

Residential Tenancies Authority

ANNUAL REPORT

2019–20

Letter of compliance

28 August 2020

The Honourable Mick de Brenni MP

Minister for Housing and Public Works, Minister for Digital Technology, Minister for Sport

GPO Box 2457

Brisbane Qld 4001

Dear Minister

I am pleased to present the Annual Report 2019–20 and financial statements for the Residential Tenancies Authority (RTA).

I certify this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* (Qld) and the *Financial and Performance Management Standard 2009* (Qld), and
- the detailed requirements set out in the *Annual Report requirements for Queensland Government agencies*.

A checklist outlining compliance with the annual reporting requirements can be found on 87 of this report.



Yours sincerely



Paul Melville

Board Chair, Residential Tenancies Authority

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Accessibility	
	The Queensland Government and the RTA are committed to providing accessible services to Queenslanders from culturally and linguistically diverse backgrounds. If you have difficulty in understanding this report, you can access the Translating and Interpreting Services via qld.gov.au/languages or by phoning 1300 366 311 and we will arrange an interpreter to communicate this report to you.
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<ul style="list-style-type: none"> • consultancies • overseas travel • Queensland Language Services Policy. 	
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Readers are invited to comment on this report by emailing annualreport@rta.qld.gov.au or by calling the RTA Contact Centre on 1300 366 311.	
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Chair's message

It gives me great pleasure to present the Residential Tenancies Authority (RTA) Annual Report for 2019-20 outlining the RTA's efforts and achievements to further its vision of renting that works for all Queenslanders.

The highlights of the 2019-20 financial year for the RTA were:

- approving a four-year Strategic Plan which ensured the customer remains at the centre of our work;
- continuing work to implement the changes arising from the COVID-19 Regulations;
- expanding stakeholder forums with organisations that touch our industry (including visits to Townsville and Roma), and most importantly,
- assisting Queenslanders whose tenancies were impacted by COVID-19.

The new Strategic Plan outlines the RTA's direction and objectives for the next four years. It retains a strong focus on customer service and continues our ongoing endeavours to provide digital solutions as an option so customers can more easily access RTA services.

A strong focus in 2019-20 was to extend our regional connections. The RTA Board met in Townsville in October 2019 and met with the local rental sector, most of whom had been impacted by the floods in February 2019. To support the launch of the RTA Regional Roadshow, the Board met in Roma in February 2020 and engaged with the rental community there that was suffering from the impacts of drought at the time. These regional visits enabled the RTA to more deeply understand the needs of regional Queensland and facilitated direct engagement with over 800 stakeholders.

The COVID-19 pandemic has affected the lives of all Queenslanders in 2020. The RTA played a crucial role in assisting those landlords and tenants directly affected. The team at the RTA were able to respond rapidly to the changing times and the RTA team performed in an extraordinary manner which included:

- developing the COVID-19 Dispute Resolution Web Service within two weeks
- producing a wide range of digital and paper resources to explain the temporary COVID-19 amendments to tenancy laws and how to work together
- transitioned to a remote workforce while conducted continuous training for relevant staff, representing over 550 hours of staff investment.

Like most other government agencies, our investment portfolio was impacted by the pandemic. With the guidance of Queensland Investment Corporation (QIC), we expect to see these impacts being reversed in due course. We are already seeing some evidence of this.

I'd like to thank the Honourable Mick de Brenni MP, Minister for Housing and Public Works, Minister for Digital Technology, Minister for Sport, his office and all of the staff from the Department of Housing and Public Works who interact with the RTA to achieve positive outcomes for the Queensland community. Their support has been significant and is greatly appreciated.

Finally, I'd like to thank the wonderful staff at the RTA who have gone above and beyond, particularly since the impact of the pandemic. There has been a need for extended hours, transitioning to work from home arrangements, new technology and supporting customers who were significantly impacted by the pandemic. The staff responded wonderfully and have been ably led by our CEO Jennifer Smith and the Executive Leadership Team.



Paul Melville Board Chair

CEO's message

As Queensland's independent rental authority, we strive to place our customers at the centre of all that we do. In 2019–20, we laid the groundwork and conducted research to map our customers' journeys and identify areas where we could deliver an improved customer experience. This work will continue as we deliver on our Strategic Plan 2019–23, which highlights our aim to deliver smart digital services, build a customer-focused workforce, improve business efficiency and ensure customers value our services.

Following the successful launch of the RTA Bond Lodgement Web Service in June 2019, we released a suite of end-of-tenancy Web Services in December 2019 to make requesting bond refunds simpler and quicker for our customers. We conducted customer consultation through focus groups and used the feedback gathered to inform the Web Services and streamline essential customer transactions around ending a tenancy. The launch of the Bond Refund, Bond Disputes and Update Your Details Web Services also marked the important milestone of 30 years of service for the RTA in Queensland.

In February 2020, the RTA released a series of Web Service upgrades and enhancements, shaped and informed by customer feedback. This included adding a Bond increase option to our Bond Lodgement Web Service. I am pleased these services are improving the experience for many of our customers and we continue to be mindful of those customers who may need additional support to access our services.

A conscious effort has been made to move towards paperless services to reduce our environmental footprint. In addition to developing RTA Web Services which offer customers an alternative to paper forms for essential tenancy transactions, we ceased bulk printing for all forms and publications in January 2020.

In the second half of the financial year, the RTA focused on responding to the COVID-19 pandemic. The Queensland renting community was significantly impacted by the pandemic and the accompanying social and economic consequences. The RTA moved quickly to support the community alongside the new temporary legislative changes introduced by the Queensland Government. The RTA also worked quickly to transition to a remote workforce while continuing to provide high quality customer services. During this period, the RTA engaged a second contact centre to support our customers as they responded to the National Cabinet and Queensland Government announcements, legislative changes and accessing available assistance and support mechanisms. Extensive training for new and current staff enabled the business to rapidly respond to the needs of the sector. The RTA's comprehensive COVID-19 response and the associated details regarding our transition to a remote workforce are shown on pages 17–19 of this report.

As we adjust to our new normal, not only at the RTA but across the world, I am grateful for the hard work, flexibility and dedication of our RTA staff. They have continued to make renting work for everyone in our community while also adapting to new ways of working. I thank the Executive Leadership Team for their trust, advice and resilience through the changes and uncertainties that this year has presented. I would also like to thank the RTA Board, the Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport, the Honourable Mick de Brenni MP, and the Department of Housing and Public Works for their ongoing commitment to our sector.

In the next 12 months, the RTA will continue to support the Queensland renting community and strengthen relationships with our stakeholders on the road to recovery. I also look forward to making further progress on our strategic objectives and delivering positive outcomes for our customers.



Jennifer Smith Chief Executive Officer

About us

Our vision and purpose

The RTA is an independent statutory authority established by the *Residential Tenancies and Rooming Accommodation Act 2008* (RTRA Act) and offers a range of services to empower positive relationships, administer fairness and uphold integrity and balance in the residential rental sector.

As a self-funded organisation, the income earned from the investment of rental bonds pays for our operating costs and allows us to provide state-wide tenancy information, education and support services and bond management. We also offer a free dispute resolution service to help parties resolve tenancy issues without the need for legal action, and investigate alleged offences under the RTRA Act, with the aim to educate and prosecute offenders.

To remain relevant in this rapidly changing sector, the RTA researches and monitors residential rental data and trends. We also facilitate conversations with key stakeholders and industry sector bodies, which enables us to proactively identify and respond to our customers' varying and evolving needs and expectations.

The RTA is governed by a Board of Directors, appointed by the Queensland Parliament's Governor in Council, and is responsible to the Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport, the Honourable Mick de Brenni MP.

Our objectives and strategies

This year, the RTA launched a new Strategic Plan 2019–23 to guide our journey for the next four years. This Strategic Plan brings a fresh perspective to our purpose and paves our way to becoming a customer-centric organisation. It also demonstrates our commitment to respect, protect and promote human rights in our decision-making and actions.

Our Strategic Plan 2019–23 outlines four main objectives. We aim to provide smart digital services, improve business efficiency, build a customer-focused workforce and ensure customers value our services.

The RTA also contributes to the Queensland Housing Strategy 2017–2027, which is a 10-year framework led by the Queensland Government to create better housing pathways and help every Queenslanders access a safe, secure and affordable home.

Our contribution to community objectives

The RTA contributes to the Queensland Government's Our Future State – Advancing Queensland's Priorities to 'Be a responsive Government', supporting the residential rental sector by providing simple, easy-to-access services that meet customer expectations.

Our operations

Contact Centre phone enquiries

2015–16	2016–17	2017–18	2018–19	2019–20
405,916	413,775	401,069	360,399	426,615^

^ Includes 30,786 COVID-19 hotline enquiries

New bond lodgements ¹

2015–16	2016–17	2017–18	2018–19	2019–20
266,868	276,448	272,939	267,210	268,188

Number of bonds held ² (30 June)

2015–16	2016–17	2017–18	2018–19	2019–20
555,820	582,052	607,053	621,960	638,481

Value of bonds ³ (\$'m 30 June)

2015–16	2016–17	2017–18	2018–19	2019–20
774.08	815.56	855.58	900.8^	943.4

^ Figure updated due to the definition of unclaimed bond monies being redefined

Conciliated disputes ⁴

2015–16	2016–17	2017–18	2018–19	2019–20
13,259	16,566	16,657	17,627	19,882^

^ Includes 1,791 COVID-19 related disputes

Investigations finalised ⁵

2015–16	2016–17	2017–18	2018–19	2019–20
690	815	1,018	1,159	1,050

Website visits

2015–16	2016–17	2017–18	2018–19	2019–20
2,305,020	2,494,263	2,219,609	2,270,595	2,939,273^

^ Includes increased traffic during COVID-19 emergency

Operating deficit/surplus (\$'m)

2015–16	2016–17	2017–18	2018–19	2019–20
(9.8)	0.7	(7.9)	8.6	(43.3)

1. Includes new bond lodgements for general tenancies and rooming accommodation.

2. Includes bonds held for general tenancies and rooming accommodation.

3. Excludes unclaimed bond monies.

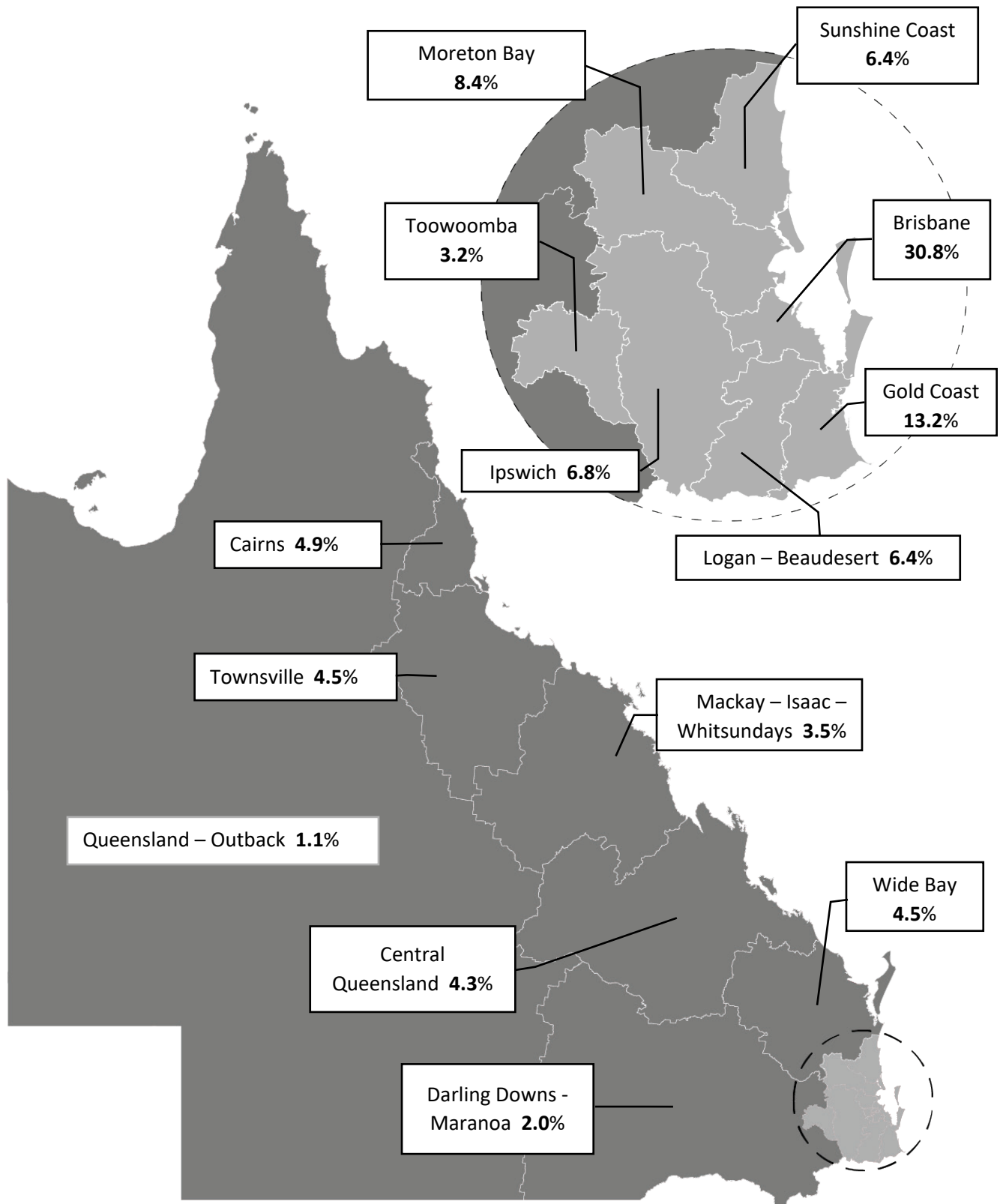
4. Methodology changed in this current annual report to more accurately reflect dispute resolution requests that proceed to conciliation in the last five years. This excludes dispute resolution requests where parties subsequently withdrew from the conciliation process or were unable to be contacted.

5. Prior to 2017–18, we recorded the number of commenced – but not necessarily finalised – investigations into non-compliance in the financial year.

Our customers

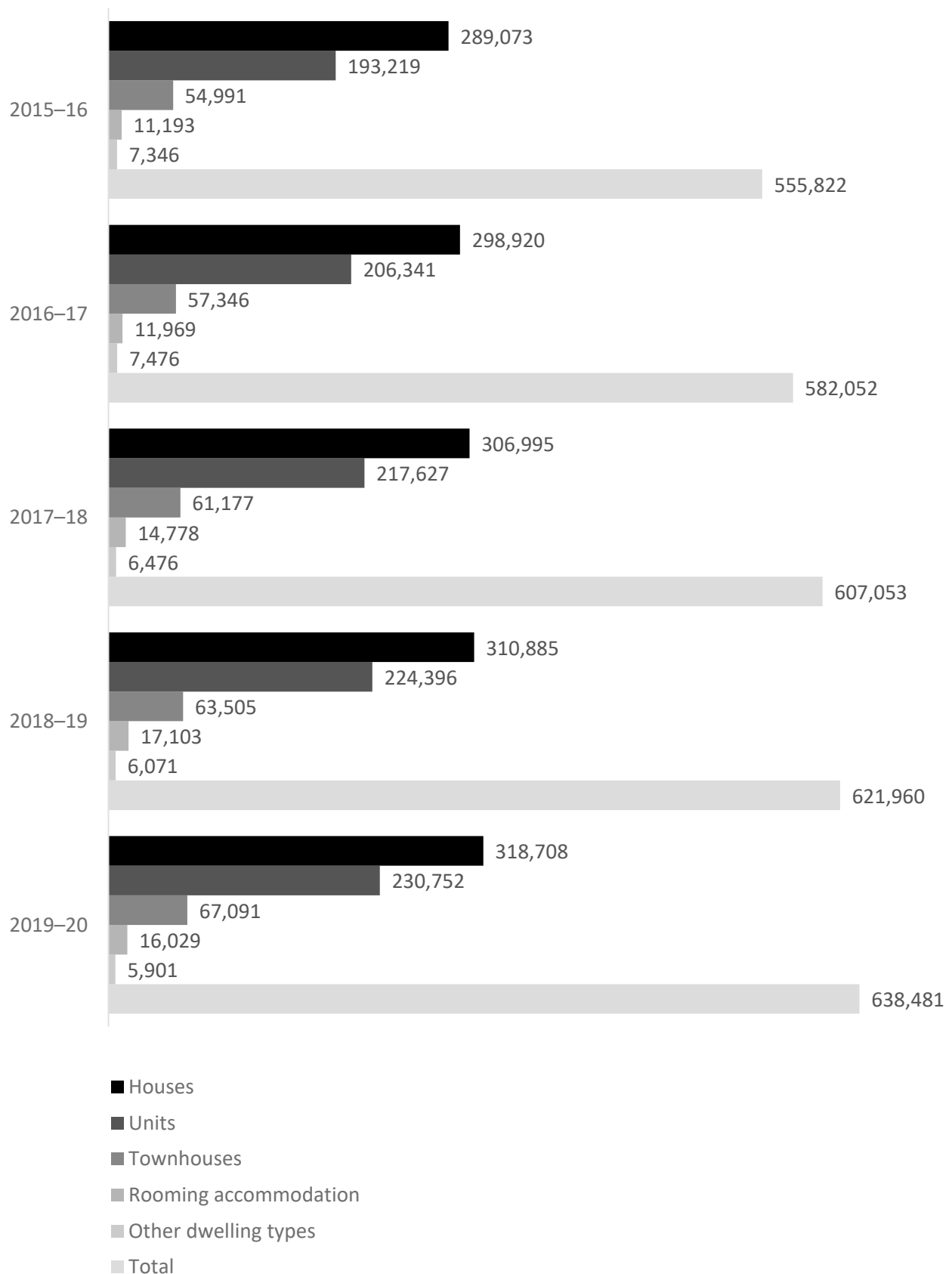
Queensland bonds held by the RTA

Data below is based on bonds held by the RTA as at 30 June 2020.

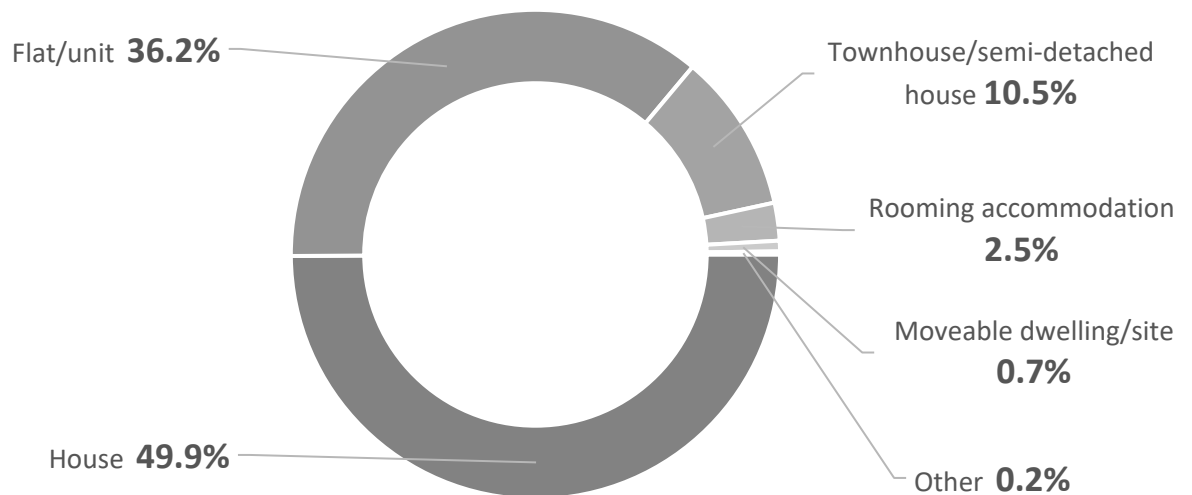


Total bonds held by dwelling type

The data below shows the total bonds held per dwelling type in the June quarter of each financial year between 2015–16 and 2019–20.

