



**2018–19**

ANNUAL REPORT

---



# Letter of compliance

4 September 2019

**The Honourable Mick de Brenni MP**

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

GPO Box 2457

Brisbane Qld 4001

Dear Minister

I am pleased to present the Annual Report 2018–19 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 the annual reporting requirements is located on page 87 of this report.

Yours sincerely



**Paul Melville**

*RTA Board Chair*

---

Making our report accessible



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 [www.qld.gov.au/languages](http://www.qld.gov.au/languages) or by phoning 1300 366 311 and we will arrange an interpreter to communicate the report to you.

**Additional online reporting**

The following additional annual reporting requirements can be accessed through the Queensland Government Open Data website (<https://data.qld.gov.au>):

- Consultancies
- Overseas travel
- Queensland Language Services Policy.

**Providing feedback**

Readers are invited to comment on this report via email to [annualreport@rta.qld.gov.au](mailto:annualreport@rta.qld.gov.au) or by contacting the RTA Contact Centre on 1300 366 311.

**Copyright**

© The Residential Tenancies Authority 2019

**Licence**



This Annual Report is licensed by the State of Queensland (Residential Tenancies Authority) under a Creative Commons Attribution (CC BY) 4.0 International licence. In essence, you are free to copy, communicate and adapt this Annual Report, as long as you attribute the work to the State of Queensland Residential Tenancies Authority Annual Report 2018–19. To view a copy of this licence visit: <http://creativecommons.org/licenses/>

For more information on access and use visit: <https://www.qgcio.qld.gov.au/documents/information-access-and-use-policy-is33>

**ISSN 18388248**

To read the Residential Tenancies Authority Annual Report 2018–19 online visit: [rta.qld.gov.au/annualreport](http://rta.qld.gov.au/annualreport)

# Content

<b>Letter of compliance</b>	<b>2</b>
<b>Chair's message</b>	<b>4</b>
<b>Chief Executive Officer's message</b>	<b>5</b>
<b>About us</b>	<b>6</b>
<b>Our operations</b>	<b>7</b>
<hr/>	
<b>Our customers</b>	<b>8</b>
<b>Our customised services</b>	<b>14</b>
<b>Bond management</b>	<b>15</b>
<b>Contact Centre</b>	<b>17</b>
<b>Dispute resolution</b>	<b>18</b>
<b>Supporting the sector</b>	<b>20</b>
<hr/>	
<b>Engaging with stakeholders</b>	<b>22</b>
<b>Our compliance activities</b>	<b>23</b>
<b>Our organisation</b>	<b>25</b>
<hr/>	
<b>Organisational structure</b>	<b>25</b>
<b>Our Board of Directors</b>	<b>26</b>
<b>Our Executive Leadership Team</b>	<b>30</b>
<b>Corporate governance framework</b>	<b>32</b>
<b>Digital optimisation and information systems</b>	<b>34</b>
<b>Our people</b>	<b>35</b>
<b>Performance highlights</b>	<b>37</b>
<b>RTA Service Delivery Statement</b>	<b>39</b>
<b>Our finances</b>	<b>40</b>
<hr/>	
<b>General Purpose Financial Report</b>	<b>43</b>
<b>Management Certificate</b>	<b>83</b>
<b>Auditor's report</b>	<b>84</b>
<hr/>	
<b>Compliance checklist</b>	<b>87</b>
<b>Glossary</b>	<b>89</b>
<b>List of charts, graphs and tables</b>	<b>89</b>

# Chair's message

## It gives me great pleasure to present the Residential Tenancies Authority (RTA) Annual Report for 2018–19 outlining the RTA's efforts and achievements to transform and optimise customer services, and further its vision of renting that works for all Queenslanders.

The highlights of the 2018–19 financial year for the RTA were:

- Approval of a 4-year Strategic Plan which incorporates our Roadmap to Success
- Working with the Government and Queenslanders on the Renting in Queensland (RiQ) initiative
- Assisting the people of Townsville who were impacted by the Townsville floods
- Expanded stakeholder forums with organisations that touch our industry

The RTA is transforming into a more responsive, customer-focused organisation. There has been a re-alignment of our Executive Leadership Team to reflect the Strategic Plan and ensure we can achieve our objectives. The transformation has a strong focus on customer service, allowing the use of digital solutions as well as other channels so customers can more easily access RTA services.

The Queensland Government's Open Doors to Renting Reform consultation (as part of the RiQ initiative) touched hundreds of thousands of Queenslanders. RTA staff attended 20 information stalls and various events across Queensland, in particular regional areas of the state. During the extensive nine-week consultation period, the RTA continued to provide support to all sections of government and Queenslanders.

The effect of the early 2019 floods on the people of Townsville was heart-wrenching. In the immediate aftermath, the RTA moved quickly to establish a presence in Townsville. We attended flood forums to provide on-the-ground support and prioritised phone enquiries and dispute resolution requests from flood affected areas. The RTA also supported a multi-agency initiative at a dedicated Rental Recovery Hub in Townsville to help those impacted by the natural disaster.

The RTA has recently expanded stakeholder forums which gives us all an opportunity to share our experiences and look at ways of improving renting in Queensland.

I would like to thank the Honourable Mick de Brenni MP, Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport, his office and all the staff at the Department of Housing and Public Works who interact with the RTA. Their support has been significant and is greatly appreciated.

Finally, I would like to thank the wonderful staff at the RTA who provide a fabulous service to Queenslanders who look to the RTA for support and advice. The work and dedication of RTA staff have been critical to our achievements throughout the year and the staff have been ably led by our CEO Jennifer Smith and the Executive Leadership Team.



A handwritten signature in dark ink, appearing to read 'Paul Melville'.

**Paul Melville**  
*RTA Board Chair*

# Chief Executive Officer's message

## The past 12 months have seen a number of changes to better position the RTA for the future.

Realising a critical need for change to meet evolving customer expectations in a rapidly growing sector, the RTA launched a Roadmap for Success to highlight its journey of transformation in the years to come. Teams were re-aligned for greater business efficiencies with a focus on achieving enhanced client service, improved business systems, adaptive people and business sustainability.

All frontline services are now streamlined within the Customer Experience division to deliver tailored, efficient customer services. A new division with a strong focus on strategy and innovation has been introduced to facilitate and drive a culture of contribution and advancement within the RTA. We have also enjoyed a renewed emphasis on our people and culture to enhance leadership capabilities, improve staff engagement and maintain a culture of high performance and excellence.

Under the Roadmap for Success, the launch of our Digital Strategic Plan led the way for the RTA's digital optimisation to support the delivery of smart, digital solutions. Multiple digital initiatives have begun rolling out with the most significant project being the development of web services. I am immensely proud of the RTA's delivery of our first web service on 24 June 2019, enabling customers to lodge single bonds online in one simple transaction, reducing our reliance on manual, paper-based processes and providing more convenience for our customers. This achievement is a wonderful display of the commitment of all RTA staff and the project team towards positioning the RTA for the future.

Other initiatives have included transitioning to a digital mailroom and partnering with Brisbane-based technology firm Idea 11 for end-to-end information and communications technology support to increase our capabilities. Improvements to business processes such as issuing proactive bond refund progress notifications to customers demonstrate the abundance of opportunities for further innovation within the RTA.

Implementing these changes and improvements for greater business operational efficiencies has resulted in budget savings of \$3.5 million in 2018–19 which we can re-invest. This means the RTA can continue with digital optimisation plans and projects to bring faster and more efficient services to our customers across multiple channels.

Our response to the 2019 Townsville floods has also shown the value and importance of the RTA's work. The local renting community was severely impacted and the RTA worked to support their recovery efforts, prioritising 1,060

phone enquiries and 681 dispute resolution requests from flood-affected areas. Our people also provided support and assistance through industry forums and the government-initiated Rental Recovery Hub in Townsville.

Over the past 12 months the RTA has delivered on numerous initiatives in addition to continuing our day-to-day operations to support the Queensland rental sector through bond management, providing tenancy information and support, and driving compliance through education services, investigations and prosecutions. In 2018–19, our services received a customer satisfaction score of 80.1 per cent. We managed 621,958 bonds with a total value of \$897.0 million, answered 360,399 phone enquiries and achieved a 74.2 per cent resolution rate when disputing parties participated in conciliation. A total of 1,159 investigations were finalised over the year, including six prosecutions at the Magistrates Court.

I thank the Executive Leadership Team for their trust, advice and guidance throughout the year to support the RTA through this transformative period. I am grateful for the commitment and dedication of all RTA staff to improve our customer and employee experiences and continue making renting work for everyone. I would also like to thank the RTA Board, the Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport, the Honourable Mick de Brenni MP and the Department of Housing and Public Works (DHPW) for their ongoing guidance and support, particularly Liza Carroll, Director-General of DHPW.

I am excited by the plans and projects in the pipeline for the year ahead and I look forward to continuing the RTA's optimisation journey.



A handwritten signature in black ink, appearing to read 'J Smith', written in a cursive style.

**Jennifer Smith**  
*Chief Executive Officer*

# About us

**More than one third of households in Queensland are currently renting and with that number on the rise, the rental sector plays an increasingly important role in many Queenslanders' lives. As an independent statutory authority established by the *Residential Tenancies and Rooming Accommodation Act 2008* (RTRA Act), the RTA empowers people across the state to navigate the rental market.**

In addition to managing tenancy bonds, the RTA upholds integrity and balance in the sector through a range of other services. We provide statewide tenancy information, education and support to increase the renting community's awareness and understanding of tenancy rights and responsibilities. We offer a free dispute resolution service to help disputing parties resolve issues without legal action. We also investigate alleged offences under the RTRA Act and undertake education and prosecution of offenders.

The RTA remains relevant in a rapidly changing sector by conducting research, undertaking environmental scanning, monitoring data and trends and engaging with key stakeholders and industry sector bodies to identify and proactively respond to the needs and expectations of the sector and our customers.

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

## Our objectives and strategies

In the past year, the RTA launched a Roadmap for Success to highlight our journey for the next three years. A reshape of the organisational structure was implemented to better meet evolving customer expectations and rental community needs.

The strategies and initiatives in our Roadmap for Success aligned closely with our Strategic Plan 2018–22 and also underpin our newly developed and approved Strategic Plan 2019–23. This will help ensure the RTA can continue to deliver enhanced client service, improved business systems, adaptive people and business sustainability.

The RTA also contributes to the *Queensland Housing Strategy 2017–2027*, a 10-year framework that aims to provide Queenslanders with better pathways to safe, secure and affordable housing, in all that we do.

## Our contribution to community objectives

The RTA supports the Queensland Government's Our Future State – Advancing Queensland's Priorities through:

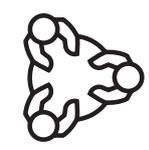
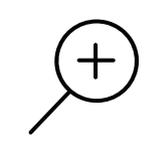
- Be a responsive government –  
The RTA is adopting customer-excellence practices through digital optimisation to ensure our services are simple to use, universally accessible and satisfy customer expectations.



