

Residential Tenancies Authority

Annual Report

2020–21

Letter of compliance

8 September 2021

The Honourable Leeanne Enoch MP

Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts

GPO Box 806

Brisbane Qld 4001

Dear Minister

I am pleased to present the Annual Report 2020–21 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 2019* (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 page 82 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/help/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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Chair's message

The Residential Tenancies Authority (RTA) Annual Report 2020–21 details the RTA's ongoing efforts to improve customer experience and satisfaction, support Queenslanders through changing COVID-19 tenancy arrangements and lay the groundwork for a sustainable organisational future.

In the past year, some highlights for the RTA included:

- implementing changes arising from the COVID-19 Regulations and continuing to support Queensland tenants, property owners and property managers;
- establishing the Stakeholder Working Group for industry feedback and input on customer education and communication strategies and initiatives;
- relocating the RTA office and upgrading essential IT infrastructure to continue delivering secure and reliable digital services, and
- delivering on and updating the RTA Strategic Plan to align with the Queensland Government's objective of *Unite and Recover*.

The RTA greatly values its networks and relationships with regional customers and stakeholders which underpinned the plan for face-to-face information sessions and stakeholder meetings in Cairns in March 2021. These were unfortunately postponed by a Greater Brisbane three-day COVID-19 lockdown and have been rescheduled for October 2021. We look forward to extending our focus on regional connections once again.

With Queensland experiencing an increase in interstate migration and less movement in the rental sector, it has resulted in a challenging rental market. During this time, the RTA has updated customer information and resources to reflect amendments to the COVID-19 Regulations and continued to achieve excellent customer satisfaction ratings on the frontline to help everyone make informed renting decisions.

The RTA refocused our investment portfolio in 2020–21 to maximise earnings while financial markets around the globe recovered. This enabled the RTA to increase its earnings and regain the losses caused by the global economic effects of COVID-19 to ensure business stability and sustainability.

More changes lie ahead for the rental sector with two rental reform Bills being considered by the Queensland Government.

I'd like to take this opportunity to welcome the Honourable Leeanne Enoch MP, Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts and her team.

We also welcome the appointment of Clare O'Connor, the Director-General of the Department of Communities, Housing and Digital Economy (DCHDE). The RTA looks forward to continuing our work with the Minister and the Department to make renting work for everyone and to carry out the legislative changes.

Finally, I would like to thank the RTA staff for their magnificent work of providing ongoing support and service to Queenslanders while juggling multiple projects in difficult times. RTA staff delivered a successful office relocation, rolled out essential infrastructure upgrades and continued to transition to a new way of working. Their dedication and efficiencies are testament to the excellent leadership of CEO Jennifer Smith and the Executive Leadership Team.



Paul Melville Board Chair

CEO's message

The Residential Tenancies Authority (RTA) has had a transformative year in 2020–21. As the number of Queenslanders renting continues to rise alongside a challenging rental market, it is more important than ever for the RTA to ensure we continue to provide services and support which are valued by our customers and make decisions that can sustain the RTA into the future.

In 2020–21, the RTA continued our journey to modernise and optimise our systems to deliver smart digital services. As the RTA relies heavily on voice and telephone infrastructure to provide core business services every day, we upgraded and modernised our phone system that was at end of life to ensure continuity of service to Queenslanders. With the RTA's Contact Centre receiving over 420,000 calls and conciliating more than 21,000 disputes this financial year, it is encouraging to see our focus on customer experience and satisfaction come to fruition. Customer satisfaction ratings recorded during the year far exceeded pre-set targets amidst high customer demand and evolving needs.

We also released two new RTA Web Services. Customers were quick to embrace the Change of Bond Contributors Web Service launched in August 2020, with 40% of all change of bond contributors requests now submitted via this digital channel. The Tenancy Dispute Resolution Web Service launched in January 2021 complements the online bond dispute request process that forms part of the Bond Refund Web Service.

As COVID-19 continued to impact our way of living, the RTA transitioned to collaborating with stakeholders and delivering education and information to the sector digitally. The uncertainties involved in face-to-face engagement programs and presentations have encouraged the RTA to embrace virtual channels to further our educational efforts within the sector and reach wider audiences.

Another highlight for the RTA in 2020–21 was the successful relocation of our office. This relocation enables staff to work together on one floor which has driven greater collaboration between our teams. At the same time, we also transitioned to activity-based working and updated policies and procedures to support flexible working arrangements with a focus on our employees' health, safety and wellbeing.

I am grateful for the support and dedication of the RTA staff who have continued to work tirelessly through changes to COVID-19 tenancy arrangements, essential IT system upgrades, our office relocation and have embraced our new ways of working while continuing to meet and exceed high customer demands for tenancy information and support services. I also thank the Executive Leadership Team for their innovative, flexible and personalised approach to leading our teams from strength to strength, and the RTA Board for their support and guidance, in particular Board Chair Paul Melville for his ongoing commitment to the RTA.

The Queensland rental sector is on the cusp of legislative reform with two Bills submitted to Parliament by the Queensland Government and the Member for South Brisbane Dr Amy MacMahon MP. As the statutory body that administers the legislation, the RTA will be providing updates to our customers every step of the way and supporting Queenslanders through the next phase of legislative changes.

In the months ahead, I look forward to continuing our work with the Honourable Leeanne Enoch MP, Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts and her office, and Clare O'Connor, Director-General of the Department of Communities, Housing and Digital Economy and her staff to continue making renting work for everyone.



Jennifer Smith Chief Executive Officer

About us

Our vision and purpose

The Residential Tenancies Authority (RTA) is Queensland's independent statutory authority that administers the *Residential Tenancies and Rooming Accommodation Act 2008* (RTRA Act). We offer a range of services to uphold fairness, integrity and balance within the residential rental sector, and empower Queenslanders to make informed renting choices.

In addition to providing tailored tenancy information, support, education and bond management services, the RTA offers a free dispute resolution service to help parties resolve tenancy issues in a cost-effective manner and avoid legal action. We also investigate alleged offences under the RTRA Act with the aim to prevent repeat offending and improve compliance.

With the rental landscape shifting rapidly in response to the COVID-19 pandemic, the RTA has continued to monitor and research residential rental data and trends. We have strengthened our relationships with key stakeholders and industry sector bodies, allowing us to proactively identify the challenges our customers face, tailor our services to best serve their needs and concerns and make renting work for everyone.

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 Communities and Housing, Minister for Digital Economy and Minister for the Arts, the Honourable Leeanne Enoch MP.

Our objectives and strategies

The RTA's Strategic Plan 2019–23 outlines four strategic objectives that guide our organisation, including our people and investment in projects and initiatives. We aim to provide smart digital services, improve business efficiency, build a customer-focused workforce and ensure customers value our services. Our Strategic Plan reinforces our commitment to delivering excellent customer services and experiences, and provides clear direction and performance indicators to becoming a customer-centric organisation. It also demonstrates our commitment to respect, protect and promote human rights in our decision-making and actions.

The RTA contributes to the Queensland Housing Strategy 2017–2027, 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 is committed to supporting the Queensland Government's objectives for the community – *Unite and Recover* by backing our frontline services and providing easy to access services to support the residential rental sector.

Our operations

Contact Centre phone enquiries

2016–17	2017–18	2018–19	2019–20	2020–21
413,775	401,069	360,399	426,615 [^]	423,221*

[^]Includes 30,786 COVID-19 hotline enquiries

^{*}Includes 7,071 COVID-19 hotline enquiries

New bond lodgements ¹

2016–17	2017–18	2018–19	2019–20	2020–21
276,448	272,939	267,210	268,188	238,099

Number of bonds held ² (30 June)

2016–17	2017–18	2018–19	2019–20	2020–21
582,052	607,053	621,960	638,481	631,545

Value of bonds ³ (\$'m 30 June)

2016–17	2017–18	2018–19	2019–20	2020–21
815.56	855.58	900.8 [^]	943.4	971.0

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

Conciliated disputes ⁴

2016–17	2017–18	2018–19	2019–20	2020–21
16,566	16,657	17,627	19,882 [^]	21,163*

[^] Includes 1,791 COVID-19 related disputes

^{*}Includes 1,080 COVID-19 related disputes

Investigations finalised ⁵

2016–17	2017–18	2018–19	2019–20	2020–21
815 (Received 683 requests)	1,018 (Received 1,020 requests)	1,159 (Received 1,040 requests)	1,050 (Received 925 requests)	567* (Received 490 requests)

^{*} Reduction in the number of investigations requested and therefore finalised is a result of process efficiencies and education delivered in the early stages of an investigation.

Website visits

2016–17	2017–18	2018–19	2019–20	2020–21
2,494,263	2,219,609	2,270,595	2,939,273	3,123,023

Operating deficit/surplus (\$'m)

2016–17	2017–18	2018–19	2019–20	2020–21
0.7	(7.9)	8.6	(43.3)	35.3

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

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

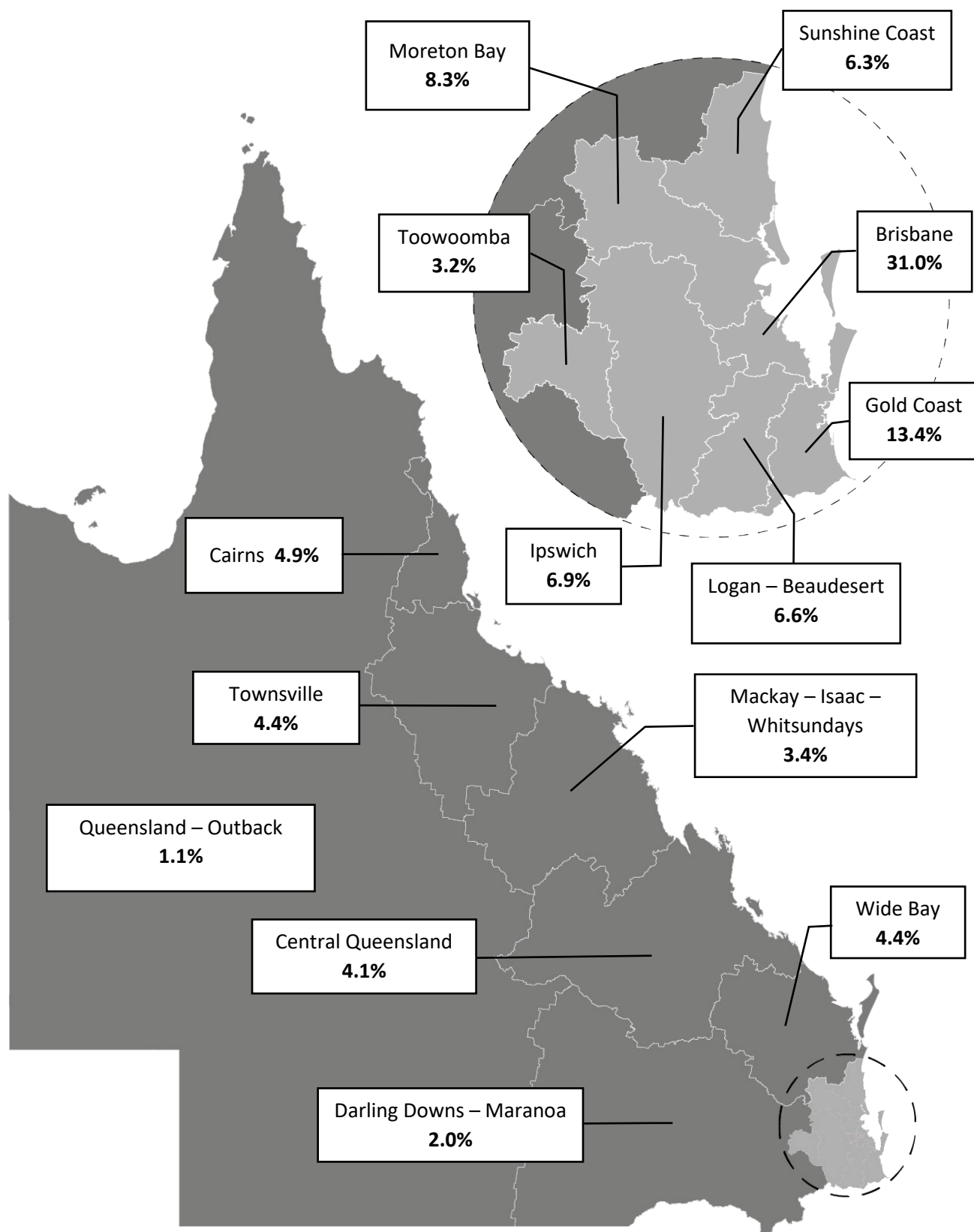
3. Excludes unclaimed bond monies.

4. Methodology changed in 2019–20 to more accurately reflect dispute resolution requests that proceeded 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 investigations into non-compliance in the financial year.