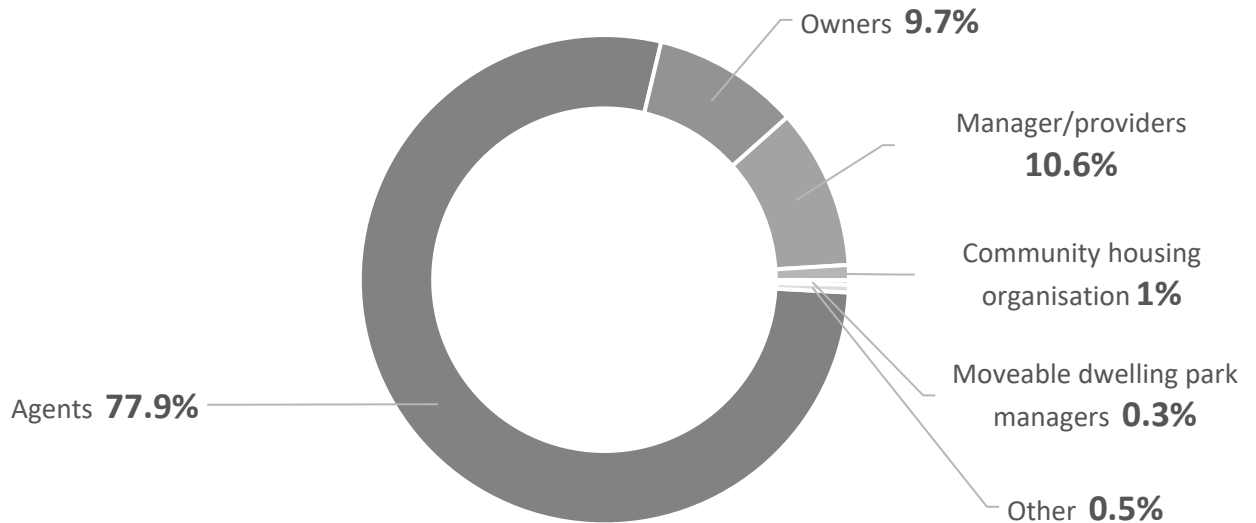


Dwelling type



96.6% of dwellings are houses, flats and townhouses

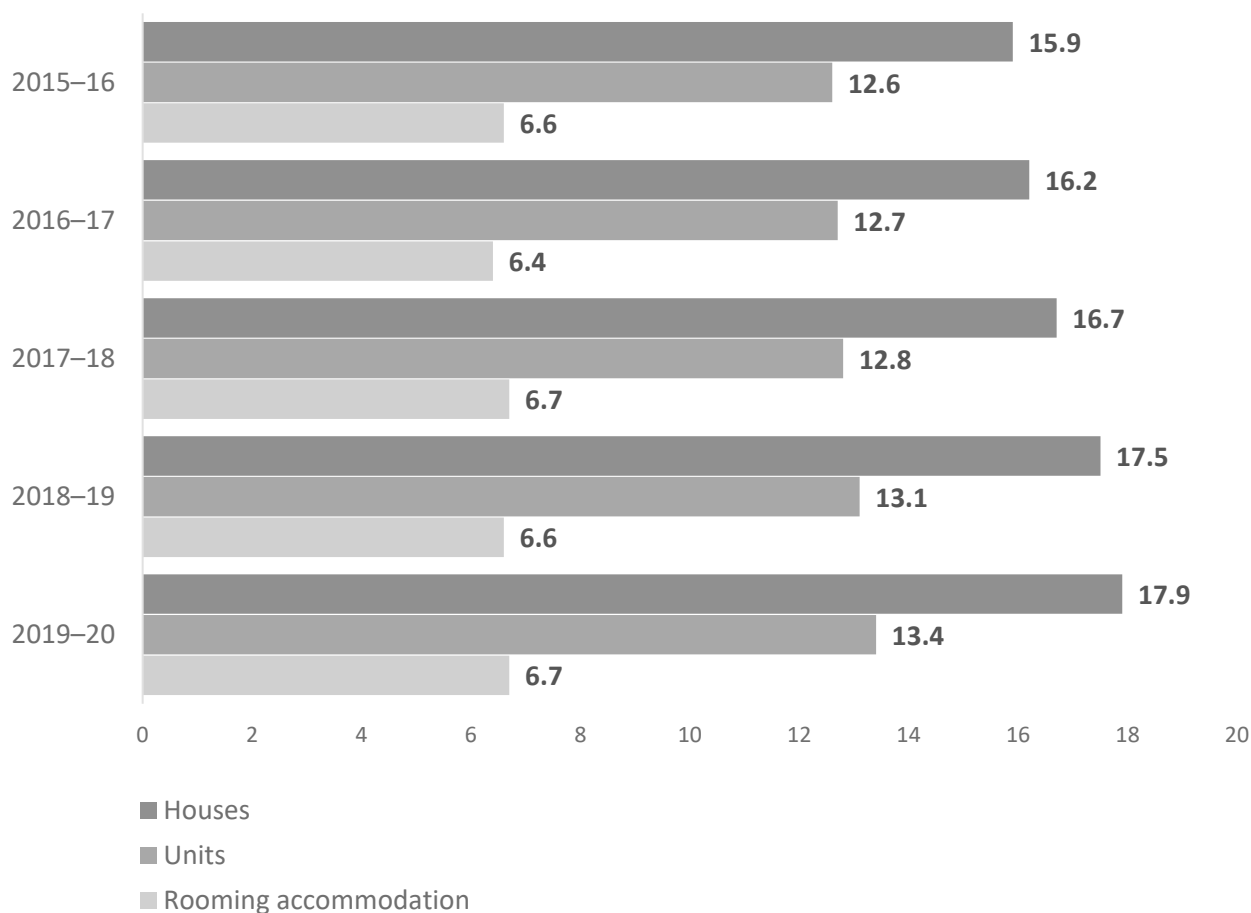
Who manages bonds?



Approximately **88.5%** of rental properties are managed by real estate agents/onsite managers/property managers

Median length of tenancies (months)

The median length of tenancies in Queensland between 2015–16 and 2019–20.



Weekly median rents

The median weekly rents for all dwelling types based on new bonds lodged in the June quarter of each financial year between 2010–11 and 2019–20.

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
\$340	\$350	\$350	\$350	\$350	\$350	\$360	\$360	\$365	\$370

Median rents for Queensland and major centres

Data below is based on new bonds lodged with the RTA in the June quarters of 2019 and 2020. Locations of major centres in Queensland below is based on Significant Urban Areas¹.

2 bedroom flat/unit				3 bedroom house		
Location	2019	2020	% change	2019	2020	% change
Brisbane	\$395	\$400	1.3%	\$380	\$390	2.6%
Bundaberg	\$235	\$240	2.1%	\$295	\$300	1.7%
Cairns	\$300	\$305	1.7%	\$385	\$390	1.3%
Emerald	\$210	\$233	11.0%	\$275	\$300	9.1%
Gladstone - Tannum Sands	\$158	\$170	7.6%	\$210	\$236	12.4%
Gold Coast - Tweed Heads	\$420	\$430	2.4%	\$480	\$495	3.1%
Gympie	\$215	\$220	2.3%	\$290	\$300	3.4%
Hervey Bay	\$265	\$270	1.9%	\$325	\$330	1.5%
Kingaroy	\$205	\$215	4.9%	\$270	\$275	1.9%
Mackay	\$245	\$265	8.2%	\$340	\$360	5.9%
Maryborough	\$200	\$205	2.5%	\$270	\$280	3.7%
Mount Isa	\$220	\$230	4.5%	\$370	\$380	2.7%
Rockhampton	\$210	\$220	4.8%	\$280	\$290	3.6%
Sunshine Coast	\$365	\$375	2.7%	\$450	\$460	2.2%
Toowoomba	\$250	\$256	2.4%	\$315	\$320	1.6%
Townsville	\$250	\$265	6.0%	\$300	\$320	6.7%
Warwick	\$220	\$215	-2.3%	\$270	\$275	1.9%
Yeppoon	\$268	\$290	8.2%	\$330	\$350	6.1%
Queensland	\$355	\$360	1.4%	\$360	\$360	0.0%

1. Australian Bureau of Statistics. (2016) Significant Urban Areas. Australian Statistical Geography Standard (ASGS) (ABS Cat. 1270). The Significant Urban Area (SUA) structure of the Australian Statistical Geography Standard (ASGS) represents significant towns and cities of 10,000 people or more.

Our customised services

In 2019–20, the RTA continued with the staged development and optimisation of Web Services as part of our commitment to customer excellence. We took all opportunities to consult with customers and seek their feedback to improve the support and services we provide, inform future areas of development and training, and ensure steady progress against our strategic objective of ensuring customers value our services.

RTA Web Services

Following the successful launch of the RTA Bond Lodgement Web Service on 24 June 2019, the RTA released a suite of end-of-tenancy Web Services on 2 December 2019. This included the Bond Refund, Bond Disputes and Update Your Details Web Services.

At the same time, and based on customer feedback, RTA ID matching was introduced for managing parties to help securely identify customers and improve the rate of automation within our systems and processes, saving customers valuable time by reducing manual data entry.

A series of enhancements to RTA Web Services was released on 10 February 2020, with a bond increase option introduced as part of the Bond Lodgement Web Service to make essential tenancy transactions even simpler and faster.

Queenslanders have embraced our new RTA Web Services with 45 per cent of single bond lodgements and 72 per cent of bond refunds received via the digital platform in June 2020. Each transaction was also completed in approximately 2.5 minutes on average for an efficient and seamless customer experience. At the same time as celebrating the first year of RTA Web Services, the RTA had received over 100,000 bond lodgements, more than 80,000 bond refund requests and over 30,000 requests to update customer details, processing a total of over 200,000 requests through the digital platform. We look forward to offering a bulk bond lodgement solution in the near future.

Supporting Queenslanders

In response to the COVID-19 emergency and to ensure continued quality support for the Queensland renting community, the RTA engaged the services of an external call centre in April 2020 to operate a dedicated COVID-19 information hotline, which fielded 30,786 COVID-19 phone calls. This hotline transferred to operate under Smart Services Queensland in mid-June 2020. Additional staff and infrastructure, such as offering an SMS service for customers seeking COVID-19 tenancy information, ensured ongoing support for Queenslanders was available seven days a week. During peak times in the RTA Contact Centre, we enabled our customer-focused workforce and called on experienced staff from other areas of the business to help minimise call wait times for customers without sacrificing the quality of service provided.

When mandatory conciliation was legislated through the *Residential Tenancies and Rooming Accommodation (COVID-19 Emergency Response) Regulation 2020* (referred to as the COVID-19 Regulations) on 24 April 2020, the RTA Web Services team developed the COVID-19 Dispute Resolution Web Service in two weeks. This made requesting conciliation a quicker process and helped staff prioritise customers impacted by COVID-19.

Customer satisfaction

Customer satisfaction surveys continue to capture the experience of customers who have been in recent contact with the RTA. Survey participants are randomly selected from their interactions with the RTA's Customer Experience division – including Contact Centre and dispute resolution services – over a set period of time. They are asked to assess various aspects of the customer service received, including rate of response, ease of access, RTA staff performance, service outcome and overall satisfaction with the service provided. An average satisfaction score of 76.9 per cent was recorded in 2019–20 for the delivery of services across Customer Experience.

Bond management

In working towards our strategic objective of providing smart digital services, the RTA released a suite of end-of-tenancy Web Services following the launch of the Bond Lodgement Web Service – to provide customers with a quicker, more efficient and seamless experience in transacting with the RTA.

The new feature of the Bond Refund Web Service enabled the majority of customers, who agree with how the bond refund will be paid, to complete the process online within minutes.

Within the first year of the launch of RTA Web Services, we had reached the milestones of receiving over 100,000 bond lodgement and more than 80,000 bond refund requests via the Web Services digital platform.

To further our strategic objective of customers valuing our services, we have continued to consult with them in the development process for a new Web Service product anticipated to launch in late 2020, which would allow multiple bonds to be lodged online simultaneously in one transaction.

Average processing times

	Bond lodgements	Bond refunds
All channels (digital + paper)	5.2 days	1.5 days

Bond forms processed

2015–16 to 2019–20

	2015–16	2016–17	2017–18	2018–19	2019–20
Bond lodgements	341,070	412,504	424,416	418,557	396,674 Paper: 288,658 Digital: 108,016
Bond refunds	349,251	329,358	321,086	312,749	296,628 Paper: 158,255 Digital: 138,373
Bond change forms	65,725	122,366	72,401	69,437	77,007

Bond change forms

Change of rental property (Form 3)

Change of property manager/owner (Form 5)

Change of bond contributor (Form 6)

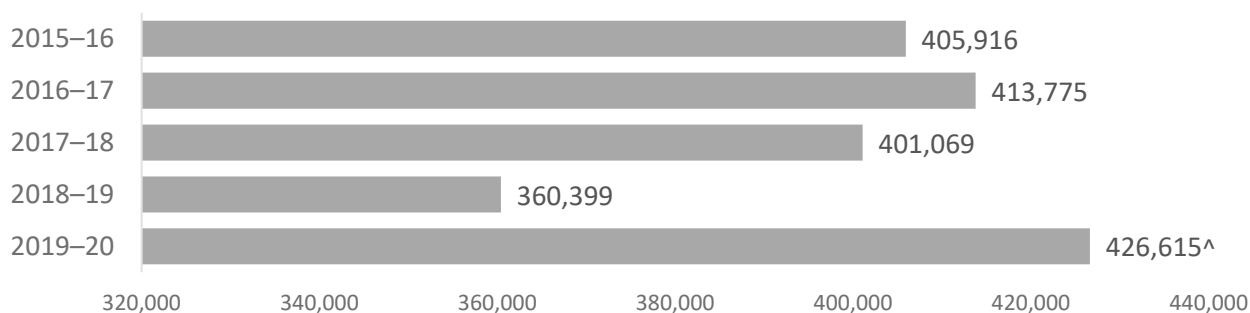
The number of bond lodgement forms and bond refund forms processed both reduced by 5.2 per cent compared to the previous year, consistent with the increase in the median length of tenancies. Other contributing factors for the decline include the implementation of the six-month eviction moratorium during the COVID-19 emergency and the launch of RTA Web Services, which improved accuracy and legibility of information in customer transactions.

Contact Centre

The RTA Contact Centre provides customers with tenancy information and advice, supporting tenants and property managers/owners to make informed decisions. The Contact Centre responded to 426,615 phone enquiries this year, an 18.4 per cent increase from last year. Staff answered an average of 1,610 calls each working day in 2019–20 (up from 1,441 calls per day in 2018–19). RTA customers are also able to self-service with information from other channels and platforms including the website.

Due to the complexity of COVID-19 related tenancy calls, the average talk time has increased to 428 seconds in 2019–20, compared to 397 seconds in the previous year.

Contact Centre phone enquiries



^Includes 30,786 COVID-19 related enquiries

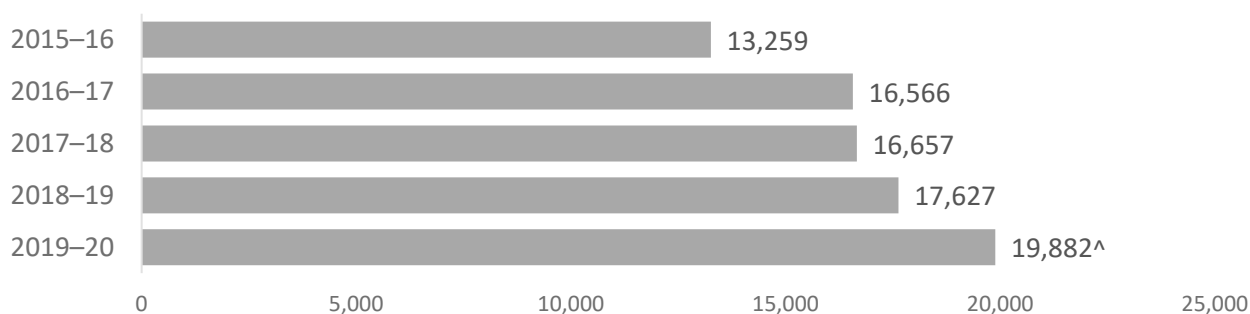
Dispute resolution

The RTA offers a free, impartial and independent dispute resolution service to help tenants, property managers and property owners resolve tenancy disputes and reach a mutually agreeable outcome. This service helps customers avoid the need for legal action through the Queensland Civil and Administrative Tribunal (QCAT), saves customers time and money, and provides them with valuable negotiation and self-resolution skills.

Dispute resolution requests are first assessed to determine whether the matter is suitable for conciliation. Disputing parties are contacted for further information which provides an opportunity for them to have their say. A trained RTA conciliator cannot make decisions, but instead facilitates confidential negotiations between disputing parties, either through one-to-one phone calls or a group teleconference to educate parties on their rights and responsibilities and to help them reach agreement.

In 2019–20, the RTA revised our reporting methodology to more accurately reflect dispute resolution requests that proceed to conciliation. This excludes requests where disputing parties subsequently withdrew from the conciliation process or were unable to be contacted for conciliation.

Conciliated disputes (2014–15 to 2019–20)



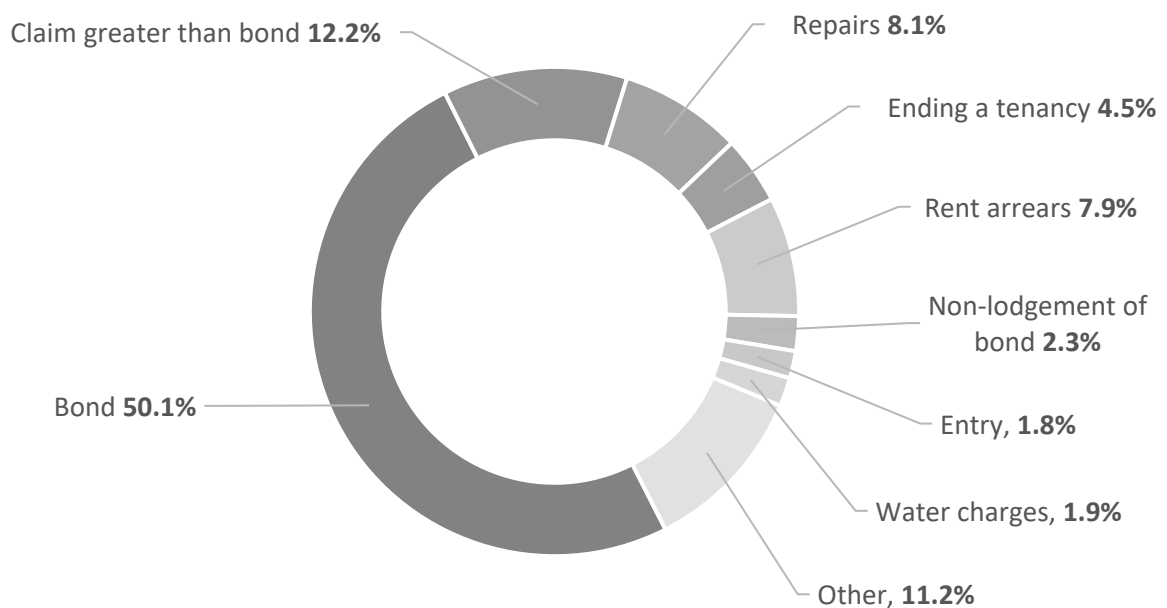
^Includes 1,791 COVID-19 related disputes

The COVID-19 temporary amendments to the tenancy legislation passed on 24 April 2020 made conciliation mandatory for disputes relating to rental arrears resulting from the impacts of COVID-19. The RTA moved quickly to increase dispute resolution staff and prioritised conciliation for COVID-19 related tenancy disputes to support the Queensland renting community. Read more about the RTA's COVID-19 response in the next section.

In 2019–20, the RTA resolved 74.1 per cent of all disputes where parties volunteered to participate.