**The RTA strives to balance the social and economic drivers of the sector to maintain an environment where all parties in a tenancy are treated fairly to achieve our vision of renting that works for everyone.**

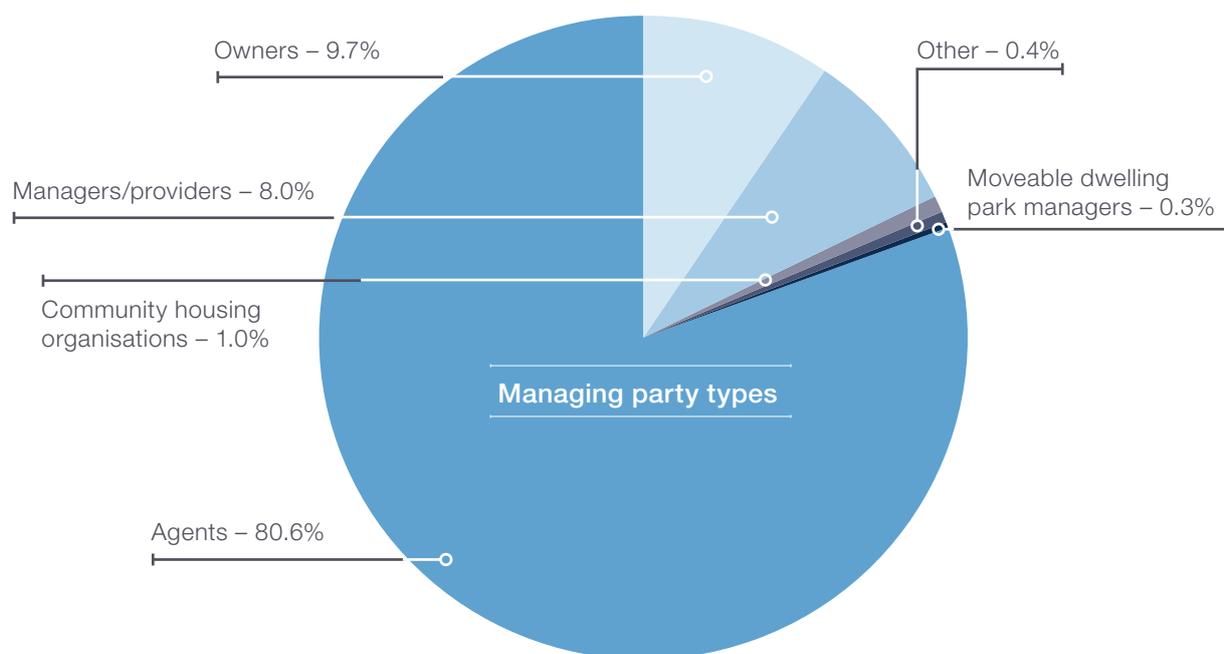
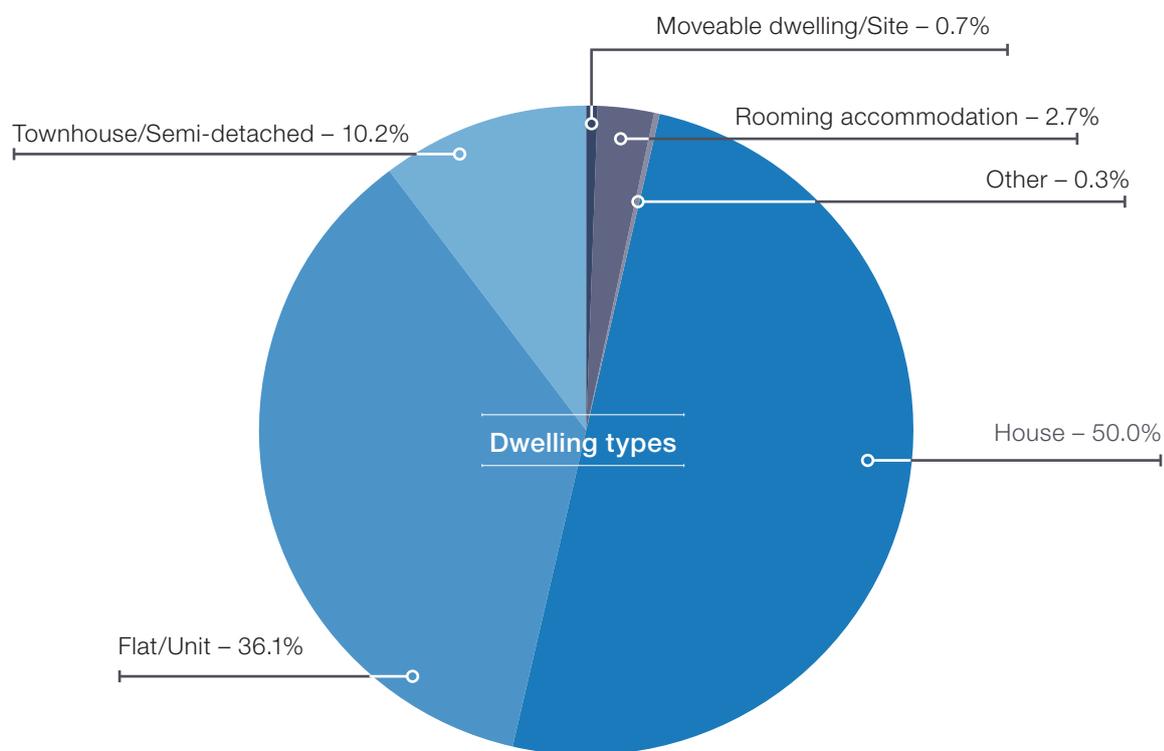


# Our operations

<b>Contact Centre phone enquiries</b>		<b>2014–15</b> 408,630	<b>2015–16</b> 405,916	<b>2016–17</b> 413,775	<b>2017–18</b> 401,069	<b>2018–19</b> 360,399
<b>New bond lodgements<sup>1</sup></b>		<b>2014–15</b> 264,030	<b>2015–16</b> 266,868	<b>2016–17</b> 276,448	<b>2017–18</b> 272,939	<b>2018–19</b> 267,210
<b>Number of bonds held<sup>2</sup> (30 June)</b>		<b>2014–15</b> 541,442	<b>2015–16</b> 555,820	<b>2016–17</b> 582,052	<b>2017–18</b> 607,053	<b>2018–19</b> 621,958
<b>Value of bonds<sup>3</sup> (\$'m 30 June)</b>		<b>2014–15</b> 744.4	<b>2015–16</b> 774.1	<b>2016–17</b> 815.6	<b>2017–18</b> 855.9	<b>2018–19</b> 897.0
<b>Requests for dispute resolution</b>		<b>2014–15</b> 26,197	<b>2015–16</b> 26,428	<b>2016–17</b> 27,405	<b>2017–18</b> 27,998	<b>2018–19</b> 29,134
<b>Investigations finalised<sup>4</sup></b>		<b>2014–15</b> 543	<b>2015–16</b> 690	<b>2016–17</b> 815	<b>2017–18</b> 1,018	<b>2018–19</b> 1,159
<b>Website visits</b>		<b>2014–15</b> 1,995,776	<b>2015–16</b> 2,305,020	<b>2016–17</b> 2,494,263	<b>2017–18</b> 2,219,609	<b>2018–19</b> 2,270,595
<b>Rental sector data requests</b>		<b>2014–15</b> 246	<b>2015–16</b> 219	<b>2016–17</b> 230	<b>2017–18</b> 264	<b>2018–19</b> 282
<b>Operating surplus/deficit (\$'m)</b>		<b>2014–15</b> (10.0)	<b>2015–16</b> (9.8)	<b>2016–17</b> 0.7	<b>2017–18</b> (7.9)	<b>2018–19</b> 8.6

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. Annual reports prior to 2017–18 recorded the number of commenced investigations into non-compliance in the financial year.

# Our customers





**96.3%**

OF DWELLINGS ARE  
HOUSES, FLATS AND  
TOWNHOUSES



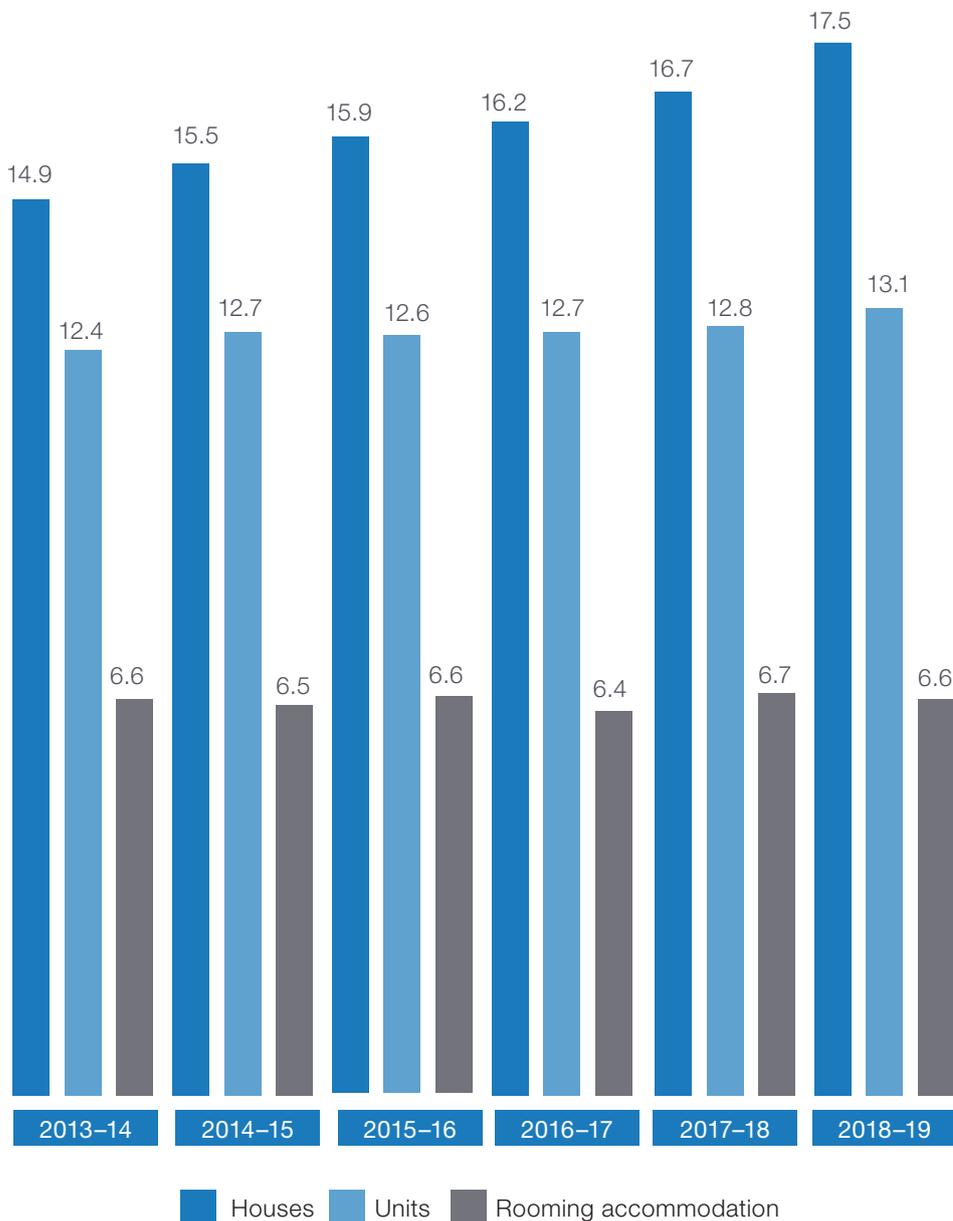
APPROXIMATELY

**88.9%**

OF RENTAL PROPERTIES ARE MANAGED BY  
AGENTS AND ROOMING ACCOMMODATION,  
PROPERTY AND PARK MANAGERS

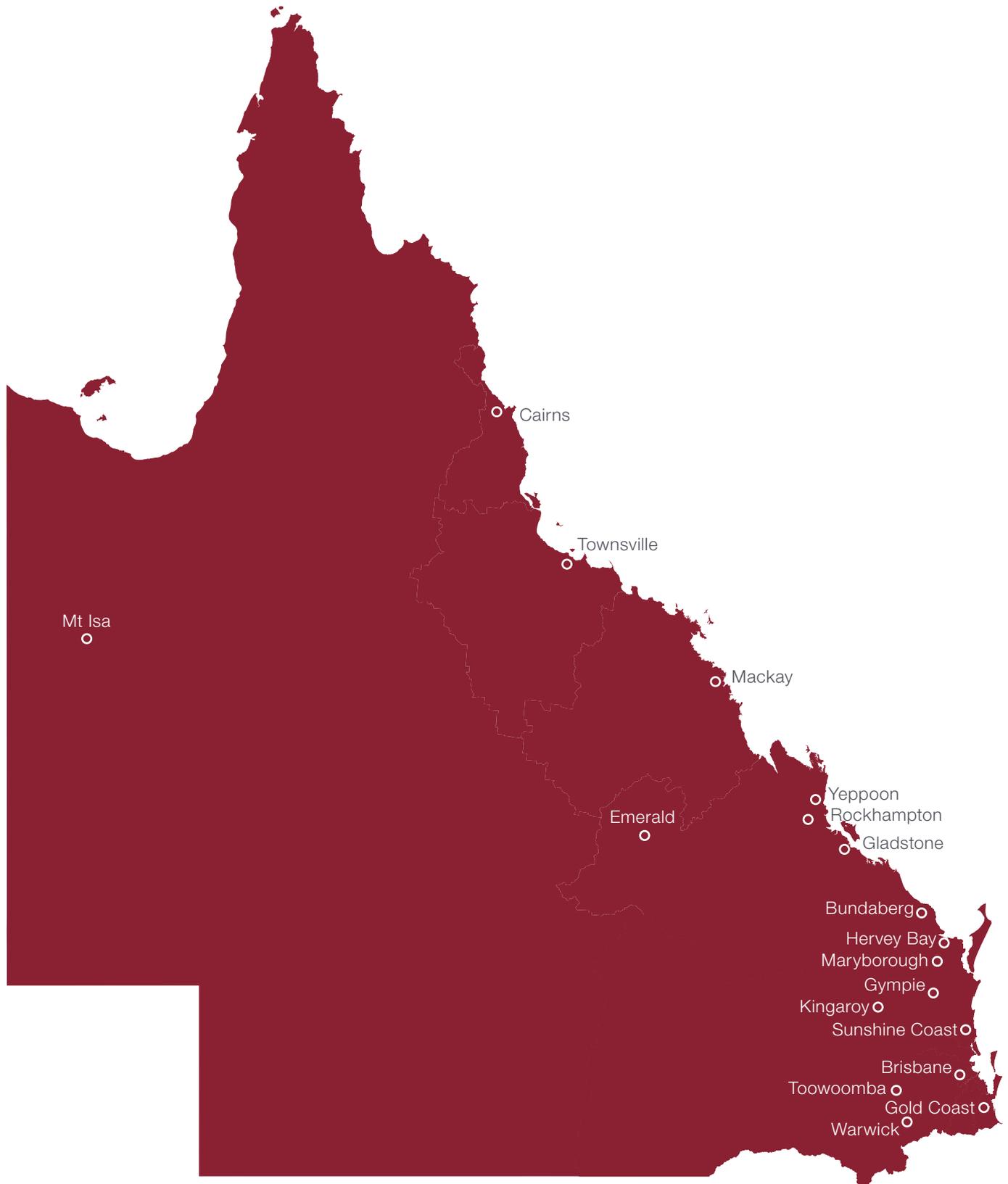
### Median length of tenancies (months)

The median length of tenancies in Queensland between 2013–14 and 2018–19.



