced by 25% (e.g. management fees). Additionally, a small percentage of GST paid on overall RTA operational costs is also disallowed.

#### **Fringe Benefits Tax (FBT)**

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

#### **Payroll Tax**

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

#### **PAYG Withholding**

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

#### **(x) Issuance of Financial Statements**

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

#### **(y) Judgments and Assumptions**

The RTA has made no judgments or assessments which may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

#### **(z) Rounding and Comparatives**

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

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

#### **(aa) New and Revised Accounting Standards**

No Australian Accounting Standards and Interpretations issued or amended and applicable for the first time in the 2008/09 financial year have an effect on this financial report. Also, the RTA has not voluntarily changed any of its accounting policies.

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

At the date of authorisation of the financial report, no new or amended Australian accounting standards with future commencement dates were viewed as having a significant impact on the RTEO. However, minor impacts are discussed below.

*AASB 101 Presentation of Financial Statements* – this standard has been revised, however such revisions will not impact this financial report until 2009-10. There will be significant changes to the presentation of the overall financial performance and position, particularly to the content of the “Statement of Changes in Equity” and the preparation of a new “Statement of Comprehensive Income” which will replace the “Income Statement”. The “Statement of Comprehensive Income” will include certain items currently disclosed in the “Statement of Changes in Equity” to comply with the new definition of ‘comprehensive income’ in the revised AASB 101. The application of this revised standard will not have measurement or recognition implications that will impact the RTA or its controlled entity.

Ignoring other potential impacts on the operating result, if the revised AASB 101 was applied by the RTA for 2008/09, it would have reported negative comprehensive income result of \$18.845m (2007/08: \$286,000). The decrease in the asset revaluation reserve for 2008/09 of \$2.198m (2007/08: increase \$770,000) would not be included in the Statement of Changes in Equity.

A revised version of *AASB 123 Borrowing Costs* has been released but will not be effective until 2009/10. As the RTA has no borrowings drawn down at reporting date; the impact of this standard if applied for 2008/09 is nil.

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

## **2. RTA FUNDS MANAGEMENT**

The RTA experienced extreme market volatility that impacted the ability to generate sufficient earnings to fund operational activities during the financial year. The RTA is a custodian of rental bond monies and is unable to utilise such funds to support operations in accordance with Sections 81 and 82 of the *Residential Tenancies Act 1994* (Qld).

As a precautionary measure to ensure the RTA had sufficient funding to support its ongoing operations, a \$20 million borrowing facility from Queensland Treasury Corporations (QTC) was approved. The facility is available to the RTA until 30 June 2010. No funds have been drawn down against this facility at the reporting date or at the date of this report.

# Notes to and forming part of the Financial Statements

for the year ended 30 June, 2009

	Group		Parent	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<b>3. INCOME</b>				
<b>INVESTMENT REVENUE</b>				
Interest on cash assets & investments				
Return on investments	6,744	23,014	6,744	23,014
Bank interest	401	231	401	231
<b>Total Investment Revenue</b>	<b>7,145</b>	<b>23,245</b>	<b>7,145</b>	<b>23,245</b>
<b>OTHER REVENUE</b>				
Sundry Income	17	9	17	9
Bad debts recovered	2	-	2	-
Discounts received	5	6	5	6
Employment Grant Received - Federal	-	3	-	3
<b>Total Other Revenue</b>	<b>24</b>	<b>18</b>	<b>24</b>	<b>18</b>
<b>Total Income</b>	<b>7,169</b>	<b>23,263</b>	<b>7,169</b>	<b>23,263</b>
<b>4. GAIN OR LOSS ON DISPOSAL OF ASSETS</b>				
<b>DISPOSAL OF PLANT AND EQUIPMENT</b>				
Proceeds from disposal	-	-	-	-
Less: Carrying amount of assets sold	-	8	-	8
<b>(Loss) Gain on Disposal</b>	<b>-</b>	<b>(8)</b>	<b>-</b>	<b>(8)</b>
<b>DISPOSAL OF INTERNALLY GENERATED SOFTWARE</b>				
Proceeds from disposal	-	-	-	-
Less: Carrying amount of assets sold	80	255	80	255
<b>(Loss) Gain on Disposal</b>	<b>(80)</b>	<b>(255)</b>	<b>(80)</b>	<b>(255)</b>
<b>Total Loss on Disposal of Assets</b>	<b>(80)</b>	<b>(263)</b>	<b>(80)</b>	<b>(263)</b>



## 5. EMPLOYEE EXPENSES

	Group		Parent	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<b>Employee Benefits</b>				
Salaries and Wages	8,995	8,014	163	8,014
Allowances	140	103	-	103
Employee Leave Entitlements	488	130	2	130
Employer Superannuation contributions	1,112	972	18	972
Less: Capitalised costs	(140)	(47)	-	(47)
<b>Total Employee Benefits</b>	<b>10,595</b>	9,172	<b>183</b>	9,172
<b>Employee Related Expenses</b>				
Fringe Benefits Tax	20	20	17	20
Workers' Compensation Insurance *	24	27	1	27
Payroll Tax *	512	441	26	441
Other Employee Related Expenses	217	179	1	179
<b>Total Employee Related Expenses</b>	<b>773</b>	667	<b>45</b>	667
<b>Total Operating Employee Costs</b>	<b>11,368</b>	9,839	<b>228</b>	9,839

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

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:

	No.	No.	No.	No.
	153	142	1	142

# Notes to and forming part of the Financial Statements

for the year ended 30 June, 2009

	Group		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>6. SUPPLIES AND SERVICES</b>				
Advertising	116	132	10	132
Australia Post Agency Fees				
- Display Stands	176	183	176	183
- Incoming Mail	131	105	131	105
- Lodgements	105	99	105	99
- Mailout/EDI	116	105	116	105
- Refunds	731	702	731	702
- Mailing House	123	127	123	127
Archival Fees and Charges	54	45	54	45
Bank Charges	49	43	49	43
Board Fees	44	65	44	65
Board Expenses	18	21	18	21
Cleaning	52	47	52	47
Contractors and Consultants	1,482	941	1,480	941
Council Rates	61	52	61	52
Electricity	88	87	88	87
Equipment Expensed	442	204	442	204
Investment Fees	1,526	1,401	1,526	1,401
Legal Expenses	52	37	52	37
Operating Lease Rental	115	35	115	35
Postage	357	332	357	332
Printing and Stationery	336	371	336	371
Repairs and Maintenance	161	153	161	153
RTEO Service Fees	-	-	11,404	-
Software Maintenance	234	181	234	181
Telephone	169	433	169	433
Travel Expenses	59	88	58	88
Other Supplies and Services	546	478	534	478
Less: Capitalised Costs	-	-	(140)	-
<b>Total Supplies and Services</b>	<b>7,343</b>	<b>6,467</b>	<b>18,486</b>	<b>6,467</b>
<b>7. GRANTS AND SUBSIDIES</b>				
Housing Affordability Grant	100	3,200	100	3,200
RTA Community Education Public Grants Scheme	148	80	148	80
Tenant Advice and Advocacy Service (Qld) Grant (TAAS (Q))	3,245	3,175	3,245	3,175
Other Grants	241	165	241	165
<b>Total Grants and Subsidies</b>	<b>3,734</b>	<b>6,620</b>	<b>3,734</b>	<b>6,620</b>

Note that for further information on grants committed in future years, please refer to Other Commitments in Note 23.

	Group		Parent	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<b>8. DEPRECIATION AND AMORTISATION</b>				
Depreciation and amortisation were incurred in respect of:				
Plant and Equipment	184	188	184	188
Computer Equipment	258	151	258	151
Buildings	102	102	102	102
Leasehold Improvements	37	13	37	13
Other Intangible Assets				
Software Internally Generated	461	415	461	415
Purchased Software	70	61	70	61
<b>Total Depreciation and Amortisation</b>	<b>1,112</b>	<b>930</b>	<b>1,112</b>	<b>930</b>

## 9. OTHER EXPENSES

External Audit Fees *	30	22	27	22
Internal Audit Fees	58	110	58	110
Bad and Impaired Debts	30	31	30	31
Insurance Premiums	56	33	56	33
Valuation Fees	5	4	5	4
<b>Total Other Expenses</b>	<b>179</b>	<b>200</b>	<b>176</b>	<b>200</b>

\* Total external audit fees relating to the 2008/09 financial year are estimated to be \$27,900 for the Group and \$25,100 for the Parent, (2007/08 \$23,800 for both Group and Parent). There are no non-audit services included in this amount.

## 10. CASH AND CASH EQUIVALENTS

Petty Cash	1	1	1	1
Cash at Bank	12,951	1,467	12,911	1,467
Term Deposits	9,000	-	9,000	-
<b>Total Cash and Cash Equivalents</b>	<b>21,952</b>	<b>1,468</b>	<b>21,912</b>	<b>1,468</b>

Interest earned on cash held with the Commonwealth Bank of Australia ranged between 2.5% and 7.2% (2008: 5.5% to 7.2%). Interest earned on cash held with Suncorp Bank (commencing May 2009) earned 4.48%. The term deposit earned interest at 4.47%.

# Notes to and forming part of the Financial Statements

for the year ended 30 June, 2009

	Group		Parent	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<b>11. OTHER FINANCIAL ASSETS</b>				
Managed Funds - QIC	497,126	474,618	497,126	474,618
<b>Total Other Financial Assets</b>	<b>497,126</b>	<b>474,618</b>	<b>497,126</b>	<b>474,618</b>

Represented by:

QIC Investment Products as at 30 June 2009	Group			
	Annual average return on investments	Treasurer approved strategic asset allocation parameter	Actual Allocation	Amount \$'000
QIC Cash Fund	0.00%	0 – 100%	0.00%	-
QIC Cash Enhanced Fund	4.95%	0 – 100%	56.70%	281,854
QIC Global Credit Fund	1.06%	0 – 45%	26.42%	131,355
QIC Global Credit Opportunities Fund	(10.46%)	0 – 20%	7.39%	36,759
QIC Property Fund	(9.45%)	0 – 20%	8.56%	42,569
Duration Overlay*			0.92%	4,589
<b>Total Portfolio</b>	<b>1.37%</b>		<b>100.00%</b>	<b>497,126</b>

QIC Investment Products as at 30 June 2008	Annual average return on investments	Treasurer approved strategic asset allocation parameter	Actual Allocation	Amount \$'000
QIC Cash Enhanced Fund	5.61%	30 - 60%	44.21%	209,843
QIC Global Credit Fund	5.92%	25 – 45%	36.25%	172,063
QIC Global Credit Opportunities Fund	0.76%	0 – 20%	8.65%	41,051
QIC Property Fund	13.92%	0 – 20%	9.90%	47,007
Duration Overlay*			0.98%	4,654
<b>Total Portfolio</b>	<b>5.25%</b>		<b>100.00%</b>	<b>474,618</b>

## 11. OTHER FINANCIAL ASSETS (Continued)

Represented by:	Parent			
<b>QIC Investment Products as at 30 June 2009</b>	Annual average return on investments	Treasurer approved strategic asset allocation parameter	Actual Allocation	Amount \$'000
QIC Cash Fund	0.00%	0 – 100%	0.00%	-
QIC Cash Enhanced Fund	4.95%	0 – 100%	56.70%	281,854
QIC Global Credit Fund	1.06%	0 – 45%	26.42%	131,355
QIC Global Credit Opportunities Fund	(10.46%)	0 – 20%	7.39%	36,759
QIC Property Fund	(9.45%)	0 – 20%	8.56%	42,569
Duration Overlay*			0.92%	4,589
<b>Total Portfolio</b>	<b>1.37%</b>		<b>100.00%</b>	<b>497,126</b>
<b>QIC Investment Products as at 30 June 2008</b>				
QIC Cash Enhanced Fund	5.61%	30 - 60%	44.21%	209,843
QIC Global Credit Fund	5.92%	25 – 45%	36.25%	172,063
QIC Global Credit Opportunities Fund	0.76%	0 – 20%	8.65%	41,051
QIC Property Fund	13.92%	0 – 20%	9.91%	47,007
Duration Overlay*			0.98%	4,654
<b>Total Portfolio</b>	<b>5.25%</b>		<b>100.00%</b>	<b>474,618</b>

\* The Duration Overlay is used by QIC to manage interest rate risk.