Our customers

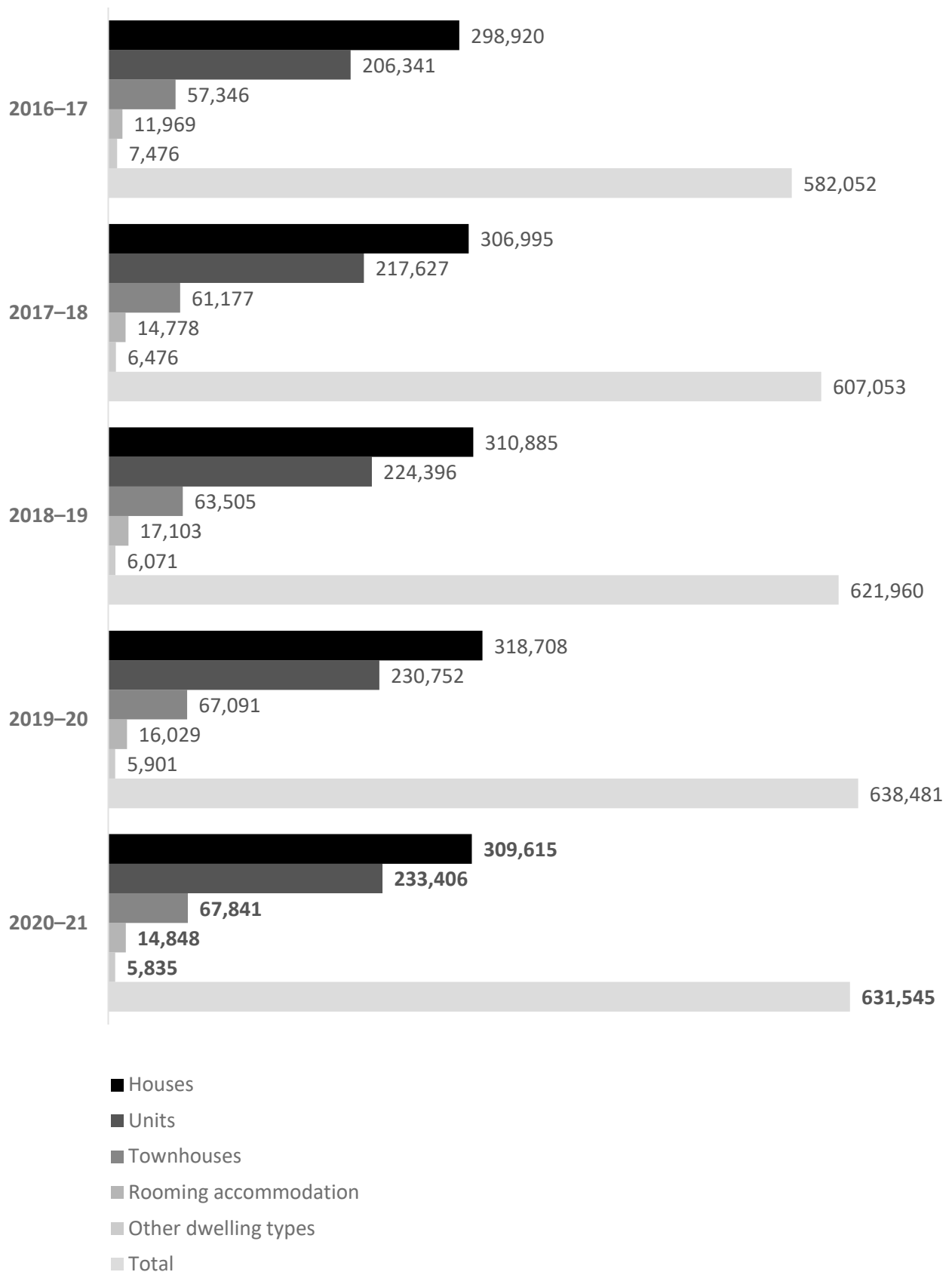
Data below is based on bonds held by the RTA as at 30 June 2021. Locations of major regions in Queensland below are based on Statistical Area Level 4 (SA4s)¹.



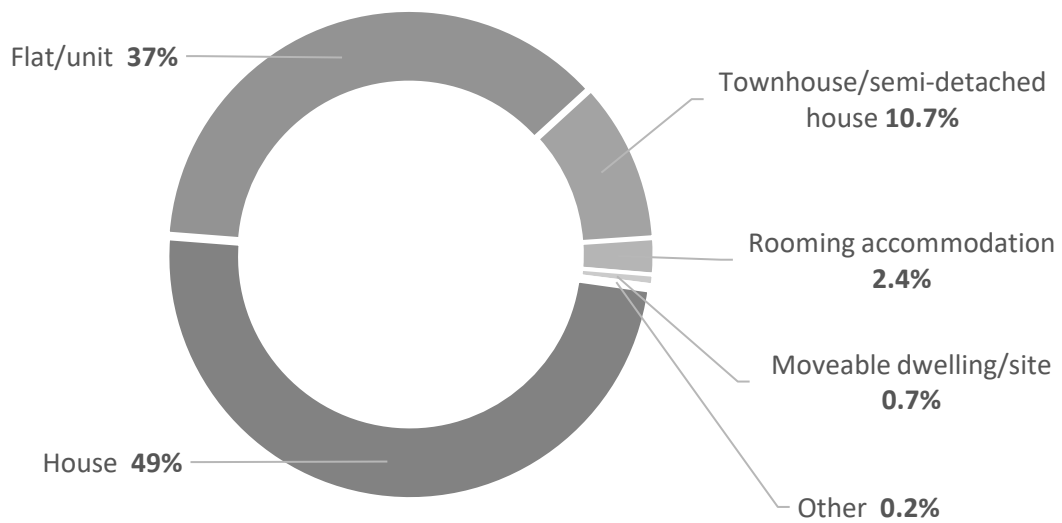
1. SA4s are the largest sub-state regions in the main structure of the Australian Statistical Geography Standard (ASGS) and are designed for the output of a variety of regional data by the Australian Bureau of Statistics (ABS), representing labour markets or groups of labour markets within each state and territory.

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 2016–17 and 2020–21.

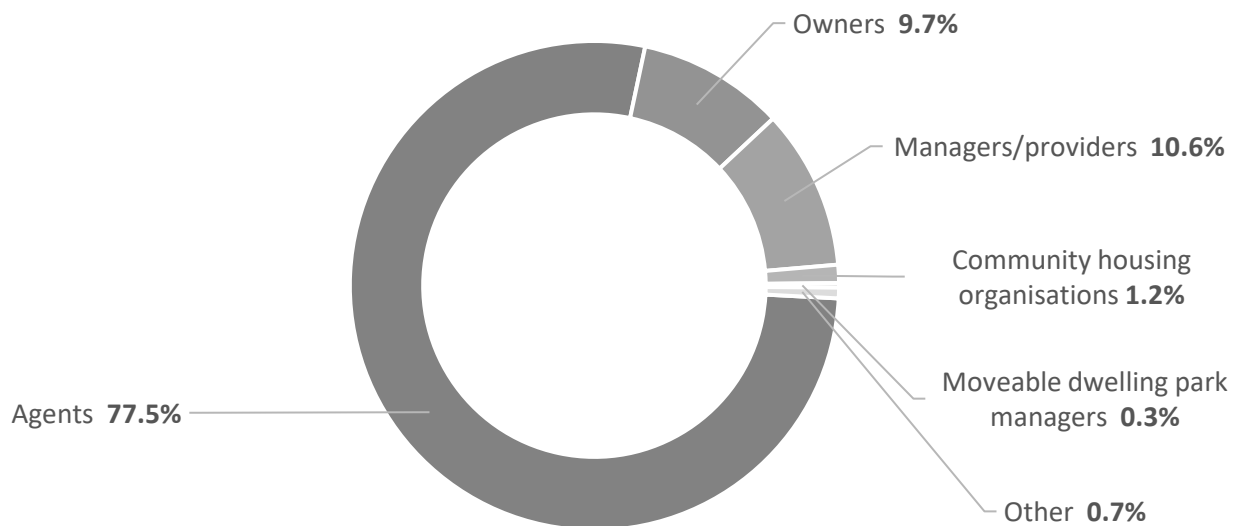


Dwelling type



96.7% of dwellings are houses, flats and townhouses

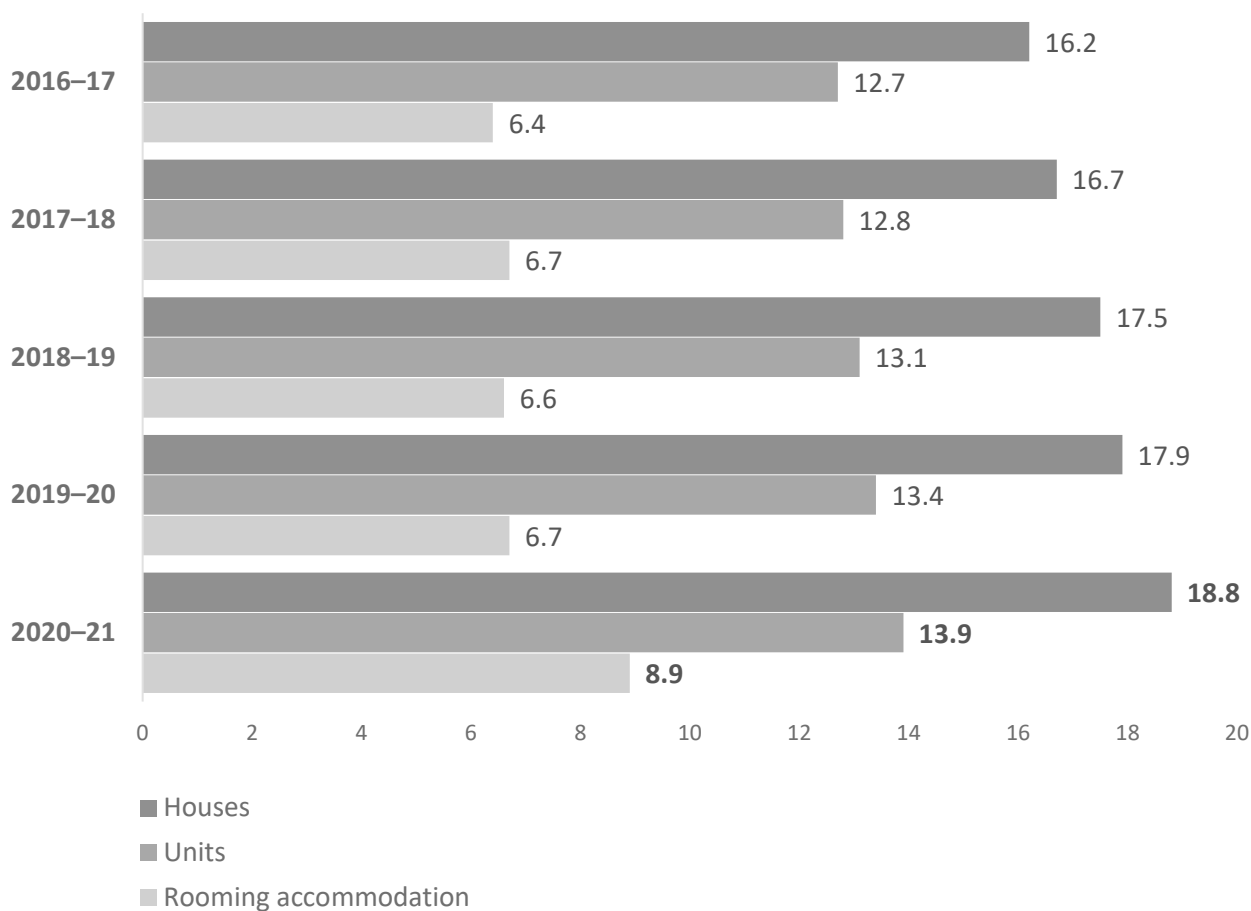
Who manages bonds?



Approximately **88.1%** of rental properties are managed by real estate agents/property managers

Median length of tenancies (months)

The median length of tenancies in Queensland between 2016–17 and 2020–21.



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 2011–12 and 2020–21.

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
\$350	\$350	\$350	\$350	\$350	\$360	\$360	\$365	\$370	\$385

Median rents for Queensland and major centres

Data below is based on new bonds lodged with the RTA in the June quarters of 2020 and 2021. Locations of major centres in Queensland below are based on Significant Urban Areas¹.

	2 bedroom flat/unit			3 bedroom house		
Location	2020	2021	% change	2020	2021	% change
Brisbane	\$400	\$405	1.25%	\$390	\$400	2.6%
Bundaberg	\$240	\$250	4.2%	\$300	\$320	6.7%
Cairns	\$305	\$320	4.9%	\$390	\$410	5.1%
Emerald	\$233	\$250	7.3%	\$300	\$335	11.7%
Gladstone – Tannum Sands	\$170	\$200	17.6%	\$236	\$275	16.5%
Gold Coast – Tweed Heads	\$430	\$450	4.7%	\$495	\$520	4.8%
Gympie	\$220	\$230	4.5%	\$300	\$310	3.3%
Hervey Bay	\$270	\$280	3.7%	\$330	\$350	6.1%
Kingaroy	\$215	\$225	4.7%	\$275	\$285	3.6%
Mackay	\$265	\$290	9.4%	\$360	\$380	5.6%
Maryborough	\$205	\$210	2.4%	\$280	\$290	3.6%
Mount Isa	\$230	\$250	8.7%	\$380	\$420	10.5%
Rockhampton	\$220	\$250	12.0%	\$290	\$320	10.3%
Sunshine Coast	\$375	\$400	6.7%	\$460	\$490	6.5%
Toowoomba	\$256	\$265	3.5%	\$320	\$335	4.7%
Townsville	\$265	\$280	5.7%	\$320	\$340	6.3%
Warwick	\$215	\$220	2.3%	\$275	\$280	1.8%
Yeppoon	\$290	\$310	6.9%	\$350	\$380	8.6%
Queensland	\$360	\$380	5.6%	\$360	\$380	5.6%

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 2020–21, the RTA turned its focus to supporting Queenslanders recovering from the impacts of COVID-19 while helping customers navigate changes to the *Residential Tenancies and Rooming Accommodation (COVID-19 Emergency Response) Regulation 2020* (referred to as the COVID-19 Regulations). We continued our journey in digital optimisation, investing in several projects to further deliver on our strategic objectives of providing smart digital services and ensuring customers value RTA services.

RTA Web Services

The RTA released two new Web Services in 2020–21. The Change of Bond Contributors Web Service launched on 10 August 2020, enabling customers to change and update details of bond contributors and associated bond contribution amounts quickly and easily online when tenants in a property have been approved to change. This service was also developed to process agreed bond contributor changes automatically within hours.

Following the success of the COVID-19 Dispute Resolution Web Service in April 2020, the RTA released the Tenancy Dispute Resolution Web Service on 28 January 2021. This service offers our customers a convenient, digital way to request dispute resolution assistance from the RTA for a tenancy dispute that occurs during a tenancy, or a claim for compensation over the bond amount at the end of a tenancy. It complements the RTA's online bond dispute request process which forms part of the Bond Refund Web Service.

As we celebrate the second year of RTA Web Services, the RTA has processed 766,692 requests in total through the digital platform, which included:

- 296,722 bond refund requests
- 287,475 bond lodgements
- 155,213 requests to update customer details
- 15,797 bond dispute resolution requests
- 10,291 change of bond contributors requests
- 1,194 tenancy dispute resolution requests.

Supporting Queenslanders

The COVID-19 Regulations have been amended twice during the year, firstly on 30 September 2020 and again on 30 April 2021. These changes were implemented to help the Queensland residential rental sector transition back to normal tenancy arrangements and processes under the RTRA Act. The RTA has continued to tailor and align its customer support services and resources with the amended legislation, updating its educational resources and the information available across all channels to help customers understand their tenancy rights and responsibilities.

In December 2020, the RTA upgraded its telephone and voice infrastructure to a new contemporary platform to enable easy, real-time collaboration with customers and improve workforce management. To further ensure continuity of service, a secure web-based conferencing product was implemented to enhance the dispute resolution experience for our conciliators and customers, which maintains the effective facilitation of private sessions with individuals during a teleconference conciliation.

Customer satisfaction

Our Customer Experience division asked customers to assess various aspects of the service they received, including timeliness of response, ease of access, RTA staff performance, service outcome and overall satisfaction with the service provided. Excellent customer service was achieved year-round, with high ratings of 84.9 per cent recorded in November 2020, and 84.6 per cent in October 2020 and again in June 2021. An average customer satisfaction rating of 82.6 per cent was recorded in 2020–21 for the delivery of services to our customers.