## Median rents for Queensland and major centres

Map below shows locations of major centres in Queensland based on Standard Urban Areas as defined by the Australian Bureau of Statistics (ABS). Refer to the table on page 11 for median rents for each major centre based on new bonds lodged with the RTA in the June quarters of 2018 and 2019.





	2 bedroom Flat/Unit		3 bedroom House	
	Median rent 2018/2019	% change 2018/2019	Median rent 2018/2019	% change 2018/2019
Brisbane	\$395	1.28%	\$380	0.00%
Bundaberg	\$235	2.17%	\$295	1.72%
Cairns	\$300	1.69%	\$385	2.67%
Emerald	\$210	16.67%	\$275	10.00%
Gladstone – Tannum Sands	\$158	5.00%	\$210	10.53%
Gold Coast	\$420	2.44%	\$480	2.13%
Gympie	\$215	2.38%	\$290	3.57%
Hervey Bay	\$265	1.92%	\$325	4.84%
Kingaroy	\$205	2.50%	\$270	1.89%
Mackay	\$245	11.36%	\$340	9.68%
Maryborough	\$200	0.00%	\$270	1.89%
Mount Isa	\$220	4.76%	\$370	5.71%
Rockhampton	\$210	5.00%	\$280	3.70%
Sunshine Coast	\$365	2.82%	\$450	1.12%
Toowoomba	\$250	0.00%	\$315	1.61%
Townsville	\$250	4.17%	\$300	3.45%
Warwick	\$220	7.32%	\$270	1.89%
Yeppoon	\$268	2.88%	\$330	3.13%
<b>Queensland</b>	<b>\$355</b>	<b>1.43%</b>	<b>\$360</b>	<b>2.86%</b>

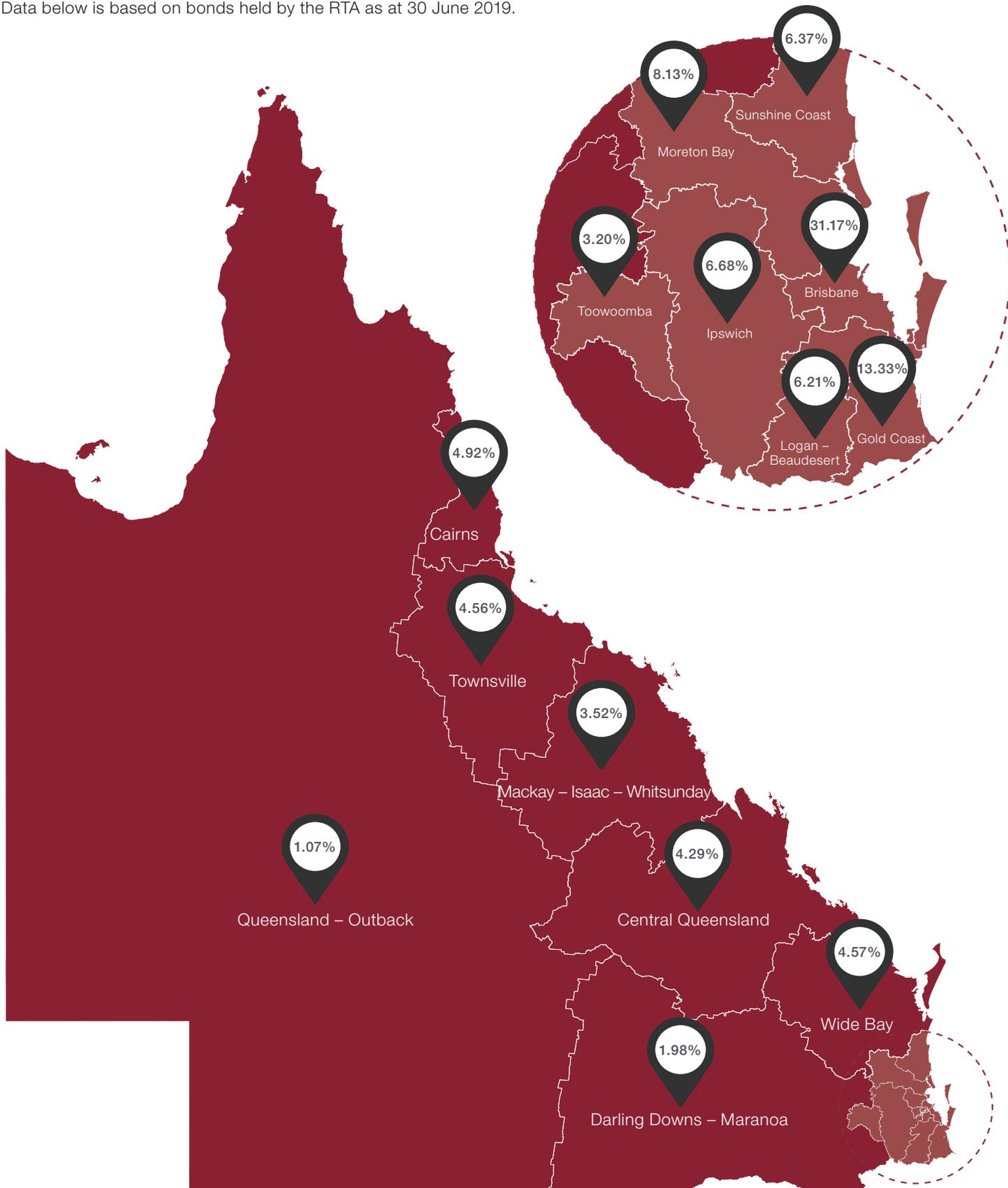
## Weekly median rents

The median weekly rents for all dwelling types based on new bonds lodged in the June quarter of each financial year between 2010–11 and 2018–19.



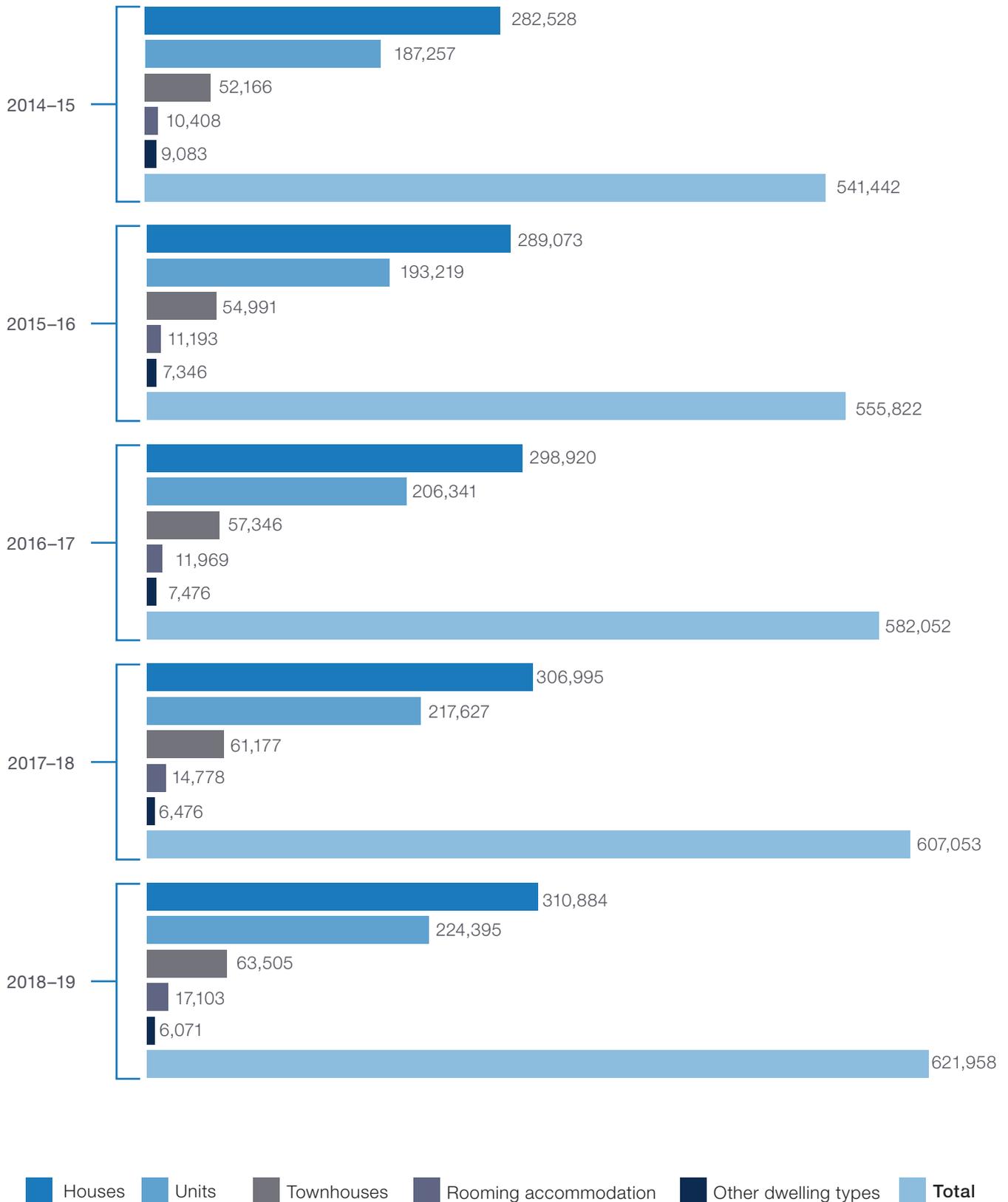
## Queensland bonds held by the RTA

Data below is based on bonds held by the RTA as at 30 June 2019.



## 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 2014–15 and 2018–19.



# Our customised services

In 2018–19, the RTA committed to providing services that deliver a better customer experience in a smart, sustainable way. As part of our Roadmap for Success, the RTA commenced implementation of a Digital Strategic Plan to help position the organisation for the future, building digital business capabilities to achieve a responsive government and provide customers with more options in transacting, engaging with and being informed by the RTA.

In April 2019, in response to feedback from RTA stakeholders, the RTA removed the requirement for witness signatures on tenancy agreement forms to ensure a smoother, more convenient transaction between tenancy parties. This improvement means tenancy agreements need to be signed only by parties to the tenancy and can be completed and signed digitally, making the process simpler and more efficient for everyone involved.

Furthering the RTA's commitment to customer excellence practices, proactive bond refund notifications were implemented to improve business processes and efficiencies. The RTA also commenced a staged development of web services beginning with an online Bond Lodgement service launched in June 2019.

RTA customers were also encouraged to have their say on rental law reforms through the Open Doors to Renting Reform consultation. The Department of Housing and Public Works (DHPW) partnered with the RTA to deliver community information sessions throughout a nine-week consultation period in late 2018. The RTA promoted the consultation through our website, email and postcard campaigns, digital Newsroom, YouTube channel and Contact Centre, with a random selection of customers also participating in snap post-call surveys.

The RTA contributed to the whole-of-government approach in supporting the community during and after the North Queensland floods. From 1 February 2019, the RTA received 681 dispute resolution requests from the Townsville Local Government Area and 1,060 flood-related phone enquiries. These were prioritised to support disaster recovery efforts for tenants and property managers/owners, while bond refund notices were paused in flood-affected areas to ensure parties to the bond were not disadvantaged. The RTA also provided dedicated support through the Rental Recovery Hub in Townsville – a partnership between the DHPW, RTA, Real Estate Institute of Queensland (REIQ) and Tenants Queensland – between February and April 2019.