Over half of the conciliated disputes relate to how a bond will be paid out at the end of a tenancy. Compensation claims for amounts in excess of the bond and claims submitted after the bond had been paid out represent 12.2 per cent of all disputes, while 37.7 per cent of disputes occurred during a tenancy. Such disputes often relate to ending a tenancy, rental arrears, repairs and maintenance.

Dispute reasons



Other:

- Overpaid rent
- Tenancy database
- Rent reduction
- Rent increase
- No refund form
- Excessive hardship
- Break lease
- Lease variation/extension
- Owner wants to move into property
- Sale of property

RTA's COVID-19 response

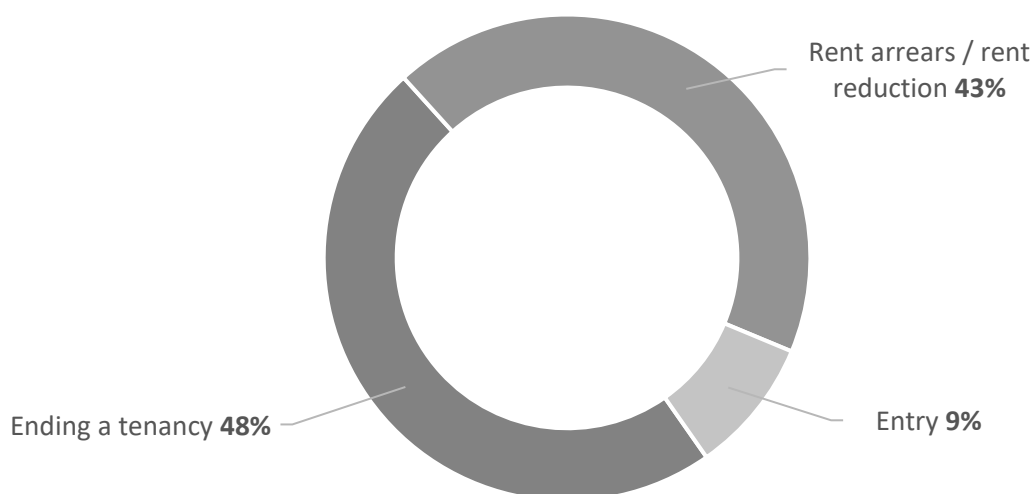
The impact of the COVID-19 response and recovery has seen the RTA re-focus its services and efforts in the second half of 2019–20 to play a crucial role in supporting the Queensland renting community during the pandemic. Our website was continuously updated to acknowledge and clarify the latest tenancy news, information and changes as announced by the Prime Minister and the Queensland Government.

Following the National Cabinet announcement of an eviction moratorium on 29 March 2020, the RTA engaged a second contact centre to help us operate a COVID-19 hotline and provide tailored information to Queenslanders, including the rental grant administered by the Department of Housing and Public Works. In mid-June, we transferred the operation of the hotline to Smart Service Queensland. As at 30 June 2020, we have received a total of 30,786 calls to this hotline. We also offered an SMS messaging service to provide customers with relevant tenancy information during the COVID-19 emergency without waiting in a phone queue. This SMS messaging service was active for 10 weeks and helped 2,090 customers. More than 78 per cent of those customers were satisfied with the tenancy information received via text messaging and did not need to speak with a Customer Experience Officer.

With COVID-19 significantly impacting parties in a tenancy, conciliation was made mandatory from 24 April 2020 for impacted tenancies prior to seeking a ruling from the Queensland Civil and Administrative Tribunal (QCAT). The RTA quickly prepared to increase staff resources in the dispute resolution team. Conciliators were contacting disputing parties within two business days of receiving a request for COVID-19 related dispute resolution. In these conciliations, a strong focus was placed on reassuring parties, providing information and assisting them to resolve their disputes and reach agreement, or make informed decisions on their next steps.

Calls to COVID-19 hotline: 30,786

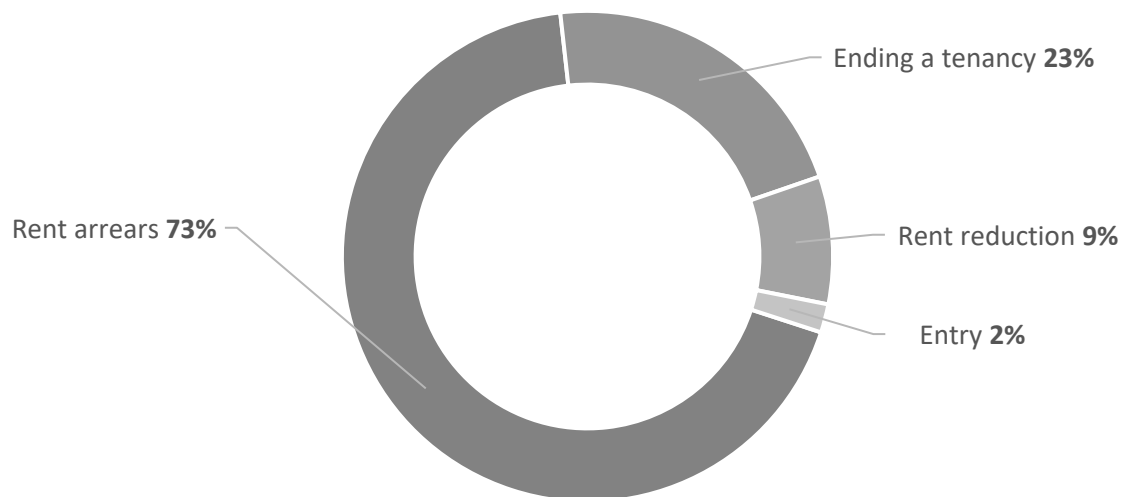
Call topics for COVID-19 hotline



This year, 9% of all conciliated disputes were related to COVID-19	
COVID-19 conciliation requests received: 52% from tenants/residents, 48% from managing parties	
COVID-19 dispute resolution rate: 73.5%	Average resolution time: 7.2 days

Conciliated COVID-19 disputes: **1,791**

Conciliation reasons for COVID-19 disputes



Note: A dispute case may have one or more reasons for conciliation; percentages may exceed 100%.

4.7% of conciliated disputes proceeded to tribunal (QCAT)

Parties who were unable to resolve disputes through conciliation were given information on how they may seek a ruling from QCAT if they wished. Note that not all parties took unresolved disputes to QCAT – some chose not to pursue further and others would later reach agreement. Only 85 conciliated disputes have progressed to QCAT, which represents 4.7 per cent of all COVID-19 related tenancy disputes.

Supporting the sector through the pandemic

Following the National Cabinet announcement of a moratorium on evictions on 29 March 2020, the RTA worked closely with the Department of Housing and Public Works and sector stakeholders to support the development and implementation of a corresponding legislative response.

The RTA website was updated continuously with the latest information and news. The importance of working together, behaving reasonably and with empathy while considering individual circumstances was emphasised to encourage parties to self-resolve disputes and sustain tenancies.

With the passing of the COVID-19 Regulations, the RTA updated existing forms and publications to reflect the temporary amendments to the tenancy legislation and developed new forms for new requirements introduced, particularly around domestic and family violence protections and the new 'show cause' process for rent arrears.

Information for the RTA website and the Queensland Government Residential Rental Hub website were developed with key changes communicated via supporting resources, such as videos and fact sheets. We also responded to media enquiries, developed tailored customer responses and resources, and answered tenancy questions on the 'Housing for Queensland' Facebook page, which is monitored by the Department of Housing and Public Works.

Three webinars were released in May 2020 to provide an overview of the COVID-19 Regulations and the changes affecting tenants, property managers and property owners respectively. The RTA also featured in a four-part video series developed by the Tenancy Skills Institute titled 'Your Tenancy During COVID and Beyond', which was released in late May.

The RTA is a member of the COVID-19 Housing Security Sub-Committee of the Ministerial Housing Council and we will continue to work with stakeholders to oversee the implementation of the COVID-19 Regulations. We have been publishing data and information on the legislated mandatory conciliation for COVID-19 related disputes. Media releases on the findings from COVID-19 conciliations and disputes can be found at rta.qld.gov.au/news. The RTA will continue to support Queenslanders and make renting work for everyone through the next legislative milestones and respond to the anticipated impacts on tenancies as the eviction moratorium comes to an end.

Our transition to a remote workforce and training

Our quick transition to a remote workforce was a crucial factor in enabling the RTA to continue servicing the Queensland renting community through the COVID-19 pandemic.

Upgrading workstations to laptop-based setups in February was a timely change as the COVID-19 pandemic began to impact the RTA in mid-March 2020. We prepared staff for working remotely from 16 March 2020 and activated our Flexible Work Policy and Procedure. The RTA began pilot testing for remote capability from home and load capacity to ensure our existing technological infrastructure could support increased demands. Remote working capabilities were further enabled for Customer Experience Officers through the availability of headsets and access to relevant phone software. We also moved our website into the cloud environment in anticipation of the considerable increase in web traffic driven by upcoming announcements.

By 25 March 2020, about 80 per cent of our staff were working remotely and on the same day, our Contact Centre answered over 3000 customer enquiries – double the enquiries on a normal day – to help customers navigate their tenancy challenges in these uncertain times.

Our Quality and Training team played an important role in our quick response to the COVID-19 pandemic. The RTA conducted in-person training for 17 new Customer Experience Officer recruits in March 2020. We also developed supporting resources and conducted training for staff at the additional contact centre engaged by the RTA, to respond to enquiries about government announcements regarding residential tenancies.

The team also quickly adapted to a different mode of delivery for their training. Following the COVID-19 Regulations coming into effect on 24 April 2020 and in line with the recommendations from Queensland Health, training on the temporary regulations was subsequently delivered digitally to 120 RTA staff. We also provided additional training to 32 staff members at the external contact centre, enabling us to respond to the growing number of rental bond and tenancy enquiries. Training was further delivered via a digital platform to a small group of RTA staff to support the legislated, mandatory conciliation process for COVID-19 related disputes.

From March to May 2020, the dedicated work and effort of the Quality and Training team represented an investment totalling more than 550 training hours.

Our sector

Tenancy support and stakeholder engagement

In 2019–20, the RTA undertook 57 stakeholder engagement activities to provide education and information on tenancy rights and responsibilities under the *Residential Tenancies and Rooming Accommodation Act 2008* (RTRA Act) and, from 24 April 2020, the *Residential Tenancies and Rooming Accommodation (COVID-19 Emergency Response) Regulation 2020*. We engaged with more than 4,470 tenants, property managers and property owners throughout the year and increased our focus on regional areas through the Regional Roadshow 2020, where we hosted events in Roma, Toowoomba and Townsville.

Due to the impacts of the COVID-19 pandemic in the second half of the year, the RTA used digital solutions and technology to continue our commitment to connect and engage with stakeholders.

Improving the customer experience

The introduction of new RTA Web Services was supported by four webinars developed to guide customers through the process of transacting with the RTA using the new digital platform. Over 1,000 active listeners tuned into these webinars, which provided a preview of the RTA Web Services products and highlighted key functionality and features. The webinars were also made available on the RTA website for customers to view in their own time.

The RTA expanded its range of digital resources with the launch of the Talking Tenancies podcast to explore the intricacies of how to rent in Queensland. Episodes aired weekly with experts from the RTA providing information and practical guidance in a relaxed and relatable way, attracting a total of 618 listens across seven episodes. We also refreshed our website for a more engaging user experience while enabling continuous support for our customers to self-service and access information online.

Renting in Queensland (RIQ)

In November 2019, the Department of Housing and Public Works released a Consultation Regulatory Impact Statement (C-RIS) and reform roadmap as a response to the feedback and insights from the Open Doors to Renting Reform consultation in 2018–19. The C-RIS proposed reforms across five priority areas. The RTA also collated information from customer enquiries on key topics, including domestic and family violence, minor modifications and renting with pets, to help evaluate the level of interest and perspectives in these areas from the wider renting community.

Consultation on these reform proposals closed in January 2020 with the Government receiving 15,000 responses from the community. Further progress regarding the reform proposals have been deferred to focus on the COVID-19 response and recovery. The RTA will provide support for the implementation and delivery of service offerings, associated business processes, education and compliance activities resulting from reform of the RTRA Act.

Educational workshops and presentations

The RTA participated in 21 face-to-face presentations, interactive workshops and information stalls hosted by stakeholders in 2019–20. These engagement activities targeted different stakeholder groups within the residential rental sector and delivered tenancy education to approximately 1,385 people.

Activities included:

- information sessions or events for property managers and agents with the Real Estate Institute of Queensland (REIQ), Australian Resident Accommodation Manager's Association (ARAMA), the Real Estate Excellence Academy and other training organisations and agent franchises
- presentations to over 500 international TAFE students
- interactive workshops and information stalls for tenants and the greater community in collaboration with Tenants Queensland and NAIDOC
- information sessions with Caravan Parks Association of Queensland (CPAQ) and the Property Owners' Association of Queensland (POAQ)

The RTA also delivered 16 webinars this year. Four of the webinars introduced RTA Web Services, and three of them explored the temporary changes outlined in the COVID-19 Regulations. Others provided practical guidance on resolving disputes, having difficult conversations, investigations, ending a tenancy, water charging and selling a rental property.

More than 2,220 people attended our live webinars, and our webinar recordings received over 6,800 views from the RTA website and the RTA Queensland YouTube channel.

In response to COVID-19 impacting on how face-to-face education is delivered across education providers, the RTA developed a video titled "Renting in Queensland – A guide for students" as an online resource to provide information to students on their tenancy rights and responsibilities as part of their induction.

RTA Regional Roadshow – February/March 2020

The RTA Regional Roadshow launched in February 2020 and provided in-person support and information on RTA services and tenancy matters. These information sessions included RTA staff presentations and questions from the audience, targeting property managers and property owners to improve their tenancy knowledge and encourage compliance with Queensland's rental laws.

To kick off the roadshow, four information sessions were held in Brisbane North (Boondall and Keperra), followed by another four sessions in Toowoomba and Roma. In early March, we hosted four sessions in Brisbane South (Mt Gravatt and West End). A total of 620 property managers and property owners attended the twelve sessions. Attendees indicated an overall satisfaction of 82.4 per cent with more than 94.0 per cent of attendees rating the content of the presentations as excellent or good.

The RTA roadshow was scheduled to visit another twelve locations before the end of June, with sessions proposed in Moreton Bay, Sunshine Coast, Gold Coast, Logan, Brisbane East/Redlands, Brisbane West/Ipswich, Townsville, Cairns, Mackay, Rockhampton, Bundaberg and Fraser Coast. These sessions were postponed as a result of the COVID-19 pandemic.

Regional board meetings

The RTA held a series of stakeholder engagement events in Townsville on 26–28 August 2019 to demonstrate its commitment to supporting the rental sector following the devastating floods in February 2019. The event series aimed to increase awareness of the RTA's services through face-to-face engagement and to inform and educate the community about their renting rights and responsibilities.

This event series included a regional meeting of the RTA Board, information sessions for property managers and property owners, a tenant information session and barbeque in collaboration with community groups, and a Board luncheon with stakeholders. The four activities provided an opportunity for the RTA to engage directly with 189 stakeholders.

The roadshow hosted in Roma in February 2020 was complemented by another regional meeting of the RTA Board, who took this opportunity to meet with 16 stakeholders from the area and surrounds. Both regional Board meetings and event series helped the RTA build stronger relationships and hear insights on local tenancy issues to inform future priorities and improvements in RTA services.

Recognising the importance of collaboration

The RTA facilitated three meetings of its Stakeholder Forum in 2019–20. Forum members met face-to-face in September and December 2019, and attended a videoconference in June 2020. The Stakeholder Forum provides an avenue for members to raise and discuss issues and trends affecting the residential rental sector and allows the RTA to gain insights and to further understand the interests and concerns of stakeholders. It also provides stakeholders an opportunity to collaborate and have input into RTA initiatives, while furthering their understanding of the RTA's role, its strategic directions and operations.

Members of the RTA Stakeholder Forum include:

- Asia-Pacific Student Accommodation Association (APSAA)
- Australian Resident Accommodation Managers Association (ARAMA)
- Caravan Parks Association of Queensland (CPAQ)
- LawRight
- Property Owners' Association of Queensland (POAQ)
- Queensland Shelter (Q Shelter)
- Queensland Council of Social Service (QCOSS)
- Real Estate Institute of Queensland (REIQ)
- Student Accommodation Association (SAA)
- Support Accommodation Providers Association (SAPA)
- Tenants Queensland (TQ).

The RTA engaged with more than 4,470 individuals throughout the year and increased our focus on regional areas through the Regional Roadshow 2020 and hosting events in Roma, Toowoomba and Townsville.

Our compliance activities

The RTA Investigations Unit helps to ensure renting works for everyone through enforcing compliance with the *Residential Tenancies and Rooming Accommodation Act 2008* (RTRA Act). RTA investigators actively engage with parties involved in an investigation to provide education and reduce the likelihood of repeated breaches and offences.

The RTA may consider issuing a penalty infringement notice (PIN) or proceeding to prosecution when:

- significant detriment has been caused
- there is ongoing and systemic non-compliance
- conduct involves deceit, dishonesty or was unconscionable
- it is in the public interest.

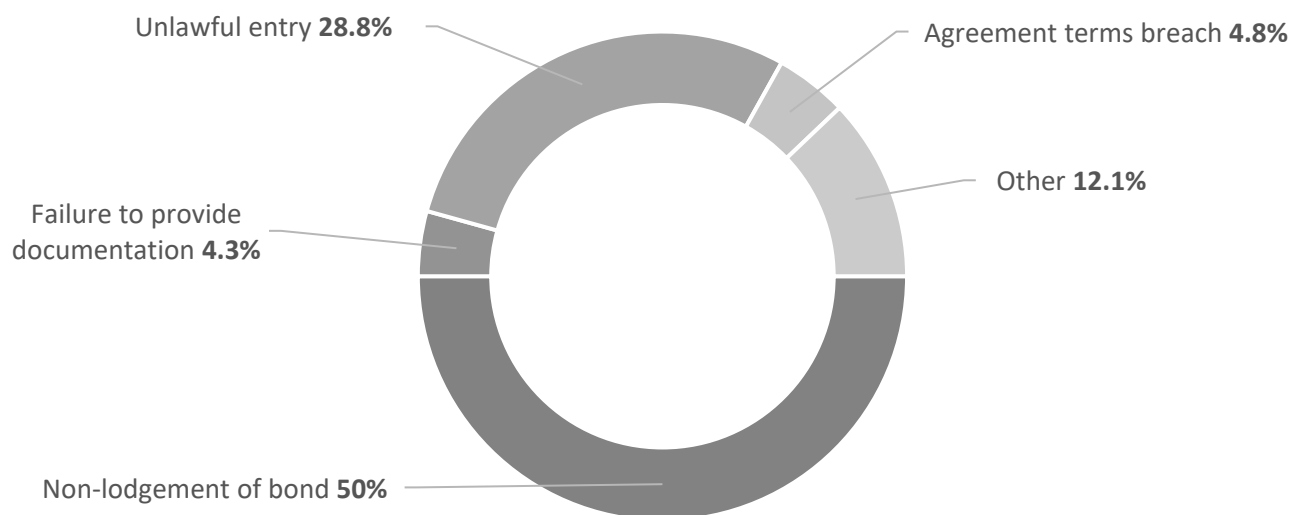
The investigative process is separate and independent to the dispute resolution process and any matter related to the Queensland Civil and Administrative Tribunal (QCAT). Investigated matters are criminal offences that are prosecuted through the Magistrates Court to either a plea of guilty or a summary trial in which the rules of evidence apply.

The Investigations Unit regularly collaborates with the Department of Housing and Public Works and the Office of Fair Trading to undertake compliance action throughout the sector.

In 2019–20, the Investigations Unit:

- finalised 1,050 investigations into non-compliance with the RTRA Act
- issued 10 Penalty Infringement Notices
- finalised 6 prosecutions with 5 of those resulting in a guilty plea
- educated 342 individual respondents regarding their rights and obligations under the RTRA Act.