Bond management

Our customers have been enjoying the efficiencies of completing essential bond and tenancy transactions online at any time, any place and on any device, as is evident from the increased uptake and engagement with RTA Web Services.

In the second year of RTA Web Services and to deliver on the RTA's strategic objective to provide smart digital services, we released the Change of Bond Contributors Web Service on 10 August 2020. This Web Service has helped customers to quickly and easily request and obtain agreement online for changes to bond contributors or bond allocation amounts. Since its launch in August 2020, over 40 per cent of change of bond contributors requests have been submitted via this new Web Service, with a peak experienced in January 2021 that saw more than 59.5 per cent of change of bond contributors requests submitted digitally via this new channel.

Average processing times

	Bond lodgements	Bond refunds
All channels (digital + paper)	2.5 days	0.7 days

Bond forms processed

2016–17 to 2020–21

	2016–17	2017–18	2018–19	2019–20	2020–21
Bond lodgements	412,504	424,416	418,557	396,674 Paper: 288,658 Digital: 108,016	364,262 Paper: 184,810 Digital: 179,452
Bond refunds	329,358	321,086	312,749	296,628 Paper: 158,255 Digital: 138,373	267,098 Paper: 35,827 Digital: 231,271
Bond change forms*	122,366	72,401	69,437	77,007	69,556

* Bond change forms

Change of rental property (Form 3)

Change of property manager/owner (Form 5)

Change of bond contributors (Form 6)

To support the Queensland Government's objective of *Unite and Recover*, the RTA Bond Refund Web Service has been part of delivering excellent frontline services in the rental sector. This digital channel for requesting bond refunds, which provides an option for customers to fast track agreed refund requests, surged in popularity in its second year. Of the total bond refund requests received in 2020-21, an average of 78.6 per cent were submitted through the Bond Refund Web Service, with the number of digital bond refund requests increasing by 67.1 per cent compared to the previous year. In 2020–21, of the total bond refunds, 74.2 per cent of bond money by value was returned to tenants.

The total number of bond lodgement forms processed decreased by 12.5 per cent and the total bond refund forms processed reduced by 13.5 per cent compared to the previous year, consistent with the increase in the median length of tenancies (see page 11). Contributing factors for the reduced volume include high rental demand and low rental vacancy rates brought about by interstate migration, less movement in the sector with COVID-19 lockdowns, as well as reduced numbers of international students due to the continued border closures and ongoing impacts of the pandemic.

Contact Centre

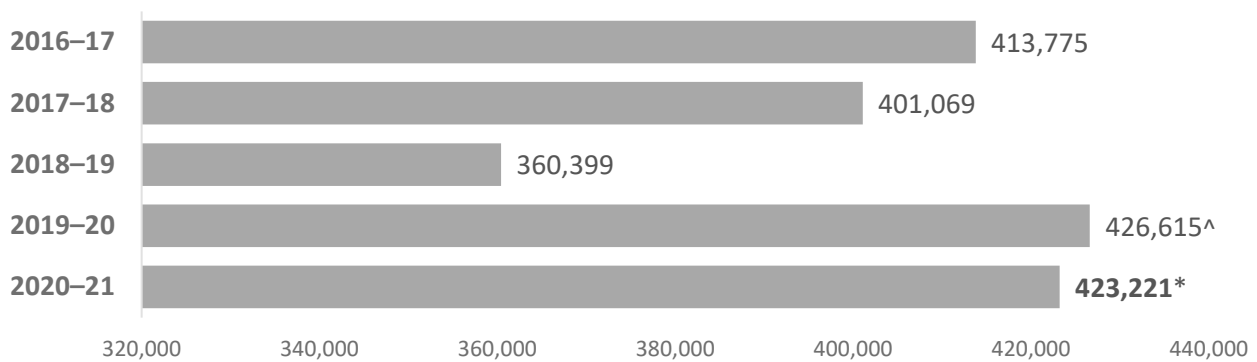
The RTA Contact Centre provides customers with tailored tenancy information, helping tenants and property managers/owners to make informed decisions. This year, the RTA Contact Centre responded to 423,221 phone enquiries, which is an 0.8 per cent decrease from last year.

RTA staff answered an average of 1,686 calls each working day in 2020–21 (up from #1,610 calls per day in 2019–20).

The average talk time has remained similar at 421 seconds in 2020–21, compared to 428 seconds in the previous year. In addition to enquiring on the phone, RTA customers can also self-service with information from other channels and platforms including the website.

The average calls per day in 2019–20 did not include the 30,786 COVID-19 hotline enquiries received by an external contact centre engaged by the RTA. This hotline was transferred back to the RTA to manage in December 2020.

Contact Centre phone enquiries



^ Includes 30,786 COVID-19 hotline enquiries

* Includes 7,071 COVID-19 hotline enquiries



An average customer satisfaction rating of **82.6%** was recorded in 2020–21 for the delivery of services to our customers

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. Customers who volunteer to participate in this process may be able to avoid the need for legal action through the Queensland Civil and Administrative Tribunal (QCAT), saving time and money. Through conciliation, customers also gain valuable negotiation and self-resolution skills that can help address concerns, sustain their tenancies and preserve their relationship with the other party.

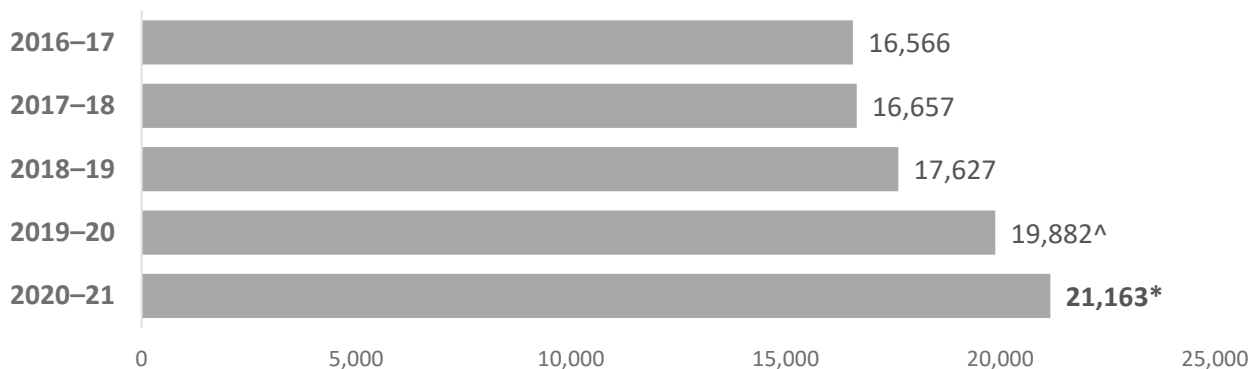
When a dispute resolution request is received by the RTA, it is first assessed to determine whether the matter is suitable for conciliation. Disputing parties are then contacted for further information and an opportunity to have their say. A trained RTA conciliator then facilitates confidential negotiations between the disputing parties, either through one-to-one phone calls or a group teleconference. RTA conciliators are impartial and cannot make decisions. Their role is to provide structure to the discussion and negotiation, educate parties on their rights and responsibilities, and help them reach agreement.



In 2020–21, the RTA resolved **70.5%** of all disputes where parties volunteered to participate

The number of conciliated disputes below reflects all dispute resolution requests that proceeded to conciliation, excluding instances where disputing parties subsequently withdrew from the conciliation process or were unable to be contacted for conciliation.

Conciliated disputes



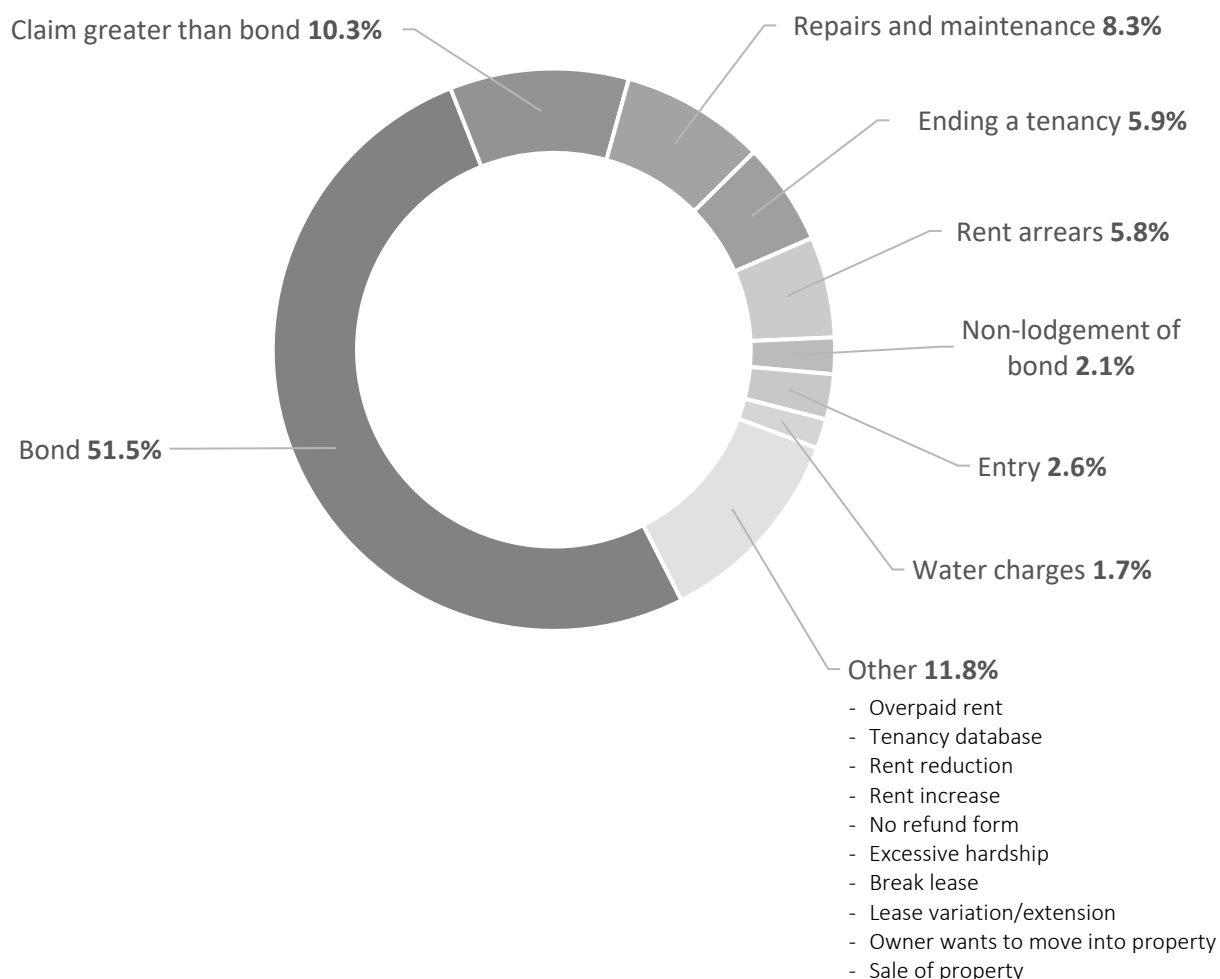
[^] Includes 1,791 COVID-19 related disputes

^{*} Includes 1,080 COVID-19 related disputes

With the new Tenancy Dispute Resolution Web Service launched in January 2021, much of the dispute resolution request process has been automated, enabling our staff to focus on providing valuable and tailored support to our customers.

How a bond will be paid out at the end of a tenancy remains one of the main reasons for conciliated disputes. Compensation claims for amounts in excess of the bond and claims submitted after the bond had been paid out represent 10.3 per cent of all disputes. Some 38.2 per cent of disputes occur during a tenancy and often relate to ending a tenancy, rental arrears, repairs and maintenance.

Dispute reasons



Parties who were unable to resolve disputes through conciliation were given information on how to seek a ruling from QCAT if they wished. Note that not all parties took unresolved disputes to QCAT – some chose not to pursue further action and others would later reach agreement between themselves. A total of 2,187 conciliated disputes progressed to QCAT in 2020–21, which represents 10.3 per cent of all conciliated disputes.

Our sector

Tenancy support and stakeholder engagement

In 2020–21, the RTA undertook 38 stakeholder engagement activities to provide education and information on tenancy rights and responsibilities under the RTRA Act. We also supported the sector through amendments to the COVID-19 Regulations that came into effect in October 2020 and May 2021.

Due to the ongoing impacts of COVID-19, the RTA has relied more heavily on digital channels to continue our commitment to connect and engage with stakeholders and customers. A three-day face-to-face engagement program scheduled for March/April 2021 in Cairns was postponed due to travel restrictions associated with a three-day COVID-19 lockdown of Greater Brisbane. The program, which included meetings between the RTA Board and key regional stakeholders, information sessions for property managers and owners, and tailored training for staff from community housing and homelessness services, has been rescheduled for October 2021.



2,402 listens across
19 podcast episodes



Over **4,400** views
for webinar recordings

Improving the customer experience

As part of the launch of the Tenancy Dispute Resolution Web Service and Change of Bond Contributors Web Service, the RTA developed quick guides and website content to guide first-time users through the new digital services. The RTA also relaunched the Talking Tenancies podcast in January 2021 with episodes featuring RTA experts airing fortnightly to provide practical tenancy information in a conversational and accessible format. The podcast received 2,402 listens across 19 episodes in 2020–21.

Educational workshops and presentations

The RTA participated in and supported 13 online and face-to-face presentations and interactive workshops hosted by stakeholders in 2020–21. We targeted different stakeholder groups within the residential rental sector and delivered tenancy education to approximately 287 people.

Engagement activities included:

- delivering tailored introductory and advanced training for staff from community housing providers and specialist homelessness services in conjunction with Q Shelter
- presenting on the rights, roles and responsibilities of tenants and property owners in a Queensland Council of Social Services' webinar series on water charges
- recording a joint video with Queensland Shelter on the COVID-19 Regulations relating to tenancies impacted by domestic and family violence.

Four webinars were produced in collaboration with agency partners, including Queensland Fire and Emergency Services, Queensland Reconstruction Authority, Electrical Safety Office and the Queensland Building and Construction Commission to provide information on smoke alarm laws, natural disasters, and electrical and pool safety for rental properties, respectively. Two webinars introduced new RTA Web Services while another two explored and clarified key questions regarding amendments to the COVID-19 Regulations. Other webinars addressed our customers' most frequent concerns and questions and provided practical tips, such as navigating the challenging rental market in 2021. Our webinar recordings received more than 4,400 views on the RTA Queensland YouTube channel.