To ensure progress against our strategic objective of enhanced client services, we take all opportunities to seek customer feedback through surveys, workshops and focus groups. All feedback received informs future areas of focus and training for the RTA.

Quarterly satisfaction surveys continue to capture the experience of customers who have been in recent contact with the RTA. Survey participants are randomly selected from their interactions with the RTA's Customer Experience division – including Contact Centre and dispute resolution services – over a set period of time. The surveys measure various aspects of customer service, including rate of response, ease of access, RTA staff performance, service outcome and overall customer satisfaction with the service provided.

Improvements have been recorded across all satisfaction measures this year. An average satisfaction score of 80.1 per cent was recorded for the delivery of services across Customer Experience. The greatest improvement was in the quality of service provided, with customers rating their satisfaction at 81 per cent in June 2019, up from 71 per cent in March 2019.



**Over 80% of customers were satisfied with RTA services.**

# Bond management

To meet the evolving and increasing expectations of the sector, two new initiatives were implemented to streamline bond management processes and make a real, positive difference to our customers.

The RTA developed and launched the online Bond Lodgement service to provide customers with more convenience and efficiency in transacting with the RTA. This service supports single bond lodgements and ensures a seamless experience for customers who wish to transact digitally with the RTA.

The online Bond Lodgement reduces reliance on manual, paper-based forms and processes. Customers can lodge and pay their rental bond directly to the RTA via a secure online platform on the RTA website and verify their digital identity through the Queensland Government's QGov platform. This means customers can lodge a bond with the RTA anywhere, anytime, with 24/7 self-service access and faster processing times, allowing the RTA to focus on more value-add services for our customers.

The online Bond Lodgement is the first in a staged rollout of web services for RTA customers, with planning underway to develop products that facilitate online bond refunds, online bond disputes and updating of customer details.

The RTA also implemented automated notifications to inform customers about the status and progress of their bond refund. These proactive notifications inform customers about the progress and anticipated timeframes for their bond refund.

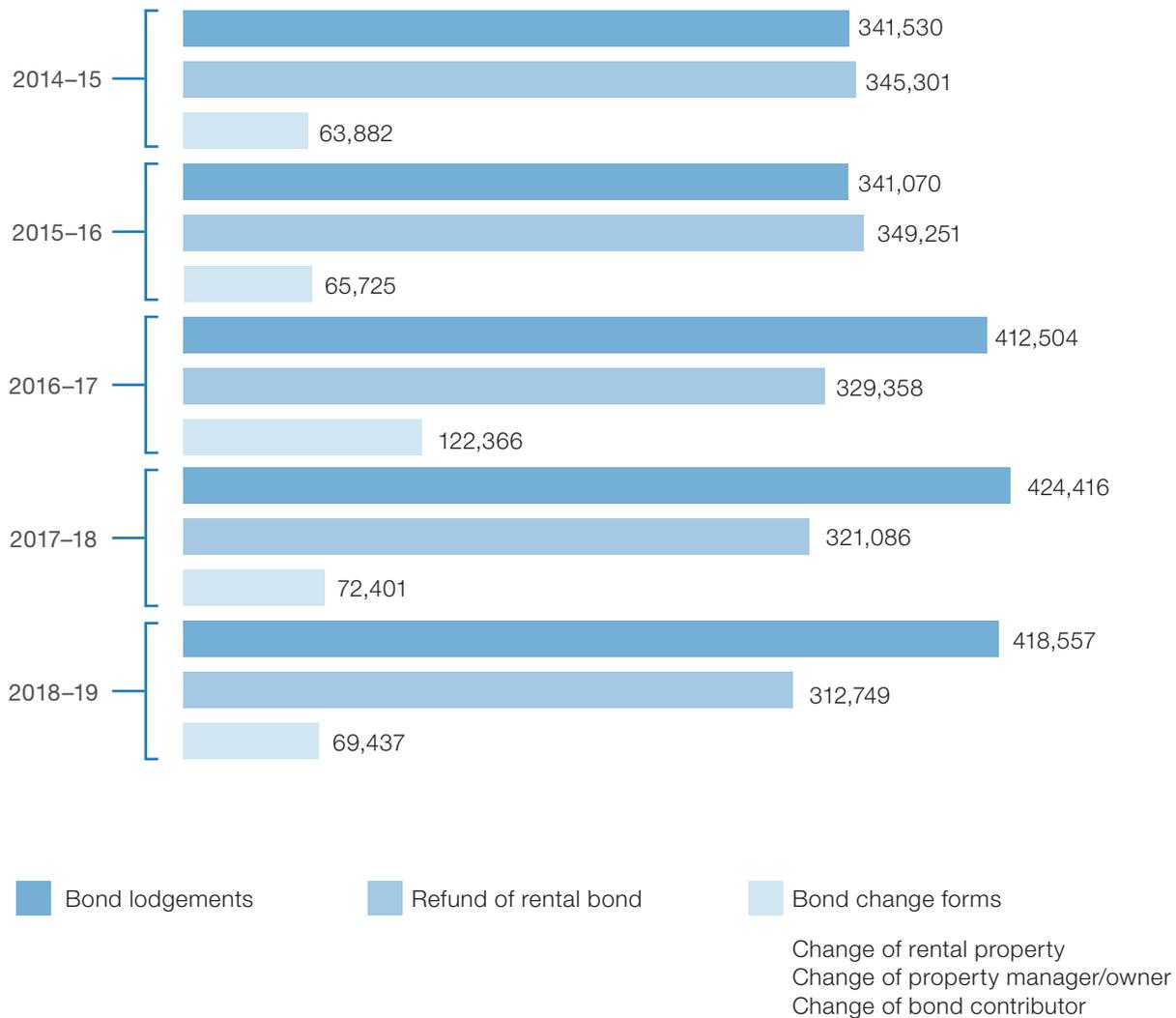
These automated notifications have reduced 'progress of refund' calls from customers by 14.9 per cent, equating to an average of 50 fewer customers enquiring about the progress of their bond refund per day. This has improved business efficiency and is freeing up Contact Centre resources to provide assistance to customers who require tailored support on tenancy matters.



“**RTA’s online Bond Lodgement service provides a new, convenient way for customers to transact with the RTA.**”

The number of bond lodgement forms processed reduced by 1.4 per cent compared to 2017–18. Bond refund requests followed a similar trend, experiencing a 2.6 per cent decline compared to the previous year, consistent with the increase in the average length of tenancies. Bond change forms also experienced a 4.1 per cent decrease. Customers continue to enjoy timely and quality services, with bond lodgements and refunds processed on average within 2.5 days or less.

### Bond forms processed 2014–15 to 2018–19

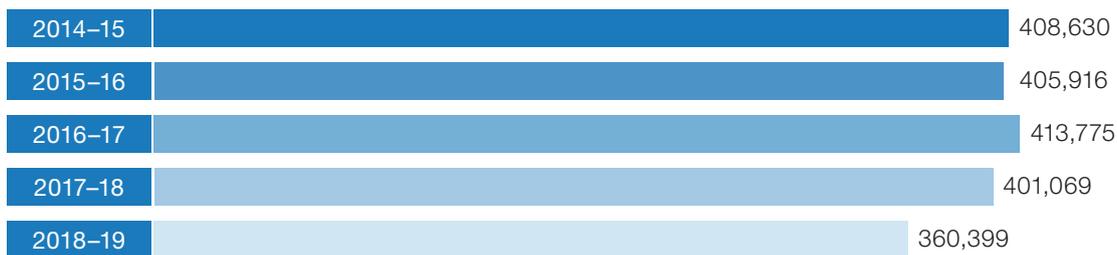


# Contact Centre

The RTA Contact Centre provides customers with tenancy information and advice, supporting tenants and property managers/owners to make informed decisions. The Contact Centre responded to 360,399 phone enquiries in 2018–19, a 10 per cent decrease from 2017–18.

A key contributor to this decrease was the introduction of proactive bond refund notifications to customers, reducing the need to contact the RTA for updates. RTA customers are also able to self-service with information from other channels and platforms including the website. Staff answered an average of 1,441 calls each working day in 2018–19.

## Contact Centre phone enquiries 2014–15 to 2018–19



With a reduction in transactional contact, such as progress of bond refund queries, the average talk time increased to 397 seconds in 2018–19, compared to 382 seconds in 2017–18 with RTA staff spending a higher proportion of their time supporting customers with more complex enquiries. Call quality remained consistently high, with monthly post-call surveys continuing to record positive results. Among all surveyed customers, 94.5 per cent scored the quality of service provided by the Contact Centre as very good or excellent in 2018–19.

“**The introduction of proactive bond refund notifications to customers was a key contributor to the decrease in the volume of calls. Service quality remained consistently high, with monthly post-call surveys continuing to record positive results.**”

# Dispute resolution

The RTA's dispute resolution service is a free, impartial, independent conciliation service to help tenants, property managers and property owners resolve tenancy-related disputes. This service saves customers time and money by avoiding the need for legal action through the Queensland Civil and Administrative Tribunal (QCAT).

Intake officers assess dispute resolution requests to determine whether the matter is suitable for conciliation. They contact disputing parties for further information and to provide parties with an opportunity to have their say. A trained RTA conciliator then facilitates confidential negotiations between disputing parties, either through one-to-one phone calls or a group teleconference to educate parties on their rights and responsibilities and help them reach agreement.

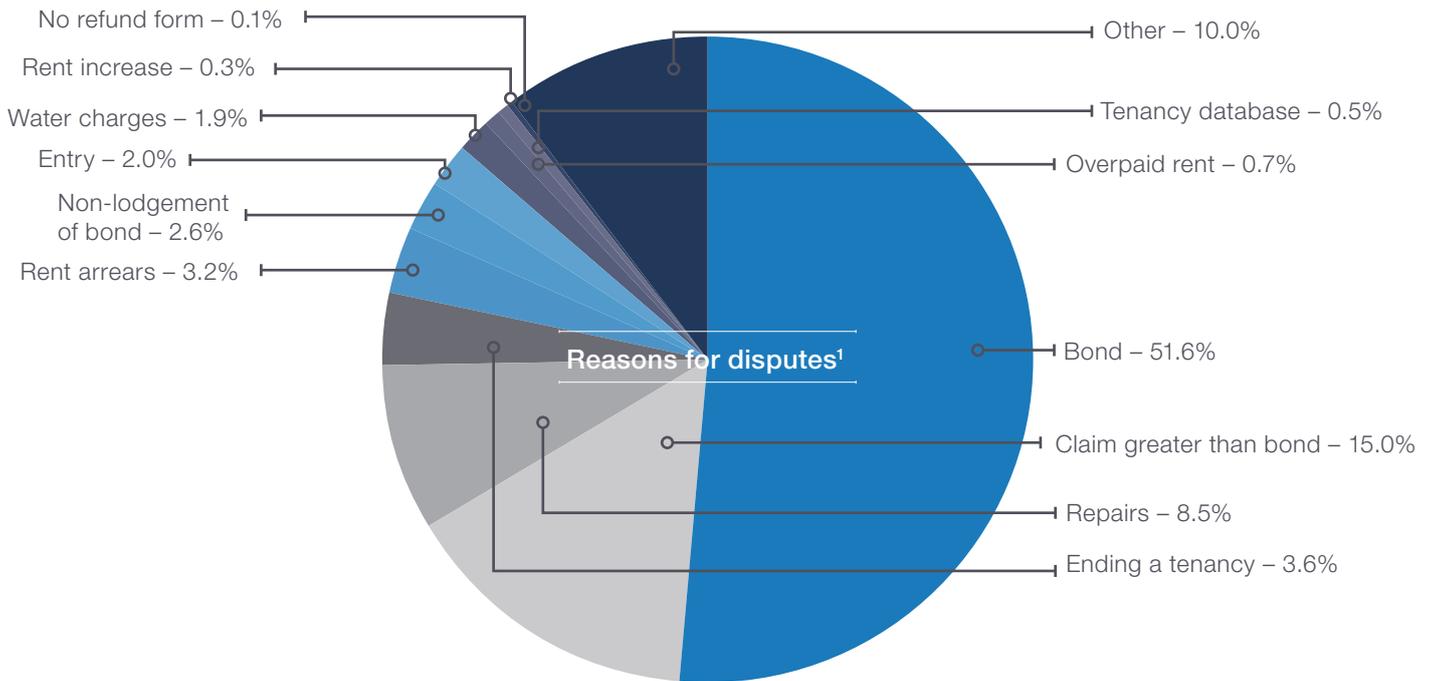
There has been a continual increase in the number of dispute resolution requests received year on year. In 2018–19, the RTA resolved 74.2 per cent of disputes when people participated in the conciliation process.