Types of offences investigated in 2019–20

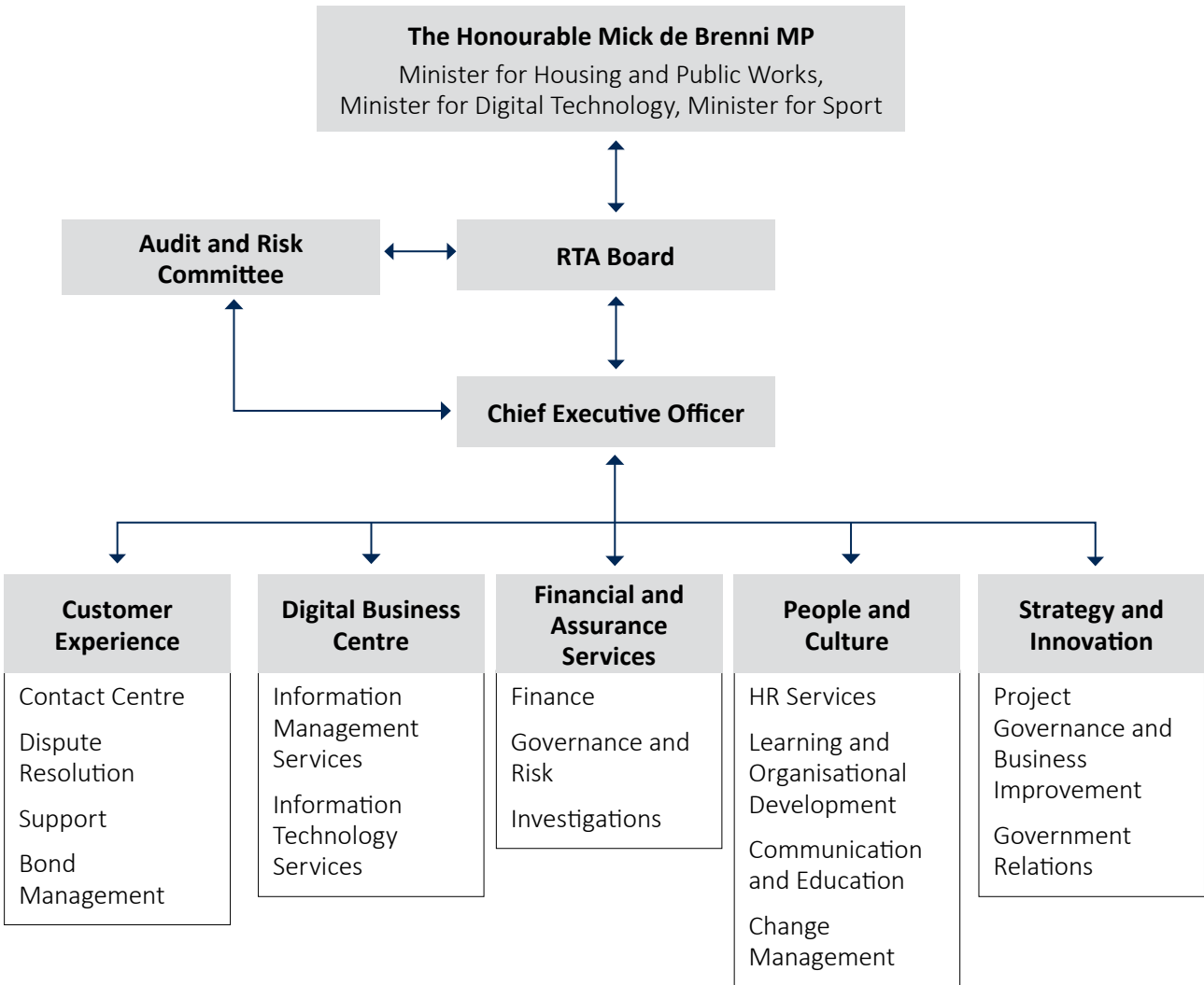


Other offences include, but are not limited to:

- s202: Lessor or lessor's agent must not use photo or image showing tenant's possessions in advertisement
- s183: Quiet enjoyment
- s514: Give false or misleading documentation to the RTA
- s353(2): Way of recovering possession of premises

Our organisation

Organisational structure



Note: on 30 June 2020, the Financial and Assurance Services division and the Strategy and Innovation division merged and the position of Director, Strategy and Innovation ceased.

Board of Directors

The RTA Board reflects the diversity of the sector, with members bringing knowledge and expertise in sector representation, commercial activities, corporate governance and community service.

The Board is responsible for:

- reviewing and approving strategy
- setting values and standards
- endorsing our annual budget
- monitoring business performance
- monitoring investment activities and financial position
- identifying and effectively managing significant business risks
- regularly assessing the performance of the Board and management.

Board members are appointed for three-year terms by the Queensland Parliament's Governor in Council on the recommendation of the Minister. Their remuneration is determined through Cabinet-approved procedures administered by the Queensland Government's Department of the Premier and Cabinet.

Board member profiles

Board member	Profile
Paul Melville (Chair)	<p>Paul Melville has over 15 years of experience as a Director and Board member, currently working as joint Managing Director of Halcyon and a Board member of the Urban Development Institute of Australia.</p> <p>Mr Melville has an extensive legal background, previously operating as a solicitor and senior partner within his own firm. He holds a Bachelor of Laws from the Queensland University of Technology and was admitted as a Solicitor of the Supreme Court of Queensland.</p>
Deborah Duffy	<p>Deborah Duffy is a former Director of the Real Estate Institute of Queensland. She has more than 35 years of experience in the real estate sector, winning numerous accolades including Property Manager of the Year.</p> <p>Ms Duffy brings a wealth of knowledge of Queensland's rental sector to the Board, particularly relating to housing issues in North Queensland. She is currently working in Weipa as the Principal Licensee of Weipa Real Estate.</p>
Sally Watson	<p>Sally Watson has extensive experience in working in housing and homelessness services across the public and not-for-profit sectors in Brisbane, Canberra and Cairns. She is currently the Manager of a homelessness service, Shelter Housing Action Cairns.</p> <p>Previously, she was North Queensland Coordinator for the Tenants Union of Queensland and Executive Director of Homelessness Australia. Ms Watson holds a Bachelor of Social Work (UQ), a Master of Public Policy (ANU) and a Bachelor of Laws (JCU). She is also a Board member of the North Queensland Women's Legal Service.</p>

Steve Ryan	<p>Steve Ryan is an experienced Board member with over 40 years of experience in strategic leadership, governance and service delivery having worked across the public, union, superannuation and not-for-profit sectors. He is the Chair of the RTA Audit and Risk Committee, and a current Board member of Health and Wellbeing Queensland and GROW – a not-for-profit national mental wellness program.</p> <p>Mr Ryan was Deputy Chairman of the Board of Directors and Board of Trustees at QSuper, and a Board member of the Queensland Studies Authority’s Governing Body. He was president of the Queensland Teacher’s Union and was also an executive member of the Australian Education Union and the Queensland Council of Unions.</p>
Janet Benson	<p>Janet Benson is the former owner and principal of Bluemint Property Management and brings a comprehensive understanding of the Queensland property sector – in particular, residential property management. She has a background in the Queensland public sector, working as the Executive Director of the Human Service CEO Committee, and Executive Director of Homelessness Programs at the Department of Housing and Public Works.</p> <p>Ms Benson brings extensive knowledge of social housing, rental affordability and homelessness issues in Queensland. She holds a Master of Arts (Public Sector Policy and Leadership) from Griffith University and is a licensed real estate agent in Queensland.</p>
Rachel Watson	<p>Rachel is the Director of Watson & Associates Consulting with over 25 years of experience as a social worker in a variety of settings. Most recently homelessness, housing and innovation. Rachel is the co-founder of the Housing Action Lab in Queensland - a fast paced process that seeks solutions to challenges through a cross sectoral approach. She engages in academic teaching and holds a variety of Board positions in the human services industry.</p>
Christine Castley	<p>Christine Castley has served in multiple senior leadership roles across the Queensland Government, with significant experience in strategic policy, governance and service delivery.</p> <p>She is currently Deputy Director General in the Department of the Premier and Cabinet. Prior to this, Ms Castley was Deputy Director-General, Housing, Homelessness and Sport in the Department of Housing and Public Works, which led major reform (including the development of the Queensland Housing Strategy 2017–2027) and transformation of housing and homelessness services delivered by 1,500 staff, managing a \$1.4 billion business and a \$15 billion asset portfolio.</p> <p>Ms Castley holds a Bachelor of Laws, Bachelor of Arts, Postgraduate Diploma of Arts and Master of Public Administration from The University of Queensland.</p>

Board meetings

A total of 10 scheduled meetings of the RTA Board of Directors occurred during 2019–20. All Board members were members for the entire 2019–20 period.

Board member	Number of attendances
Paul Melville (Chair)	10/10
Deborah Duffy	9/10
Sally Watson	10/10
Steve Ryan	10/10
Janet Benson	9/10
Rachel Watson	9/10
Christine Castley	10/10

See page 77 for remuneration information for the Board of Directors.

Audit and Risk Committee

The Audit and Risk Committee (ARC) meets every quarter to ensure the RTA operates within an appropriate framework of internal control and risk management while achieving its objectives and strategies efficiently and effectively. The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) report to the ARC.

The committee oversees the integrity of the financial statements and reports, our accounting policies and practices, the scope, quality and independence of external audit arrangements, the monitoring of the internal audit function, and the effectiveness of risk and compliance measures.

In 2019–20, the ARC was composed of three Board members and two external advisors with focus areas in information technology and finance. The committee observed the terms of its charter with due regard to the Queensland Treasury's Audit Committee Guidelines.

ARC member	Number of attendances	Departure/arrival
Steve Ryan (Chair)	4/4	Member for the entire period
Deborah Duffy	2/4	Membership ended 27 November 2019
Janet Benson	4/4	Member for the entire period
Sally Watson	2/4	Membership ended 27 November 2019
Paul Melville (ex-officio)	4/4	Member for the entire period
Christine Castley	2/4	First meeting attended 20 March 2020

Executive Leadership Team

Following a review of the executive leadership roles in 2020, the naming of the roles was updated to include 'Chief' for consistency. The review also led to the merging of the Financial and Assurance Services division and the Strategy and Innovation division, with the position of Director, Strategy and Innovation ceasing on 30 June 2020.

Role of the Chief Executive Officer (CEO)

The CEO provides strategic advice to the RTA Board, Chair and Minister on the operation and monitoring of Queensland's residential tenancy legislation. The CEO also provides monthly performance, operational and compliance reports to the Board with updates on strategic and operational issues, and is responsible for all aspects of management, staffing and administration.

The CEO also leads our executive and leadership teams by ensuring strategic priorities and operations are on track. Members of the Executive Leadership Team are divisional directors.

Name and role	Profile
Jennifer Smith – CEO	<p>Jennifer has a broad range of management experience and leadership skills with demonstrated achievements in financial planning, corporate governance, policy development and the delivery of services across both private and public sectors.</p> <p>Prior to joining the RTA Jennifer held various executive roles at the Brisbane City Council. These roles included Assurance Delivery and Performance Manager, Financial Projects Manager and various senior appointments within Corporate Treasury.</p> <p>Jennifer holds a Bachelor of Business majoring in Accountancy from the Queensland University of Technology and is an accredited Workplace Executive Coach.</p>
Joanna van der Merwe – Acting Chief Financial Officer	<p>Joanna van der Merwe leads the Financial and Assurance Services and Strategy and Innovation divisions, which include finance, governance and risk, investigations, government relations, project governance and business improvement.</p> <p>Joanna held various executive roles at the Brisbane City Council, including Strategy and Reporting Manager, Financial Performance Manager, and Corporate Benefits Manager and various commercial finance roles in the food and home electronics industries in the UK prior to joining the RTA in September 2019.</p> <p>Joanna holds a Bachelor of Business and is a Chartered Management Accountant.</p>

Nasa Walton – Chief Digital Officer	<p>Nasa leads the RTA’s Digital Business Centre, bringing experience in leading teams to implement strategic directions that underpin the organisation’s strategic plan and specialises in turning IT into enabling tools for staff.</p> <p>Nasa is an award-winning Chief Information Officer who has a successful career in delivering innovative solutions. Prior to joining the RTA, Nasa held several senior leadership positions within the health industry and was the CIO of a hospital and health service for five years.</p> <p>Nasa has a Bachelor of Business (Human Resource Management), and a Graduate Certificate in Marketing and Communications.</p>
Natalie Townsend – Acting Chief Customer Experience Officer	<p>Natalie Townsend holds the substantive role of Director, People and Culture. Since February 2020, she was appointed to lead the RTA’s Customer Experience division, which includes the Contact Centre, Bond management, Support services and Dispute Resolution teams, providing personalised tenancy services and support to tenants, property managers and owners navigating the Queensland residential rental sector.</p> <p>Natalie brings extensive project experience across a range of activities from system implementation – including rolling out the RTA’s human resources information system, learning management system, and performance framework and system – to organisational transformation activities and reform initiatives.</p> <p>Natalie holds a Diploma of Business, a Bachelor of Business with double majors in Management and Human Resource Management, along with other accreditations in tools such as DISC and Talegent.</p> <p>Natalie is also a CAHRI member of the Australian Human Resources Institute.</p>
Cassie Broomfield – Acting Chief People Officer	<p>Cassie currently leads the People and Culture division, overseeing the RTA’s human resources, training, change management, media, communication and education teams. She joined the RTA in November 2018 and has an extensive HR background with over 11 years of public sector experience.</p> <p>Cassie has specialist knowledge and experience in organisational development, payroll management, data analytics, and employee and industrial relations. She holds a Certificate IV in Human Resources and is currently studying a Bachelor of Human Resources Management and Psychology. Cassie holds further accreditations in tools such as mental health first aid and change management.</p>

Corporate governance framework

Our commitment to the Queensland Government's focus on integrity and accountability is underpinned by our existing corporate governance framework. This framework is based on the Queensland Treasury Corporate Governance Guidelines for Government Owned Corporations and Queensland Auditor-General's model. It includes far-reaching accountability processes, which place a high priority on due diligence, compliance and ensuring transparency in decision making.

Committees and groups

- The Consultative Committee (CC) provides a forum to discuss and consult on staffing matters including industrial relations with Together Union representatives and ensures issues are managed appropriately. The committee meets quarterly and as issues arise.
- The Portfolio Investment Board (PIB) reviews new and innovative business initiatives identified through operational planning, staff feedback, government commitments or unforeseen events, and assesses their merit for inclusion in the corporate portfolio. It ensures corporate projects operate in an efficient, effective manner and are sufficiently resourced to support our business and corporate needs. The PIB is chaired by the Chief Financial Officer and includes members of the RTA senior management.
- Project Boards have been established for each project in the corporate portfolio. They are responsible for driving overall direction and progress by monitoring and controlling projects within agreed tolerances as approved by the PIB. Project Board duties also include monitoring project risk, budget expenditure, deliverables, timeframes, communications and supporting vendor and stakeholder engagement.

Internal audit

Internal accountability processes involve implementing systems and procedures for managing risks and associated internal audit function, the flow of information to and from the Executive Leadership Team, and engagement with stakeholders. This audit provides an independent review of identified areas to assist with our strategic goals which include:

- reliability and integrity of financial and other operating information
- adequacy and effectiveness of systems and controls
- workforce engagement and performance
- compliance with policies, laws and regulations
- prevention of fraud and corruption.

External scrutiny

In 2019–20, the RTA engaged a number of external experts to review and provide feedback on our systems, processes, policies and strategies.

Protiviti was engaged to undertake a wide range of internal audit programs, including:

- employee management
- robotic process automation
- information security – IS18
- employee performance management.

The RTA engaged Pitcher Partners through the Queensland Audit Office to provide annual financial audit services. No significant findings have been reported through the reviews.

Ethical standards

The RTA Code of Conduct provides a framework for ethical conduct of staff based on the principles and values of the *Public Sector Ethics Act 1994* and is reflected in our Human Resources policies, procedures, initiatives and management standards. Under the Code, staff are to carry out duties with integrity, impartiality, accountability, transparency, and promote the public good. Mandatory Code of Conduct training is completed by all staff through an online performance development platform, with refresher training every 12 months.

Human rights disclosure

A working group was established to ensure that the necessary awareness and actions were undertaken to comply with the Human Rights Act 2019.

Actions taken in 2019–20 included:

- reviewing policies, procedures and training, including our Customer Feedback Policy, Customer Feedback procedure and the RTA Code of Conduct
- reviewing the RTA website and publications
- reviewing and updating our standard responses
- updating key messages to staff.

The RTA has received no human rights complaints.

Positive client feedback

The RTA values the opinions of our customer and actively encourages and seeks feedback about our services. Customers have the option to provide feedback through various services and channels of communication and this is an important aspect of building a customer-focused workforce and ensuring customers value our services.

In 2019–20, the RTA responded to 223 formal customer complaints. Of these customer complaints, 219 were resolved at the initial contact with four requiring further action. An average customer satisfaction score of 76.9 per cent was recorded for the delivery of services across the Customer Experience division.

Public interest disclosure

All RTA employees have an ethical responsibility to report actual, or suspected, instances of official misconduct as defined in the *Public Interest Disclosure Act 2010*. There were no disclosures in 2019–20.

Our corporate governance framework includes far-reaching accountability processes, which place a high priority on due diligence, compliance and ensuring transparency in decision making.

Performance review framework

The RTA Board and CEO are responsible for monitoring and reviewing the organisation's performance. The performance review framework ensures this role is undertaken with comprehensive knowledge of our functions.

The table below outlines our 2019–20 performance against the key elements of the framework.

Function	Purpose	Achievements 2019–20
Monthly financial reporting	Reports level of revenue and expenditure against the approved budget at each Board meeting	Provided comprehensive monthly financial reports at each Board meeting
Performance measures	Reports achievement against annual performance targets, including the number of enquiries, quality of information provided and timeliness of responses	Provided full performance reports at each Board meeting
Internal audit program	Reports progress and recommendations from internal audit to the ARC	Provided full status of all audits to the ARC – no critical level risks
Service Delivery Statement	Contributes to the Minister's report on performance and budget results to the Queensland Parliament	2020–21 Budget was deferred so Service Delivery Statements could not be published.
Annual Report	Provides quality reporting on financial and non-financial performance to support transparency and drive continuous performance	Full compliance with annual report requirements for Queensland Government agencies

Business and financial planning

The RTA Board sets the organisation's strategic direction, which is documented and formalised through the RTA Strategic Plan 2019–23 (visit rta.qld.gov.au to access a copy). Our business planning is used to develop our budget, which is endorsed by the Board and approved by the Minister.

A review of the Strategic Plan is conducted every four years and a major refresh was undertaken at the beginning of 2019. The Strategic Plan 2019–23 identifies priorities relating to customers valuing RTA services, providing smart digital services, building a customer-focused workforce and improving business efficiency.

Digital innovation and information systems

Adopting and championing technology and investing in the growth and development of RTA Web Services were the two main areas of our digital optimisation and innovation in 2019–20.

The RTA Bond Lodgement Web Service launched in June 2019 was developed primarily for single bond lodgements, and it replaced the existing PDF upload facility for scanned paper Bond lodgement forms in October 2019. This encouraged customer uptake via the Bond Lodgement Web Service, achieving our goal of having 25 per cent of bonds lodged online, which increased to 45 per cent by June 2020. The RTA is currently developing a bulk bond lodgement web service which will assist agents and landlords who lodge multiple bonds regularly.

A suite of end-of-tenancy Web Services was released in December 2019. With paperless transactions for essential tenancy services such as bond lodgements, bond refunds, bond disputes and updating customer details available, the RTA Web Services platform replaced the PDF upload facility for paper forms. We also ceased bulk printing and supply of all forms and publications to reduce our environmental footprint and further streamline services. A Bond increase option was also developed, enhancing the Bond Lodgement Web Service to service customers in continuing tenancies.