Supporting the sector through changes to the COVID-19 Regulations

The RTA published multiple updates to RTA forms for general tenancies and rooming accommodation. These forms assisted with customer compliance and education as amendments to the COVID-19 Regulations came into effect in 2020–21. Updated forms were available via the RTA website or by calling our Contact Centre.

Website content was also updated promptly to reflect changes to COVID-19 tenancy arrangements as introduced by the Queensland Government. The most recent amendments, effective from 1 May 2021 to 30 September 2021, are designed to support the Queensland residential rental sector transition back to normal tenancy arrangements and processes under the RTRA Act.



38 stakeholder
engagement
activities



13 presentations
and interactive
workshops

Recognising the importance of collaboration

The RTA facilitated two meetings of its Stakeholder Forum in 2020–21. The Forum met via videoconference in November 2020 and April 2021. The Stakeholder Forum provides an avenue for members, the RTA Executive Leadership Team and RTA Board members to raise and discuss strategic issues and trends affecting the residential rental sector. It allows the RTA to gain insights and further understand the interests and concerns of stakeholders, and advances stakeholders' understanding of the RTA's role and its strategic direction.

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)
- Supported Accommodation Providers Association (SAPA)
- Tenants Queensland (TQ).

The RTA received positive feedback on the Forum meetings in 2020–21, with an average overall member satisfaction rating of 82 per cent.

The RTA also established a Stakeholder Working Group (SWG) in January 2021 to engage with key stakeholders for operational advice and recommendations on customer communication and education. The SWG has representatives from many Stakeholder Forum member organisations and also includes the Queenslanders with Disability Network (QDN), Real Estate Excellence Academy and the Tenancy Skills Institute.

The SWG met monthly via videoconference in 2021 and has provided the RTA with practical advice on improving communication and education throughout the tenancy cycle. The cross-sector discussion and collaboration has allowed for different perspectives to be considered in developing and delivering proactive and effective key messages for the Queensland residential rental sector.

Proposed rental law reforms

The Residential Tenancies and Rooming Accommodation (Tenants' Rights) and Other Legislation Amendment Bill 2021 (Bill) was introduced to the Queensland Parliament in May 2021 by Dr Amy MacMahon MP, Member for South Brisbane.

In June 2021, the Queensland Government introduced the Housing Legislation Amendment Bill 2021 to the Queensland Parliament with proposed reform areas including:

- ensuring all parties have appropriate approved reasons for all parties to end a tenancy
- prescribing Minimum Housing Standards
- options for people experiencing domestic and family violence to end a tenancy
- frameworks for all parties to negotiate renting with pets.

The RTA encouraged Queenslanders to have their say on the proposed changes across the two Bills through public submissions to the Community Support and Services Committee. 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.

Compliance activities

In 2020–21, the RTA explored the compliance challenges in the sector and looked at ways we can better support customers in performing our regulatory function. In March 2021, we published our Compliance and Enforcement Strategy 2021–23. This strategy is aligned to the RTA's Strategic Plan and was informed by a comprehensive regulatory review. It aims to improve the rate of compliance with Queensland's residential tenancy laws, identify emerging issues in the sector, provide accessible compliance and enforcement information for all customers, and deliver 'best fit' customer services.

We also released a new digital tool and resource – the Investigations Request Kit – to accompany the publication of this strategy. The 24/7 availability of this kit via the RTA website makes it more convenient for customers to report alleged breaches of Queensland tenancy laws for investigation. It also empowers customers to address and resolve their tenancy concerns by guiding them through a short series of simple questions to recommend targeted support and resources.

The RTA carries out compliance and enforcement functions based on the following principles.

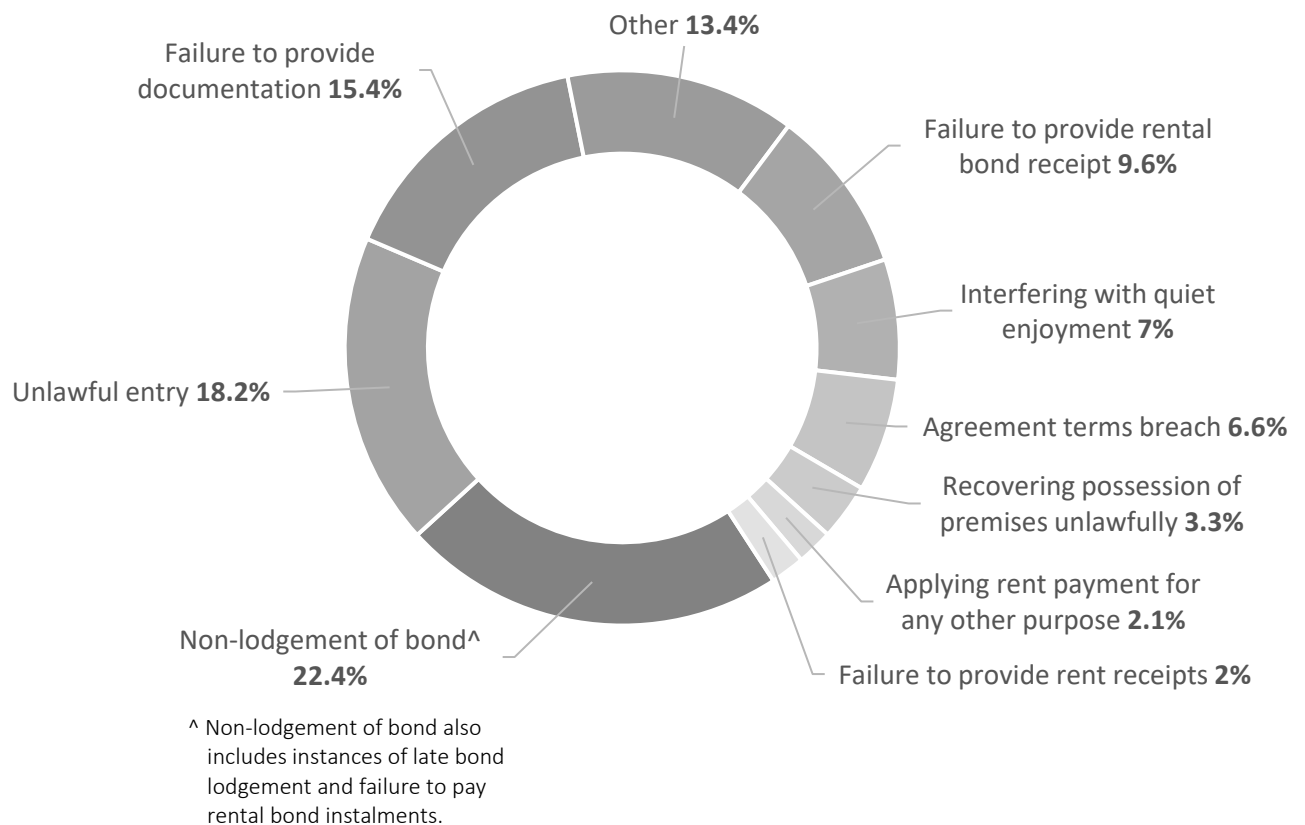
- **Transparency:** conducts investigations in an open and transparent manner in line with procedural fairness and the model litigant principles.
- **Consistency:** uses a measured system of checks and balances when assessing and investigating cases to ensure consistency in processes and outcomes.
- **Proportionality:** establishes outcomes based equitably on the sufficiency of evidence with consideration to compliance objectives and the public interest.
- **Timeliness:** conducts all investigations and reviews in a timely and appropriate manner.

With a challenging rental market and a reduction in offences reported in 2020–21 during the COVID-19 pandemic, the RTA focused on proactive compliance monitoring. Our intelligence-driven compliance monitoring activities targeted agencies and aimed to engage with agency owners and senior staff in a meaningful way, delivering tailored education packages to address repeat offending behaviours and drive future compliance. This approach resulted in a significant reduction in offences reported against each agency and empowered the agency owners and staff to improve their understanding of and compliance with the RTRA Act.

In 2020–21, the RTA finalised 567 investigations containing 1,136 alleged offences of the RTRA Act, which resulted in:

- providing education on 346 offences
- issuing cautions for 206 offences
- finding insufficient evidence for 433 offences
- requiring no further action on 151 offences – this includes instances where no offences were identified, the investigation request was outside statutory timeframes, or the matter was referred to the RTA’s dispute resolution service.

Types of alleged offences investigated*



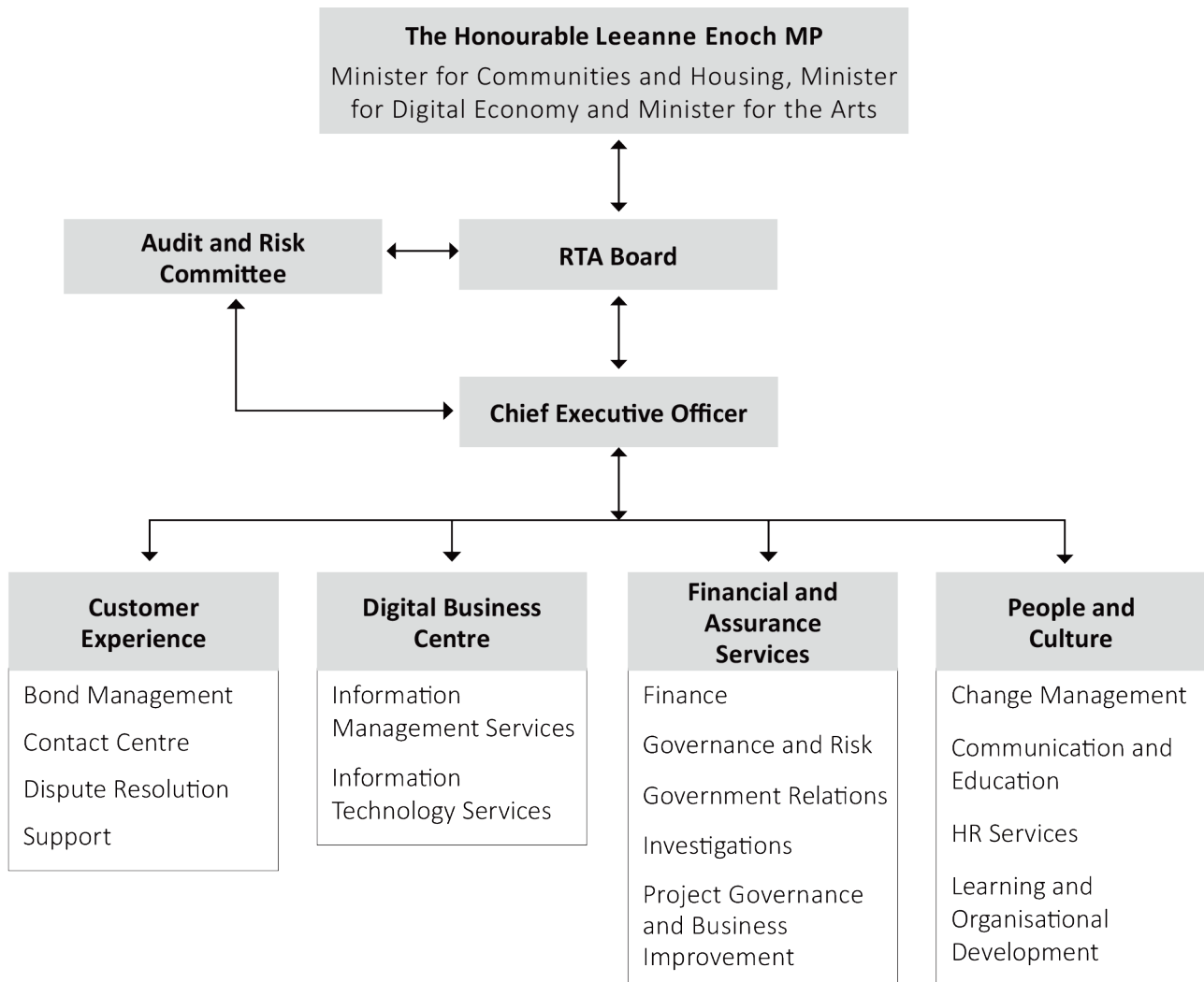
Other offences include, but are not limited to:

- s87(2): Rent in advance - not requiring rent from tenant in a period that rent has been paid
- s514(1): Giving false or misleading documents to the RTA
- s203: Lessor or lessor's agent must not show tenant's possession in advertisements
- s367: Purporting to terminate agreement in authorised way

* Methodology changed for this graph in 2020–21 to more accurately reflect the number of alleged offences investigated.

Our organisation

Organisational structure



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 and was formerly the joint Managing Director of Halcyon and a Board member of the Urban Development Institute of Australia.</p> <p>Paul 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>
Sally Watson	<p>Sally Watson has extensive experience working in housing and homelessness services across the public and not-for-profit sectors in Brisbane, Canberra and Cairns. Sally is currently the manager of a homelessness service, Shelter Housing Action Cairns.</p> <p>Previously, she has lectured in Social Work at James Cook University, was North Queensland Coordinator for the Tenants Union of Queensland and Executive Director of Homelessness Australia. Sally 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 Queensland Shelter and 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. Steve 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>Steve 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 Teachers' 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 owner and principal of Capstone Property Solutions and brings a comprehensive understanding of the Queensland property sector – in particular, residential property management. Janet has a background in the Queensland public sector, previously working as the Executive Director of the Human Services CEO Committee, and Executive Director of Homelessness Programs at the Department of Housing and Public Works.</p> <p>Janet 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>
Christine Castley	<p>Christine Castley is an experienced executive with significant experience in organisational change management, strategic governance, project management, community engagement and service delivery.</p> <p>Christine is currently CEO of Multicultural Australia. Prior to this, she was Deputy Director-General in the Department of the Premier and Cabinet and Deputy Director-General, Housing, Homelessness and Sport in the Department of Housing and Public Works, leading 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>Christine holds a Bachelor of Laws, Bachelor of Arts, Postgraduate Diploma of Arts and Master of Public Administration from The University of Queensland.</p>
Cara Walsh	<p>Cara Walsh has 20 years of experience working as a leader in Silicon Valley, New York City, and here in Queensland. Cara has undertaken large digital transformations for RACQ, as well as the City of Brisbane. In the United States, she built customer-focused digital products for AT&T, McAfee, and Thompson Financial.</p> <p>Cara believes in human-centric design and not technology-driven solutions. She is Director of Cobble Hill Consulting, Chair of the Business Advisory Board for QUT's Business School, an Activator with SheEO, and a Mentor for Women in Technology.</p>
Damian Wright	<p>Damian Wright is a Chartered Accountant and has been working in the accounting profession for some 30 years. Damian is currently the Partner in Charge of Audit at BDO in Brisbane and provides services to a wide range of businesses, across a variety of industries.</p> <p>Damian has held a number of Board positions and currently chairs Lives Lived Well Limited, a not-for-profit service provider in the health sector. He holds a Bachelor of Commerce from The University of Queensland, is a Registered Company Auditor and an Associate of the Institute of Chartered Accountants in Australia. He also has a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia (now FINSIA).</p>

Board meetings

A total of six scheduled meetings of the RTA Board of Directors occurred during 2020–21.