## Dispute resolution requests received (2014–15 to 2018–19)



RESOLVED  
**74.2%**  
OF DISPUTES WHEN PARTIES  
PARTICIPATED IN THE  
CONCILIATION PROCESS

Over half of all dispute requests relate to how a bond will be paid out at the end of a tenancy. Compensation claims for amounts in excess of the bond and claims submitted after the bond has been paid out represent 15.0 per cent of all disputes, while 33.4 per cent of disputes occur during a tenancy. Such disputes often relate to ending a tenancy, rental arrears, repairs and maintenance.



<sup>1</sup>A dispute case may have one or more reasons for dispute.

“ The RTA’s dispute resolution service is a free, impartial, independent conciliation service to help tenants, property managers and property owners resolve tenancy-related disputes. ”

# Supporting the sector

## Disaster recovery

North Queensland was hit with severe flooding in January 2019, impacting the lives of many tenants, property managers and property owners in and around Townsville.

The RTA provided targeted support and services to the flood-affected Townsville renting community and contributed to the whole-of-government response to the natural disaster. The RTA website promoted fact sheets and information on common tenancy issues in a natural disaster, as well as links to local government and non-government support services. RTA fact sheets were distributed to evacuation and flood recovery centres in Townsville in the immediate aftermath of the disaster.

We participated in the daily whole-of-government disaster response teleconferences to identify and respond to emerging tenancy issues. RTA staff also supported two flood forums in Townsville hosted by the Real Estate Institute of Queensland (REIQ) and participated in Q&A sessions for tenants and property owners/managers. The RTA prioritised dispute resolution requests and flood-related phone enquiries to support disaster recovery efforts for all parties involved.

## Responsive government

The RTA's Digital Strategic Plan aligns with the Queensland Government's Our Future State: Advancing Queensland's Priorities – Be a responsive government principle.

We started developing web services to enable customers to transact with us via a 24/7 digital channel. The RTA consulted with customers on the new online Bond Lodgement service, ensuring stakeholders and customers had an opportunity to review the prototype and provide feedback via focus groups and webinars. This feedback informed the look and feel of the final product.

Proactive automated bond refund notifications were implemented to keep customers informed about the status of their bond refund application. The automated updates reduced the number of people calling the Contact Centre about their bond refund applications by 50 callers a day on average.

“**The RTA partnered with the Department of Housing and Public Works, REIQ and Tenants Queensland to offer coordinated, multi-agency support to the local community through the Rental Recovery Hub in Townsville.**”

Located in the Rising Sun Shopping Centre at Mundingburra, the Rental Recovery Hub operated 7 days a week in February and March 2019 and weekdays from 28 March 2019. Trained RTA conciliators attended the Hub daily between February and April 2019 to assist people with flood-related housing or tenancy concerns. Impacted parties were identified and referred to the RTA for dispute resolution and further support.

## Partnering for initiatives

### Renting in Queensland (RiQ) | Open Doors to Renting Reform

In September 2018, the Department of Housing and Public Works (DHPW), in partnership with the RTA, launched the statewide Open Doors to Renting Reform consultation program to improve renting in Queensland.

Tenants, property owners, property managers and other key stakeholders shared their experiences of living in, owning or managing rental properties. Ideas on how to improve renting in Queensland were gathered through surveys, online snap polls, discussion forums, social media, written submissions and face-to-face consultation events held throughout Queensland.

The RTA amplified the response to and involvement in the Open Doors to Renting Reform consultation. We provided support at 20 community information events, produced a promotional video and played a key role in promoting the consultation at community education events. Campaign messaging was also disseminated through our business operating platforms such as interactive voice recording on the Contact Centre phone system, outgoing customer correspondence, post-call surveys and targeted email campaigns.



#### RTA website

**7,974** people clicked on the Open Doors to Renting Reform tiles on the RTA website



#### RTA IVR messaging

**43,824** customers heard the RiQ messaging through the RTA Contact Centre



#### Email campaign

**617,500** promotional emails for Open Doors to Renting Reform distributed

**26.8%** of customers opened the email

**11.3%** of those clicked on a link within the email

Over 135,000 responses were received during the nine-week consultation phase. The RTA will continue to implement and deliver service offerings, associated business processes, education and compliance activities resulting from reform of the RTRA Act.

### Skillsets for Successful Tenancies – Dollars & Sense

The RTA collaborated with the DHPW to promote awareness of the Dollars and Sense program, a free tenancy skills training program delivered by the Tenancy Skills Institute and funded by the Queensland Government. The Dollars and Sense program was developed in consultation with property managers across Queensland and is helping to equip tenants with important tenancy and life skills for renting a property. The RTA embedded targeted messages into our community education presentations and digital communications including the RTA Newsroom and LinkedIn channel.

### ‘Not Now, Not Ever’ campaign contribution

We extended our support for the Queensland Government’s domestic and family violence (DFV) initiative ‘Not Now, Not Ever’ by promoting resources and information on our website. A DFV toolkit developed by Q Shelter and the REIQ outlining useful tips to help property managers respond appropriately when a DFV situation is suspected. This toolkit was circulated to property managers and accommodation providers, and is available on the RTA website.

We raised our customers’ awareness of their rights and responsibilities in a DFV situation under Queensland tenancy law through news articles, fact sheets and information statements. These information statements must be provided to tenants at the start of every tenancy under the RTRA Act.

# Engaging with stakeholders

**In 2018–19, the RTA participated in 59 face-to-face stakeholder engagement activities to provide education, information, support and raise awareness of rights and responsibilities under the RTRA Act.**

Our engagement activities included presentations, interactive workshops, focus groups and information stalls at key events. Our efforts on digital initiatives such as webinars and videos extended our reach and engagement to regional Queensland and remote communities who might otherwise have limited access to tenancy information and support. We also contributed regularly to a variety of stakeholder publications and newsletters for industry bodies including REIQ, ARAMA and CPAQ to educate and inform the sector.

The RTA stepped into the social networking world by launching a company page on LinkedIn. Participation in LinkedIn allows customers and stakeholders to receive RTA updates and information in their own time and learn about RTA's participation in rental sector activities.

## Online forms

To ensure the development of our online Bond Lodgement delivers real benefits to the RTA and our customers, we consulted externally with the rental community via focus groups and webinars.

Invitations to participate in consultation were extended to members of industry stakeholder groups, organisations and RTA news subscribers to capture feedback and input from differing voices and representation in the sector. A total of 346 participants from the rental community provided their suggestions and feedback on how to make this digital transition seamless. Qualitative data was captured and used to inform the final product.

Results were extremely positive with most participants finding the service easy to use and over 90 per cent indicating confidence in being able to complete a bond lodgement online.

## RTA Stakeholder Forums

The RTA Stakeholder Forums (previously known as Industry Development Forums) were rebadged in 2019 as a quarterly event with an expanded membership group to:

- provide an avenue for members to raise and discuss issues and trends affecting the residential rental sector
- improve the RTA's knowledge and understanding of stakeholders' interests and concerns
- improve stakeholder knowledge and understanding of the RTA, its strategic directions and operations
- provide stakeholders with opportunities to collaborate and have input to RTA initiatives.

Stakeholder Forum members include:

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

## Information guides and publications

The RTA's comprehensive suite of information guides and publications helps our customers to navigate the rental market and understand their legal rights and responsibilities.

To provide tailored customer experiences, we removed the witness signature requirement for tenancy agreements. Content and format of the pocket guides for tenants were refreshed into a more user-friendly format with concise and up-to-date information.

Aligned with the Queensland Cultural Diversity Policy, our information statements are also translated into multiple languages to support culturally and linguistically diverse customers, continuing our commitment to tailored, customer-focused services.

# Our compliance activities

The Investigations Unit helps to ensure renting that works for everyone through providing education and enforcement of the *Residential Tenancies and Rooming Accommodation Act 2008* (RTRA Act).

The Investigations Unit actively engages with parties involved in an investigation to provide education and reduce the likelihood of repeated breaches and offences.

The RTA may consider issuing a Penalty Infringement Notice (PIN) or proceeding to prosecution when:

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

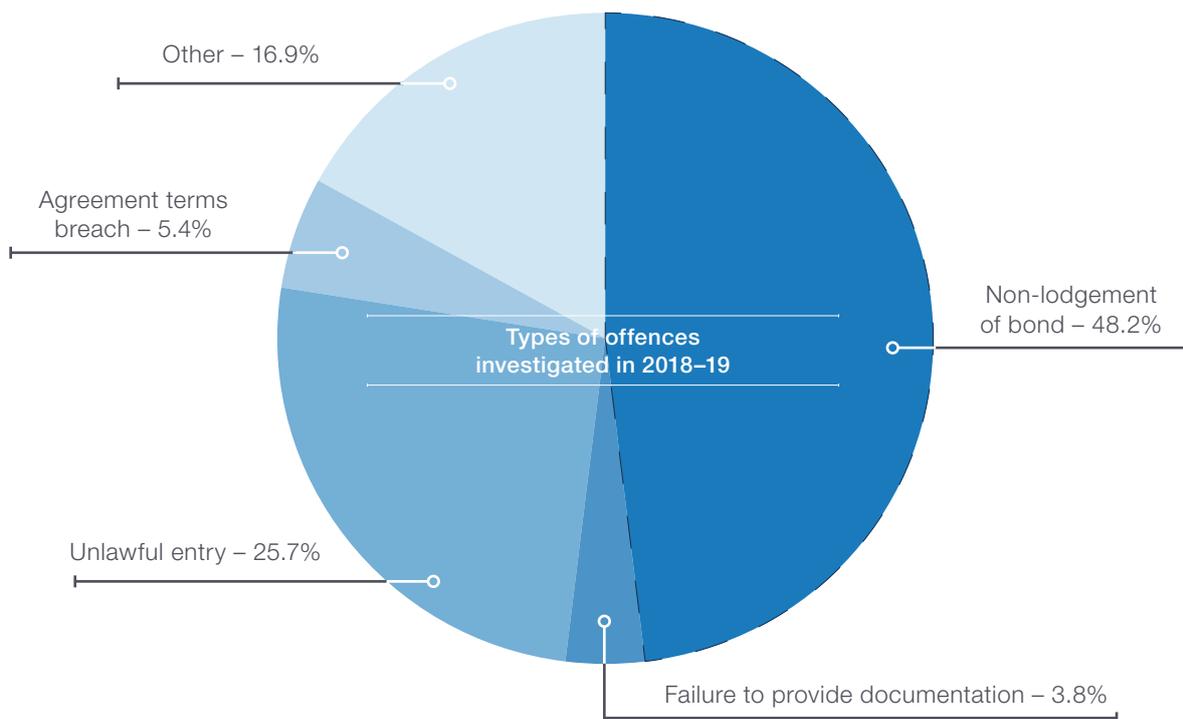
The investigative process is separate and independent to the dispute resolution process and any matter related to the Queensland Civil and Administrative Tribunal (QCAT). Investigated matters are criminal offences that are prosecuted through the Magistrates Court to either a plea of guilty or a summary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

The Investigations Unit regularly collaborates with the DHPW, the Office of Fair Trading (OFT) and the Queensland Police Service (QPS) to undertake compliance action throughout the sector.

In 2018–19, the Investigations Unit:

- finalised 1,159 investigations into non-compliance with the RTRA Act
- issued 51 Penalty Infringement Notices
- finalised 6 prosecutions with all of them resulting in a guilty plea
- educated 436 individual respondents regarding their rights and obligations under the RTRA Act.

“The Investigations Unit actively engages with parties involved in an investigation to provide education and reduce the likelihood of repeated breaches and offences.”



## Our prosecutions: case studies

“

Southport real estate agent Marilyn Martin and her son Brendon Martin were convicted and jailed for fraudulently obtaining \$107,000 from Ms Martin's trust account. Ms Martin was also prosecuted for another 16 counts of failing to lodge rental bonds and failing to issue receipts for bonds received.

Both defendants were sentenced to four years' imprisonment, suspended after serving six months in prison.

This prosecution was the result of a collaborative partnership between the RTA, OFT and QPS. While Ms Martin was under investigation for offences under the RTRA Act, fraudulent activity was detected and referred to the OFT and QPS.



”

“

Gympie landlord Jack Green pleaded guilty to breaching sections 183 and 202 of the RTRA Act for unlawfully entering his tenants' acreage rental property at Victory Heights and interfering with the tenants' quiet enjoyment of their home. The court imposed a \$3,000 fine and ordered that half the fine go to the tenants.