# Notes to and forming part of the Financial Statements

for the year ended 30 June, 2009

	Group		Parent	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<b>12. RECEIVABLES</b>				
Accrued Interest Revenue	22	25	22	25
Debtors	82	23	82	23
Other	-	2	-	2
	104	50	104	50
GST Receivable	220	199	220	199
GST Payable	(5)	-	(5)	-
	215	199	215	199
<b>Total Receivables</b>	<b>319</b>	249	<b>319</b>	249

Amounts due have been calculated in accordance with the terms and conditions of the respective debtors and do not bear interest. Amounts also include monies due from Departments and Agencies of the Government of Queensland and the Government of Australia.

## 13. OTHER ASSETS

<b>CURRENT</b>				
Prepayments	249	175	245	175
Wages Paid in Advance	102	-	2	-
Deposits	-	5	-	5
<b>Total Current</b>	<b>351</b>	180	<b>247</b>	180
<b>NON-CURRENT</b>				
Prepayments	2	11	2	11
<b>Total Non-Current</b>	<b>2</b>	11	<b>2</b>	11
<b>Total Other Assets</b>	<b>353</b>	191	<b>249</b>	191

## 14. INTANGIBLE ASSETS

<b>SOFTWARE PURCHASED</b>				
At cost	672	670	672	670
Less: Accumulated amortisation	(601)	(531)	(601)	(531)
	71	139	71	139
<b>SOFTWARE INTERNALLY GENERATED</b>				
At cost	3,829	2,966	3,829	2,966
Less: Accumulated amortisation	(1,180)	(720)	(1,180)	(720)
	2,649	2,246	2,649	2,246
<b>Total Intangible Assets</b>	<b>2,720</b>	2,385	<b>2,720</b>	2,385

## 14. INTANGIBLE ASSETS (continued)

### Intangible Assets Reconciliation

	\$'000	\$'000	\$'000
	Software Internally Generated	Software Purchased	Total
<b>Group</b>			
<b>2009</b>			
<b>Carrying amount at 1 July 2008</b>	2,246	139	2,385
Acquisitions	1,009	2	1,011
Transfers to Property, Plant and Equipment	(65)	-	(65)
Disposals	(80)	-	(80)
Amortisation	(461)	(70)	(531)
<b>Carrying amount at 30 June 2009</b>	<b>2,649</b>	<b>71</b>	<b>2,720</b>
<b>2008</b>			
Carrying amount at 1 July 2007	2,010	165	2,175
Acquisitions	1,106	35	1,141
Transfers to Property, Plant and Equipment	(200)	-	(200)
Disposals	(255)	-	(255)
Amortisation	(415)	(61)	(476)
Carrying amount at 30 June 2008	2,246	139	2,385
<b>Parent</b>			
<b>2009</b>			
<b>Carrying amount at 1 July 2008</b>	2,246	139	2,385
Acquisitions	1,009	2	1,011
Transfers to Property, Plant and Equipment	(65)	-	(65)
Disposals	(80)	-	(80)
Amortisation	(461)	(70)	(531)
<b>Carrying amount at 30 June 2009</b>	<b>2,649</b>	<b>71</b>	<b>2,720</b>
<b>2008</b>			
Carrying amount at 1 July 2007	2,010	165	2,175
Acquisitions	1,106	35	1,141
Transfers to Property, Plant and Equipment	(200)	-	(200)
Disposals	(255)	-	(255)
Amortisation	(415)	(61)	(476)
Carrying amount at 30 June 2008	2,246	139	2,385

# Notes to and forming part of the Financial Statements

for the year ended 30 June, 2009

## 15. PROPERTY PLANT AND EQUIPMENT

	Group		Parent	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<b>LAND</b>				
At independent valuation (2009)	4,500	-	4,500	-
At independent valuation (2008)	-	6,500	-	6,500
	<b>4,500</b>	<b>6,500</b>	<b>4,500</b>	<b>6,500</b>
<b>BUILDINGS</b>				
At independent valuation (2009)	3,800	-	3,800	-
At independent valuation (2008)	-	4,100	-	4,100
	<b>3,800</b>	<b>4,100</b>	<b>3,800</b>	<b>4,100</b>
<b>LEASEHOLD IMPROVEMENTS</b>				
At cost	75	80	75	80
Less: Accumulated depreciation	(50)	(13)	(50)	(13)
	<b>25</b>	<b>67</b>	<b>25</b>	<b>67</b>
<b>PLANT AND EQUIPMENT</b>				
At cost	828	755	828	755
Less: Accumulated depreciation	(543)	(359)	(543)	(359)
	<b>285</b>	<b>396</b>	<b>285</b>	<b>396</b>
<b>COMPUTER HARDWARE</b>				
At cost	1,116	932	1,116	932
Less: Accumulated depreciation	(613)	(358)	(613)	(358)
	<b>503</b>	<b>574</b>	<b>503</b>	<b>574</b>
<b>Total Property, Plant and Equipment</b>	<b>9,113</b>	<b>11,637</b>	<b>9,113</b>	<b>11,637</b>

An independent valuation of land and buildings was performed as at 30 June 2009 by registered valuer Mr Mel Evans of CB Richard Ellis Valuation and Advisory Services. The assessment was completed pursuant to "Non-current Asset Accounting Policies for the Queensland Public Sector" issued by Queensland Treasury and therefore was prepared on the basis of "fair value". The valuations were determined using current market values.