Board member	Number of attendances	Departure/arrival
Paul Melville (Chair)	6/6	Member for entire period.
Sally Watson	6/6	Member for entire period.
Steve Ryan	6/6	Member for entire period.
Janet Benson	6/6	Member for entire period.
Christine Castley	6/6	Member for entire period.
Cara Walsh	5/5	Member since 1 September 2020. First meeting attendance was 16 November 2020.
Damian Wright	5/5	Member since 1 September 2020. First meeting attendance was 16 November 2020.
Deborah Duffy	1/1	Member until 31 August 2020. Last meeting attendance was 21 August 2020.
Rachel Watson	1/1	Member until 31 August 2020. Last meeting attendance was 21 August 2020.

See page 75 for remuneration information for the Board of Directors.

Audit and Risk Committee

The Audit and Risk Committee (ARC) meets four times a year 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.

During 2020–21, the ARC comprised up to four Board members and two external advisors with a focus on information technology and finance. These external advisors were later appointed to the RTA Board and joined the ARC as members from November 2020. The ARC observed the terms of its charter with due regard to Queensland Treasury's Audit Committee Guidelines.

ARC member	Number of attendances	Departure/arrival
Steve Ryan (Chair)	4/4	Member for entire period.
Janet Benson	1/2	Member until 21 November 2020. Last ARC meeting attendance was 21 November 2020.
Paul Melville (ex-officio)	1/4	Member for entire period.
Christine Castley	1/3	Member until 24 February 2021. Last ARC meeting attendance was 16 August 2020.
Cara Walsh	2/2	Member since 21 November 2020. First ARC meeting attendance 24 February 2021.
Damian Wright	2/2	Member since 21 November 2020. First ARC meeting attendance 24 February 2021.

Executive Leadership Team

In 2020–21, there were two new Executive Leadership Team (ELT) appointments. Samantha Watson was appointed Chief Customer Experience Officer in September 2020 and Greg Watts commenced in the role of Chief Digital Officer in May 2021. Joanna van der Merwe continued as Chief Financial Officer and Natalie Townsend as Chief People Officer.

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 regular 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 leads our executive and leadership teams to ensure progress and direction of our strategic priorities and operations.

Name and role	Profile
Jennifer Smith – Chief Executive Officer	<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 Brisbane City Council. These roles included Assurance Delivery and Performance Manager, Financial Projects Manager and 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 – Chief Financial Officer	<p>Joanna Van Der Merwe leads the Financial and Assurance Services division, which includes finance, governance and risk, investigations, government relations, project governance, strategy and business improvement.</p> <p>Prior to joining the RTA in September 2019, Joanna held various executive roles at Brisbane City Council, including Strategy and Reporting Manager, Financial Performance Manager, and Corporate Benefits Manager and commercial and finance roles in the food and home electronics industries in the UK.</p> <p>Joanna holds a Bachelor of Business and is a Chartered Management Accountant and a member of CPA Australia.</p>
Samantha Watson – Chief Customer Experience Officer	<p>Samantha Watson leads the RTA's Customer Experience division, which includes the Contact Centre, bond management, support and dispute resolution.</p> <p>Samantha is an experienced executive who has led improvement and transformation programs across a number of complex customer-focused organisational environments. This includes local government, not-for-profit, public and private sectors including health and insurance in both national and global businesses. She has strong financial portfolio management experience and has successfully delivered enterprise-wide service delivery programs across customer experience and lifecycle, digital and service delivery transformations, operational process upgrades and cultural changes.</p> <p>Samantha holds a dual degree in Business and Organisational Psychology and holds qualifications in LEAN and Six Sigma process improvement methodologies, project management and marketing.</p>

Greg Watts – Chief Digital Officer	<p>Greg Watts leads the RTA's Digital Business Centre, which supports the RTA's business systems, standard operating environments and applications along with the RTA's information management processes. This includes records management and the business intelligence teams which facilitate strategic direction and corporate decision-making.</p> <p>Greg is an experienced information and communication technology (ICT) executive with proven success in leading a range of digital and business transformation projects and programs. For more than two decades, Greg has led and partnered with expert, multidisciplinary teams to deliver business outcomes through digital strategy and governance, cyber security, enterprise architecture, cloud transformation, high-availability systems, and vendor and business applications management.</p> <p>Greg holds a Master of Business Administration, Bachelor of Commerce and is a Graduate Member of the Australian Institute of Company Directors.</p>
Natalie Townsend – Chief People Officer	<p>Natalie Townsend leads the People and Culture division, overseeing the RTA's human resources, training, change management, media, communication and education teams.</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 related systems – 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>

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 Queensland Treasury's 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 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 the RTA executive leadership team.
- **Project Boards** are established for each project in the 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. The PIB and the Project Board members attend a joint monthly meeting to discuss both portfolio and project board items.
- The **Legislation Consensus Group (LCG)** contemplates new and proposed legislation and monitors emerging trends affecting existing legislation. The LCG ensures the RTA provides accurate, consistent and timely information to its stakeholders and customers.
- The **Health and Safety Committee (HSC)** assists management in the prevention of accidents and incidents through the development and implementation of measures to ensure employee and visitor health and safety at the RTA.
- The **Information Security Committee (ISC)** meets monthly to review and revise policies relating to information security, information classification and information management. The ISC works closely with its managed services provider to mitigate risks and complete the action plan under the IS18 checklist.

External scrutiny

In 2020–21, the RTA engaged a number of experts to review and provide feedback on our processes, policies, systems and strategies.

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.

Protiviti was engaged to undertake the RTA's internal audit program.

Internal audit

Internal accountability through internal audits assists the ARC in fulfilling its obligations by providing independent assurance of the effectiveness of systems, procedures and controls to ensure compliance and management of risks. The RTA's strategic audit plan sets out the audits for 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.

During 2020–21, Protiviti undertook the following internal audits, including:

- COVID-19 response
- IT service management
- bond management
- information management (privacy and Right to Information).

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 learning system, with refresher training every 12 months.

Human rights disclosure

The RTA is committed to respecting, protecting and promoting human rights in our decision-making and actions as reflected in the RTA Strategic Plan 2019–23. Processes have been established to integrate the consideration of human rights and ensure compliance with the *Human Rights Act 2019*. In 2020–21, the RTA engaged the Queensland Human Rights Commission to conduct RTA wide staff training in assessing compatibility with human rights.

The RTA has received one human rights complaint and acknowledged the potential limitation. Immediate steps were taken to manually rectify the affected process with further investigation being conducted into a digital solution to support this process.

Positive customer feedback

The RTA values the opinions of our customers 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 2020–21, the RTA responded to 98 formal customer complaints. Of these customer complaints, 94 were resolved at the initial contact with four requiring further action. An average customer satisfaction score of 82.6 per cent was recorded for the delivery of customer services.

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 2020–21.

Open data disclosure

An overseas travel expenditure report for the 2020-2021 reporting year was not required due to overseas travel not being undertaken by any staff member of the organisation.

Performance review framework

The performance review framework ensures the monitoring and reviewing of the RTA's performance, conducted by the RTA Board and CEO, is undertaken with comprehensive knowledge of our functions.

The table below outlines our 2020–21 performance against the key elements of the framework.

Function	Purpose	Achievements 2020–21
Monthly financial reporting	Reports level of revenue and expenditure against the approved budget at each Board meeting	Provided modern, comprehensive monthly financial reports and dashboards 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 the Board with quarterly updates on selected Strategic Measures (performance measures) as required under the <i>Financial and Performance Management Standard 2019</i>
Internal audit program	Reports progress and recommendations from internal audit to the ARC	Resulting recommendations from internal audits were implemented in a timely manner
Service Delivery Statement	Contributes to the Minister's report on performance and budget results to the Queensland Parliament	Customer satisfaction and average annual return on investment far exceeded the targets
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 organisation's strategic direction is documented and formalised through the RTA Strategic Plan 2019–23 (visit rta.qld.gov.au to access a copy), outlining priorities relating to customers valuing RTA services, providing smart digital services, building a customer-focused workforce and improving business efficiency.

Our budget, which is endorsed by the Board and approved by the Minister, is developed through our business planning processes.

A review of the Strategic Plan is conducted every four years and a minor update was made this year to align with the Queensland Government's objective of *Unite and Recover*.

Digital innovation and information systems

The main focus of our digital optimisation and innovation in 2020–21 was to upgrade our technological infrastructure and capabilities. In doing so, we have provided easy-to-access services to support the residential rental sector, ensured continuity of service and positioned ourselves for the future.

With our frontline services in the Customer Experience division heavily reliant on telephone and voice infrastructures, the RTA successfully upgraded to the modernised Genesys telephone system in December 2020. This upgrade also sent live our new interactive voice response (IVR) system named RiTA. At the same time, we implemented a sophisticated and secure web-conferencing platform, WebEx, to further enhance the dispute resolution experience for customers and conciliators.

Following the upgrade of the telephone and voice infrastructures, the RTA rolled out a suite of Office 365 applications to all staff. This initiative was prioritised to support flexible working arrangements, improving the functionality and capability of Microsoft Teams for inbound and outbound calls and videoconferencing.

The RTA released the Change of Bond Contributors Web Service in August 2020 and the Tenancy Dispute Resolution Web Service in January 2021 to offer more ways of transacting digitally with the RTA and make essential tenancy and bond transactions quicker and more convenient for our customers. By enabling customers to change bond contributors or bond allocation amounts quickly and easily online, in addition to processing agreed changes to the bond and approved changes in tenants within hours, customers can save time and go on to access other Web Services. The Tenancy Dispute Resolution Web Service also automates much of the dispute resolution request process, enabling RTA staff to focus on providing valuable and tailored support to our customers.

In 2020–21, the RTA also completed several initiatives to improve the employee experience in preparation for the RTA office relocation. The Network Uplift project replaced the existing information and communications technology (ICT) network that was at end of life with a new infrastructure and enhanced wireless coverage across the RTA office. This boosted connectivity for all phones, computers, printers and other electronic systems such as audio-visual equipment and established a good foundation for the ICT network and infrastructure in the new RTA office. The RTA Server Migration project was another crucial component in the lead-up to the office relocation, which moved most of our servers to CITEC, which is the Queensland Government's primary ICT services provider. This allowed us to migrate away from on-premise servers, operate in a more secure environment and decommission our server at Eight Mile Plains in Brisbane.

Enhancing information systems and security

In 2020–21, the RTA has continued to improve its maturity level in cyber security in line with Essential8 protocols and IS18:2018 checklist as described by Australian Signals Directorate (ASD) and Queensland Government Chief Information Office (QGClO) respectively.

The Information Security Committee continues to meet monthly to review and revise policies relating to information security, information classification and information management. The committee also works closely with its managed services provider to mitigate risks and complete the action plan under the IS18 checklist. Improvements have included migrating to Office 365 including upgrading to Exchange Online, replacing the RTA's on-premise voice solution with cloud-based voice solutions and completing the replacement and relocation of the RTA network. The migration of RTA servers to CITEC QCloud provided a more robust and secure back-up data facility and enabled us to switch server locations without interrupting RTA services.

Recordkeeping

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

We consider recordkeeping requirements in all aspects of service delivery and when planning and implementing business requirements. Records management governance practices, aligned with broader agency frameworks, are considered and incorporated in business strategies, objectives and activities. Position descriptions, policies and procedures incorporate recordkeeping responsibilities.

In 2020–21:

- All RTA staff undertook records management training to increase awareness and promote our recordkeeping culture.
- Records disposals were carried out regularly using retention and disposal schedules approved by the Queensland State Archivist.
- Identification, appraisal, archiving and removal of onsite physical records were completed in conjunction with the RTA office relocation project.

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

Access to information

Members of the public can access certain information controlled by the Queensland Government through the *Right to Information Act 2009* (RTI Act). The RTA also operates in an open, transparent and accountable manner while protecting the privacy of customers and staff to support right to information principles.

The RTA will release information under the Administrative Access Policy where possible, 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 2020–21, the RTA responded to 516 requests made under the Administrative Access Policy.

Our corporate governance framework places a high priority on due diligence, compliance and ensuring transparency in decision-making.

Our people

Our people have always been the key to our success. In 2020–21, the RTA invested in ongoing training and uplifting of our customer-focused workforce to drive a high performing culture. We also placed a significant focus on promoting flexible work arrangements, workplace health and safety, and maintaining a positive and respectful workplace culture to position the RTA as an employer of choice.

Learning and organisational development

The RTA maintains a strong focus on learning and organisational development (L&OD) to drive a high performing culture and a highly engaged workforce, with 90 per cent of our people meeting and exceeding performance expectations. In 2020–21, the L&OD team launched the Learning and Development Strategy and the Quality Strategy to drive our people's continual growth and development. These strategies contribute to the development of a customer-focused workforce, where our people are highly capable and agile to deliver excellent customer support and services.

We rolled out a range of initiatives and programs to support our people through changes and innovations across the RTA to enhance the customer experience. These included:

- cross-skilling programs which trained over 90 per cent of our Customer Experience officers to handle inbound calls and trained Contact Centre staff to assist with bond processing, enabling the RTA to respond rapidly to customer-driven workload peaks and changing demands
- advanced skills programs to increase staff capability and confidence to deliver quality service
- leadership development programs, forums, coaching and training, which supported our leaders to drive our people's performance
- project support training to ensure smooth implementation of new systems including Microsoft Teams, Genesys telephone system, WebEx conference calling and RTA Web Services
- talent and succession management to attract, engage and retain our people.

Our focus on improving the employee experience has had a positive impact on our Working for Queensland results, with the RTA achieving agency engagement scores of 75 per cent, exceeding the benchmark for public service offices (non-departments) and year-on-year increases across most categories. Our success in improving agency engagement has been showcased as a case study across the Public Service Commission.

Flexible and remote working

The RTA acknowledges the significant benefits that flexible work arrangements deliver to employees and the organisation. The RTA is committed to providing flexible work opportunities to employees to assist with work-life balance. By having a flexible-by-design workforce, it embeds flexible work to capitalise on diversity and achieve better business outcomes. It also assists in attracting and retaining employees who value balance and flexibility and want innovation and contemporary approaches to work. The RTA offers a range of ad hoc, regular and/or long-term work-life balance initiatives for all employees through flexible working arrangements such as part-time, job share, flexible working hours, working from home and working from distributed work centres.