The tenants arrived home one day to discover a bulldozer onsite, with part of the acreage cleared of all vegetation. No entry notice was issued prior and the property had been significantly altered without the tenants' knowledge or consent.

Magistrate Callaghan said Mr Green should have waited until the tenancy finished to develop the property, noting: "The works very significantly interfered with the peaceful enjoyment they were paying for."



”



“

In July 2018, director of Cairns crisis accommodation Three Sista's Stuart Wright was prosecuted for 17 offences under the RTRA Act in a joint investigation with the OFT. Offences included using the wrong tenancy agreements, unlawful eviction and falsifying documents. Mr Wright entered a guilty plea. Convictions were recorded with a \$16,000 fine and costs of \$2,350 handed down.

Magistrate Luxton said: "The victims of these offences were vulnerable tenants with somewhat limited financial means. This type of offending behaviour must be denounced and discouraged ...the intent of the legislation is to put in place a system where the rights of both tenants and property owners are protected."

”



“

Peter McManus of Peter McManus Prestige Properties Proprietary Limited pleaded guilty at Southport Magistrates Court to knowingly submitting a false and misleading document to the RTA. A \$2,000 fine was handed down and no conviction recorded.

Upon mutual instruction from the landlord and tenant, Mr McManus amended a bond amount on an already signed and finalised bond refund form from \$1,200 to \$1,000 and forwarded it to the RTA without highlighting the issue.

Magistrate Shephard noted the need to send a message to the industry regarding the importance of reliability in forms submitted to the RTA, saying: "The whole system is based on the RTA receiving forms and being able to rely on those forms, so it's important that the integrity of the system is maintained."

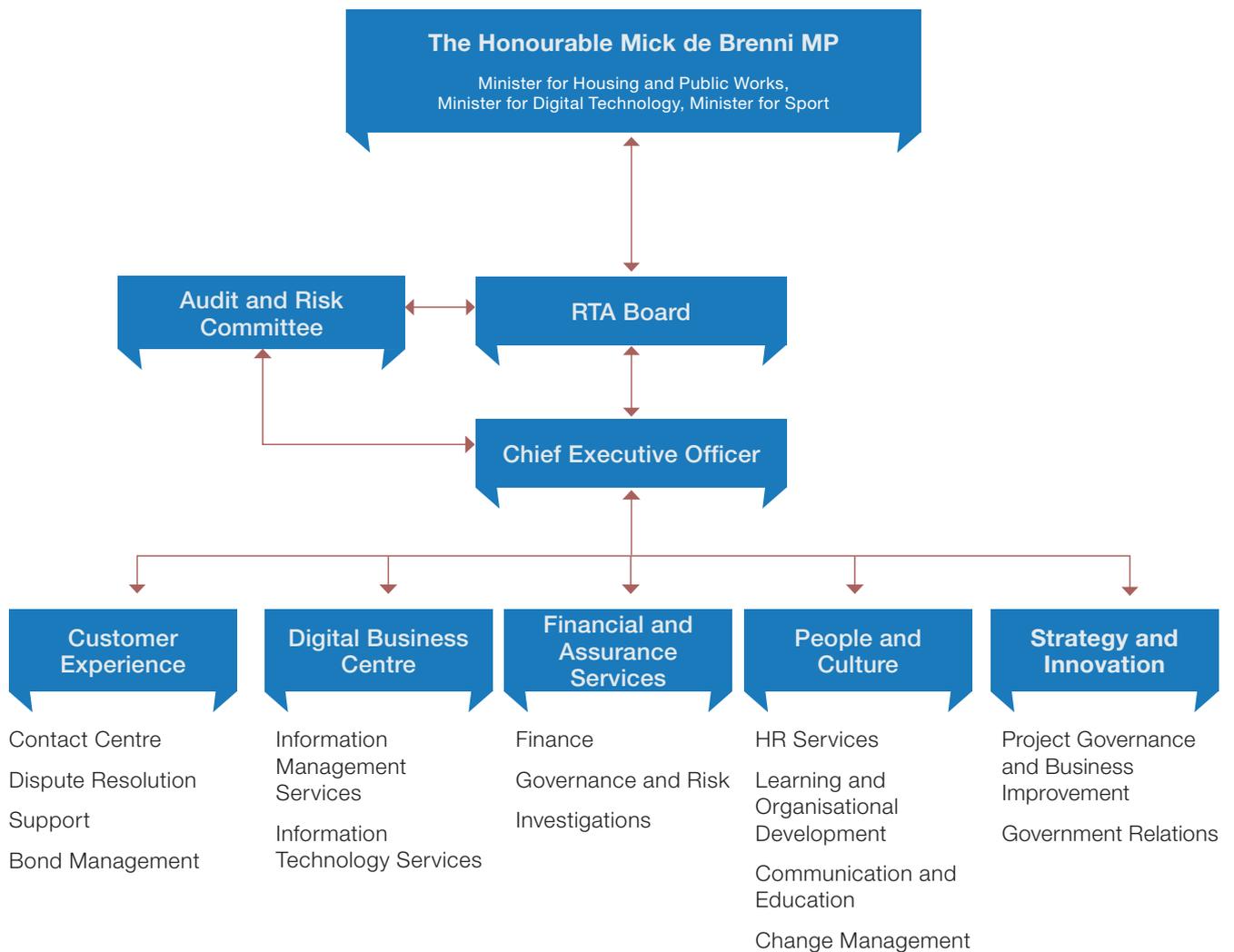
”

# Our organisation

As an independent statutory authority established by the *Residential Tenancies and Rooming Accommodation Act 2008* (RTRA Act), the RTA empowers people across the state to navigate the rental market. We strive to balance the social and economic drivers of the sector to maintain an environment where all parties in a tenancy are treated fairly to achieve our vision of renting that works for everyone.

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

## Organisational structure



# Our Board of Directors

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

The RTA Board's responsibilities include:

- 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.



**Paul Melville**

*Chair*

Paul Melville has over 15 years of experience as a Director and Board member, currently working as joint Managing Director of Halcyon and a Board member of the Urban Development Institute of Australia.

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



**Deborah Duffy**

Deborah Duffy is a former Director of the Real Estate Institute of Queensland. She has more than 32 years of experience in the real estate sector, winning numerous accolades including Property Manager of the Year. Ms Duffy brings a wealth of knowledge of Queensland's rental sector to the Board, particularly relating to housing issues in North Queensland.



**Sally Watson**

Sally Watson has extensive experience in housing and homelessness policy, advocacy and service delivery across the public and not-for-profit sectors. She has held positions of Executive Director of Homelessness Australia in Canberra and North Queensland Coordinator for the Tenants Union of Queensland in Cairns. Based in Far North Queensland, Ms Watson is currently a lecturer in social work at James Cook University in Cairns. She holds a Bachelor of Social Work (UQ), a Master of Public Policy (ANU) and a Bachelor of Laws (Hons) (JCU) and is a Board member of the North Queensland Women's Legal Service.



### **Steve Ryan**

Steve Ryan is an experienced Board member with over 40 years of experience in strategic leadership, governance and service delivery, having worked across the public, union, superannuation and not-for-profit sectors. He is also the Chair of the RTA's Audit and Risk Committee.

Mr Ryan was Deputy Chairman of the Board of Directors and Board of Trustees at QSuper and a Board member of the Queensland Studies Authority's Governing Body. He was President of the Queensland Teacher's Union and was also an executive member of the Australian Education Union and the Queensland Council of Unions.



### **Janet Benson**

Janet Benson is the former owner and principal of Bluemint Property Management and brings a comprehensive understanding of the Queensland property sector, in particular, residential property management. She has a background in the Queensland public sector, working as the Executive Director of the Human Service CEO Committee, and Executive Director of Homelessness Programs at the Department of Housing and Public Works.

Ms Benson brings extensive knowledge of social housing, rental affordability and homelessness issues in Queensland. She holds a Master of Arts (Public Sector Policy and Leadership) from Griffith University and is a licensed real estate agent in Queensland.



### **Rachel Watson**

Rachel Watson is a social worker with more than 20 years of experience in the community services, local, state, commonwealth and not-for-profit sectors. Ms Watson brings extensive knowledge of transformational leadership, growth, and innovation in the areas of homelessness, social inclusion, mental health and aged care.

Ms Watson is committed to quality service delivery with highly developed skills in creating cultures of accountability. Her diverse experience includes administration, governance, evaluation, engagement and policy writing.

Ms Watson is currently the Manager, Service Innovation and New Business at Wesley Mission Queensland, and Chair of the Q Shelter Board of Management.



### **Christine Castley**

Christine Castley has served in multiple senior leadership roles across the Queensland Government, with significant experience in strategic policy, governance and service delivery.

She is currently Deputy Director General in the Department of the Premier and Cabinet. Prior to this, Ms Castley was Deputy Director-General, Housing, Homelessness and Sport in the Department of Housing and Public Works who led major reform (including 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.

Ms Castley holds a Bachelor of Laws, Bachelor of Arts, Postgraduate Diploma of Arts and Master of Public Administration from the University of Queensland.

## Board Meetings

A total of 9 scheduled meetings of the RTA Board of Directors occurred during 2018–19.

Board Member	Number of attendances	Departure/Arrival
Paul Melville (Chair)	9/9	Member for entire period
Deborah Duffy	9/9	Member for entire period
Sally Watson	9/9	Member for entire period
Steve Ryan	9/9	Member for entire period
Janet Benson	7/9	Member for entire period
Rachel Watson	8/9	First Board meeting was 31 January 2018
Christine Castley	7/9	First Board meeting was 31 January 2018

See page 60 for remuneration information for the Board of Directors.

## Audit and Risk Committee

The Audit and Risk Committee (ARC) meets every quarter to ensure the RTA achieves its objectives and strategies efficiently and effectively within an appropriate framework of internal control and risk management.

The ARC oversees our accounting policies and practices, the integrity of financial statements and reports, the scope, quality and independence of external audit arrangements, the monitoring of the internal audit function and the effectiveness of risk and compliance measures. The CEO and Chief Financial Officer report to the ARC.

The ARC observed the terms of its charter with due regard to the Queensland Treasury's Audit Committee Guidelines.

Audit and Risk Committee Member	Number of attendances
Steve Ryan (Chair)	4/4
Deborah Duffy	4/4
Janet Benson	4/4
Sally Watson	4/4
Paul Melville (ex-officio)	4/4



# Our Executive Leadership Team

**Jennifer Smith remains as CEO alongside Juliet McKenzie as Chief Financial Officer and Nasa Walton as Chief Digital Officer. Recruitment for a further three executive roles occurred in October 2018, resulting in the appointment of Sam Pengelly – Director Customer Experience, Natalie Townsend – Director People and Culture, and Cassandra Gleeson – Director Strategy and Innovation.**

## Role of the Chief Executive Officer (CEO)

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

The CEO attends all Board meetings and divisional directors attend as required. The CEO also leads our executive and leadership teams by ensuring strategic priorities are delivered.



**Jennifer Smith**

*CEO*

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.

Prior to joining the RTA, Jennifer held various executive roles at the Brisbane City Council. These roles included Assurance Delivery and Performance Manager, Financial Projects Manager and various senior appointments within Corporate Treasury.

Jennifer holds a Bachelor of Business degree majoring in Accountancy from the Queensland University of Technology and is an accredited Workplace Executive Coach.



**Juliet McKenzie**

*Chief Financial Officer*

Juliet leads the RTA's Financial and Assurance Services division, which includes finance, governance, legal and risk, and investigations.

With extensive leadership experience in corporate services, Juliet has successfully developed commercial initiatives, policy, governance and financial structures for new and changed entities. She has also demonstrated experience across a range of engagements in industrial relations, human resources and at the Chief Executive Officer level.

Juliet held executive and senior finance roles in the water industry for 15 years and commercial finance roles in the fuel industry prior to joining the RTA in November 2015.

She holds a Bachelor of Commerce from James Cook University and is a Fellow Certified Practising Accountant and Graduate of the Australian Institute of Company Directors.



### **Nasa Walton**

#### *Chief Digital Officer*

Nasa leads the RTA's Digital Business Centre. Nasa brings experience in leading teams to implement strategic directions that underpin the organisation's Strategic Plan, and specialises in turning IT into enabling tools for staff.

Nasa is an award-winning Chief Information Officer who has a successful career in delivering innovative solutions. Prior to joining the RTA, Nasa held several senior leadership positions within the health industry and was the CIO of a hospital and health service for 5 years.

Nasa holds a Bachelor of Business, Human Resource Management from Southern Cross University and a Graduate Certificate in Marketing and Communications from University of Canberra.