## 15. PROPERTY PLANT AND EQUIPMENT (continued)

Property, Plant and Equipment Reconciliation	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Land	Buildings	Leasehold Improvements	Plant and Equipment	Computer Hardware	Total
<b>Group</b>						
<b>2009</b>						
<b>Carrying amount at 1 July 2008</b>	6,500	4,100	67	396	574	11,637
Acquisitions	-	-	(5)	73	122	190
Transfers from Intangible Assets	-	-	-	-	65	65
Revaluation Decrements	(2,000)	(198)	-	-	-	(2,198)
Depreciation	-	(102)	(37)	(184)	(258)	(581)
<b>Carrying amount at 30 June 2009</b>	<b>4,500</b>	<b>3,800</b>	<b>25</b>	<b>285</b>	<b>503</b>	<b>9,113</b>
<b>2008</b>						
Carrying amount at 1 July 2007	5,900	4,000	-	578	353	10,831
Acquisitions	-	32	80	14	172	298
Disposals	-	-	-	(8)	-	(8)
Transfers from Intangible Assets	-	-	-	-	200	200
Revaluation Increments	600	170	-	-	-	770
Depreciation	-	(102)	(13)	(188)	(151)	(454)
<b>Carrying amount at 30 June 2008</b>	<b>6,500</b>	<b>4,100</b>	<b>67</b>	<b>396</b>	<b>574</b>	<b>11,637</b>
<b>Parent</b>						
<b>2009</b>						
<b>Carrying amount at 1 July 2008</b>	6,500	4,100	67	396	574	11,637
Acquisitions	-	-	(5)	73	122	190
Transfers from Intangible Assets	-	-	-	-	65	65
Revaluation Decrements	(2,000)	(198)	-	-	-	(2,198)
Depreciation	-	(102)	(37)	(184)	(258)	(581)
<b>Carrying amount at 30 June 2009</b>	<b>4,500</b>	<b>3,800</b>	<b>25</b>	<b>285</b>	<b>503</b>	<b>9,113</b>
<b>2008</b>						
Carrying amount at 1 July 2007	5,900	4,000	-	578	353	10,831
Acquisitions	-	32	80	14	172	298
Disposals	-	-	-	(8)	-	(8)
Transfers from Intangible Assets	-	-	-	-	200	200
Revaluation Increments	600	170	-	-	-	770
Depreciation	-	(102)	(13)	(188)	(151)	(454)
<b>Carrying amount at 30 June 2008</b>	<b>6,500</b>	<b>4,100</b>	<b>67</b>	<b>396</b>	<b>574</b>	<b>11,637</b>

# Notes to and forming part of the Financial Statements

for the year ended 30 June, 2009

	Group		Parent	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<b>16. PAYABLES</b>				
<b>a. Payables</b>				
Trade Creditors	2,102	1,696	1,882	1,696
Payables to RTEO	-	-	2,356	-
Deposits, Retentions and Bonds (Non-rental)	6	6	6	6
Payments Received in Advance	36	-	36	-
International Transfers	2	25	2	25
	2,146	1,727	4,282	1,727
<b>b. Rental Bonds and Unclaimed Monies</b>				
Rental Bonds	490,269	432,216	490,269	432,216
Australia Post Agency net Settlement	272	157	272	157
Unclaimed Bond Monies	4,659	3,808	4,659	3,808
Unclaimed Other Monies	4	4	4	4
	495,204	436,185	495,204	436,185
<b>Total Payables</b>	<b>497,350</b>	<b>437,912</b>	<b>499,486</b>	<b>437,912</b>
<b>17. ACCRUED EMPLOYEE BENEFITS</b>				
<b>CURRENT</b>				
Annual Leave	819	680	17	680
Long Service Leave	155	145	2	145
Time Off In Lieu	12	8	-	8
<b>Total Current</b>	<b>986</b>	<b>833</b>	<b>19</b>	<b>833</b>
<b>NON-CURRENT</b>				
Long Service Leave	1,334	1,045	21	1,045
<b>Total Non-Current</b>	<b>1,334</b>	<b>1,045</b>	<b>21</b>	<b>1,045</b>
<b>Total Accrued Employee Benefits</b>	<b>2,320</b>	<b>1,878</b>	<b>40</b>	<b>1,878</b>

The discount rates used to calculate the present value of non-current employee benefits is 4.69% (2007/08: 6.77%). All provisions include associated on-costs.

## 18. RESERVES

	Group		Parent	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Asset Revaluation Reserve	4,248	6,446	4,248	6,446
Investment Fluctuation Reserve	-	7,492	-	7,492
<b>Total Reserves</b>	<b>4,248</b>	<b>13,938</b>	<b>4,248</b>	<b>13,938</b>
Movements:				
<b>Asset Revaluation Reserve</b>				
Opening Balance at 1 July	6,446	5,676	6,446	5,676
Revaluation Increments/(decrements)	(2,198)	770	(2,198)	770
<b>Closing Balance as at 30 June</b>	<b>4,248</b>	<b>6,446</b>	<b>4,248</b>	<b>6,446</b>
<b>Investment Fluctuation Reserve</b>				
Opening Balance at 1 July	7,492	14,800	7,492	14,800
Transfer to Accumulated Surplus	(7,492)	(7,308)	(7,492)	(7,308)
<b>Closing Balance as at 30 June</b>	<b>-</b>	<b>7,492</b>	<b>-</b>	<b>7,492</b>

### Nature and Purpose of Reserves

**Asset Revaluation Reserve:** Under Treasury's Non-Current Asset Policies (APG11) for the Queensland Public Sector, the Authority must periodically revalue certain classes of assets, principally land, buildings and infrastructure and account for any increase or decrease. A decrease in the value of a class of assets or an individual asset resulting from an asset revaluation, must be debited directly to the RTA's asset revaluation reserve in respect of that class only to the extent of previous revaluation increments in the existing reserve balance.

**Investment Fluctuation Reserve:** To minimise the impact of marginal and/or negative future investment returns (which is the sole source of the RTA's revenues) and to ensure continued future operations and delivery of services.