Workplace health and safety

In June 2021, the RTA successfully relocated to our new premises at Midtown Centre, Brisbane city. The Human Resources (HR) team played a pivotal role in the RTA office relocation project, specifically around workplace health and safety. Uncertainties that come with a new working environment were identified as factors that could adversely impact employee health and wellbeing. To mitigate this risk, the RTA placed strong emphasis on maintaining social connections and prioritising the health, safety and wellbeing of our employees, including an opportunity for staff to meet with an occupational therapist. With this proactive approach to office ergonomics, we aim to reduce musculoskeletal pain, eye strain and improve overall wellbeing for all employees.

Enhancing our employee relations

We are committed to fostering a positive and respectful workplace culture where all employees are accountable for their actions, decisions and take reasonable action against behaviours that are inconsistent with the RTA's Code of Conduct. Our goal is to provide and maintain a workplace that is free from all types of bullying, harassment, and discrimination, and where all employees are treated with courtesy, dignity and respect. To support this goal in 2020–21, we reviewed and strengthened our anti-discrimination and harassment (including workplace bullying) policy and our policy on managing employee complaints and grievances. An effective resolution system is necessary to ensure RTA employees can continue to provide quality services to our customers. The resolution system also provides a framework for obtaining information and feedback from all employees and contributes to the continued development and improvement of RTA policies and procedures.

To support our active work towards achieving a diverse and inclusive culture, the HR team also developed the Diversity and Inclusion Strategy 2021–2024, which will be launched and implemented in the second half of 2021. The RTA will grow and support culturally diverse and inclusive communities through this strategy and the Queensland Multicultural Action Plan 2019–22.

Streamlining and improving processes

The RTA's payroll system was outsourced to Corporate Administration Agency (CAA) with a successful transition to CAA in February 2021. CAA, as a Queensland Government agency providing shared corporate services to more than 25 statutory authorities, has the expertise and experience to manage the RTA's payroll function. This outsourcing has allowed payroll staff at the RTA to take on other responsibilities and learn new skills to further support our workforce and benefit the business.

In 2020–21, the HR team revised its structure to align business objectives with HR best practice. HR transitioned to a partnership model to deliver value-added HR services and support the RTA's financial position, strategic and operational plans and culture. The team coordinated the development and implementation of HR solutions that aligned with business objectives and addressed key workforce challenges.

Our workforce is the key to our success

Our workforce is critical in achieving the deliverables outlined in the RTA Strategic Plan 2019–23.

The permanent separation rate for 2020–21 was 9.1 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 2021	
Office of the CEO	3.6
Customer Experience	119.7
People and Culture	29.3
Finance and Assurance Services	27
Digital Business Centre	17
Total	196.6

Employees (headcount) by occupation and gender * as at 30 June 2021		
Occupation	Female	Male
Managers and administrators	11	6
Professionals	26	11
Clerical and administrative workers	105	50
Total	142	67

* 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 2020–21	Achievements 2020–21
Our services meet the needs of our customers	<ul style="list-style-type: none"> • Delivery of services across the RTA Contact Centre received an average customer satisfaction rating of 82.6 per cent • Resolved 70.5 per cent of conciliated disputes when parties volunteered to participate • Enabled over 90 per cent of our Customer Experience Officers to handle inbound customer calls through successful cross-skilling • Updated and refreshed tenancy forms, resources and webpages in September 2020 and April 2021 to align with changes to COVID-19 tenancy arrangements • Continual customer uptake across all RTA Web Services, with the number of digital bond refund requests increasing by 67.1 per cent compared to the previous year
Customers and stakeholders have positive experiences with us	<ul style="list-style-type: none"> • Published the RTA Compliance and Enforcement Strategy 2019–23 to provide visibility and outline priorities and approach to performing our regulatory function • Delivered process efficiencies and education in the early stages of an investigation, with 490 investigation requests received and 567 investigations finalised which included 1,136 alleged offences • Facilitated two Stakeholder Forum meetings and received an overall average satisfaction of 82 per cent from Stakeholder Forum members • Established the Stakeholder Working Group in January 2021 to receive operational advice and recommendations on customer communication and education • Participated in 38 stakeholder engagement activities and presentations • Published 44 news articles on the RTA website • Created website content and digital customer resources for new RTA Web Services including the Change of Bond Contributors Web Service and the Tenancy Dispute Resolution Web Service

Objective 2 – Provide smart, digital services

Performance indicators 2020–21	Achievements 2020–21
Responsive and accessible RTA online services	<ul style="list-style-type: none"> • Launched the Change of Bond Contributors Web Service in August 2020 and the Tenancy Dispute Resolution Web Service in January 2021 to offer additional digital channels for essential bond and tenancy transactions • Updated the RTA website and resources after amendments to the COVID-19 Regulations came into effect • Continued to provide and accept paper forms for customers who do not have digital access • Provided alternative support channels for vulnerable tenants to lodge paper forms relating to urgent bond matters • Made the Investigations Request Kit available online, allowing customers to easily report alleged offences and be guided towards targeted support and resources to address their concerns
Increased digital innovation across RTA services	<ul style="list-style-type: none"> • Rolled out a suite of Office 365 applications which included an upgrade to Exchange Online and enhanced Microsoft Teams functionality to support flexible working arrangements • Recommenced the Talking Tenancies podcast in January 2021 to release episodes fortnightly, attracting 2,402 listens across 19 episodes • Recorded and published 17 educational webinars, which attracted more than 4,400 views • Outsourced the RTA payroll function to the Corporate Administrative Agency, allowing RTA payroll staff to learn new skills and further support our workforce • 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 2020–21	Achievements 2020–21
Digital solutions, business efficiencies and benefits continue to be realised	<ul style="list-style-type: none"> • Upgraded the telephone and voice infrastructure across the RTA to enable easy, real-time collaboration with customers and ensure continuity of service • Implemented a secure web-based conferencing product, WebEx, to enhance the experience for customers and our Dispute Resolution team • Replaced and relocated our network, migrated away from on-premise servers to CITEC QCloud and decommissioned servers at Eight Mile Plains in Brisbane • Implemented a new RTA network which enhanced wireless coverage in the RTA office and boosted connectivity for phones, computers, printers and other electronic systems

Improved culture of innovation	<ul style="list-style-type: none"> • Encouraged customers to provide feedback on the proposed rental law reforms Bills introduced to Parliament by the Queensland Government and by Dr Amy MacMahon MP, Member for South Brisbane • Incorporated customer feedback and input in the development of two new RTA Web Services • Established the Stakeholder Working Group which provided the RTA with practical advice on improving communication and education throughout the tenancy lifecycle • Continued to partner with the Queensland Government Statistician's Office (QGSO) and provide a single dataset methodology for median rents
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Objective 4 – Customer focused workforce

Performance indicators 2020–21	Achievements 2020–21
Attraction, development and retention of our workforce	<ul style="list-style-type: none"> • Achieved an agency engagement score of 75 per cent in the annual Working for Queensland survey • Delivered 679 hours of training to 571 participants across 61 courses and programs • Delivered dedicated leadership training programs such as HR101 to targeted employees to address identified skills gaps • Enabled over 90 per cent of Customer Experience Officers to handle inbound customer calls through cross-skilling • Moved the RTA office to a new building with enhanced facilities, digital capabilities and collaboration spaces to support the activity-based working model • Provided staff with the option to continue flexible working arrangements that were in place during COVID-19
Safe workplace and an agile, resilient workforce	<ul style="list-style-type: none"> • Placed a strong focus on workplace health and safety in the design and planning of our new working environment during the office relocation • Updated the Flexible and home-based work policy, procedure and request form, requiring staff to show evidence of their safe and ergonomic setup at their remote workstation before being approved for flexible working arrangements

RTA Service Delivery Statement

Service Delivery Statements (SDS), included within the Queensland Government Budget Papers, provide budgeted financial and non-financial information for the budget year. A separate document is provided for each portfolio, with the RTA's content included within the Department of Communities, Housing and Digital Economy SDS. These documents are a key accountability mechanism subject to public scrutiny and form the basis of questions during the parliamentary estimates processes.

In accordance with Department of Premier and Cabinet Annual Report requirements, details of the RTA's performance are:

Service standards	2020–21 Target/Est.	2020–21 Est. Actual	2021–22 Target/Est.
<i>Effectiveness measures</i>			
Proportion of disputes resolved after parties participated in the conciliation process	70%	69.8%	70%
Overall customer satisfaction^{1,2}	75%	82.3%	75%
<i>Efficiency measures</i>			
Average annual return on investment³	2.6%	5.4%	2.7%
Total cost for RTA output (excluding grants) as a proportion of the value of bonds held	3.6%	3.6%	3.7%

Notes:

1. The 2020–21 Estimated Actual exceeds the 2020–21 Target/Estimate of 75 per cent as the Residential Tenancies Authority (RTA) placed a significant focus on improving customer satisfaction throughout 2020–21, such as the development of a customer experience strategy to ensure customers continue to value our services. Throughout 2019–20 and 2020–21, new services for customers were developed and implemented to improve access to RTA services. The RTA also prioritised cross-skilling and up-skilling of frontline staff members to better respond to customer demand, reducing wait times and improving the quality of interactions.
2. The 2020–21 Target/Estimate has been retained for 2021–22 as customer needs and expectations continue to evolve. External factors including COVID-19, major weather events or legislative changes also influence customer satisfaction due to increased wait times for RTA services.
3. The 2020–21 Estimated Actual exceeds the 2020–21 Target/Estimate due to better than expected investment market recovery following the impacts of COVID-19. As previous investment performance is not an indicator of future performance, the 2021–22 Target/Estimate has been adjusted based on expert forecast advice from the Queensland Investment Corporation (QIC).

As the SDS is published prior to the end of the financial year, estimated actuals are provided. For the Effectiveness measures, the estimated actuals published in the SDS are as at 31 March 2021. For the Efficiency measures, the estimated actuals published in the SDS align with the RTA's mid-year budget review. The actual results as at 30 June 2021 are provided below.

Service standards	2020–21 Actual result as at 30 June 2021
<i>Effectiveness measures</i>	
Proportion of disputes resolved after parties participated in the conciliation process	70.5%
Overall customer satisfaction	82.6%
<i>Efficiency measures</i>	
Average annual return on investment	7.8%
Total cost for RTA output (excluding grants) as a proportion of the value of bonds held	3.6%

Our finances

Financial overview

7.8% return on investment
Operating surplus \$35.3M
Revenue \$70.4M
Over \$1B in assets

Market recovery boosts the RTA to strong financial performances

During the year the RTA refocused its investment portfolio to maximise earnings during the market recovery, without exposing the portfolio to unnecessary risk. These changes in the investment mix ensured the portfolio was able to capitalise on the market recovery which ended up being Australian Stock Exchange's largest annual return to date in over 30 years, resulting in revenue of \$70.4M for 2020–21.

The operating result was aided by a strong focus on operating expenses while continuing to make progress on the RTA's modernisation objectives through the delivery of more online services and infrastructure upgrades. It also demonstrated the RTA's strong management and focus to provide the Queensland rental sector with services that enhance the customer experience.

Expenses met budget for the year and decreased by \$1M from 2019–20 (when excluding fair value loss on investments), resulting in a surplus of \$35.3M. The RTA is also reporting \$1B in assets for the first time in its history with total assets increasing by \$58M since 30 June 2020.

Financial performance

2016–17 to 2020–21

Financial year	Income \$m	Expenditure \$m	Grant Expenditure \$m	Surplus/deficit \$m
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)
2020–21	70.4	35.1	-	35.3

Financial position

The recovery in the global financial markets has provided welcome relief with the RTA reporting a net asset position of \$35M compared to -\$0.3M at the end of 2019–20.

Investment management

In 2020–21, the RTA enhanced its investment mix to maximise the earnings potential of the QIC investment portfolio by increasing allocations to the QIC Long Term Diversified Fund, QIC Global Credit Fund and the QIC Short Term Income Fund while reducing allocations in poorer performing cash investments. This resulted in a 5.2% above forecast growth in the RTA's portfolio. The RTA's investment in the QIC Long Term Diversified Fund was exposed to markets in the Australian All Ordinaries Index, which experienced its strongest year of growth since 1987, enabling that investment product to return \$43.4M at 18.2% – the largest of our portfolio's return.

All investment products are managed 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 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 on page 55–57 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.

The result demonstrated the RTA's strong management and focus to provide the Queensland rental sector with services that enhance the customer experience.

Operating income

QIC fund returns

QIC Fund name	Annual return 2020–21			Annual return 2019–20		
	%	Capital \$m	Distributions \$m	%	Capital \$m	Distributions \$m
QIC Cash Enhanced Fund	0.8	(0.1)	0.7	1.7	0.2	0.3
QIC Global Credit Fund	3.0	6.9	0.0	2.5	-4.4	8.5
QIC Global Credit Opportunities Fund	17.4	0.3	0.0	2.0	0.0	0.0
QIC Long Term Diversified Fund	18.2	43.4	3.3	-3.2	-7.5	5.5
QIC Property Fund	4.2	2.0	3.1	-16.6	-30.0	5.4
QIC Short Term Income Fund	4.6	6.2	3.2	2.3	0.0	4.0
Portfolio Total	7.8	58.7	10.3^	-2.0	-41.6	23.7^

^ Totals exclude revenue from interest distributions provided by QTC

RTA expenses

The RTA spent \$35M to fund its operations in 2020–21, and 60% of this funding represented employee costs to ensure the RTA continues to provide vital services to the Queensland rental sector.

During the year the RTA continued to invest in projects for business improvements, including:

- replacement of ageing information technology (IT) infrastructure to the cloud
- implementation of a modern voice and telephone solution
- the delivery of two further RTA Web Services to provide additional channels for essential transactions and improve the customer experience.

Supplies and services accounted for the bulk of our non-employee costs including rent, investment management fees and project delivery expenses.

As part of the RTA's strategy to deliver business efficiencies, the RTA relocated to a new office space within the Brisbane CBD resulting in the recognition of one-off costs, which will be offset in the future by cost savings in rent, maintenance and energy efficiencies delivered by the new premises.

General Purpose Financial Report

for the year ended 30 June 2021

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For information in relation to the RTA and its controlled entity's financial statements please email media@rta.qld.gov.au, or visit rta.qld.gov.au/annualreport.