New workstations were rolled out across the business in early 2020 to upgrade our fleet of end-user devices. At the same time, we transitioned to the Windows 10 operating system. In alignment with emerging workforce trends, the new workstations consisted of laptops to provide flexibility and mobility for attending meetings and working remotely. This proved to be a timely transition prior to the COVID-19 pandemic, which required most of our workforce to transition temporarily to working from home.

The RTA also improved customer engagement and online user experience by launching a new website in June 2020. This was an essential update to enable continuous support for our customers to self-service and access information online. The new website design is mobile responsive, which improves the customer experience for the growing number of web visitors who access our site via a mobile device. The higher visitation scaling capability also allows the RTA to confidently manage and rapidly respond to growth in website traffic when necessary.

Enhancing information systems and security

In 2019–20, the RTA has been working to meet security requirements outlined in the Queensland Government Chief Information Office (QGCI) Information security policy IS18:2018. The RTA submitted its first IS18 checklist in October 2019 to provide a baseline for maturity. The Information Security Committee continues to meet monthly to review and revise policies relating to information security, information classification and information management. The committee works closely with its managed services provider to mitigate risks and complete the action plan under the IS18 checklist. Improvements have included uplift of infrastructure, vulnerability scanning, multi-factor authentication, regular information alerts about risks in the technology environment and over 98 per cent of staff completing cybersecurity awareness training provided.

Recordkeeping

The Records Management Unit oversees RTA's records management practices governed by the Public Records Act 2002. The policies and procedures associated with the RTA's Records management and governance framework are regularly reviewed to ensure staff are informed of current recordkeeping practices and responsibilities in accordance with Queensland State Archive's Records governance policy.

The RTA is continuing the implementation of education and audit programs to ensure continuous improvement for recordkeeping.

Access to information

The *Right to Information Act 2009* (RTI Act) allows members of the public access to certain information controlled by the Queensland Government. The RTA supports right to information principles by operating in an open, transparent and accountable manner while protecting the privacy of customers and staff.

Where possible, the RTA will release information under the Administrative Access Policy, which allows access to certain types of information without going through the formal processes outlined by the RTI Act or the *Information Privacy Act 2009*. In 2019–20, the RTA responded to 553 requests made under the Administrative Access Policy.

The launch of our new website in June 2020 was an essential update to enable continuous support for our customers to self-service and access information online.

Our people

Our people have always been the key to our success. During 2019–20, the RTA has invested in building a customer-focused workforce, where our people are highly capable and agile to deliver services and support to our customers. This focus is an important pillar of the organisation's strategic plan and workforce strategy which forms a strong foundation for a high performing culture.

Learning and organisational development

The RTA continues to build and develop our capability to drive a high performing culture, with over 95 per cent of our people meeting or exceeding expectations. The key drivers of our high performing culture are the strong focus on our performance framework and our employee's engagement. The RTA participates in the annual Working for Queensland (WfQ) survey conducted across the Queensland Public Sector, which measures the engagement of our employees and their perceptions of other workplace climate factors. The continual focus on our people has resulted in significant increases across all WfQ categories in 2019, including employee engagement and organisational leadership.

During 2019–20, we also focused on neuro-leadership programs, performance coaching and quarterly leadership forums to support our leaders and enhance their leadership potential.

The successful cross-skilling of operational team members contributed to the RTA's ability to respond rapidly to the COVID-19 emergency and customer-driven workload peaks, which enabled resources to be redirected to high demand areas of the business when needed. With consistent cross-skilling, 91 per cent of our people are now able to respond to inbound customer calls via our Contact Centre.

Striking a healthy work-life balance

The RTA provides a work environment that protects the health, safety and wellbeing of RTA employees and visitors to our workplace. We are committed to workplace practices that improve the balance between the professional and personal lives of our employees. During 2019–20, the RTA continued to encourage staff to maintain a healthy work-life balance by providing flexible working hours, accrued time, part-time employment, casual employment and formal working from home arrangements. This allows the RTA to retain highly talented and capable people while they support family and personal commitments.

In creating a workplace where employees can thrive and perform at their best, the RTA takes a holistic approach to support the health and wellbeing of employees, ensuring they are better placed to perform well in all aspects of their lives. The RTA offers a comprehensive Health and Wellbeing program focusing on four key elements: physical, emotional, social and financial wellness. In 2019–20, the Health and Wellbeing program provided skin cancer checks, ergonomic assessments, audiometric tests and flu vaccinations. A series of information sessions and seminars were conducted for staff, leveraging our corporate partnerships with healthcare and superannuation providers. Following feedback from our employees, the social aspect of the Health and Wellbeing program increased throughout the year to support employee engagement. These events included a 10,000-step challenge.

During the COVID-19 health pandemic, our workforce successfully transitioned to remote working in a short period of time. The level of uncertainty combined with new working environments were identified as factors that could adversely impact our employees' mental health and wellbeing. To reduce this impact, we placed a strong focus on mental health and wellbeing during this time, with an emphasis on maintaining social connections while working remotely. We tailored the Health and Wellbeing program for the remote environment, developed working from home tools and guidelines, and prioritised flexible working arrangements to support the workforce of the future.

Our Employee Assistance Program (EAP) continues to be available through Benestar to offer employees free, confidential counselling and online support services and has been used by staff during the past year.

Promoting equity at work

We promote a discrimination-free workplace by educating staff about anti-discrimination laws through formal induction training, brochures and information on the intranet. Requirements and principles for Equality of Employment Opportunity (EEO) and anti-discrimination are incorporated into RTA policies, procedures, training, and through events such as Mental Health Week, International Men's Day Brunch and R U OK? Day lunch.

Our workforce is the key to our success

Our workforce is critical in the achievement of the deliverables of the Strategy Plan 2019–23. As at 30 June 2020, there were 67 employees who recorded 10 or more years of service with our organisation, representing 29.4 per cent of our workforce.

The annual separation rate for 2019–20 was 8.6 per cent of the workforce. This includes staff who resigned to take up roles elsewhere in the public service. No redundancy packages were paid during the period.

Workforce profile

Employees (FTE) by division* as at 30 June 2020	
Office of the CEO	3.0
Customer Experience	129.0
People and Culture	28.2
Finance and Assurance Services	20.6
Digital Business Centre	16.0
Strategy and Innovation	7.0
Total	203.8

Employees (headcount) by occupation and gender* as at 30 June 2020		
Occupation	Female	Male
Managers and administrators	10	7
Professionals	43	18
Clerical and administrative workers	107	41
Total	160	66

*Note: This table does not include employees on extended leave or contract and temporary agency staff.

Performance highlights

Objective 1 – Customers value our services

Performance indicators 2019–20	Achievements 2019–20
<p>Our services meet the needs of our customers</p>	<ul style="list-style-type: none"> • Delivery of services across the RTA Contact Centre and dispute resolution teams received an average customer satisfaction rating of 76.9 per cent • Resolved 74.1 per cent of conciliated disputes when parties volunteered to participate • Offered an SMS messaging service during the COVID-19 pandemic which assisted over 2,000 customers with 78.9 per cent of customers satisfied with the information received • Enabled 91 per cent of our people to respond to inbound customer calls via our Contact Centre through a successful cross-skilling program • Continuously updated and refreshed the RTA website during the COVID-19 pandemic • Created and maintained tenancy forms, resources and webpages from April 2020 to align with temporary amendments to Queensland tenancy laws during the COVID-19 pandemic, assisting customers to find accurate and relevant information for their tenancy situation • Developed the new COVID-19 Dispute Resolution Web Service and paper form in response to the temporary tenancy law amendments • Delivered training on Queensland tenancy law and the temporary changes to over 160 contact centre and support staff members during the COVID-19 pandemic to respond to the growing number of customer enquiries
<p>Customers and stakeholders have positive experiences with us</p>	<ul style="list-style-type: none"> • Finalised 1,050 investigations of non-compliance • Educated 342 individual respondents on their rights and obligations • Held three RTA Stakeholder Forums to strengthen stakeholder relationships, increase sector engagement and understanding of the legislation, RTA services and upcoming initiatives • Delivered 21 educational presentations at industry events • Published 67 news articles published on RTA website that were delivered to over 12,000 subscribers • Refreshed and updated website for a more engaging online experience • Created welcome pages for suite of RTA Web Services introduced in the past year, including Bond Refund Web Service, Update Your Details Web Service and the COVID-19 Dispute Resolution Web Service • Developed a Customer Experience Strategy 2020–23 to provide guidance and direction for strengthening our culture as a customer-centric organisation

Objective 2 – Provide smart, digital services

Performance indicators 2019–20	Achievements 2019–20
Responsive and accessible RTA online services	<ul style="list-style-type: none"> • Launched a suite of RTA Web Services to make end-of-tenancy transactions easier and quicker • Developed a COVID-19 Dispute Resolution Web Service in two weeks in response to conciliation being made mandatory under the COVID-19 Regulations • Continued to provide and accept paper forms for customers who do not have digital access • Provided alternative methods for vulnerable tenants to lodge paper forms relating to urgent bond matters
Increased digital innovation across RTA services	<ul style="list-style-type: none"> • Introduced RTA ID matching into RTA Web Services based on customer feedback, saving customers time and effort • Launched Talking Tenancies podcast as another channel and approach to delivering tenancy information and education • Continued to develop business intelligence reporting dashboards, reviewed reporting metrics and criteria for accurate reflections and improved data quality and processes

Objective 3 – Business efficiency

Performance indicators 2019–20	Achievements 2019–20
Digital solutions, business efficiencies and benefits are realised	<ul style="list-style-type: none"> • Transitioned all workstations to a laptop-based setup and explored opportunities for future remote working capabilities • Implemented a Windows 10 standard operating environment, delivering security and system enhancements and upgrades • Launched a new content management system for the RTA website which improved visitation capacity, increased efficiencies and security
Improved culture of innovation	<ul style="list-style-type: none"> • Continued to partner with the Queensland Government Statistician's Office (QGSO) and provide a single dataset methodology for median rents • Encouraged customers to provide their feedback to the rental reforms proposed in the Consultation Regulatory Impact Statement • Sought customer feedback and input in the development and enhancement of RTA Web Services products

Objective 4 – Customer focused workforce

Performance indicators 2019–20	Achievements 2019–20
Attraction, development and retention of our workforce	<ul style="list-style-type: none">• 95 per cent of our people are either meeting or exceeding targets under our performance framework• Developed a Workforce Strategy 2019–22 to guide us in building and maintaining a customer focused workforce• Provided support and leadership training to employees to enhance leadership potential• Enabled 91 per cent of our people to respond to inbound customer calls via our Contact Centre through a successful cross-skilling program• Commenced exploring opportunities for future remote working capabilities and offered flexibility in the COVIDSafe plan for returning to work
Safe workplace and an agile, resilient workforce	<ul style="list-style-type: none">• Placed strong focus on workplace ergonomics, mental and physical health and safety during the transition to working from home as a result of the COVID-19 pandemic• Implemented and tested remote working capabilities at the beginning of the COVID-19 pandemic to support staff and provide them with the option to work from home• Developed COVIDSafe plan for employees' gradual return to the workplace

RTA Service Delivery Statement

The Queensland Government's Performance Management Framework Policy requires the RTA to develop a balanced set of service standards and targets. The SDS document is a key accountability mechanism subject to public scrutiny and forms the basis of questioning during the Parliamentary Estimates Hearings. As part of Budget Paper 5, the statement reports on service standards and targets for the RTA's service areas, including estimated actual results against the targets set in the previous year's SDS.

Due to the impacts of COVID-19, the 2020-21 State Budget has been deferred, resulting in the Performance Statement presented in Budget Paper 5 not being published for 2020-21. To maintain accountability and compliance with the FPMS, the RTA has continued to report on financial and non-financial performance. Section 12 of the FPMS requires each agency to have systems in place for obtaining information to enable the accountable officer or statutory body to decide whether the agency is achieving the objectives stated in its strategic plan efficiently, effectively and economically. The RTA reports on the service standards along with other supporting strategic measures to the Board quarterly.

In accordance with Department of Premier and Cabinet Annual Report requirements, details of the RTA's performance which would otherwise have been contained in its 2020-21 State Budget Service Delivery Statement are:

Residential Tenancies Authority	Notes	2019-20 Target/Est.	2019-20 Actual	2020-21 Target/Est.
Service area: RTA				
Service standards				
<i>Effectiveness measures</i>				
Proportion of disputes resolved after parties participated in the conciliation process		70%	74.1%	70%
Overall customer satisfaction		75%	76.9%	75%
<i>Efficiency measures</i>				
Average annual return on investment	1	2.9%	-2.02%	3.0%
Total cost for RTA output (excluding grants) as a proportion of the value of bonds held	2	4.0%	3.8%	3.6%

Notes:

1. The coronavirus pandemic (COVID-19) had adverse impacts on the RTA's annual return on investment. The RTA's investment portfolio fund manager is the Queensland Investment Corporation (QIC) who advised the Queensland economy is expected to perform in line with the national economy, which were both impacted by COVID-19.
2. The RTA spent an additional \$3.9M in its COVID-19 response. Without these costs being incurred the proportion would have been 3.4%.

Our finances

Financial overview

-2.0% of return on investment
\$43.3M of operating deficit
Focus on investment returns and financial stability post COVID-19

Results dominated by COVID-19 investment losses

The RTA's financial position was severely impacted by adverse market movements due to the impact of COVID-19 on global economies. The market contractions, the size of which had not been seen since the 2008–09 global financial crisis, occurred in late February and March, causing the RTA to recognise significant losses across all the RTA's non-cash investments. Prior to the impact of the pandemic, the RTA was reporting revenue in excess of the budgeted 3.0% return and expenditure below budget.

Since the market contractions in early 2020, the RTA's investments have recovered some losses as global markets have grown after the initial shock. Overall the RTA's investments returned -2.0% for the year, well below the budgeted return of 3.0%. The operating result for the year was a loss of \$43.3M.

Expenses were also impacted due to the RTA's commitment to assisting the Queensland rental sector through the COVID-19 emergency. The RTA's expenses were \$77.7M for the year which included \$41.6M of investment losses and \$3.9M of additional expenditure to fund the RTA's pandemic response. When excluding this additional spending the RTA is under the original expense budget by \$0.2M.

Overall expenses increased compared to 2018–19 by \$4.4m (excluding investment losses), which included significant spending on the RTA's COVID-19 response. Despite the additional COVID-19 costs, the RTA was able to continue its investment in its modernisation and delivery of online solutions for the Queensland community.

Financial performance

2015–16 to 2019–20

Financial year	Income \$m	Expenditure \$m	Grant Expenditure \$m	Surplus/deficit \$m
2015–16	27.4	32.2	5.0	(9.8)
2016–17	35.0	34.3	-	0.7
2017–18	26.1	34.0	-	(7.9)
2018–19	40.3	31.7	-	8.6
2019–20	34.4	77.7	-	(43.3)

Financial Position

Despite the fair value investment losses incurred as a result of COVID-19 impacts, the RTA had managed to accumulate sufficient cash reserves as a result of our investment strategy, with good investment returns in 2018–19 and prior to the market contraction in early 2020. These cash reserves, equivalent to 11 months of budgeted expenditure as at 30 June 2020, have allowed the RTA to continue servicing Queenslanders, including additional services provided during the early stages of the pandemic.

The RTA is still maintaining a high level of liquid assets in the rental bond portfolio allowing bond refunds to be paid as required. Overall the value of bonds held increased by \$36.7M to \$943.4M during the financial year. The RTA continues to work closely with Queensland Investment Corporation (QIC) and Queensland Treasury to ensure long-term financial stability.

Investment management

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

Earnings from the investment of rental bonds are allocated between the rental bond portfolio and the business operations portfolio. The rental bond portfolio represents the investment of all rental bonds held. It is actively managed predominantly by fund manager QIC and funds are allocated across a range of asset classes according to the investment strategy adopted by the RTA Board. The RTA has also allocated investment funds to the Queensland Treasury Corporation (QTC).

The investment mix of the rental bond portfolio is detailed from page 57 in notes 9, 10 and 11.

The business operations portfolio represents the earnings from investments and is used to fund all RTA business operating expenses and grants.

Operating income

The RTA's income relies almost exclusively on investment income from the investment of the rental bond portfolio and as a result, large fair value losses were recognised during 2019–20. The Investment portfolio, including investments with QTC, returned \$25.0M in distributions offset by \$41.6M in capital losses.

Overall the portfolio returned -2.0% due primarily to losses in the QIC Property Fund as a result of declining values and returns of retail shopping centres. The Property Fund returned -16.76% for the year and the QIC Long Term Diversified Fund returned -3.2%.

QIC fund returns

QIC Fund name	Annual return 2019–20			Annual return 2018–19		
	%	Capital \$m	Distributions \$m	%	Capital \$m	Distributions \$m
QIC Cash Enhanced Fund	1.7	0.2	0.3	2.6	0.4	2.9
QIC Global Credit Fund	2.5	-4.4	8.5	5.1	7.4	9.3
QIC Global Credit Opportunities Fund	2.0	0.0	0.0	-0.9	0.0	0.0
QIC Long Term Diversified Fund	-3.2	-7.5	5.5	7.2	3.2	2.7
QIC Property Fund	-16.6	-30.0	5.4	4.1	0.1	6.2
QIC Short Term Income Fund	2.3	0.0	4.0	3.8	1.6	4.7
Portfolio Total	-2.0	-41.6	23.7^	4.6	12.7	25.9^

^ Totals exclude revenue from interest distributions provided by QTC.

Operating expenditure

Overall expenditure increased compared to 2018–19 by \$4.4M (excluding fair value losses on investments) primarily due to additional spending on our COVID-19 response. When excluding COVID-19 related costs, total expenses increased by 1.5% compared to 2018–19.

Employee costs

With our focus on providing quality services to the Queensland rental sector, our employee costs represent over 60% of the total expenses incurred by the RTA each year. In 2019–20, the RTA spending on employee costs grew compared to 2018–19, with an overall increase of \$1.6M. This increase was caused by state wage case increases across Queensland Government and our investment in highly qualified staff to respond to the 18.4% increase in the number of calls over the year. Additional costs were also incurred as a result of increased conciliation requirements and prioritising conciliation for COVID-19 related tenancy disputes to support the Queensland renting community.

Supplies and services

Supplies and services account for the bulk of our non-employee costs including rent and investment fees. In 2019–20 costs increased by \$1.1M over 2018–19, although 2019–20 expenses include \$3.2M of additional costs to supply additional call-centre capability to address substantial increases in the number of COVID-19 related calls received. When excluding COVID-19 costs, supplies and services costs were down \$2.1M on the previous year due to changes in the accounting standards for operating leases.

Depreciation

Depreciation and amortisation expenses have increased this year due the application of the AASB 16 Leases which changed the way costs of leases are recorded. Details of the changes are listed in the accounting policies section of the 2019–20 financial statements. We have also commissioned new Web Services software which has provided faster lodgements and refunds with online forms.

COVID-19 expenditure

To ensure the RTA was able to maintain service standards during the Queensland Government’s pandemic measures, we invested heavily in additional services and infrastructure. We developed additional COVID-19 software and updated hardware to ensure all staff were able to continue working safely from home. The engagement of an additional call centre supplier to handle the increase in calls regarding COVID-19 allowed the RTA to reassign staff to handle more complicated issues such as dispute resolution. In total \$3.9M of operational and capital expenditure was spent in these areas so that the RTA was able to maintain its service outcomes at pre-pandemic levels ensuring no additional disruption to the Queensland rental sector.

Despite unprecedented demands on the RTA to support the Queensland rental sector as a result of COVID-19, the RTA continued to ensure business efficiency and maintain strong cost control throughout the year.

General Purpose Financial Report

for the year ended 30 June 2020

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General Information

These financial statements cover the Residential Tenancies Authority (RTA) and its controlled entity Residential Tenancies Employing Office (RTEO).

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

The RTA is controlled by the State of Queensland which is the ultimate parent.

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

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

For information in relation to the RTA and its controlled entity's financial statements please call 07 3046 5400, or visit rta.qld.gov.au/annual-report.