## 19. ACCUMULATED SURPLUS

Movements:				
Opening Balance at 1 July	36,820	30,568	36,820	30,568
Transfer from Investment Fluctuation Reserve	7,492	7,308	7,492	7,308
Operating Result as per Income Statement	(16,647)	(1,056)	(16,647)	(1,056)
<b>Closing Balance as at 30 June</b>	<b>27,665</b>	<b>36,820</b>	<b>27,665</b>	<b>36,820</b>

# Notes to and forming part of the Financial Statements

for the year ended 30 June, 2009

## 20. ASSET REVALUATION RESERVE BY CLASS

Asset Revaluation Reserve Reconciliation	Group			Parent		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Land	Buildings	Total	Land	Buildings	Total
<b>2009</b>						
Carrying amount at 1 July 2008	5,200	1,246	6,446	5,200	1,246	6,446
Revaluation Decrements (Note 15)	(2,000)	(198)	(2,198)	(2,000)	(198)	(2,198)
<b>Carrying amount at 30 June 2009</b>	<b>3,200</b>	<b>1,048</b>	<b>4,248</b>	<b>3,200</b>	<b>1,048</b>	<b>4,248</b>
<b>2008</b>						
Carrying amount at 1 July 2007	4,600	1,076	5,676	4,600	1,076	5,676
Revaluation Increments (Note 15)	600	170	770	600	170	770
Carrying amount at 30 June 2008	5,200	1,246	6,446	5,200	1,246	6,446

## 21. RECONCILIATION OF OPERATING DEFICIT TO NET CASH FROM OPERATING ACTIVITIES

	Group		Parent	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<b>Reconciliation of Cash</b>				
Cash & Cash equivalents comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:				
Total Cash & Cash Equivalents	21,952	1,468	21,912	1,468
<b>Balance per Cash Flow Statement</b>	<b>21,952</b>	<b>1,468</b>	<b>21,912</b>	<b>1,468</b>
Net Operating Deficit	(16,647)	(1,056)	(16,647)	(1,056)
Add: Depreciation and Amortisation	1,112	930	1,112	930
Increase in accrued employee benefits	442	-	-	-
Decrease in other assets	5	-	5	-
Decrease in prepayments	-	53	-	53
Increase in trade creditors	534	851	2,670	851
Increase in unclaimed bonds	851	649	851	649
Increase in rental bonds	58,053	57,829	58,053	57,829
Loss on Sale of Assets	80	263	80	263
	44,430	59,519	46,124	59,519
Less:				
Decrease in employee benefits provisions	-	241	1,838	241
Increase in receivables	70	40	70	40
Increase in prepayments	167	-	63	-
Increase in other assets	-	5	-	5
<b>Net Cash from operating activities</b>	<b>44,193</b>	<b>59,233</b>	<b>44,153</b>	<b>59,233</b>

Assets and liabilities received or donated/transferred by the RTA and its controlled entity and recognised as revenues and expenses are set out in Notes 3 and 5 respectively.

Assets and liabilities received or transferred by the RTA and its controlled entity as a result of Machinery-of-Government (MOG) changes are set out in Note 1.

## 22. FINANCING ARRANGEMENTS

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

Corporate Credit Cards	200	200	200	200
QTC Overdraft Facility	20,000	-	20,000	-

# Notes to and forming part of the Financial Statements

for the year ended 30 June, 2009

## 23. COMMITMENTS FOR EXPENDITURE

	Group		Parent	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<b>(a) Capital Commitments</b>				
Capital expenditure committed for at the reporting date (inclusive of anticipated GST where applicable) but not recognised in the financial statements as liabilities:				
Buildings	295	108	295	108
Plant, Equipment and Intangible Assets	2,128	1,746	2,128	1,746
	<b>2,423</b>	<b>1,854</b>	<b>2,423</b>	<b>1,854</b>
These expenditures are payable:				
Not later than one year	<b>2,423</b>	<b>1,854</b>	<b>2,423</b>	<b>1,854</b>

### (b) Other Expenditure Commitments

Other expenditure committed for at the reporting date (inclusive of anticipated GST where applicable) but not recognised in the financial statements as liabilities:

RTA Community Education Public Grants Scheme	165	198	165	198
Tenant Advice and Advocacy Service (Qld) Grant (TAAS(Q))	4,054	3,828	4,054	3,828
Housing Affordability Grant	-	6,710	-	6,710
Australia Post	2,005	2,066	2,005	2,066
Telecommunications	571	65	571	65
IT Contract Services	776	153	776	153
Other	745	296	732	296
	<b>8,316</b>	<b>13,316</b>	<b>8,303</b>	<b>13,316</b>
These expenditures are payable:				
Not later than one year	<b>7,733</b>	<b>13,167</b>	<b>7,721</b>	<b>13,167</b>
Later than one year and not later than 5 years	<b>583</b>	<b>149</b>	<b>582</b>	<b>149</b>
	<b>8,316</b>	<b>13,316</b>	<b>8,303</b>	<b>13,316</b>

### (c) Finance Lease Commitments

The Authority has no finance lease commitments as at the reporting date.

### (d) Non-cancellable Operating Lease Commitments

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

Accommodation	73	181	73	181
<u>Total Future Minimum Lease Payments</u>				
Not later than one year	73	108	73	108
Later than one year and not later than 5 years	-	73	-	73
	<b>73</b>	<b>181</b>	<b>73</b>	<b>181</b>

## 24. FINANCIAL INSTRUMENTS

	Notes	Group		Parent	
		2009	2008	2009	2008
		\$'000	\$'000	\$'000	\$'000
<b>(a) Categorisation of Financial Instruments</b>					
The RTA and its controlled entity have the following categories of financial assets and financial liabilities:					
<b>Category</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	10	21,952	1,468	21,912	1,468
Other Financial Assets	11	497,126	474,618	497,126	474,618
Receivables	12	297	224	297	224
<b>Total Financial Assets</b>		<b>519,375</b>	<b>476,310</b>	<b>519,335</b>	<b>476,310</b>
<b>Financial Liabilities</b>					
Financial Liabilities measured at amortised cost:					
Payables	16	497,350	437,912	499,486	437,912
<b>Total Financial Liabilities</b>		<b>497,350</b>	<b>437,912</b>	<b>499,486</b>	<b>437,912</b>

### (b) Financial Risk Management

The RTA's activities expose it to a variety of financial risks - interest rate risk, credit risk, liquidity risk and market risk.

Financial risk management is implemented pursuant to Government and RTA policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the RTA and its controlled entity.

The RTA and its controlled entity have written principles for overall risk management as well as policies covering specific areas.