Statement of Comprehensive Income

for the year ended 30 June 2021

		Group		Parent	
		2021	2020	2021	2020
	Notes	\$'000	\$'000	\$'000	\$'000
Income					
Investment revenue	4	44,343	24,951	44,342	24,949
Fair value gain on investments	4	25,065	-	25,065	-
Other revenue		8	18	8	18
Other income	16-17	941	9,479	941	9,479
Total income		70,357	34,448	70,356	34,446
Expenses					
Employee expenses	5	22,027	21,708	716	755
Supplies and services	6 (a)	9,128	10,920	30,441	31,874
Finance costs	6 (b)	44	102	44	102
Depreciation and amortisation	7	3,270	3,131	3,270	3,131
Impairment losses	16	429	-	429	-
Fair value loss on investments	4	-	41,623	-	41,623
Other expenses	8	162	216	159	213
Total expenses		35,060	77,700	35,059	77,698
Operating result for the year		35,297	(43,252)	35,297	(43,252)
Other comprehensive income					
Total operating result		35,297	(43,252)	35,297	(43,252)

The accompanying notes form part of these statements.

Statement of Financial Position

as at 30 June 2021

		Group		Parent	
	Notes	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current assets					
Cash and cash equivalents	9	48,602	76,845	48,570	76,703
Other financial assets	10	959,869	870,950	959,869	870,950
Receivables	12	1,203	921	1,168	565
Other current assets	13	449	434	290	367
Total current assets		1,010,123	949,150	1,009,897	948,585
Non current assets					
Intangible assets	14	8,362	9,317	8,362	9,317
Property, plant and equipment	15	435	306	435	306
Right-of-use assets	16	-	2,000	-	2,000
Other non current assets	13	62	62	62	62
Total non current assets		8,859	11,685	8,859	11,685
Total assets		1,018,982	960,835	1,018,756	960,270
Current liabilities					
Payables	17a	2,762	5,245	7,323	9,312
Rental bonds and unclaimed monies	17b	975,983	948,334	975,983	948,334
Lease liabilities	16	430	2,480	430	2,480
Accrued employee benefits	18	3,566	3,444	35	26
Total current liabilities		982,741	959,503	983,771	960,152
Non current liabilities					
Lease liabilities	16	-	430	-	430
Accrued employee benefits	18	1,256	1,214	-	-
Total non current liabilities		1,256	1,644	-	430
Total liabilities		983,997	961,147	983,771	960,582
Net assets		34,985	(312)	34,985	(312)
Equity					
Accumulated surplus		34,985	(312)	34,985	(312)
Total equity		34,985	(312)	34,985	(312)

The accompanying notes form part of these statements.

Statement of Changes in Equity

for the year ended 30 June 2021

	\$'000	\$'000
	Accumulated Surplus	Total Equity
	Group	
2021		
Balance as 1 July 2020	(312)	(312)
Operating result from continuing operations	35,297	35,297
Balance as at 30 June 2021	34,985	34,985
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)
	Parent	
2021		
Balance as 1 July 2020	(312)	(312)
Operating result from continuing operations	35,297	35,297
Balance as at 30 June 2021	34,985	34,985
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)

The accompanying notes form part of these statements.

Statement of Cash Flows

for the year ended 30 June 2021

		Group		Parent	
	Notes	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash flows from operating activities					
Inflows					
Interest income		477	1,296	476	1,294
Bond lodgements		408,241	427,119	408,241	427,119
Other operating receipts		949	18	949	18
GST collected from customers		101	21	101	21
GST refunds received		1,430	1,175	1,430	1,175
Outflows					
Bond claims		(380,592)	(384,566)	(380,592)	(384,566)
Employee expenses		(21,956)	(21,492)	(708)	(760)
Supplies and services		(10,348)	(7,736)	(31,488)	(28,580)
Other expenses		(162)	(216)	(159)	(213)
GST paid to suppliers		(1,198)	(1,459)	(1,198)	(1,459)
Interest on leases		(44)	(102)	(44)	(102)
Net cash provided by/(used in) operating activities	CF.1	(3,102)	14,058	(2,992)	13,947
Cash flows from investing activities					
Inflows					
Investments redeemed		4,223	21,929	4,223	21,929
Outflows					
Payments for purchased software		-	(73)	-	(73)
Payments for internally generated software		(435)	(1,132)	(435)	(1,132)
Payments for work in progress		(122)	(236)	(122)	(236)
Payment for property, plant and equipment		(327)	(107)	(327)	(107)
Payments for investments		(26,000)	(30,000)	(26,000)	(30,000)
Net cash provided by/(used in) investing activities		(22,661)	(9,619)	(22,661)	(9,619)
Cash flows from financing activities					
Outflows					
Repayment of lease liabilities		(2,480)	(2,324)	(2,480)	(2,324)
Net cash provided by/(used in) financing activities		(2,480)	(2,324)	(2,480)	(2,324)
Net increase/(decrease) in cash and cash equivalents		(28,243)	2,115	(28,133)	2,004
Cash and cash equivalents at beginning of financial year	9	76,845	74,730	76,703	74,699
Cash and cash equivalents at end of financial year	9	48,602	76,845	48,570	76,703

The accompanying notes form part of these statements.

Notes to the Statement of Cash Flows

for the year ended 30 June 2021

Group		Parent	
2021	2020	2021	2020
\$'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	35,297	(43,252)	35,297	(43,252)
Add: Depreciation and amortisation	3,270	3,131	3,270	3,131
Impairment losses	429	-	429	-
Loss on disposal of property, plant and equipment	11	-	11	-
Decrease in prepayments	-	-	77	-
Increase in accrued employee benefits	164	286	9	-
Unrealised decrease in investments	-	17,879	-	17,879
Increase in rental bonds	27,649	42,553	27,649	42,553
Decrease in operating lease payable	-	3,634	-	3,460
	66,820	24,231	66,742	23,771
Less:				
Increase in receivables	282	505	603	223
Decrease in trade creditors	2,483	-	1,989	-
Increase in prepayments	15	189	-	122
Decrease in unclaimed bonds	-	9,479	-	9,479
Unrealised increase in investments	67,142	-	67,142	-
	69,922	10,173	69,734	9,824
Net Cash provided by operating activities	(3,102)	14,058	(2,992)	13,947

The accompanying notes form part of these statements.

Notes to the Financial Statements

for the year ended 30 June 2021

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.

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

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

During the year the head office and principal place of business of the RTA changed to Level 11, Midtown Centre, 150 Mary Street, Brisbane 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 2020, 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 or change in accounting policy

Accounting standards applied for the first time

No new accounting standards with material impact were applied for the first time in 2020-21.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2020-21.

Changes in accounting policy

The RTA did not change any accounting policies during 2020-21.

Notes to the Financial Statements

for the year ended 30 June 2021

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 2019–20 financial statements.

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.

Working capital/market volatility

The statement of financial position as at 30 June 2020 disclosed a shortfall in working capital due to the impact of the COVID-19 pandemic on global financial markets. Since the easing of restrictions in late 2020 financial markets have recovered sufficiently to allow the RTA to report a surplus in working capital as at 30 June 2021.

As outlined in Note 1, General information, 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 the investment values exceed the value of bonds under custody, that is, the rental bond portfolio is in surplus.

Notes to the Financial Statements

for the year ended 30 June 2021

The rental bond portfolio is in surplus at 30 June 2021 and as at that date, the RTA has \$26M (approximately 9 months operational expenditure coverage) in the business operations portfolio, based on budgeted cash outflows. The RTA also has access to \$15.5M grant funding from Queensland Treasury, which approximates to more than 5 months operating cash outflows. Should investment returns in the 2021–22 financial year not be sufficient to generate additional cash inflows to cover the excess of budgeted expenditure over current cash reserves, the RTA will draw down on these funds in consultation with Queensland Treasury and Department of Communities, Housing and Digital Economy (DCHDE) in the future.

Further information on how the RTA manages its market and liquidity risks are contained in note 20.

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 principal 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 – focuses on business improvements, systems and resources to deliver streamlined services to our customers, and
- Customer focused 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 Communities and Housing, Minister for Digital Economy and Minister for the Arts.

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.

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.

Notes to the Financial Statements

for the year ended 30 June 2021

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) 2021: \$3,200 (2020: \$3,100)
Financial information:	
Total assets: \$4.90 M (2020: \$4.71 M)	Total revenue: \$21.20 M (2020: \$20.62 M)
Total liabilities: \$4.90 M (2020: \$4.71 M)	Total operating result: \$nil (2020: \$nil)

4. Investment returns

Investment revenue

Interest on cash assets and investments

	Group		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Investment distribution income	43,898	23,744	43,898	23,744
Bank interest	445	1,207	444	1,205
Total investment revenue	44,343	24,951	44,342	24,949
Fair value gain on investments	25,065	-	25,065	-
Expenses				
Fair value loss on investments	-	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 2021

5. Employee expenses

Employee benefits

	Group		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	16,427	15,993	276	263
Allowances	31	113	-	-
Annual leave expense	1,556	1,721	23	29
Long service leave expense	473	561	8	10
Employer superannuation contributions	2,163	2,079	38	38
Total employee benefits	20,650	20,467	345	340
Employee related expenses				
Fringe benefits tax	42	57	42	57
Workers' compensation insurance	147	92	138	79
Payroll tax	1,018	834	25	24
Other employee related expenses	170	258	166	255
Total employee related expenses	1,377	1,241	371	415
Total employee expenses *	22,027	21,708	716	755

* Salaries and wages of 2020 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 former Department of Housing and Public Works for the same amount.

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	
2021	2020	2021	2020
No.	No.	No.	No.
197	204	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.

Notes to the Financial Statements

for the year ended 30 June 2021

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 and employee instructions as to superannuation plan (where applicable).

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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Delivery of service expenses	930	950	930	950
Board fees	158	143	158	143
Building expenses *	1,642	338	1,642	338
Office expenses	97	80	97	80
Contractors and consultants	2,204	6,063	2,204	6,062
Less: capitalised costs	(582)	(1,549)	(465)	(1,208)
Investment fees	1,798	1,803	1,798	1,803
Technology expenses	2,680	2,733	2,680	2,733
Legal expenses	41	59	41	59
Client engagement expenses	41	104	40	103
RTEO service fees	-	-	21,197	20,614
Other supplies and services	119	196	119	197
Total supplies and services	9,128	10,920	30,441	31,874

* Includes one off make good costs. Refer to Note 16 for more details.

6 (b). Finance costs

	Group		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Interest on lease liabilities	44	102	44	102
Total Finance costs	44	102	44	102

Notes to the Financial Statements
for the year ended 30 June 2021

7. Depreciation and amortisation

Depreciation and amortisation were incurred in respect of:

	Group		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Plant and equipment	42	57	42	57
Leasehold improvements	145	75	145	75
Intangible assets				
Internally generated software	1,478	1,272	1,478	1,272
Purchased software	34	12	34	12
Depreciation of right-of-use assets	1,571	1,715	1,571	1,715
Total depreciation and amortisation	3,270	3,131	3,270	3,131

8. Other expenses

External audit fees *	38	37	35	34
Internal audit fees	96	126	96	126
Bad and impaired debts	4	25	4	25
Special payments	-	2	-	2
Insurance premiums	24	26	24	26
Total other expenses	162	216	159	213

* Total external audit fees payable to QAO relating to the 2020–21 financial year are estimated to be \$38,150 for the group (2019–20: \$37,400 for the group). There are no non-audit services included in this amount.

9. Cash and cash equivalents

	Group		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at bank	3,553	4,580	3,521	4,438
Queensland Treasury Corporation (QTC)	45,049	72,265	45,049	72,265
Total cash and cash equivalents	48,602	76,845	48,570	76,703

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 2021

	Group		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
10. Other financial assets				
Managed funds – QIC	959,869	870,950	959,869	870,950
Total other financial assets	959,869	870,950	959,869	870,950

Represented by:

QIC Investment Products as at 30 June 2021	Group and Parent			
	Annual average return on investments	Treasurer approved strategic asset allocation parameter	Actual Allocation	Amount \$'000
QIC Cash Enhanced Fund	0.84%	0% – 60%	2.90%	27,793
QIC Global Credit Fund	2.99%	10% – 45%	25.32%	243,037
QIC Global Credit Opportunities Fund	17.36%	0% – 20%	0.19%	1,835
QIC Long Term Diversified Fund	18.18%	0% – 30%	34.05%	326,868
QIC Property Fund	4.17%	5% – 20%	13.03%	125,091
QIC Short Term Income Fund	4.64%	10% – 30%	24.51%	235,245
Total Portfolio	7.77%		100.00%	959,869

QIC Investment Products as at 30 June 2020	Annual average return on investments	Treasurer approved strategic asset allocation parameter	Group and Parent	
			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

Accounting policy – other financial assets

Funds managed by QIC 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 2021

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 2021 Amount \$'000	30 June 2020 Amount \$'000	Fair value hierarchy category
QIC Investment Products as at 30 June 2021			
QIC Cash Enhanced Fund	27,793	3,740	Level 2
QIC Global Credit Fund	243,037	340,363	Level 2
QIC Global Credit Opportunities Fund	1,835	1,553	Level 2
QIC Long Term Diversified Fund	326,868	229,190	Level 2
QIC Property Fund	125,091	122,075	Level 3
QIC Short Term Income Fund	235,245	174,029	Level 2
Total Portfolio	959,869	870,950	

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 2021

	Group		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
12. Receivables				
Debtors	1,063	541	1,028	185
Less: allowance for expected credit losses	(32)	(70)	(32)	(70)
	1,031	471	996	115
Accrued interest revenue	21	53	21	53
GST receivable	151	397	151	397
Total receivables	1,203	921	1,168	565

	Group		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
13. Other assets				
Current				
Prepayments	449	434	290	367
Total current	449	434	290	367
Non current				
Prepayments	62	62	62	62
Total non current	62	62	62	62
Total other assets	511	496	352	429

Notes to the Financial Statements
for the year ended 30 June 2021

	Group		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
14. Intangible assets				
Software internally generated: at cost				
Gross	16,835	16,400	16,835	16,400
Less: accumulated amortisation	(8,951)	(7,473)	(8,951)	(7,473)
	7,884	8,927	7,884	8,927
Software purchased: at cost				
Gross	823	822	823	822
Less: accumulated amortisation	(723)	(688)	(723)	(688)
	100	134	100	134
Work in progress: at cost				
Gross	378	256	378	256
Total intangible assets	8,362	9,317	8,362	9,317

Reconciliation of Intangible assets

	Software internally generated	Software purchased	Software work in progress	Total
	Group and Parent			
	\$'000	\$'000	\$'000	\$'000
2021				
Carrying amount at 1 July 2020	8,927	134	256	9,317
Acquisitions	435	-	122	557
Amortisation	(1,478)	(34)	-	(1,512)
Carrying amount at 30 June 2021	7,884	100	378	8,362
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

Notes to the Financial Statements

for the year ended 30 June 2021

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 2021

	Group		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
15. Property, plant and equipment				
Property, plant and equipment: at cost				
Gross	2,081	4,555	2,081	4,555
Less: accumulated depreciation	(1,646)	(4,249)	(1,646)	(4,249)
Total property, plant and equipment	435	306	435	306

Reconciliation of Property, plant and equipment

	Plant and Equipment	Total
	Group and Parent	
	\$'000	\$'000
2021		
Carrying amount at 1 July 2020	306	306
Acquisitions	327	327
Disposals	(11)	(11)
Depreciation	(187)	(187)
Carrying amount at 30 June 2021	435	435
2020		
Carrying amount at 1 July 2019	330	330
Acquisitions	107	107
Depreciation	(131)	(131)
Carrying amount at 30 June 2020	306	306

Notes to the Financial Statements

for the year ended 30 June 2021

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 2021

	Group		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
16. Leases				
Reconciliation of Right-of-use assets				
a) Right-of-use assets: building				
Opening balance at 1 July	2,000	3,715	2,000	3,715
Depreciation charge	(1,571)	(1,715)	(1,571)	(1,715)
Impairment losses	(429)	-	(429)	-
Closing balance at 30 June	-	2,000	-	2,000

Impairment loss is recognised in the current year due to the vacated premises of 179 Turbot Street, Brisbane.

b) Lease liabilities

Current

Lease liabilities	430	2,480	430	2,480
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Non Current

Lease liabilities	-	430	-	430
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Total

430	2,910	430	2,910
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Office Building

\$'000

At 1 July 2020

2,910

Interest expenses

44

Lease payments

(2,524)

30 June 2021

430

At 1 July 2019

5,234

Interest expenses

102

Lease payments

(2,426)

30 June 2020

2,910

Accounting policy – leases

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 2021

16. Leases (continued)

Right-of-use assets

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
- the initial estimate of restoration costs

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'.