### **Sam Pengelly**

#### *Director – Customer Experience*

Sam Pengelly leads the RTA's Customer Experience division which includes the Contact Centre, bond management, support services and dispute resolution teams, providing personalised tenancy services and support to tenants and property managers/owners navigating the Queensland residential rental sector.

Sam joined the RTA in 2011 in a frontline service delivery role, bringing experience from the UK retail banking sector. Through his progression from the grassroots of the RTA to several frontline leadership roles, Sam has developed a deep understanding of our customers' evolving needs. He also recognises the important role our frontline staff play in delivering targeted, responsive and quality tenancy services to the Queensland community.

Sam holds a Bachelor of International Business and Chinese from Liverpool John Moores University (UK) and a Higher National Diploma in Legal Studies from the University of Exeter (UK).



### **Natalie Townsend**

#### *Director – People and Culture*

Natalie Townsend leads the People and Culture division, overseeing the RTA's human resources, training, media, communication and education teams. Natalie joined the RTA in November 2015 and has an extensive HR background with 20 years of public sector experience.

Natalie also brings extensive project experience across a range of activities from system implementation – including rolling out the RTA's human resources information system, learning management system and performance framework and system – to organisational transformation activities and reform initiatives.

Natalie holds a Diploma of Business and a Bachelor of Business with double majors in Management and Human Resource Management, along with other accreditations in tools such as DISC and Talegent.

Natalie is also a CAHRI member of the Australian Human Resources Institute.



### **Cassandra Gleeson**

#### *Director – Strategy and Innovation*

Cassandra Gleeson leads the RTA's Strategy and Innovation division and brings a wide range of public sector experience and knowledge to this role.

Cassandra has managed teams in governance, legal and policy and stakeholder engagement, bringing an analytical and strategic approach to problem solving while maintaining a grassroots sensibility.

With over 10 years of experience in the public sector, Cassandra excels in providing strategic, legal, commercial and policy advice to executive and operational management teams to assist in achieving strategic and operational objectives.

Cassandra holds a Bachelor of Laws, Graduate Diploma in Law and a Masters in Law (In-house practice, specialising in government).

# Corporate governance framework

**Our corporate governance framework underpins our commitment to the Queensland Government's focus on integrity and accountability. Based on the Queensland Treasury Corporate Governance Guidelines for Government Owned Corporations and the Queensland Auditor General's model, our framework includes far-reaching accountability processes, which places 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 Board (PB) is chaired by the CEO and includes members of RTA senior management. It ensures corporate projects operate efficiently, effectively and are sufficiently resourced to support our business and corporate needs.
- The Innovation and Improvement Committee (IIC) is the primary conduit for staff-driven initiatives to be formalised, triaged and presented to the PB for review and approval. Chaired by the Director – Strategy and Innovation, this committee features a rotating, cross-divisional membership representing all areas of the RTA.

## Internal audit

Internal accountability processes include developing and implementing plans for managing risks, the associated internal audit function, the flow of information to and from the Executive Leadership Team, and engagement with stakeholders. This audit helps the RTA achieve our strategic goals by providing proactive, best practice recommendations to support our business and an independent review of identified areas, assisting with:

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

## External scrutiny

During the year, the RTA engaged a number of external experts to review and provide feedback on systems, processes, policies and strategies.

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

- risk management
- cash and investment management
- legislative compliance.

Pitcher Partners was engaged by the Queensland Audit Officer to provide the RTA with annual financial audit services. No significant findings have been reported through the reviews.

## Ethical standards

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

## 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 this financial year.

## Performance review framework

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

The table below outlines our 2018–19 performance against the key elements of the framework.

Function	Purpose	Achievements 2018–19
Monthly financial reporting	Reports level of revenue and expenditure against the approved budget at each Board meeting	Comprehensive monthly financial reports provided at each Board meeting
Performance measures	Reports achievement against annual performance targets. These targets include the number of enquiries, the quality of information provided and timeliness of the response	Full performance reports provided at each Board meeting
Internal audit program	Reports progress and recommendations from internal audit to the ARC	Full status of all audits provided to the ARC with no critical level risks raised
Service Delivery Statement	Contributes to the Minister's report on performance and budget results to the Queensland Parliament	Effective investment management resulted in stronger returns outperforming the budgeted target
Annual Report	Provides quality reporting on financial and non-financial performance to support transparency for driving continuous performance	Full compliance with Annual report requirements for Queensland Government agencies

## Business and financial planning

The Board approves the organisation's strategic direction, which is documented and formalised through the RTA's Strategic Plan. A review of the Strategic Plan is conducted every four years.

The latest Strategic Plan 2019–23 has been developed and approved (visit [rta.qld.gov.au](http://rta.qld.gov.au) to access a copy). It outlines RTA's strategic objectives for the next four years, articulates the strategies in place to help us achieve those objectives and includes our performance indicators.

Our business planning is used to develop our budget, which is endorsed by the Board and approved by the Minister of Housing and Public Works. We report to public stakeholders through the Annual Report, annual Service Delivery Statements and Parliamentary Estimates Hearings process.

# Digital optimisation and information systems

**Digital optimisation and enhancing the RTA's digital capabilities have been a strong focus in the RTA's Strategic Plan, which is, driven by the Digital Strategic Plan launched in January 2019.**

In December 2018, Idea 11 was selected as the RTA's preferred managed information communications technology services provider following a procurement request released by the RTA. Idea 11 then commenced as the service desk, end-user computing and support for voice, server, storage, network, IT security and applications in February 2019. The Brisbane-based company is also supporting the RTA's digital optimisation and increasing the RTA's digital capabilities, reducing technology risk and enhancing IT services to our people.

The RTA transitioned to a digital mailroom by extending our partnership with Australia Post and Decipha to screen, sort and scan incoming mail directly into our business systems. Our customers will enjoy faster processing times as incoming mail can be actioned immediately. Correspondence and paper-based forms received are automatically uploaded to our customer relationship management system and cheques are banked on the same day.

The Convene application was also implemented to publish papers digitally for Board and Committee meetings, reducing the need for printing and accommodating remote attendance.

## Enhancing information systems and security

In 2018–19, the RTA worked to meet security requirements outlined in the Queensland Government Chief Information Office (QGCIO) Information security policy IS18:2018. This included establishing an Information Security Working Party to review and revise policies relating to information security, information classification and information management. The committee works closely with a managed service provider to mitigate risks and complete an action plan under the IS18 checklist. Improvements have included regular information alerts about risks in the technology environment and over 98 per cent of staff completing cybersecurity awareness training.

## Recordkeeping

The Records Management Unit maintains control of and oversees the RTA's records management governed by the *Public Records Act 2002*. The policies and procedures in the recordkeeping framework have been revised and implemented to inform staff of recordkeeping practices and responsibilities, ensuring the RTA is compliant with Information Standard: 40 Recordkeeping (IS40) and Information Standard: 31 Retention and disposal of public records (IS31). Over the next 12 months, the RTA will be implementing education and audit programs to provide continuous improvements for recordkeeping. The implementation of an electronic document and records management system (eDRMS) will resume after RTA's compliance with recordkeeping practices and responsibilities is established.

## Access to information

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

Where possible, the RTA will release information under the Administrative Access Policy which allows access to certain types of information without going through the formal processes outlined by the RTI Act or the *Information Privacy Act 2009*. In 2018–19, the RTA responded to 971 requests made under the Administrative Access Policy.



**The RTA supports right to information principles by operating in an open, transparent and accountable manner while protecting the privacy of customers and staff.**



# Our people

**Our people have always been the key to our success. During 2018–19, the RTA has invested in building a customer-focused workforce to meet future operational and business requirements. This focus on customer experience is an important pillar of the organisation’s Strategic Plan and forms a strong foundation for a high-performing culture.**

## Learning and organisational development

The RTA developed and implemented a learning and development strategy to build and develop our people’s capability for a high-performing culture with a range of initiatives outlined below.

We implemented our Performance Framework to support our people to perform at their best, with 96 per cent of our people either meeting or exceeding targets. We continued to recognise outstanding service of our people in line with our core values of ‘One team, Listen, Innovate and Deliver’ through our Reward and Recognition program.

The RTA invested in leadership development to build bench strength, focusing on:

- understanding the neuroscience of leadership and communication
- developing a digital ‘leadership hub’ with relevant tools and resources
- hosting quarterly leadership forums
- talent and succession planning to ensure business sustainability.

Blended learning opportunities were provided, including:

- a whole-of-office employee program (ORANGES)
- online learning courses through our learning management system (LMS)
- mandatory compliance training in our LMS, with 100 per cent completion rate across all courses
- targeted individual development and coaching.

The RTA also participated in the annual Working for Queensland survey conducted across the Queensland public sector. The survey measures employee perceptions of their work, manager, team and their organisation. Based on our people’s feedback, the RTA has had a continual focus on improving our employee experience with targeted initiatives across the organisation.

## Prioritising employee safety and wellbeing

The RTA provides a work environment that is conducive to protecting the health, safety and wellbeing of RTA employees and visitors to our workplace.

A Workplace Health and Safety (WHS) Management Plan was developed and implemented in 2018–19 to provide a structured approach and further the RTA’s WHS Strategic Priorities. This ensures due diligence is applied in accordance with the *Workplace Health and Safety Act 2011*. We also have an active workplace rehabilitation and return to work system which supported a number of employees to return to work in mutually beneficial arrangements in the past year.

In creating a workplace where employees can thrive and perform at their best, the RTA takes a holistic approach to support the health and wellbeing of employees, enabling them to be better placed to perform well in all aspects of their lives. In 2018–19, the Wellness Program provided skin cancer checks, hearing checks and flu vaccinations. A series of sessions and seminars were conducted for staff through leveraging our corporate partnerships with healthcare and superannuation providers.

The RTA also provided an organisation-wide training program based on the science and principles of positive psychology and neuroscience to improve the overall performance and wellbeing of our people and teams. The program (ORANGES) included a series of workshops focusing on Optimism, Resilience, Attitude, Now (Mindfulness), Gratitude, Energy and Strengths.

An Employee Assistance Program (EAP) continues to be available through Benestar to offer employees free, confidential counselling and online support services and has been well utilised by staff over the last year.

### STAFF PERFORMANCE



**96%**

OF OUR PEOPLE ARE EITHER MEETING OR EXCEEDING TARGETS.

## Promoting equity at work

We promote a discrimination-free workplace by educating staff about anti-discrimination laws through formal induction training, brochures and information on the staff intranet. Requirements and principles for Equality of Employment Opportunity (EEO) and anti-discrimination are incorporated into RTA policies, procedures, training, and through events such as Mental Health Week, International Women's Day, White Ribbon Day and Domestic Family Violence Prevention Month.

## Healthy work-life balance

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

With the introduction of more efficient technologies and ways of doing business, the RTA has piloted a variety of flexible workplace options across different areas of the business, including the use of whole-of-government service centres. This allows the RTA to retain highly talented and capable people while they are supporting family and life commitments.

## Our workforce is the key to our success

Our workforce is critical in achieving the deliverables of the RTA Strategic Plan. High staff retention continued in 2018–19. As at 30 June 2019, 67 employees recorded 10 or more years of service with our organisation, representing 28.9 per cent of our workforce.

The annual separation rate for 2018–19 was 13.1 per cent of the workforce. This rate includes staff who resigned to take up roles elsewhere in the public service. No redundancies, early retirements or retrenchment packages were paid during the period.

## Workforce profile

Employees (FTE) by division* as at 30 June 2019		Employees (headcount) by occupation and gender* as at 30 June 2019		
Office of the CEO	2.00	<b>Occupation</b>	<b>Female</b>	<b>Male</b>
Customer Experience	133.79	Managers and administrators	9	4
People and Culture	23.38	Professionals	25	17
Finance and Assurance Services	18.64	Clerical and administrative workers	134	57
Digital Business Centre	15.66	<b>Total</b>	<b>168</b>	<b>78</b>
Strategy and Innovation	7.80			
<b>Total</b>	<b>201.27</b>			

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

“The RTA continued to recognise outstanding service of our people in line with our core values of ‘One team, Listen, Innovate and Deliver’ through our Reward and Recognition program.”