Statement of Comprehensive Income
for the year ended 30 June 2020

		Group		Parent	
	Notes	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Income					
Investment revenue	4	24,951	27,546	24,949	27,542
Fair value gain on investments	4	-	12,749	-	12,749
Other revenue		18	15	18	15
Other income	17	9,479	-	9,479	-
Total income		34,448	40,310	34,446	40,306
Expenses					
Employee expenses	5	21,708	20,143	755	739
Supplies and services	6 (a)	10,920	9,775	31,874	29,178
Finance costs	6 (b)	102	-	102	-
Depreciation and amortisation	7	3,131	1,563	3,131	1,563
Fair value loss on investments	4	41,623	-	41,623	-
Other expenses	8	216	190	213	187
Total expenses		77,700	31,671	77,698	31,667
Operating result for the year		(43,252)	8,639	(43,252)	8,639
Other comprehensive income					
Total operating result		(43,252)	8,639	(43,252)	8,639

The accompanying notes form part of these statements.

Statement of Financial Position

as at 30 June 2020

		Group		Parent	
	Notes	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current assets					
Cash and cash equivalents	9	76,845	74,730	76,703	74,699
Other financial assets	10	870,950	880,759	870,950	880,759
Receivables	12	921	416	565	342
Other current assets	13	434	253	367	253
Total current assets		949,150	956,158	948,585	956,053
Non current assets					
Intangible assets	14	9,317	9,161	9,317	9,161
Property, plant and equipment	15	306	330	306	330
Right-of-use assets	16	2,000	-	2,000	-
Other non current assets	13	62	54	62	54
Total non current assets		11,685	9,545	11,685	9,545
Total assets		960,835	965,703	960,270	965,598
Current liabilities					
Payables	17	5,245	1,611	9,312	5,851
Rental bonds and unclaimed monies	17	948,334	915,261	948,334	915,261
Operating lease payable	17	-	181	-	181
Lease liabilities	16	2,480	-	2,480	-
Accrued employee benefits	18	3,444	3,626	26	24
Total current liabilities		959,503	920,679	960,152	921,317
Non current liabilities					
Lease liabilities	16	430	-	430	-
Accrued employee benefits	18	1,214	745	-	2
Total non current liabilities		1,644	745	430	2
Total liabilities		961,147	921,424	960,582	921,319
Net assets		(312)	44,279	(312)	44,279
Equity					
Accumulated surplus		(312)	44,279	(312)	44,279
Total equity		(312)	44,279	(312)	44,279

The accompanying notes form part of these statements.

Statement of Changes in Equity

for the year ended 30 June 2020

	\$'000	\$'000
	Accumulated Surplus	Total Equity
	Group	
2020		
Balance as 1 July 2019	44,279	44,279
Adjustment from the adoption of AASB 16	(1,339)	(1,339)
Operating result from continuing operations	(43,252)	(43,252)
Balance as at 30 June 2020	(312)	(312)
2019		
Balance as 1 July 2018	35,640	35,640
Operating result from continuing operations	8,639	8,639
Balance as at 30 June 2019	44,279	44,279
	Parent	
2020		
Balance as 1 July 2019	44,279	44,279
Adjustment from the adoption of AASB 16	(1,339)	(1,339)
Operating result from continuing operations	(43,252)	(43,252)
Balance as at 30 June 2020	(312)	(312)
2019		
Balance as 1 July 2018	35,640	35,640
Operating result from continuing operations	8,639	8,639
Balance as at 30 June 2019	44,279	44,279

The accompanying notes form part of these statements.

Statement of Cash Flows

for the year ended 30 June 2020

		Group		Parent	
	Notes	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash flows from operating activities					
Inflows					
Interest income		1,296	1,715	1,294	1,711
Bond lodgements		427,119	419,196	427,119	419,196
Other operating receipts		18	15	18	15
GST collected from customers		21	1	21	1
GST refunds received		1,175	949	1,175	949
Outflows					
Bond claims		(384,566)	(376,488)	(384,566)	(376,488)
Employee expenses		(21,492)	(19,778)	(760)	(735)
Supplies and services		(7,736)	(9,367)	(28,580)	(28,369)
Other expenses		(216)	(130)	(213)	(130)
GST paid to suppliers		(1,459)	(985)	(1,459)	(985)
Interest on leases		(102)	-	(102)	-
Net cash provided by/(used in) operating activities	CF.1	14,058	15,128	13,947	15,165
Cash flows from investing activities					
Inflows					
Investments redeemed		21,929	34,695	21,929	34,695
Outflows					
Payments for purchased software		(73)	-	(73)	-
Payments for internally generated software		(1,132)	(660)	(1,132)	(660)
Payments for work in progress		(236)	(21)	(236)	(21)
Payment for property, plant and equipment		(107)	(73)	(107)	(73)
Payments for investments		(30,000)	(35,000)	(30,000)	(35,000)
Net cash provided by/(used in) investing activities		(9,619)	(1,059)	(9,619)	(1,059)
Cash flows from financing activities					
Outflows					
Repayment of lease liabilities		(2,324)	-	(2,324)	-
Net cash provided by/(used in) financing activities		(2,324)	-	(2,324)	-
Net increase/(decrease) in cash and cash equivalents		2,115	14,069	2,004	14,106
Cash and cash equivalents at beginning of financial year	9	74,730	60,661	74,699	60,593
Cash and cash equivalents at end of financial year	9	76,845	74,730	76,703	74,699

The accompanying notes form part of these statements.

Notes to the Statement of Cash Flows
for the year ended 30 June 2020

Group		Parent	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000

CF.1 Reconciliation of operating result to net cash from operating activities

Reconciliation of cash

Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Operating result	(43,252)	8,639	(43,252)	8,639
Add: Depreciation and amortisation	3,131	1,563	3,131	1,563
Increase in accrued employee benefits	286	366	-	11
Decrease in receivables	-	57	-	133
Unrealised decrease in investments	17,879	-	17,879	-
Increase in rental bonds	42,553	42,766	42,553	42,766
Increase in trade creditors	3,634	816	3,460	1,132
	24,231	54,207	23,771	54,244
Less:				
Increase in receivables	505	-	223	-
Increase in prepayments	189	164	122	164
Decrease in unclaimed bonds	9,479	57	9,479	57
Unrealised increase in investments	-	38,721	-	38,721
Decrease in operating lease payable	-	137	-	137
	10,173	39,079	9,824	39,079
Net Cash provided by operating activities	14,058	15,128	13,947	15,165

The accompanying notes form part of these statements.

Notes to the Financial Statements

for the year ended 30 June 2020

1. Basis of financial statement preparation

General information

The RTA is a self-funded regulatory authority committed to providing targeted services to meet the diverse needs of Queensland's residential rental sector.

The head office and principal place of business of the RTA is Level 23, 179 Turbot Street, Brisbane, Qld, 4000.

Compliance with prescribed requirements

The RTA has prepared these statements in compliance with section 39 of the *Financial and Performance Management Standard 2019*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not for profit entities. In addition, the financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2019, and other authoritative pronouncements and the requirements prescribed by:

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

First year of application of new accounting standards

The RTA has adopted the following new Australian Accounting Standards and AASB interpretations for the reporting period ended 30 June 2020.

- AASB 16 *Leases*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*

The impact of these accounting standards on the results is as below.

AASB 16 Leases

AASB 16 removes the operating and finance lease distinction for lessees and requires to recognise all material leases on the Statement of Financial Position. AASB 16 requires the recognition of a right-of-use asset and a corresponding lease liability at the commencement of all leases, except for short-term leases and leases of low value assets. The RTA's accounting policy for leases is set out in Note 16.

The RTA has adopted AASB 16 retrospectively from 1 July 2019, but has not restated comparatives for the 2018–19 reporting period, as permitted under the specific transitional provisions in the standard. The reclassification and the adjustments arising from the adoption of AASB 16 were therefore recognised at the date of initial application, 1 July 2019.

On adoption of AASB 16, the RTA recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 *Leases*. At 1 July 2019, the RTA had only one such lease, being the lease of premises at 179 Turbot Street. The liability was measured at the present value of the remaining lease payments, discounted using the RTA's incremental borrowing rate as of 1 July 2019, which was 2.4%.

The RTA elected to measure the right-of-use asset at the date of transition at the amount calculated as if the standard had always applied, but applying the incremental borrowing rate as at transition date (as opposed to the incremental borrowing rate at the lease inception date).

The adoption of AASB 16 has resulted in:

- The recognition of right-of-use assets of \$3,714,779 after deduction of \$180,883 of operating lease liabilities
- The recognition of lease liabilities of \$5,234,273
- The net impact on retained earnings on 1 July 19 was a decrease of \$1,338,611

The impact of the adoption of AASB 16 to the Statement of Comprehensive Income was a decrease in expenses of \$609,750 in the current year as the total of depreciation \$1,714,513 and interest expense on lease liabilities of \$102,014 is less than the operating lease rental of \$2,426,277 that would have been reported under the previous standard.

AASB 15 Revenue from contracts with customers and AASB 1058 Income of Not for Profit entities

The RTA has adopted the above standards from 1 July 2019. However, these standards have not materially impacted the RTA's financial statements as the RTA's revenue consists of returns on investments which are not accounted for under these standards.

Notes to the Financial Statements

for the year ended 30 June 2020

Presentation

Currency and rounding

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

Comparatives

Comparative information reflects the audited 2018–19 financial statements except Note 4, Note 6(a) and Note 17. Note 4 has been changed to display the changes in fair value of investments separately from investment revenue. Note 6(a) has been recategorised to enhance the comparability with the internal management reporting. Rental bonds and unclaimed monies in Note 17 have been recategorised to adjust the unclaimed bond monies amount which represent the rental bonds which have been paid by cheques not presented for payment within 15 months after it is drawn.

Current/non current classification

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

Authorisation of financial statements for issue

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

Basis of measurement

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

Historical cost

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

Fair value measurement

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

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

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

Present value

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

Going Concern

As at 30 June 2020 the statement of financial position discloses deficiencies in working capital (being excess of current liabilities over current assets) and net assets of \$10,353,000 and \$312,000 respectively.

These deficiencies have arisen due to the excess of rental bond liabilities over the value of the RTA's rental bond assets, being \$40,666,000. The value of the investment portfolio has been significantly impacted by the downturn in global financial markets associated with the COVID-19 global pandemic.

Notes to the Financial Statements

for the year ended 30 June 2020

Although classified as current liabilities, the bond liability balance is expected to continue to grow over the coming 12-18 month period in line with recent trends in the rental property market in Queensland. Value of bonds held has increased by an average of 4.4% over the past 5 years. The RTA therefore anticipates net cash inflows from bond lodgements and refunds over this period, however notes an ability to redeem investments to fund any excess of bond refunds over new bond lodgements should such shortfall arise.

As outlined in Note 1, the RTA is a self-funded regulatory authority, with funding (income) generated through returns on its investments. The RTA is therefore reliant upon investment returns to fund its operating expenditure commitments (i.e. excluding bond refunds). Such returns only accrue to the RTA to the extent that investment values exceed the value of bonds under custody. In view of the current economic climate, there is a degree of uncertainty surrounding the future access of the RTA to investment returns to fund its operations. At 30 June 2020, the RTA is holding 11 months of operating cash reserves based upon budgeted expenses. Should capital losses incurred to 30 June 2020 on the investment portfolio not be recouped within this timeframe, the RTA will need to obtain funding via an alternative means.

As per the section 467 of the *Residential Tenancies and Rooming Accommodation Act 2008*, the RTA represents the State and has all privileges and immunities of the state. Should it be necessary, the State will provide support to ensure that the RTA can comply with its statutory obligations.

Due to the uncertainty described above the RTA has received a letter of comfort from Queensland Treasury on 24 June 2020 assuring finance support through number of mechanisms available to the State, to ensure the RTA can comply with its statutory obligations. The letter acknowledges that there isn't a need for funding from the State at this stage, however should it be necessary, the RTA is advised to liaise with Treasury for the required funding. The letter is effective for the period from 30 June 2020 to 31 August 2021.

After considering all available current information and the financial backing arrangements in place with Queensland Treasury, the directors have concluded that there are reasonable grounds to believe that the RTA will be able to pay its debts as and when they fall due and preparation of the financial statements on a going concern basis is appropriate.

The reporting entity

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

The RTA as an economic entity consists of the parent entity together with the RTEO controlled entity. The parent entity financial statements include all income, expenses, assets, liabilities and equity of the RTA only.

2. Objectives and principle activities of the RTA

The RTA's core responsibility is to administer and provide services in accordance with the *Residential Tenancies and Rooming Accommodation Act 2008* (RTRA).

The RTA's strategic objectives include:

- Customers value our services – because they are tailored to their needs and provide positive experiences;
- Provide smart digital services – that deliver easy to use, accessible and targeted service channels;
- Business efficiency – focusses on business improvements, systems and resources to deliver streamlined services to our customers;
- Customer focussed workforce – where our people are highly capable and agile to deliver services and support our customers.

The RTA supported the government's objectives for the community Our Future State: Advancing Queensland's Priorities to be a responsive government by providing targeted services that meet our clients' needs and balance the rights and responsibilities of all stakeholders in Queensland's residential rental sector.

The RTA is a statutory body under Section 9 of the *Financial Accountability Act 2009* (Qld). The RTA falls within the portfolio of the Minister for Department of Housing and Public Works, Minister for Digital Technology, Minister for Sport.

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

To ensure full transparency of the services and functionality that the RTEO provides the RTA, a Work Performance Arrangement was developed in accordance with Section 493 of the RTRA 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.

RTA funds management

The RTA is a custodian of rental bond monies and is unable to utilise such funds to support operations in accordance with Sections 152 and 153 of the RTRA Act.

Notes to the Financial Statements

for the year ended 30 June 2020

The RTA manages cash in accordance with Part 3, Division 5 of the RTRA Act and invests that cash in accordance with provisions and regulations of the SBFA Act.

3. Controlled entity of the RTA

The following entity is controlled by the Residential Tenancies Authority:

Directly controlled

Name:	Residential Tenancies Employing Office
Purpose and principal activity:	Employs staff to perform work for the parent entity as per the work performance agreement between the two entities in accordance with the RTRA Act.
Nature of relationship:	The <i>Statutory Bodies Legislation Amendment Act 2007</i> (Qld) amended the <i>Residential Tenancies Act 1994</i> (Qld) to allow the RTA to enter into a Work Performance Arrangement with the RTEO. This arrangement details how the RTEO provides employment services to the RTA. The RTEO invoices the RTA on a yearly basis for all expenses incurred as part of the arrangement.
Auditor and audit fees:	Queensland Audit Office (QAO) 2020: \$3,100 (2019: \$3,100)
Financial information:	
Total assets: \$4.71 M (2019: \$4.46 M)	Total revenue: \$20.62 M (2019: \$19.42 M)
Total liabilities: \$4.71 M (2019: \$4.46 M)	Total operating result: \$nil (2019: \$nil)

4. Investment returns

Investment revenue

Interest on cash assets and investments

Investment distribution income

Bank interest

Total investment revenue

Fair value gain on investments

Expenses

Fair value loss on investments

Group		Parent	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000
23,744	25,972	23,744	25,972
1,207	1,574	1,205	1,570
24,951	27,546	24,949	27,542
-	12,749	-	12,749
41,623	-	41,623	-

Accounting policy – investment revenue recognition

Changes in the net market value of investments are recognised in the period in which they occur. The net market value is based on the closing unit redemption price and includes both realised and unrealised movements. Distributions are reinvested into either Queensland Investment Corporation (QIC) managed funds or Queensland Treasury Corporation (QTC) Guaranteed Capital Cash Fund. Any interest derived on funds invested with other financial institutions is brought to account when earned.

Notes to the Financial Statements
for the year ended 30 June 2020

5. Employee expenses

Employee benefits

	Group		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Salaries and wages *	15,993	14,572	263	274
Allowances	113	60	-	-
Annual leave expense	1,721	1,520	29	21
Long service leave expense	561	629	10	5
Employer superannuation contributions	2,079	1,954	38	46
Total employee benefits	20,467	18,735	340	346

Employee related expenses

Fringe benefits tax	57	28	57	28
Workers' compensation insurance	92	104	79	3
Payroll tax	834	934	24	24
Other employee related expenses	258	342	255	338
Total employee related expenses	1,241	1,408	415	393

Total employee expenses **	21,708	20,143	755	739
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* Salaries and wages includes \$265,925 of \$1,250 one-off, pro-rata payments for 213 full-time equivalent employees. This amount has been offset by the refund made by the Department of Housing and Public Works for the same amount.

** No redundancies were paid in the 2019–20 or 2018–19 financial years.

The number of employees as at 30 June including both full-time employees and part-time employees measured on a full-time equivalent basis is:

	Group		Parent	
	2020	2019	2020	2019
	No.	No.	No.	No.
	204	201	1	1

Accounting policy – wages, salary and sick leave

All employees of the RTEO and of the RTA are employed under the Act. No employees are employed under the *Public Service Act 2008* (Qld) (Section 311C). Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position as at the current salary rates.

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

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

5. Employee expenses (continued)

Accounting policy – superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's condition of employment.

Defined contribution plans – Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined benefit plan – The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the RTA at the specified rates following completion of the employee's service pay each pay period. The RTA's obligations are limited to those contributions paid.

Accounting policy – workers compensation premiums

The RTA pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers compensation insurance is a consequence of employing staff but is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses.

6 (a). Supplies and services

	Group		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Delivery of service expenses	950	965	950	965
Board fees	143	142	143	142
Building expenses	338	306	338	306
Office expenses	80	171	80	171
Contractors and consultants	6,063	2,525	6,062	2,524
Less: capitalised costs	(1,549)	(681)	(1,208)	(681)
Investment fees	1,803	1,797	1,803	1,797
Technology expenses	2,733	2,015	2,733	2,015
Legal expenses	59	59	59	59
Operating lease rental	-	2,214	-	2,214
Client engagement expenses	104	108	103	101
RTEO service fees	-	-	20,614	19,412
Other supplies and services	196	154	197	153
Total supplies and services	10,920	9,775	31,874	29,178

6 (b). Finance costs

	Group		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Interest on lease liabilities	102	-	102	-
Total Finance costs	102	-	102	-

Notes to the Financial Statements
for the year ended 30 June 2020

7. Depreciation and amortisation

Depreciation and amortisation were incurred in respect of:

	Group		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Plant and equipment	57	95	57	95
Leasehold improvements	75	275	75	275
Intangible assets				
Internally generated software	1,272	1,183	1,272	1,183
Purchased software	12	10	12	10
Depreciation of right-of-use assets	1,715	-	1,715	-
Total depreciation and amortisation	3,131	1,563	3,131	1,563

8. Other expenses

External audit fees *	37	37	34	34
Internal audit fees	126	62	126	62
Bad and impaired debts	25	68	25	68
Special payments	2	-	2	-
Insurance premiums	26	23	26	23
Total other expenses	216	190	213	187

* Total external audit fees paid to QAO relating to the 2019–20 financial year are estimated to be \$37,400 for the group (2018–19: \$36,500 for the group). There are no non-audit services included in this amount.

9. Cash and cash equivalents

	Group		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at bank	4,580	3,354	4,438	3,323
Queensland Treasury Corporation (QTC)	72,265	71,376	72,265	71,376
Total cash and cash equivalents	76,845	74,730	76,703	74,699

Accounting policy – cash and cash equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June including 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.