The RTA measures risk exposure as follows:

Risk Exposure	Measurement Method
Credit Risk	Aging analysis, earnings at risk
Liquidity Risk	Sensitivity analysis
Market Risk	Interest rate sensitivity analysis.

# Notes to and forming part of the Financial Statements

for the year ended 30 June, 2009

## 24. FINANCIAL INSTRUMENTS (continued)

### (c) Credit Risk Exposure

Credit risk exposure refers to the situation where the RTA or its controlled entity may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment.

The following table represents the RTA and its controlled entity's maximum exposure to credit risk based on contractual amounts net of any allowances:

	Notes	Group		Parent	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Maximum Exposure to Credit Risk</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	10	21,952	1,468	21,912	1,468
Other Financial Assets	11	497,126	474,618	497,126	474,618
Receivables	12	297	224	297	224
<b>Total Financial Assets</b>		<b>519,375</b>	476,310	<b>519,335</b>	476,310

No collateral is held as security and no credit enhancements relate to financial assets held by the RTA or its controlled entity.

The RTA and its controlled entity manage credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the RTA invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

No financial assets and financial liabilities have been offset and presented net in the Balance Sheet.

The method for calculating any provisional impairment for risk is based on past experience, current and expected changes in economic conditions and changes in client credit ratings. The main factors affecting the current calculation for provisions are disclosed below as loss events. These economic and geographic changes form part of the RTA and its controlled entity's documented risk analysis assessment in conjunction with historic experience and associated industry data.

There is no recognised impairment loss for the current year (2008: nil).

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amount as indicated.



## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### (c) Credit Risk Exposure (Continued)

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

	Due	Overdue				Total	Total Financial Assets
	Not Over-due	Less than 30 days	30 to 60 days	60 to 90 days	Greater than 90 days		
Group							
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2009</b>							
<b>Financial Assets</b>							
Receivables	269	5	23	0	0	297	297
<b>Total</b>	<b>269</b>	<b>5</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>297</b>	<b>297</b>
<b>2008</b>							
Financial Assets							
Receivables	206	-	3	-	15	224	224
<b>Total</b>	<b>206</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>15</b>	<b>224</b>	<b>224</b>
Parent							
<b>2009</b>							
<b>Financial Assets</b>							
Receivables	269	5	23	0	0	297	297
<b>Total</b>	<b>269</b>	<b>5</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>297</b>	<b>297</b>
<b>2008</b>							
Financial Assets							
Receivables	206	-	3	-	15	224	224
<b>Total</b>	<b>206</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>15</b>	<b>224</b>	<b>224</b>

# Notes to and forming part of the Financial Statements

for the year ended 30 June, 2009

## 24. FINANCIAL INSTRUMENTS (continued)

### (d) Liquidity Risk

The RTA and its controlled entity are exposed to liquidity risk only in respect of payables. Presently, the RTA or its controlled entity have no borrowings, though the RTA does have a facility that has not been drawn down (see note 22).

The RTA and its controlled entity manage liquidity risk on the basis of the Funds Management Strategy and the Investment Policy. These policies aim to reduce the exposure to liquidity risk by ensuring the RTA and its controlled entity have sufficient funds available to meet employee and supplier obligations as and when they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities. Cash-flow management is performed daily.

The following table sets out the liquidity risk of financial liabilities held by the RTA and its controlled entity. It represents the contractual maturity of financial liabilities, calculated based on cash flows relating to repayment of the amount outstanding at balance date.

	Notes	Group			
		\$'000	\$'000	\$'000	\$'000
		Payable in:			Total
≤ 1 year	> 1 year ≤ 5 years	> 5 years			
<b>2009</b>					
<b>Financial Liabilities</b>					
Payables	16	497,350	-	-	497,350
<b>Total Financial Liabilities</b>		<b>497,350</b>	<b>-</b>	<b>-</b>	<b>497,350</b>
<b>2008</b>					
Financial Liabilities					
Payables	16	437,912	-	-	437,912
<b>Total Financial Liabilities</b>		<b>437,912</b>	<b>-</b>	<b>-</b>	<b>437,912</b>
		Parent			
<b>2009</b>					
<b>Financial Liabilities</b>					
Payables	16	499,486	-	-	499,486
<b>Total Financial Liabilities</b>		<b>499,486</b>	<b>-</b>	<b>-</b>	<b>499,486</b>
<b>2008</b>					
Financial Liabilities					
Payables	16	437,912	-	-	437,912
<b>Total Financial Liabilities</b>		<b>437,912</b>	<b>-</b>	<b>-</b>	<b>437,912</b>

## 24. FINANCIAL INSTRUMENTS (continued)

### (e) Market Risk

The RTA and its controlled entity do not trade in foreign currency and are not exposed to material commodity price changes. The RTA is exposed to interest rate risk through its large investment with the Queensland Investment Corporation (QIC) and other short term investments with financial institutions. Through the Investment strategy with QIC, the RTA is exposed to the risk of movements in domestic and international bond yields. A derivative overlay account exists to protect the portfolio from interest rate risk.

Due to the volatility experienced during 2008/09 in the financial markets, the RTA and its controlled entity continually assessed interest rate exposure and the impact of market volatilities. With funds manager, QIC, the RTA was provided with investment return sensitivity analysis periodically throughout the year. Generally, the analysis is based on forecasts with shifts in returns both positive and negative through applying volatility estimates. To reflect a similar analysis for the purpose of this report, with all other variables held constant, if the average investment return across the complete portfolio had varied + or - 50 basis points, the outcome for the RTA and its controlled entity is summarised in the table below:

	\$'000	\$'000	\$'000	\$'000	\$'000
	Return on earnings 50 basis points				
	less than actual		greater than actual		
	Carrying Amount	Operating Surplus/ (Deficit)	Equity	Operating Surplus/ (Deficit)	Equity
<b>Group</b>					
<b>2009 Interest Rate Risk</b>					
Investment earning variation	497,126	(2,516)	(2,516)	2,516	2,516
Actual result		(16,647)	31,913	(16,647)	31,913
Changed result		(19,163)	29,397	(14,131)	34,429
<b>2008 Interest Rate Risk</b>					
Investment earning variation	474,618	(2,192)	(2,192)	2,192	2,192
Actual result		(1,056)	50,758	(1,056)	50,758
Changed result		(3,248)	48,566	1,136	52,950
<b>Parent</b>					
<b>2009 Interest Rate Risk</b>					
Investment earning variation	497,126	(2,516)	(2,516)	2,516	2,516
Actual result		(16,647)	31,913	(16,647)	31,913
Changed result		(19,163)	29,397	(14,131)	34,429
<b>2008 Interest Rate Risk</b>					
Investment earning variation	474,618	(2,192)	(2,192)	2,192	2,192
Actual result		(1,056)	50,758	(1,056)	50,758
Changed result		(3,248)	48,566	1,136	52,950

### (f) Fair Value

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

# Notes to and forming part of the Financial Statements

for the year ended 30 June, 2009

## 25. RECONCILIATION OF FINANCIAL INSTRUMENTS TO NET ASSETS

	Group		Parent	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Net Financial Assets				
Financial Assets	519,375	476,310	519,335	476,310
Financial Liabilities	(497,350)	(437,912)	(499,486)	(437,912)
	22,025	38,398	19,849	38,398
Non-financial Assets and Liabilities:				
Accrued Revenues	22	25	22	25
Prepayments	353	191	249	191
Property, Plant and Equipment	9,113	11,637	9,113	11,637
Intangible Assets	2,720	2,385	2,720	2,385
Accrued Employee Benefits	(2,320)	(1,878)	(40)	(1,878)
Net Assets as per Balance Sheet	31,913	50,758	31,913	50,758

## 26. BOARD DISCLOSURES

Section 292 of the RTA Act provides for the RTA to have a Board of Directors. There is no legislative requirement for the RTEO to have a Board.

The Queensland Government determines appropriate payment for part-time chairs and members of government boards, committees and statutory authorities. Payments are made in accordance with the Department of Employment and Industrial Relations Procedures: "Remuneration of part-time Chairs and Members of Government Boards, Committees and Statutory Authorities issued on 26 April 2006".

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

Member	Date of Appointment	Date of Re-appointment
Mr John Charles Battams (Chair)	December 2004	April 2007
Ms Catherine Elizabeth Bavage	June 1995	April 1998, April 2001, April 2004, April 2007
Mr Darrell Brady*	April 2001	April 2004
Ms Luella Winifred Camp	April 2001	April 2004, April 2007
Ms Lynda Sadiki **	April 2004	April 2007
Ms Helen Roslyn Wallace	April 2004	April 2007
Mr Roy Charles Ware	April 2005	April 2007
Ms Lee Banfield	June 2009	

\* Vacant from April 2007 and reappointed March 2008

\*\* Resigned April 2008

Board Members Remuneration	Group		Parent	
	2009	2008	2009	2008
The number of Board Members who received or were due to receive total remuneration on balance date:	No.	No.	No.	No.
Remuneration Band:				
\$0 to \$999	1	-	1	-
\$1,000 to \$9,999	5	5	5	5
\$10,000 to \$19,999	1	2	1	2
<b>Total</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
	\$'000	\$'000	\$'000	\$'000
The total remuneration paid to Board Members:				
Mr John Charles Battams (Chair)	10	12	10	12
Ms Catherine Elizabeth Bavage	7	12	7	12
Mr Darrell Brady*	6	3	6	3
Ms Luella Winifred Camp	5	6	5	6
Ms Lynda Sadiki **	-	8	-	8
Ms Helen Roslyn Wallace	6	7	6	7
Mr Roy Charles Ware	8	6	8	6
Ms Lee Banfield	-	-	-	-
<b>Total Board Member Payments</b>	<b>42</b>	<b>54</b>	<b>42</b>	<b>54</b>

2008/09 board fees include fees of \$38,973 and superannuation of \$3,016. During 2007/08, board fees include fees of \$39,916, 2007/08 superannuation of \$2,365 plus 2006/07 superannuation contributions of \$12,283 previously unpaid.

# Notes to and forming part of the Financial Statements

for the year ended 30 June, 2009

## 26. BOARD DISCLOSURES (continued)

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

The RTA has registered dealings with another entity of which a Board Member has a related interest as declared in the Conflicts of Interest Register. This relates to grant funding provided to The Department of Communities to support the Tenant Advice and Advocacy Service(Qld) program as stated in Note 7 and Note 23 (b) of which Ms Banfield is an employee.

### (c) Board Members Appointments and Memberships

Board Members presently hold appointments and/or memberships as follows:

Mr John Charles Battams	<a href="#">Chair, Residential Tenancies Authority</a> Secretary, Australian Education Union (Queensland) Board Member, Lady Bowen Trust Board of Advice Management Committee Member, Northern Suburbs Hockey Club Inc Honorary President, Queensland Council of Unions General Secretary, Queensland Teachers' Union Chair, Sunsuper Chair, Sunsuper Financial Services Pty Ltd
Ms Catherine Elizabeth Bavage	<a href="#">Board Member, Residential Tenancies Authority</a> Chair, Audit and Risk Committee, Residential Tenancies Authority
Ms Luella Winifred Camp	<a href="#">Board Member, Residential Tenancies Authority</a>
Ms Helen Roslyn Wallace	<a href="#">Board Member, Residential Tenancies Authority</a> Secretary, The Property Owners' Association of Queensland Member, The Unit Owners Association of Queensland
Mr Darrell Brady	<a href="#">Board Member, Residential Tenancies Authority</a> Member, Real Estate Institute of Queensland Director, Queensland Real Estate Training Pty Ltd
Mr Roy Charles Ware	<a href="#">Board Member, Residential Tenancies Authority</a> Member, Audit and Risk Committee, Residential Tenancies Authority Director, Aquila Consulting Pty Ltd Director, C Management Services Pty Ltd Deputy Chancellor, Central Queensland University Council Director, Fitzroy Park Investments Pty Ltd Director, Fitzroy Park Pty Ltd Deputy Chairman, Gladstone Ports Corporation Board Member, Professional Engineers of Queensland Consultant, Robert Harris & Co, Solicitors, Yeppoon Director, Rockhampton Regional Development Limited Director, Zahara Services Pty Ltd
Appointments during 2008/09:	
Ms Lee Banfield	<a href="#">Board Member, Residential Tenancies Authority</a> Manager, TAAS(Q) Sunshine Coast Housing Company Treasurer, Tenants' Union Queensland Steering Committee SC Delegate, Queensland Shelter
Resignations during 2007/08:	
Ms Lynda Sadiki	<a href="#">Board Member, Residential Tenancies Authority</a>

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## 27. CONTINGENT ASSETS AND LIABILITIES

The RTA and its controlled entity are not aware of any contingent assets at reporting date or at the date of this financial report.