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 liabilities

Lease liabilities are initially recognised at 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.

Subsequent to initial measurement, the lease liabilities 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.

Leasing arrangements

The lease of office premises at 179 Turbot Street ends in August 2021. The RTA relocated to new office premises in June 2021 to enable the completion of make good works prior to end of lease. Consequently, an impairment loss of \$428,628 was recognised in the statement of comprehensive income equal to the remaining value of the right-of-use asset as there are no further economic benefits to be generated by the RTA from the Turbot Street building subsequent to the premises being vacated.

The remaining lease instalments are held as lease liabilities. Lease interest will be recognised in the month of the payment.

Make good work at Turbot Street is expected to be completed by 31 August 2021. The expected cost of make good works is \$1,189,561 and this amount has been recognised in full as expenditure in the year ended 30 June 2021.

Office accommodation

The Queensland Government Accommodation Office (QGAO) has provided the RTA with office accommodation at level 11, 150 Mary Street, commencing in June 2021. This arrangement is categorised as procurement of services rather than a lease, as the Department of Energy and Public Works has substantive substitution rights over the assets.

The lease arrangement between the property owner and the QGAO provided for an incentive amount which was permitted to be used by the lessee (QGAO) and/or the property occupant (the RTA) to fund premises fit out, with the remainder to be received in the form of a cash payment. QGAO, as the lessee, owns the fit out and the RTA has not recognised any portion of the fit out asset or the incentive amount used to fund the fit out in its financial statements. The cash component of the incentive, being \$941,248, was received by the RTA and has been recognised as revenue.

Notes to the Financial Statements

for the year ended 30 June 2021

	Group		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
17. Payables				
Current				
a) Payables				
Trade creditors	2,762	5,245	2,648	5,168
Payables to RTEO	-	-	4,675	4,144
	2,762	5,245	7,323	9,312
b) Rental bonds and unclaimed monies				
Rental bonds	971,010	943,358	971,010	943,358
Unclaimed bond monies *	4,973	4,976	4,973	4,976
	975,983	948,334	975,983	948,334

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

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 – 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.

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).

As of 30 June 2021, the RTA has spent a total of \$3,463,171 (2020:\$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.

Notes to the Financial Statements
for the year ended 30 June 2021

	Group		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
18. Accrued employee benefits				
Current				
Annual leave	1,711	1,695	20	19
Long service leave	1,834	1,736	15	7
Time off in lieu (TOIL)	21	13	-	-
Total current	3,566	3,444	35	26
Non current				
Long service leave	1,256	1,214	-	-
Total non current	1,256	1,214	-	-
Total accrued employee benefits	4,822	4,658	35	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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Category				
Current financial assets				
Financial assets measured at fair value through profit and loss:				
Cash and cash equivalents	48,602	76,845	48,570	76,703
Other financial assets	959,869	870,950	959,869	870,950
Financial assets measured at amortised cost:				
Receivables	1,203	921	1,168	565
Total current financial assets	1,009,674	948,716	1,009,607	948,218
Current financial liabilities				
Financial liabilities measured at amortised cost:				
Payables	2,762	5,245	7,323	9,312
Rental bonds and unclaimed monies	975,983	948,334	975,983	948,334
Lease liabilities	430	2,480	430	2,480
Total current financial liabilities	979,175	956,059	983,736	960,126
Non current financial liabilities				
Lease liabilities	-	430	-	430
Total financial liabilities	979,175	956,489	983,736	960,556

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 2021

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 2021. 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	<p>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.</p> <p>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.</p> <p>The loss allowance for the expected credit losses from receivables is based on the RTA's historical credit loss experience for various group of debtors (note 12).</p>
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 liabilities (Note 16b).
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 State will provide support to ensure that the RTA can comply with its obligations. Refer to Note 1, working capital/ market volatility for further information.
Risk exposure Market risk	
Definition	<p>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.</p>
Exposure	<p>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.</p> <p>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).</p> <p>The RTA is also exposed to interest rate risk through its cash deposited in interest bearing accounts (Note 9).</p>
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
		\$'000	\$'000	\$'000	\$'000	\$'000
Notes						
2021						
Financial liabilities						
Payables	17	2,762	-	-	2,762	2,762
Rental bonds and unclaimed monies	17	975,983	-	-	975,983	975,983
Lease payable	16	432	-	-	432	430
Total financial liabilities		979,177	-	-	979,177	979,175
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

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
2021						
Financial liabilities						
Payables	17	7,323	-	-	7,323	7,323
Rental bonds and unclaimed monies	17	975,983	-	-	975,983	975,983
Lease payable	16	432	-	-	432	430
Total financial liabilities		983,738	-	-	983,738	983,736
2020						
Financial liabilities						
Payables	17	9,312	-	-	9,312	9,312
Rental bonds and unclaimed monies	17	948,334	-	-	948,334	948,334
Operating lease payable	16	2,523	432	-	2,955	2,910
Total financial liabilities		960,169	432	-	960,601	960,556

Notes to the Financial Statements

for the year ended 30 June 2021

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. For the purpose of this report the RTA has used the variance from budgeted returns as the basis of the sensitivity analysis. If the actual investment return varies by +20 of -520 basis points for the 2020–21 year (2019–20: +500 of -280 basis points) the corresponding impact on the RTA's earnings and net assets is summarised in the table below:

	Carrying Amount	Operating Surplus/ (Deficit)	Equity	Operating Surplus/ (Deficit)	Equity
	Group and Parent				
	\$'000	\$'000	\$'000	\$'000	\$'000
2021 Market risk	Return on earnings basis points				
	520 pts less than actual		20 pts greater than actual		
Investment earning variation	959,869	(49,913)	(49,913)	1,920	1,920
Actual result		35,297	34,985	35,297	34,985
Changed result		(14,616)	(14,928)	37,217	36,905
2020 Market risk	Return on earnings basis points				
	280 pts less than actual		500 pts greater than actual		
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

21. Key executive management personnel and remuneration expenses

(a). Key management personnel

The RTA's responsible Minister is the Honourable Leeanne Enoch 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 2020–21.

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.

Notes to the Financial Statements

for the year ended 30 June 2021

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

(a). Key management personnel (continued)

Position	Responsibilities	Changes to positions	
		2021	2020
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: from 22/02/2021 Acting: 03/02/2020–21/02/2021	Current role: Acting from 03/02/2020 Former: 02/11/2015– 02/02/2020
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 from: 17/05/2021 Acting: 18/02/2021–30/05/2021 Former: 23/07/2018–17/03/2021	Current role
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.	Current role: from 07/09/2020 Acting: 25/03/2020–13/09/2020 18/02/2021–30/05/2021	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.	Current role: from 22/02/2021 Acting: 25/03/2020–21/02/2021	New role: Acting from 25/03/2020
Ceased positions included for comparative purposes			
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.	Vacant* Ceased: 22/02/2021	Acting: 3/02/2020– 24/03/2020
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
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
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

* Director People and Culture was acting in Chief People Officer role until the permanent appointment was made on 22/02/2021.

Notes to the Financial Statements

for the year ended 30 June 2021

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

(b) Remuneration

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 2020 – 30 June 2021

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	305		8	26		339
Chief Financial Officer*	206		5	23		234
Chief Digital Officer	232		6	24		262
Chief Customer Experience Officer	187		5	18		210
Chief People Officer*	211		5	17		233
Total	1,141	-	29	108	-	1,278

* Includes higher duty payments.

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 reappointed to the RTA on a fixed three year contract effective from 30 April 2021.

For the 2020–21 year, the remuneration of key executive management did not increase (2019–20 Nil) for Senior Officers and Senior Executive Services, in accordance with government directives.

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

(b) Remuneration (continued)

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
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.

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

For the 2020–21 financial year there were no material related party transactions between the RTA and key management personnel other than ordinary citizen transactions.

Notes to the Financial Statements

for the year ended 30 June 2021

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	
				2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Mr Paul Melville (Chair)		May 2017		53	51	53	51
Mr Stephen Ryan		Nov 2016		23	24	23	24
Ms Sally Watson		Nov 2016		22	21	22	21
Ms Janet Benson		May 2017		22	21	22	21
Ms Rachel Watson		Dec 2017	Aug 2020	4	21	4	21
Ms Christine Castley ¹		Dec 2017		14	-	14	-
Ms Deborah Duffy		Dec 2017	Aug 2020	4	21	4	21
Ms Cara Walsh		Sep 2020		17	-	17	-
Mr Damian Wright ²		Sep 2020		14	-	14	-
Total Board member payments				173	159	173	159

The 2020–21 Board fees included fees of \$159,885 plus superannuation of \$13,650. The 2019–20 Board fees included fees of \$145,824 plus superannuation of \$13,444.

¹ – Prior to 3 November 2020, Ms Castley was a public sector employee and did not receive remuneration as a Director of the RTA.

² – Mr Damian Wright's fee is paid to BDO Australia.

(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 \$21,196,842 (2020: \$20,614,116).

Transactions with other related parties

The RTA utilises the services of QIC and QTC to invest excess cash reserves. The total management fees paid or payable in this financial year to QIC and QTC are \$1,704,830 and \$82,889 respectively (2020: \$1,665,903 and \$117,475).

During the year the RTA has engaged Corporate Administration Agency (CAA) to provide payroll services. The total payments to CAA in this financial year are \$113,327 (2020: Nil).

The RTA has utilised QBuild to carry out make good works from June 2021 to September 2021. The amount payable to QBuild as at 30 June 2021, is \$160,641.

The RTA has entered into a contractual arrangement with QGAO for the supply and management of office accommodation from June 2021. No payments have been made to QGAO as at 30 June 2021.

Notes to the Financial Statements

for the year ended 30 June 2021

24. Contingencies

As described in Note 17, the RTA retains an obligation to refund unclaimed bond liabilities which has been derecognised if 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 seven years was \$25,785 (2020: \$34,000).

25. 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 2021

29. Budgetary reporting disclosures

Statement of Comprehensive Income

		Original budget 2021	Actual 2021	Variance
	Variance notes	\$'000	\$'000	\$'000
Income				
Investment revenue	1	25,074	69,408	44,334
Other revenue		-	7	7
Other income		-	942	942
Total income		25,074	70,357	45,283
Expenses				
Employee expenses		23,081	22,027	1,054
Supplies and services	2	8,225	9,128	(904)
Finance costs		44	44	-
Depreciation and amortisation		3,233	3,270	(37)
Impairment losses		-	429	(429)
Other expenses		60	162	(102)
Total expenses		34,643	35,060	(417)
Operating result for the year		(9,569)	35,297	44,866
Other Comprehensive Income		-	-	-
Total Operating Result		(9,569)	35,297	44,866

Explanations of major variances

Statement of Comprehensive Income

1 Investment revenue	Investment revenue exceeded budget by \$44.3 M equating to an additional 5% investment returns due to the post-COVID-19 financial market recovery.
2 Supplies and services	As part of the RTA's strategy to deliver business efficiencies, the RTA relocated office space within the Brisbane CBD resulting in the recognition of one-off costs of \$1.1 M.

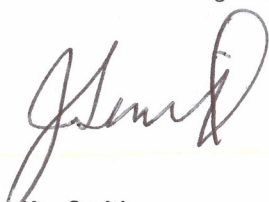
Management Certificate

for the year ended 30 June 2021

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 2021 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

25/08/2021

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 the 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 2021, 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 2021, 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 certificate given by the Chief Executive Officer and the Chairperson.

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 the information included in the group's annual report for the year ended 30 June 2021, but does not include the financial report and my auditor's report thereon.

The Board is responsible for the other information.

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.

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

- 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.



Carolyn Dougherty
as delegate of the Auditor-General

26 August 2021

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 Glossary 	ARRs – section 9.1	3 84
	<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	6
Non-financial performance	<ul style="list-style-type: none"> Government’s objectives for the community and whole-of-government plans/specific initiatives 	ARRs – section 11.1	6
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2	35–37
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3	38–39
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	40–42
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	22
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	26–27
	<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	29
	<ul style="list-style-type: none"> Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5	29
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6	n/a

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	• Risk management	ARRs – section 14.1	25, 29
	• Audit committee	ARRs – section 14.2	25
	• Internal audit	ARRs – section 14.3	29, 30
	• External scrutiny	ARRs – section 14.4	28
	• Information systems and recordkeeping	ARRs – section 14.5	31–32
	• Information Security attestation	ARRs – section 14.6	n/a
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	33
	• Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	34
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	29
	• 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	78
	• Independent Auditor’s Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	79

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
ARC	Audit and Risk Committee
COVID-19	2019 Novel Coronavirus
COVID-19 Regulations	<i>Residential Tenancies and Rooming Accommodation (COVID-19 Emergency Response) Regulation 2020</i>
DCHDE	Department of Communities, Housing and Digital Economy
EEO	Equal Employment Opportunity
FPMS	<i>Financial and Performance Management Standard 2019</i>
FTE	Full-time equivalent (staff)
HR	Human Resources
ICT	Information and communications technology
QCAT	Queensland Civil and Administrative Tribunal
QIC	Queensland Investment Corporation
Q Shelter	Queensland Shelter
QTC	Queensland Treasury Corporation
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
SWG	Stakeholder Working Group

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