Notes to the Financial Statements
for the year ended 30 June 2020

	Group		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
10. Other financial assets				
Managed funds – QIC	870,950	880,759	870,950	880,759
Total other financial assets	870,950	880,759	870,950	880,759

Represented by:

QIC Investment Products as at 30 June 2020	Group and Parent			
	Annual average return on investments	Treasurer approved strategic asset allocation parameter	Actual Allocation	Amount \$'000
QIC Cash Enhanced Fund	1.66%	0% – 60%	0.43%	3,740
QIC Global Credit Fund	2.45%	10% – 45%	39.08%	340,363
QIC Global Credit Opportunities Fund	1.99%	0% – 20%	0.18%	1,553
QIC Long Term Diversified Fund*	-3.21%	0% – 30%	26.31%	229,190
QIC Property Fund	-16.64%	5% – 20%	14.02%	122,075
QIC Short Term Income Fund**	2.30%	10% – 30%	19.98%	174,029
Total Portfolio	-2.02%		100.00%	870,950

QIC Investment Products as at 30 June 2019	Annual average return on investments	Treasurer approved strategic asset allocation parameter	Group and Parent	
			Actual Allocation	Amount \$'000
QIC Bond Plus Fund	3.78%	10% – 30%	20.19%	177,839
QIC Cash Enhanced Fund	2.57%	0% – 60%	13.06%	114,964
QIC Global Credit Fund	5.05%	10% – 45%	38.99%	343,419
QIC Global Credit Opportunities Fund	-0.89%	0% – 20%	0.18%	1,572
QIC Growth Fund	7.15%	0% – 30%	10.48%	92,316
QIC Property Fund	4.10%	5% – 20%	17.10%	150,649
Total Portfolio	4.56%		100.00%	880,759

* QIC Growth Fund renamed as QIC Long Term Diversified Fund.

** QIC Bond Plus Fund renamed as QIC Short Term Income Fund.

Accounting policy – other financial assets

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

The RTA values the investment portfolio at market value as stated by the QIC investment portfolio funds manager and is categorised as level 2 with the exception of the QIC Property Fund which is level 3 in the fair value hierarchy. Refer to Note 11 for further information regarding the RTA's fair value accounting policies.

Notes to the Financial Statements

for the year ended 30 June 2020

11. Fair value measurement

(a) Accounting policies and inputs for fair values

What is fair value?

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

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

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

The market value of each of the funds the RTA invests in is determined as a function of the value of the investments the fund holds. Such investments are ordinarily valued using level 1 or 2 inputs. The exception is the QIC Property Fund, the value of which is determined by the value of real property assets which include level 3 valuation inputs.

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

Fair value measurement hierarchy

Details of individual assets and liabilities measured under each category of fair value are shown below.

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

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

The RTA and its controlled entity values the investment portfolio at market value as stated by the QIC investment portfolio funds manager which is categorised per the following fair value hierarchies as per the below table. There were no transfers of assets between fair value hierarchy levels during the period.

	30 June 2020 Amount \$'000	30 June 2019 Amount \$'000	Fair value hierarchy category
QIC Investment Products as at 30 June 2020			
QIC Cash Enhanced Fund	3,740	177,839	Level 2
QIC Global Credit Fund	340,363	114,964	Level 2
QIC Global Credit Opportunities Fund	1,553	343,419	Level 2
QIC Long Term Diversified Fund	229,190	1,572	Level 2
QIC Property Fund	122,075	92,316	Level 3
QIC Short Term Income Fund	174,029	150,649	Level 2
Total Portfolio	870,950	880,759	

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

Notes to the Financial Statements
for the year ended 30 June 2020

12. Receivables

Debtors

Less: allowance for expected credit losses

Accrued interest revenue

GST receivable

Total receivables

Group		Parent	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000
541	215	185	141
(70)	(73)	(70)	(73)
471	142	115	68
53	141	53	141
397	133	397	133
921	416	565	342

13. Other assets

Current

Prepayments

Total current

Non current

Prepayments

Total non current

Total other assets

Group		Parent	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000
434	253	367	253
434	253	367	253
62	54	62	54
62	54	62	54
496	307	429	307

Notes to the Financial Statements
for the year ended 30 June 2020

	Group		Parent	
	2020 \$'000	2019 \$'000	2019 \$'000	2019 \$'000
14. Intangible assets				
Software internally generated: at cost				
Gross	16,400	15,267	16,400	15,267
Less: accumulated amortisation	(7,473)	(6,201)	(7,473)	(6,201)
	8,927	9,066	8,927	9,066
Software purchased: at cost				
Gross	822	750	822	750
Less: accumulated amortisation	(688)	(676)	(688)	(676)
	134	74	134	74
Work in progress: at cost				
Gross	256	21	256	21
Total intangible assets	9,317	9,161	9,317	9,161

Reconciliation of Intangible assets

	Software internally generated	Software purchased	Software work in progress	Total
	Group and Parent			
	\$'000	\$'000	\$'000	\$'000
2020				
Carrying amount at 1 July 2019	9,066	74	21	9,161
Acquisitions	1,133	72	235	1,440
Amortisation	(1,272)	(12)	-	(1,284)
Carrying amount at 30 June 2020	8,927	134	256	9,317
2019				
Carrying amount at 1 July 2018	9,589	84	-	9,673
Acquisitions	660	-	21	681
Amortisation	(1,183)	(10)	-	(1,193)
Carrying amount at 30 June 2019	9,066	74	21	9,161

Notes to the Financial Statements

for the year ended 30 June 2020

14. Intangible assets (continued)

Accounting policy – recognition and measurement

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

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

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

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

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

Accounting policy – amortisation expense

Key judgement – intangible assets

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

Useful life

Key estimate – intangible assets

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

Intangible asset	Useful life
Software purchased	3 to 10 years
Software internally generated	5 to 10 years

Accounting policy – impairment

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

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

Notes to the Financial Statements
for the year ended 30 June 2020

	Group		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
15. Property, plant and equipment				
Property, plant and equipment: at cost				
Gross	4,555	4,459	4,555	4,459
Less: accumulated depreciation	(4,249)	(4,129)	(4,249)	(4,129)
	306	330	306	330
Total property, plant and equipment	306	330	306	330

Reconciliation of Property, plant and equipment

	Plant and Equipment	Total
	Group and Parent	
	\$'000	\$'000
2020		
Carrying amount at 1 July 2019	330	330
Acquisitions	107	107
Depreciation	(131)	(131)
Carrying amount at 30 June 2020	306	306
2019		
Carrying amount at 1 July 2018	627	627
Acquisitions	73	73
Depreciation	(370)	(370)
Carrying amount at 30 June 2019	330	330

Notes to the Financial Statements

for the year ended 30 June 2020

15. Property, plant and equipment (continued)

Accounting policy – recognition and acquisition

Basis of capitalisation and recognition thresholds

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

Plant and equipment \$5,000

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

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

Accounting policy – cost of acquisition

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

Accounting policy – depreciation expense

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

Key judgement:

Straight line depreciation is used as it is consistent with the even consumption of service potential of these assets over their useful life to the RTA.

Separately identifiable components of complex assets are depreciated according to the useful lives of each component, as doing so results in a material impact on the depreciation expense reported.

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

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

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

Key estimate: depreciation rates

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

Property, plant and equipment	Useful life
Plant and equipment	3 to 20 years
Computer hardware	3 years
Leasehold improvements	10 years

Notes to the Financial Statements
for the year ended 30 June 2020

	Group	Parent
	2020	2020
	\$'000	\$'000
16. Leases		
Reconciliation of Right-of-use assets		
a) Right-of-use assets: building		
Opening balance at 1 July	3,715	3,715
Depreciation charge	(1,715)	(1,715)
Closing balance at 30 June	2,000	2,000

b) Lease liabilities		
Current		
Lease liabilities	2,480	2,480
Non Current		
Lease liabilities	430	430
Total	2,910	2,910

Reconciliation of lease liabilities

	Office Building
	\$'000
At 1 July 2019	5,234
Interest expenses	102
Lease payments	(2,426)
30 June 2020	2,910

Accounting policy – leases

As described in Note 1, the RTA has applied AASB 16 using the modified retrospective approach and therefore comparative information has not been restated.

Accounting policy applicable from 1 July 2019

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

To apply this definition the RTA assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the RTA;
- the RTA has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the RTA has the right to direct the use of the identified asset throughout the period of use.

The RTA assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Notes to the Financial Statements

for the year ended 30 June 2020

Measurement and recognition of leases as a lessee

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the Statement of Financial Position within a classification relevant to the underlying asset.

Right-of-use assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs incurred
- an estimate of costs to be incurred in dismantling and removing the underlying asset at the end of the lease

Subsequently, right-of-use assets are measured using the cost model.

The right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Depreciation is recognised in the Statement of Comprehensive Income in 'Depreciation and amortisation'.

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the RTA's incremental borrowing rate.

The weighted average incremental borrowing rate as of 1 July was 2.44%.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

The unwind of the financial charge on the lease liabilities is recognised in the Statement of Comprehensive Income based on the incremental borrowing rate.

The RTA does not recognise leases that have a lease term of 12 months or less or are of low value as a right-of-use asset or lease liability. The lease payments associated with these leases are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Impairment of right-of-use asset

The RTA tests for impairment where there is an indication that a right-of-use asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of a right-of-use asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount.

The resulting impairment loss is recognised immediately in surplus or deficit.

Lease commitments

2018–19 Disclosures under AASB 117

Operating lease – office building

Commitments under operating leases at 30 June 2019 are inclusive of GST.

	Group	Parent
	2019	2019
	\$'000	\$'000
Less than 12 months	2,710	2,710
More than 12 months and less than 5 years	3,301	3,301
	<u>6,011</u>	<u>6,011</u>

Reconciliation of lease liabilities at 1 July 2019

	Office Building
	\$'000
Lease commitments as at 30 June 2019	6,011
Less: GST on lease commitments	(547)
Less: Arrangements that are no longer leases	(84)
Gross lease liabilities as at 1 July 2019	5,380
Discounting	(146)
Lease liabilities as a result of the initial application of AASB 16 as at 1 July 2019	5,234

Notes to the Financial Statements

for the year ended 30 June 2020

Office accommodation

The lease of premises at 179 Turbot Street ends in August 2021. The RTA has engaged Queensland Government Accommodation Office (QGAO) through The Department of Housing and Public Works (DHPW) to source a suitable office accommodation by August 2021. This arrangement will be expensed as supplies and services as incurred rather than applying AASB 16 Leases. This is due the DHPW having substantive substitution rights over non-specialised, commercial office accommodation and residential premises assets supplied by QGAO within these arrangements.

	Group		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
17. Payables				
Current Payables				
Trade creditors	5,245	1,611	5,168	1,494
Payables to RTEO	-	-	4,144	4,357
	5,245	1,611	9,312	5,851
Rental bonds and unclaimed monies				
Rental bonds	943,358	900,783	943,358	900,783
Unclaimed bond monies *	4,976	14,478	4,976	14,478
	948,334	915,261	948,334	915,261
Operating lease payable				
Operating lease payable **	-	181	-	181
	-	181	-	181

* Includes unclaimed amounts in the rental bond account that have been paid by cheque and have not been presented within 15 months.

** Relates to the lease agreement for the RTA's current premises, 179 Turbot St, Brisbane. The lease agreement ends in August 2021. As per Note 1 with the adoption of AASB 16 on 1 July 2019, this balance was offset against the initial carrying value of the right-of-use asset.

Accounting policy – payables

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

Accounting policy – operating lease liabilities

Lease liability amounts in Note 17 relate to amounts payable under AASB 117 Leases and is relevant for the year ended 30 June 2019 comparatives. For the year ended 30 June 2020 AASB 16 Leases has been adopted.

Refer to Note 16 for further details.

Accounting policy – rental bonds and unclaimed monies

In accordance with s116 of the RTRA Act 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. Per AASB 13 *Fair Value Measurement*, 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 as the RTA does not have an unconditional right to defer settlement beyond 12 months. Bonds are a financial liability and are regarded as being payable on demand.

Notes to the Financial Statements

for the year ended 30 June 2020

Under Section 151 of the RTRA Act when a cheque (or electronic funds transfer) has not been presented or successfully transferred to the recipient at least 7 years from the date that the payment was made then it is classified as unclaimed bond monies. These are disclosed as current liabilities and are recognised at the face value of the bond. Unclaimed monies do not lose the demand feature associated with the bond, and are therefore recognised as current liabilities at their undiscounted face value.

During the 2019-20 financial year the RTA obtained approval from the Minister under s151(2) of the RTRA Act to transfer unclaimed bond monies amounting to \$9,478,837 aged greater than 7 years out of the rental bond account. Usage of these funds is permitted for the purpose of administering rental advisory services under ss151(2)(a) and 153(1)(a), specifically:

- Additional contact centre costs to support the provision of up to date tenancy information during the COVID-19 pandemic
- Improving the RTA's infrastructure used for administering rental advisory services

As of 30 June 2020, the RTA has spent \$3,177,272 of unclaimed bond monies for purposes permitted under the Act.

The RTA has derecognised the liability associated with these unclaimed bond monies with a corresponding gain recognised in income.

The RTA retains an obligation to repay these monies in the event they are claimed, refer Note 24 for further disclosure.

	Group		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
18. Accrued employee benefits				
Current				
Annual leave	1,695	1,351	19	16
Long service leave	1,736	1,942	7	7
Accrued wages	-	320	-	1
Time off in lieu (TOIL)	13	13	-	-
Total current	3,444	3,626	26	24
Non current				
Long service leave	1,214	745	-	2
Total non current	1,214	745	-	2
Total accrued employee benefits	4,658	4,371	26	26

All provisions include associated on-costs.

Accounting policy – accrued employee benefits

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

For unpaid entitlements expected to be wholly settled within 12 months, the liabilities are recognised at their undiscounted values. For those entitlements not expected to be wholly settled within 12 months, the liabilities are recognised at their present value, calculated using yields on fixed rate commonwealth government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement. Unpaid liabilities are classified as current where the RTA does not have an unconditional right to defer settlement beyond 12 months.

19. Financing arrangements

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

Corporate credit cards	200	200	200	200
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20. Financial instruments

(a) Categorisation of financial instruments

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

	Group		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Category				
Current financial assets				
Financial assets measured at fair value through profit and loss:				
Cash and cash equivalents	76,845	74,730	76,703	74,699
Other financial assets	870,950	880,759	870,950	880,759
Financial assets measured at amortised cost:				
Receivables	921	416	565	342
Total current financial assets	948,716	955,905	948,218	955,800
Current financial liabilities				
Financial liabilities measured at amortised cost:				
Payables	5,245	1,611	9,312	5,851
Rental bonds and unclaimed monies	948,334	915,261	948,334	915,261
Operating lease payable	-	181	-	181
Lease liabilities	2,480	-	2,480	-
Total current financial liabilities	956,059	917,053	960,126	921,293
Non current financial liabilities				
Lease liabilities	430	-	430	-
Total financial liabilities	956,489	917,053	960,556	921,293

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

Accounting policy – financial instruments: recognition and classification

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

(b) Financial risk management

The RTA's activities expose it to a variety of financial risks as set out in the following table.

Risk exposure	Measurement method
Credit risk	Aging analysis, earnings at risk
Liquidity risk	Sensitivity analysis
Market risk	Investment earnings sensitivity analysis

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.

Notes to the Financial Statements

for the year ended 30 June 2020

20. Financial instruments (continued)

(b) Financial risk management (continued)

The RTA's activities expose it to a variety of financial risks as set out in the following table:

Risk exposure	Credit risk
Definition	Credit risk exposure refers to the situation where the RTA may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.
Exposure	The RTA is exposed to credit risk in respect of its receivables (Note 12), cash and cash equivalents (Note 9) and other financial assets (Note 10). No collateral is held as security and no credit enhancements relate to financial assets held by the RTA or its controlled entity. The combined carrying amount of each of these asset classes as disclosed in Note 20(a) represents the group's maximum exposure to credit risk at 30 June 2020. 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.
Risk management strategies	The RTA and its controlled entity manage credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the RTA invests in secure assets and monitors all funds owed on a timely and ongoing basis. The RTA manages its exposure to credit risk on investments through compliance with the SBFA Act, Queensland Treasury Guidelines and a formal investment strategy approved by the RTA Board. The Treasurer must approve through Section 61A of the SBFA Act the strategic asset allocation parameters. The Treasurer approved the RTA to appoint QIC as its fund manager under section 59 of the SBFA Act on 23 November 2004. The method for calculating any provisional impairment for risk is based on past experience, current and expected changes in economic conditions and changes in client credit ratings. No financial assets are past due as at 30 June 2020 (2019: \$nil).
Risk exposure	Liquidity risk
Definition	Liquidity risk refers to the situation where the RTA may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.
Exposure	The RTA is exposed to liquidity risk in respect of its payables (Note 17a), rental bonds and unclaimed monies (Note 17b) and lease payable (Note 16c).
Risk management strategies	The RTA and its controlled entity manage liquidity risk on the basis of the Investment Policy. This policy aims to reduce the exposure to liquidity risk by ensuring the RTA and its controlled entity have sufficient funds available to meet rental bond, employee and supplier obligations as and when they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities. Cash-flow management is performed daily. In the event that the RTA is unable to meet its financial liability obligations, the RTA has the ability to obtain financial support from Queensland Treasury to meet the shortfall of funds. Refer to Note 1, going concern assessment for further information.
Risk exposure	Market risk
Definition	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Interest rate risk and other price risks are risks that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates or other market factors.
Exposure	The RTA does not trade in foreign currency (other than indirectly through its investments with QIC) and is not materially exposed to commodity price changes. The RTA is exposed to interest rate and other price risks through its large investment with 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, equity investment values, and exchange fluctuations for investments denominated in foreign currencies, refer (Note 10). The RTA is also exposed to interest rate risk through its cash deposited in interest bearing accounts (Note 9).
Risk management strategies	The RTA manages its exposure to market risk on investments through compliance with the SBFA Act Queensland Treasury Guidelines and a formal investment policy 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.

20. Financial instruments (continued)

(c) Liquidity risk – contractual maturity of financial liabilities

The following table sets out the liquidity risk of financial liabilities held by the RTA and its controlled entity. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date.

		Group				
		Payable in:				
		≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total	Carrying value
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
2020						
Financial liabilities						
Payables	17	5,245	-	-	5,245	5,245
Rental bonds and unclaimed monies	17	948,334	-	-	948,334	948,334
Lease payable	16	2,523	432	-	2,955	2,910
Total financial liabilities		956,102	432	-	956,534	956,489
2019						
Financial liabilities						
Payables	17	1,611	-	-	1,611	1,611
Rental bonds and unclaimed monies	17	915,261	-	-	915,261	915,261
Operating lease payable	17	181	-	-	181	181
Total financial liabilities		917,053	-	-	917,053	917,053

20. Financial instruments (continued)

(c) Liquidity risk – contractual maturity of financial liabilities (continued)

		Parent				
		Payable in:			Total	Carrying value
		≤ 1 year	> 1 year ≤ 5 years	> 5 years		
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
2020						
Financial liabilities						
Payables	17	9,312	-	-	9,312	9,312
Rental bonds and unclaimed monies	17	948,334	-	-	948,334	948,334
Lease payable	16	2,523	432	-	2,955	2,910
Total financial liabilities		960,169	432	-	960,601	960,556
2019						
Financial liabilities						
Payables	17	5,851	-	-	5,851	5,851
Rental bonds and unclaimed monies	17	915,261	-	-	915,261	915,261
Operating lease payable	17	181	-	-	181	181
Total financial liabilities		921,293	-	-	921,293	921,293

20. Financial instruments (continued)

(d) Market risk – sensitivity analysis

The RTA and its controlled entity continually assess interest rate exposure and the impact of market volatilities in conjunction with its fund manager, throughout the year. Due to significant increases in volatility experienced in 2019–20 the return variables have increased from prior years. The rates are based upon the expected investment returns. To reflect a similar assessment for the purpose of this report, with all other variables held constant, if the average investment return across the complete portfolio had varied +500 or - 280 basis points for the 2019–20 year, the outcome for the RTA and its controlled entity is summarised in the table below:

	Carrying Amount	Operating Surplus/ (Deficit)	Equity	Operating Surplus/ (Deficit)	Equity
	Group and Parent				
	\$'000	\$'000	\$'000	\$'000	\$'000
		Return on earnings basis points			
		280 pts less than actual		500 pts greater than actual	
2020 Market risk					
Investment earning variation	870,950	(24,387)	(24,387)	43,548	43,548
Actual result		(43,252)	(312)	(43,252)	(312)
Changed result		(67,639)	(24,699)	296	43,236
		Return on earnings basis points			
		50 pts less than actual		20 pts greater than actual	
2019 Market risk					
Investment earning variation	880,759	(4,404)	(4,404)	1,762	1,762
Actual result		8,639	44,279	8,639	44,279
Changed result		4,235	39,875	10,401	46,041

21. Key executive management personnel and remuneration expenses

(a). Key management personnel

The RTA's responsible Minister is the Honourable Michael (Mick) de Brenni MP and is identified as part of the organisation's Key management personnel (KMP).