The RTA presently has a contingent liability in the form of a bank guarantee which is not recognised as a liability in the balance sheet. The guarantee is with R.K. McTaggart, I.C. Diehm and R.D. Sahay trading as Stephens and Tozer Solicitors and pertains to the equivalent of three months rent as a security deposit for the sub-lease of premises at Level 6, 183 North Quay, Brisbane. The total amount of the guarantee is \$29,282. Pursuant to section 34 of the *Statutory Bodies Financial Arrangements Act 1982* (Qld), approval has been provided to the RTA to enter into the arrangement from the Under Treasurer.

The RTA and its controlled entity are not aware of any other contingent liabilities at reporting date or at the date of this financial report.

## 28. EVENTS OCCURRING AFTER BALANCE DATE

The RTA and its controlled entity are not aware of any event occurring after balance date that would impact this financial report.

# Management Certificate

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for the year ended 30 June, 2009

This consolidated general purpose financial report has been prepared pursuant to section 46F(1) of the *Financial Administration and Audit Act 1977* (Qld) (the Act), and other prescribed requirements. In accordance with section 46F(3) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Residential Tenancies Authority and its controlled entity for the financial year ended 30 June 2009 and of the financial position of the Authority and its controlled entity at the end of that year.



**Fergus Smith**  
General Manager



**John Battams**  
Chairperson, RTA Board

**19 August 2009**



# Independent Auditor's Report

To the Board of the Residential Tenancies Authority

## Matters Relating to the Electronic Presentation of the Audited Financial Report

The auditor's report relates to the financial report of the Residential Tenancies Authority for the financial year ended 30 June 2009 included on the Residential Tenancies Authority's website. The Board is responsible for the integrity of the Residential Tenancies Authority's website. I have not been engaged to report on the integrity of the Residential Tenancies Authority's website. The auditor's report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report, available from the Residential Tenancies Authority to confirm the information included in the audited financial report presented on this website.

## Report on the Financial Report

I have audited the accompanying financial report of the Residential Tenancies Authority, which comprises the balance sheet as at 30 June 2009 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies other explanatory notes and certificates given by the Board and officer responsible for the financial administration of the consolidated entity comprising the Residential Tenancies Authority and the entities it controlled at the year's end or from time to time during the financial year.

### *The Board's Responsibility for the Financial Report*

The Board is responsible for the preparation and fair presentation of the financial report in accordance with prescribed accounting requirements identified in the *Financial Administration and Audit Act 1977* and the *Financial Management Standard 1997*, including compliance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

My responsibility to express an opinion on the financial report based on the audit is prescribed in the *Auditor-General Act 2009*. This Act, including transitional provisions, came into operation on 1 July 2009 and replaces the previous requirements contained in the *Financial Administration and Audit Act 1977*.

The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. These auditing standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

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

### *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor General and QAO authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

### *Auditor's Opinion*

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Residential Tenancies Authority and the consolidated entity for the financial year 1 July 2008 to 30 June 2009 and of the financial position as at the end of that year.



**J A Latif (CA)**  
Delegate of the Auditor-General of Queensland

**19 August 2009**  
**Brisbane**

# Glossary of Terms

**ACC**  
Agency Consultative Committee

**Accommodation Act**  
*Residential Services (Accommodation) Act 2002*

**ACPAC**  
Australian Centre for Peace and Conflict Studies

**ARAMA**  
Australian Resident Accommodation Managers Association

**ARC**  
Audit and Risk Committee

**BSA**  
Building Services Authority

**CALD**  
Culturally and Linguistically Diverse

**EEO**  
Equal Employment Opportunity

**ECB**  
Ecumenical Coffee Brigade

**Ekka**  
Brisbane's Annual RNA Show

**FOI**  
Freedom of Information

**FTE**  
Full Time Equivalent (staff)

**PEP**  
Process Evaluation Procedure

**QCAT**  
Queensland Civil and Administrative Tribunal

**QCHC**  
Queensland Community Housing Coalition

**QIC**  
Queensland Investment Corporation

**RBA**  
Rental Bond Authority (1989 to 1994)

**Regulation**  
*Residential Tenancies and Rooming Accommodation Regulation 2009*

**REIQ**  
Real Estate Institute of Queensland

**RNA**  
Royal National Association

**RTA**  
Residential Tenancies Authority

**RTEO**  
Residential Tenancies Employing Office

**RTRA**  
*Residential Tenancies and Rooming Accommodation Act 2008*

**SAPA**  
Supported Accommodation Providers Association

**SPEAK**  
Skills Performance Expertise Attitude Knowledge

**TAAS(Q)**  
Tenant Advice and Advocacy Service (Queensland)

**Tenancies Act**  
*Residential Tenancies Act 1994*

**The Tribunal**  
Small Claims Tribunal

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## For our readers



### Additional copies

The complete RTA Annual Report 2008/09 can be downloaded from the RTA website at [www.rta.qld.gov.au](http://www.rta.qld.gov.au).



### Distribution

The RTA Annual Report is distributed to key stakeholders within Queensland's residential rental sector including members of the public, staff, community and special interest groups, key business partners and State Government departments.



### More information

To find out more about the information contained in this Annual Report, contact the RTA on 1300 366 311 (local call cost).



### Feedback

Your feedback is valuable to the RTA and helps to improve the quality of the RTA Annual Report. To provide feedback please contact the RTA by telephone or email your feedback to [annualreport@rta.qld.gov.au](mailto:annualreport@rta.qld.gov.au).



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Government

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