The following details for non-ministerial executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the RTA and its controlled entity during 2019–20.

Further information on these positions can be found in the body of the Annual Report under the section relating to executive management.

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

Since implementing the Roadmap for Success in October 2018 the executive leader roles have been reviewed. This review has led to the change in naming of the roles in the executive team to all include Chief and the role of Director Strategy and Innovation ceasing at 30 June 2020. The Strategy and Innovation function will report to the Chief Financial Officer from 1 July 2020.

Notes to the Financial Statements

for the year ended 30 June 2020

21. Key executive management personnel and remuneration expenses (continued)

(a). Key management personnel (continued)

Position	Responsibilities	Changes to positions	
		2020	2019
Chief Executive Officer	Leads the Executive Leadership Team to ensure progress on the strategic priorities of the business and engages regularly with industry stakeholders to increase opportunities for collaboration and consultation.	Current role	Current role
Chief Financial Officer	Ensures business sustainability by managing financials, meeting governance and legal requirements to assess and mitigate risks, and overseeing investigations for compliance activities.	Current role: Acting from 03/02/2020 Former: 02/11/2015 – 02/02/2020	Current role
Chief Digital Officer	Manages all information technology and recordkeeping requirements, business systems and applications in partnership with managed services provider Idea 11, and provides business intelligence and smart digital solutions to facilitate strategic direction and priorities.	Current role	New role: Current: from 23/7/2018
Chief Customer Experience Officer	Leads the Customer Experience division including Call Centre, Dispute Resolution and Bond Management with the purpose of providing high-quality customer-centric services utilising modern and diverse channels.	New role: Acting from 25/03/2020	
Chief People Officer	Leads the People and Culture division which includes specialist teams across Human Resources, Learning and Organisational Development, Communications and Education and Change Management.	New role: Acting from 25/03/2020	
Director – People and Culture*	Leads the People and Culture division which includes specialist teams across Human Resources, Learning and Organisational Development, Communications and Education and Change Management.	Acting: 3/02/2020 – 24/03/2020	New role: Current: from 12/11/18
Director – Customer Experience*	Leads all customer-facing teams including Contact Centre, Transaction Centre and Dispute Resolution to encourage customer excellence practices with a strong focus on meeting customers' expectations.	Acting: 03/02/2020 – 24/03/2020 Ceased: 24/03/2020	New role: Current: from 15/11/18
Director – Strategy and Innovation	Supports the strategic direction and priorities of the business through managing relationships with government stakeholders and overseeing the framework and delivery of a portfolio of projects and business improvement initiatives.	Current role: from 09/12/2019 Ceased: 30/06/2020	New role: Current: from 12/11/18
Executive Program Manager	Provided vision, direction, leadership and governance in establishing and operating a highly efficient and effective investigations department including developing a sustainable approach that ensures effective investigative processes, policies, governance and reporting of all RTA's investigations.	New role: from 06/03/2020: 24/04/2020 Ceased: 24/04/2020	

* These were retitled to include Chief as part of the executive position review.

Notes to the Financial Statements

for the year ended 30 June 2020

21. Key executive management personnel and remuneration expenses (continued)

(b) Remuneration

The remuneration policy for the RTA and its controlled entity is provided for under the Act. Pursuant to this, the executive officer of the RTEO is the same person who holds the existing appointment as the Chief Executive Officer of the RTA. The RTA Chief Executive Officer is appointed by the Governor in Council.

The details of the other terms of employment (including motor vehicle entitlements) for the Chief Executive Officer position are specified in the employment contract. The current Chief Executive Officer has been appointed to the RTA on a fixed three year contract effective from 30 April 2018.

For the 2019–20 year, the remuneration of key executive management did not increase (2018–19 Nil) for Senior Officers and Senior Executive Services, in accordance with government directives.

The remuneration packages for key executive management personnel comprise of the following components: –

- Short term employee benefits which include:
 - Base – consisting of base salary, allowance and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.
 - Non-monetary benefits – consisting of provision of self-education expenses together with fringe benefits tax applicable to the benefit.
- Long term employee benefits include long service leave accrued.
- Post employment benefits include employer superannuation contributions.
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payments in lieu of notice on termination, regardless of the reason for termination.

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

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

1 July 2019 – 30 June 2020

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employee Benefits	Termination Benefits	Total Remuneration
	Base	Non-Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	317		8	26		351
Chief Financial Officer	170		4	18		192
Chief Digital Officer	217		5	24		246
Chief Customer Experience Officer	48		1	5		54
Chief People Officer	48		1	3		52
Director – Strategy and Innovation ²	155		4	15		174
Director – Customer Experience ¹	100		3	13		116
Director – People and Culture ¹	101		3	11		115
Executive Program Manager	30		1	3		34
Total	1,186	-	30	118	-	1,334

1 – These were retitled to include Chief as part of the executive position review.

2 – The Director Strategy and Innovation position ceased as at 30 June 2020.

21. Key executive management personnel and remuneration expenses (continued)

(b) Remuneration (continued)

1 July 2018 – 30 June 2019

Position	Short Term Employee Benefits	Long Term Employee Benefits	Post Employee Benefits	Termination Benefits	Total Remuneration
	Base	Non- Monetary Benefits			
	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	287		7	33	327
Chief Financial Officer	194		5	21	220
Chief Digital Officer	182		4	20	206
Director – Customer Experience ¹	112		3	13	128
A/IT Director ²					
Director – Strategy and Innovation	86		2	11	99
Director – People and Culture	87		2	11	100
Director – Service Delivery	47		1	6	54
Director – Policy and Stakeholder Engagement	68		2	8	78
Total	1,063	-	26	123	1,212

¹ – Multiple resources were assigned to the role of Director of Customer Experience during transformational change.

² – The A/IT Director was engaged as a contractor via a temporary agency arrangement and is not an employee of the RTA or its controlled entity. Total amount paid for the A/IT Directors services was \$24K during the 2018–19 financial year.

(c) Other transactions with key management personnel and their related parties

For the 2019–20 financial year there were no material related party transactions between the RTA and key management personnel other than ordinary citizen transactions.

22. Board disclosures

Section 471 of the Act provides for the RTA to have a Board of Directors. There is no legislative requirement for the RTEO to have a Board.

The Queensland Government determines appropriate payment for part-time chairs and members of government boards, committees and statutory authorities. Payments are made in accordance with the Executive Council minute for each Director appointed as approved by the Governor in Council.

(a) Board members remuneration

	Appointed	Ceased	Group		Parent	
			2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Mr Paul Melville (Chair)	May 2017		51	51	51	51
Mr Stephen Ryan	Nov 2016		24	21	24	21
Ms Sally Watson	Nov 2016		21	21	21	21
Ms Janet Benson	May 2017		21	21	21	21
Ms Rachel Watson	Dec 2017		21	21	21	21
Ms Christine Castley ¹	Dec 2017		-	-	-	-
Ms Deborah Duffy	Dec 2017		21	21	21	21
Total Board member payments			159	156	159	156

The 2019–20 Board fees included fees of \$145,824 plus superannuation of \$13,444. The 2018–19 Board fees included fees of \$141,514 plus superannuation of \$14,486.

¹ – As Ms Castley is a public sector employee she will not receive remuneration as a Director of the RTA while she remains employed in the public sector.

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

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

23. Related party disclosures

During the year, the RTA incurred service fee income to its controlled entity, the RTEO, of \$20,614,116 (2019: \$19,411,950). For the 2019–20 financial year there were no other material related party transactions.

Notes to the Financial Statements

for the year ended 30 June 2020

24. Contingencies

As described in Note 17, the RTA retains an obligation to refund unclaimed bond liabilities which were derecognised during the year, in the event that these bonds are subsequently claimed. The probability of future claims against these funds is low. Over the past seven years the average annual payments made in respect of unclaimed bond monies aged greater than 7 years was \$34,000.

25. Commitments

Capital commitments

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

26. 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.

27. Future impact of accounting standards not yet effective

At the date of the authorisation of the financial report, Australian accounting standards and interpretations with future effective dates are either not applicable to or have no material impact on the activities of the RTA.

28. Taxation

The RTA and its controlled entity are State bodies as defined under the Income Tax Assessment Act 1936 and are exempt from Commonwealth (Cth) taxation with the exception of Fringe Benefits Tax (FBT), Goods and Services Tax (GST) and Pay-As-You-Go (PAYG) withholding requirements.

The RTA and its controlled entity are also required to comply with state taxes such as Payroll Tax (QLD).

Investment activity of the RTA is part of the RTA's overall enterprise. Accordingly, the RTA is subject to Division 70 of the GST Act which reduces the entitlement for GST refundable for acquisitions for the purposes of investment portfolio management.

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

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

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

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

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

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

RTEO and RTA are grouped for GST purposes.

Notes to the Financial Statements
for the year ended 30 June 2020

29. Budgetary reporting disclosures

Statement of Comprehensive Income

		Original budget 2020	Actual 2020	Variance
	Variance notes	\$'000	\$'000	\$'000
Income				
Investment revenue	1	28,020	24,951	(3,069)
Other revenue		-	18	18
Other income	2	-	9,479	9,479
Total income		28,020	34,448	6,428
Expenses				
Employee expenses		21,297	21,708	(411)
Supplies and services	3	8,240	10,920	(2,680)
Finance costs		-	102	(102)
Depreciation and amortisation	4	2,820	3,131	(311)
Fair value loss on investments	5	-	41,623	(41,623)
Other expenses		60	216	(156)
Total expenses		32,417	77,700	(45,283)
Operating result for the year		(4,397)	(43,252)	(38,855)
Other Comprehensive Income		-	-	-
Total Operating Result		(4,397)	(43,252)	(38,855)

Notes to the Financial Statements
for the year ended 30 June 2020

29. Budgetary reporting disclosures (continued)

Statement of Financial Position

		Original budget 2020	Actual 2020	Variance
	Variance notes	\$'000	\$'000	\$'000
Current assets				
Cash and cash equivalents	6	32,827	76,845	44,018
Other financial assets	7	913,753	870,950	(42,803)
Receivables	8	674	921	247
Other current assets		176	434	258
Total current assets		947,430	949,150	1,720
Non current assets				
Intangible assets	9	7,425	9,317	1,892
Property, plant and equipment	10	1,201	306	(895)
Right-of-use assets		2,098	2,000	(98)
Other non current assets		10	62	52
Total non current assets		10,734	11,685	951
Total assets		958,164	960,835	2,671
Current liabilities				
Payables	11	153	5,245	(5,092)
Rental bonds and unclaimed monies		933,200	948,334	(15,134)
Lease liabilities		2,910	2,480	430
Accrued employee benefits	12	2,045	3,444	(1,399)
Total current liabilities		938,308	959,503	(21,195)
Non current liabilities				
Lease liabilities		-	430	(430)
Accrued employee benefits		743	1,214	(471)
Total non current liabilities		743	1,644	(901)
Total liabilities		939,051	961,147	(22,026)
Net assets		19,113	(312)	(19,425)
Equity				
Accumulated surplus		19,113	(312)	(19,425)
Total equity		19,113	(312)	(19,425)

Notes to the Financial Statements
for the year ended 30 June 2020

29. Budgetary reporting disclosures (continued)

Statement of Cash Flows

		Original budget 2020	Actual 2020	Variance
	Variance notes	\$'000	\$'000	\$'000
Cash flows from operating activities				
Inflows				
Interest income	13	659	1,296	637
Bond lodgements		400,976	427,119	26,143
Other operating receipts		-	18	18
GST collected from customers		-	21	21
GST refunds received	14	824	1,175	351
Outflows				
Bond claims		(380,000)	(384,566)	(4,566)
Employee expenses		(21,023)	(21,492)	(469)
Supplies and services		(8,736)	(7,736)	1,000
Other expenses		(196)	(216)	(20)
GST paid to suppliers	15	(824)	(1,459)	(635)
		(102)	(102)	-
Net cash provided by/(used in) operating activities		(8,422)	14,058	22,480
Cash flows from investing activities				
Inflows				
Investments redeemed	16	27,214	21,929	(5,285)
Outflows				
Payments for property, plant and equipment	17	(1,200)	(107)	1,093
Payments for intangibles	18	-	(1,205)	(1,205)
Payments for work in progress		-	(236)	(236)
Payments for investments	19	(19,564)	(30,000)	(10,436)
Net cash provided by/(used in) investing activities		6,450	(9,619)	(16,069)
Cash flows from financing activities				
Outflows				
Repayment of lease liabilities		(2,324)	(2,324)	-
Net cash provided by/(used in) financing activities		(2,324)	(2,324)	-
Net increase/(decrease) in cash and cash equivalents		(4,296)	2,115	6,411
Cash and cash equivalents at beginning of financial year		37,124	74,730	37,606
Cash and cash equivalents at end of financial year		32,828	76,845	44,017

Notes to the Financial Statements

for the year ended 30 June 2020

29. Budgetary reporting disclosures (continued)

Explanations of major variances

Statement of Comprehensive Income

1 Investment revenue	Investment revenue fell to \$25M due to the declining value of investments with QIC. The COVID-19 pandemic had significant impacts to investments.
2 Other income	RTA obtained approval from the Minister under s151(2) of the RTRA Act to transfer unclaimed bond monies amounting to \$9.5M (Refer to Note 17).
3 Supplies and services	In response to COVID-19 the RTA utilised a secondary contact centre to respond to additional call volumes across the Queensland rental sector. These costs amounted \$3.2M which were not budgeted. When excluded the RTA was under budget.
4 Depreciation and amortisation	Higher than expected capitalisation of intangible assets resulted in an increase in amortisation expenses compared to the budget.
5 Fair value loss on investments	Fair value changes in investments separated from investment revenue in actual results. Loss in fair value of investments (\$42M) is attributable to the declining value of investments with QIC. The COVID-19 pandemic had significant impacts to investments.

Statement of Financial Position

6 Cash and cash equivalents	Increase in cash is mainly due to higher than expected rental bond lodgements and higher than budgeted opening cash balances. Rental bond lodgements increased by \$26M compared to the budget.
7 Other Financial Assets	The value of QIC investments decreased due to capital losses incurred. The RTA expected a growth of investments by 3% however incurred losses of 2.02%.
8 Receivables	Receivables increased from budget due to increased Goods and Services Tax receivable and one off inter-government receivables of \$0.31M.
9 Intangible Assets	Due to changes in the RTA priorities, higher investment (\$1.2M) was made in the RTA's web services as opposed to the budgeted expenditure in property, plant and equipment.
10 Property, plant and equipment	Due to changes in the RTA priorities, higher investment was made in the RTA's web services as opposed to the budgeted expenditure of \$1.2M in property, plant and equipment.
11 Payables	Payables have increased compared to budget due to the costs incurred for the additional call centre (\$2.9M).
12 Accrued employee benefits	Accrued employee benefits are higher than budget due to higher than forecast leave balances.

Statement of Cash Flows

13 Interest Income	Interest income has increased due to increased cash holding resulting from higher than budgeted rental bond lodgements of \$26M.
14 GST refunded	GST refunds are over budget due to increase in purchases (\$2.7M) during the year and is offset by GST paid to suppliers.
15 GST paid to suppliers	GST payments are over budget due to higher than expected purchases and is offset by GST refunds.
16 Investment redeemed	Due to lower returns, QIC investments paid lower levels of distributions, \$22M compared to the \$27M budgeted.
17 Payments for property, plant and equipment	Due to changes in the RTA priorities, higher investment was made in the RTA's web services as opposed to the budgeted expenditure in property, plant and equipment.
18 Payments for intangibles	Due to changes in the RTA priorities, higher investment was made in the RTA's web services (\$1.2M) as opposed to the budgeted expenditure in property, plant and equipment.
19 Payments for investments	Due to a change in investment targets and increased bond lodgements, \$30M cash was invested during the year causing a \$10M variance from the budget.

Management Certificate

for the year ended 30 June 2020

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (Qld) (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Residential Tenancies Authority and its controlled entities for the financial year ended 30 June 2020 and of the financial position of the Authority and its controlled entities at the end of that year; and

We acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Jennifer Smith

Chief Executive Officer



Paul Melville

Chairperson, RTA Board

21/08/2020

INDEPENDENT AUDITOR'S REPORT

To the Board of the Residential Tenancies Authority

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Residential Tenancies Authority (the parent) and its controlled entities (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 30 June 2020, and their financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 30 June 2020, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Other information

Other information comprises financial and non-financial information (other than the audited financial report) in the Residential Tenancies Authority's annual report.

The Board is responsible for the other information.

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

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group.

- Conclude on the appropriateness of the parent's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent's or group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the parent or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

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

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

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

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



Melissa Fletcher
as delegate of the Auditor-General

26 August 2020

Queensland Audit Office
Brisbane

Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	2
Accessibility	<ul style="list-style-type: none"> Table of contents 	ARRs – section 9.1	3
	<ul style="list-style-type: none"> Glossary 		89
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	3
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	3
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	3
	<ul style="list-style-type: none"> Information licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	3
General information	<ul style="list-style-type: none"> Introductory information 	ARRs – section 10.1	6
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – section 10.2, 31 and 32	n/a
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 10.2	6
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 10.3	7
Non-financial performance	<ul style="list-style-type: none"> Government’s objectives for the community 	ARRs – section 11.1	6
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs – section 11.2	20
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.3	37–39
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.4	40
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	41–44
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	24
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	28–29
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	n/a
	<ul style="list-style-type: none"> Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	31

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	• Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	31
	• Queensland public service values	ARRs – section 13.6	n/a
	• Risk management	ARRs – section 14.1	27, 30
	• Audit committee	ARRs – section 14.2	27
	• Internal audit	ARRs – section 14.3	30
	• External scrutiny	ARRs – section 14.4	30
	• Information systems and recordkeeping	ARRs – section 14.5	33–34
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	35
	• Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	36
Open Data	• Statement advising publication of information	ARRs – section 16	3
	• Consultancies	ARRs – section 33.1	https://data.qld.gov.au
	• Overseas travel	ARRs – section 33.2	https://data.qld.gov.au
	• Queensland Language Services Policy	ARRs – section 33.3	https://data.qld.gov.au
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	83
	• Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	84

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2019

ARRs Annual report requirements for Queensland Government agencies

Glossary – Acronyms and abbreviations

ABS	Australian Bureau of Statistics
ARAMA	Australian Resident Accommodation Managers Association
ARC	Audit and Risk Committee
CC	Consultative Committee
COVID-19	2019 Novel Coronavirus
COVID-19 Regulations	Residential Tenancies and Rooming Accommodation (COVID-19 Emergency Response) Regulation 2020
CPAQ	Caravan Parks Association of Queensland
DHPW	Department of Housing and Public Works
EEO	Equal Employment Opportunity
FPMS	Financial and Performance Management Standard 2019
FTE	Full-time Equivalent (staff)
IP Act	<i>Information Privacy Act 2009</i>
OFT	Office of Fair Trading
POAQ	Property Owners' Association of Queensland
QCAT	Queensland Civil and Administrative Tribunal
QIC	Queensland Investment Corporation
QPS	Queensland Police Service
Q Shelter	Queensland Shelter
QTC	Queensland Treasury Corporation
REIQ	Real Estate Institute of Queensland
RTA	Residential Tenancies Authority
RTEO	Residential Tenancies Employing Office
RTI Act	<i>Right to Information Act 2009</i>
RTRA Act	<i>Residential Tenancies and Rooming Accommodation Act 2008</i>
SDS	Service Delivery Statement

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