# Performance highlights

## Objective 1 – Enhanced client services

Performance indicators 2018–19	Achievements 2018–19
Customers increasingly satisfied with our services	<ul style="list-style-type: none"> <li>• Delivery of services across Contact Centre and Dispute Resolution received an average customer rating of 80.1 per cent</li> <li>• 74.2 per cent of disputes were resolved when parties volunteered to participate in conciliation</li> <li>• More RTA customers are self-servicing through seeking relevant information on the RTA website</li> </ul>
Improved stakeholder understanding of the RTA's legislation and services	<ul style="list-style-type: none"> <li>• 1,159 investigations of non-compliance finalised</li> <li>• 436 individual respondents educated on their rights and obligations</li> <li>• Two RTA Stakeholder Forums held to increase community and stakeholder engagement and understanding of RTA services and legislation</li> <li>• 32 educational and informative presentations delivered at industry events</li> <li>• 38 news articles published on the RTA website and delivered to approximately 12,000 subscribers</li> <li>• Improved functionality of website including enhancing end-user experience in relation to navigation and searches</li> <li>• Created online Bond Lodgement welcome page to introduce customers to our new web service. Another temporary webpage was created and maintained from February to April 2019 with flood-specific information to assist customers with self-education in response to the North Queensland floods</li> </ul>

## Objective 2 – Improved business systems

Performance indicators 2018–19	Achievements 2018–19
Integrated, modern business systems to support value-for-money, personalised customer services	<ul style="list-style-type: none"> <li>• Implemented automated proactive bond refund process notifications, reducing related calls by 14.9 per cent</li> <li>• Improved bond refunds processing model to eliminate double handling, increase agility across the workforce and deliver a more responsive customer experience</li> <li>• Launched the online Bond Lodgement as the first product in the suite of RTA web services</li> </ul>
Continual business process improvements and risk mitigation strategies implemented	<ul style="list-style-type: none"> <li>• Continued to develop business intelligence reporting dashboards and improve data quality and processes</li> <li>• Transitioned to a digital mailroom to increase business efficiencies and reduce risk for a better customer experience</li> <li>• Implemented the Convene application to publish papers digitally for Board and Committee meetings, reducing the need for printing and accommodating remote attendance.</li> <li>• Moved employee payroll system Aurion to the cloud</li> <li>• Partnered with managed services provider Idea 11 for holistic information technology initiatives and support</li> </ul>

### Objective 3 – Adaptive people

Performance indicators 2018–19	Achievements 2018–19
High levels of staff engagement within a high-performing culture that supports the capability to meet customer needs	<ul style="list-style-type: none"> <li>• 96% of our people are either meeting or exceeding targets under our performance framework</li> <li>• Initiated multiple employee wellbeing and staff-driven social events throughout the year for organisational and seasonal celebrations to increase staff engagement</li> <li>• Results from a Pulse survey indicated an 8 per cent improvement in the RTA's 'Agency engagement' from the previous 2018 Working for Queensland survey results</li> </ul>
Refocused learning and development strategies	<ul style="list-style-type: none"> <li>• Strong focus on developing leadership capabilities across the organisation through a range of programs and supporting mechanisms, such as:               <ul style="list-style-type: none"> <li>- Quarterly leadership forum</li> <li>- Michelle Loch training</li> </ul> </li> <li>• Provided targeted training to 15 existing staff members to enhance the RTA's ability to respond to the increased volume of phone enquiries over peak periods</li> </ul>

### Objective 4 – Business sustainability

Performance indicators 2018–19	Achievements 2018–19
Increased revenue and expenditure controlled	<ul style="list-style-type: none"> <li>• Organisation-wide focus on reducing costs</li> <li>• Revised investment portfolio to achieve a 4.6 per cent return on investment</li> </ul>
Innovative business development opportunities recognised leading to improved investment strategies	<ul style="list-style-type: none"> <li>• Established the Innovation and Improvement Committee (IIC) as the primary conduit for actioning ideas from staff for RTA improvements</li> </ul>
Productive government relationships result in collaborative service delivery	<ul style="list-style-type: none"> <li>• Collaborated with the Department of Housing and Public Works (DHPW) to promote a free tenancy training program to assist people with entering the private rental market</li> <li>• Supported whole-of-government response to the North Queensland floods and provided assistance and information to aid recovery efforts</li> <li>• Worked closely with the Office of Fair Trading and the Queensland Police Service to enforce compliance in the sector, including two successful joint prosecutions</li> <li>• Partnered with DHPW for the Open Doors to Renting Reform consultation as part of the Renting in Queensland initiative</li> <li>• Created a Government Relations team to streamline communications with government agencies on various initiatives to ensure state government reporting requirements are met</li> <li>• Partnered with Smart Service Queensland and utilised its digital identity verification platform (QGov) and payment gateway (PAPI) to support RTA web services</li> </ul>

# RTA Service Delivery Statement

The Queensland Government's Performance Management Framework Policy requires the RTA to develop a balanced set of service standards and targets. The SDS document is a key accountability mechanism subject to public scrutiny and forms the basis of questioning during the Parliamentary Estimates Hearings. As part of Budget Paper 5, the statement reports on service standards and targets for the RTA's service areas, including estimated actual results against the targets set in the previous year's SDS. The SDS, produced for the State Budget prior to the end of 2018–19, does not constitute a full financial year and contains estimated actual figures.

In accordance with Department of Premier and Cabinet Annual report requirements, details of the RTA's performance contained in its 2018–19 State Budget SDS are:

Residential Tenancies Authority	2018–19 Target/Est	2018–19 Est. Actual	2019–20 Target/Est.
<b>Service standards</b>			
<i>Effectiveness measures</i>			
<b>Proportion of disputes resolved after parties participated in the conciliation process</b>	70%	75%	70%
<b>Overall client satisfaction</b>	75%	79%	75%
<i>Efficiency measures</i>			
<b>Average annual return on investment</b>	2.9%	2.7%	3.0%
<b>Total cost for RTA output (excluding grants) as a proportion of the value of bonds held</b>	4.0%	3.9%	3.6%

## Actual results for 2018–19

End of financial year actual figures for 2018–19 are:

Service Standards	Result
<i>Effectiveness measures</i>	
<b>Proportion of disputes resolved after parties participated in the conciliation process</b>	74.2%
<b>Overall client satisfaction</b>	80.1%
<i>Efficiency measures</i>	
<b>Average annual return on investment</b>	4.6%
<b>Total cost for RTA output (excluding grants) as a proportion of the value of bonds held</b>	3.5%

# Our finances

## Changes in investment strategy aid strongest returns in five years

The RTA's Strategic Plan highlights the continued focus on business sustainability. Our planned transformation requires reliable funding and an agile workforce to recognise efficiencies and capture cost reductions. Foundations for harnessing and reporting on benefits and reducing cost have been laid and will continue into future years. The financial position for the RTA has improved in 2018–19 with a surplus of \$8.6 million compared to the budgeted deficit of \$8.6 million, a positive variance of \$17.2 million.

The most significant financial challenge for the RTA is the ongoing nature of a low interest rate environment. The RTA's investment strategy was scrutinised and adjusted to provide sustainable returns to fully fund business operations in 2018–19 and beyond. Strong financial management will continue to monitor the performance of the investment strategy, particularly the impact of the recent cash rate cuts.

Cost reduction has been achieved through the implementation of cost-saving initiatives mainly identified by employees, resulting in reduced operational expenditure of \$3.5 million compared to budget. The savings achieved in 2018–19 support the RTA's ability to build reserves and prioritise digital solutions.

To mitigate the effect of low interest rates, the RTA in close partnership with the RTA's investment portfolio funds manager, the Queensland Investment Corporation (QIC), made an initial allocation of 10% of the investment portfolio into the QIC Growth Fund. The QIC Growth Fund returned over 7% since our investment in October 2018 and along with other well-performing non-cash investments, an overall positive performance of the investment portfolio resulted in a return of 4.6%. This return delivered revenue of \$40.3 million, exceeding our original revenue budget by \$13.7 million.

The RTA's operating expenses, excluding grant payments, are at their lowest level in four financial years, demonstrating the cost reductions achieved by the RTA. The below table gives a snapshot of our financial performance, highlighting income, operating expenditure, grant payments and the resulting surplus or deficit achieved for the last five years.

Financial performance (\$m) 2014–15 to 2018–19

Financial year	Income	Expenditure	Grant Expenditure	Surplus/(Deficit)
2014–15	24.5	31.9	2.6	(10.0)
2015–16	27.4	32.2	5.0	(9.8)
2016–17	35.0	34.3	-	0.7
2017–18	26.1	34.0	-	(7.9)
<b>2018–19</b>	<b>40.3</b>	<b>31.7</b>	<b>-</b>	<b>8.6</b>

## RETURN ON INVESTMENT

 **4.6%**

## Financial position

The RTA's balance sheet reports a strong position, with no debt and a high level of liquid assets. The solid investment returns in 2018–19 have increased the RTA's cash operating portfolio, improving the RTA's cash reserves to enable funding of our operations in the event of poor market driven performance periods. Investing in transformation projects will bring faster and more efficient high quality services to our customers across a number of channels.

Total assets increased by 5.7% to \$965.7 million due to the increase in cash reserves from the 2018–19 surplus and an increase in the value of bond lodgements. Total liabilities also increased to \$921.4 million, due to a 5.0% increase in bond lodgments owing. Equity increased by 24.2% totaling \$44.3 million due to the positive financial performance for the year.

“ Investing in transformation projects will bring faster and more efficient high quality services to our customers across a number of channels. ”

## Investment management

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

The rental bond portfolio represents the investment of all rental bonds held. It is actively managed predominantly by the RTA's fund manager QIC and funds are allocated across a range of asset classes according to the investment strategy adopted by the RTA Board.

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

### Allocation of investment funds as at 30 June 2019

Fund type	Investment range	Amount invested (\$m)	Allocation QIC	Allocation by institution
QIC Bond Plus Fund	10–30%	177.8	20.2%	
QIC Cash Enhanced Fund	0–60%	115.0	13.0%	
QIC Global Credit Fund	10–45%	343.4	39.0%	
QIC Global Credit Opportunities Fund	0–20%	1.6	0.2%	
QIC Growth Fund	0–30%	92.3	10.5%	
QIC Property Fund	5–20%	150.6	17.1%	
<b>Total QIC</b>		<b>880.7</b>	<b>100%</b>	92.2%
QTC		71.4		7.5%
Other		3.4		0.3%
<b>Total funds invested</b>		<b>955.5</b>		<b>100%</b>

## OVERALL EXPENDITURE



## FINANCIAL POSITION



### Operating Income

The RTA's income relies exclusively on investment income from the investment of the rental bond portfolio. Revenue from investments increased by \$14.2 million compared to revenue earned in 2017–18. This is an increase of 54.7%. These results have been achieved despite a decreasing interest rate environment. The change of investment strategy to increase investments in the QIC Property Fund in 2017–18, combined with an initial \$88 million investment in the QIC Growth Fund in 2018–19 improved the RTA's revenue.

### Operating expenditure

Overall expenditure decreased by \$2.3 million (6.8 per cent) to \$31.7 million in 2018–19 compared to \$34.0 million in 2017–18. In addition to the reduction in cost, RTA progressed with transformation projects and the modernisation of its information technology infrastructure.

#### Total expenditure by type

Expenditure	2018–19		2017–18	
	\$m		\$m	
Salaries and related expenses	20.1	63%	20.4	60%
Supplies and services	9.8	31%	10.6	31%
Other expenses	1.8	6%	3.0	9%
Total	31.7	100%	34.0	100%

### Employee expenses

Employee expenses represent approximately 63.0% of our total expenditure. In 2018–19 the RTA's employee expenses decreased to \$20.1 million, a reduction of \$0.3 million from the \$20.4 million spent in 2017–18. This reduction is inclusive of the agreed annual EBA increase. The main driver for employee expense savings is the implementation of the RTA's reshape to build staff capability, introduce cross skilling and abolish vacant roles no longer required.

### Supplies and services

Supplies and services decreased by \$0.8 million from \$10.6 million in 2017–18 to \$9.8 million in 2018–19 due to cost saving initiatives and completion of major project work. The RTA's reduction in costs were introduced by staff due to their review and renegotiation of contracts with suppliers producing exceptional value for money services. Other savings have resulted from the reduction of mail and printing costs with the implementation of more online services.

### Other expenses

The RTA's other expenses include depreciation and amortisation expenses. These costs have decreased considerably due to the write down of \$1.1 million of intangible assets in 2017–18. Overall these costs have decreased by \$1.2 million in 2018–19.

# General Purpose Financial Report

for the year ended 30 June 2019

## Contents

<b>Financial Statements</b>		
Statement of Comprehensive Income		44
Statement of Financial Position		45
Statement of Changes in Equity		46
Statement of Cash Flows		47
CF1: Reconciliation of operating result to net cash from operating activities		48
Notes to the Financial Statements		49
Management Certificate		83
<b>Basis of Financial Statement Preparation Section</b>		
Note 1: Basis of financial statement preparation		49
Note 2: Objectives and principal activities of the RTA		51
Note 3: Controlled entities of the RTA		52
<b>Statement of Comprehensive Income Notes</b>		
Note 4: Income		52
Note 5: Employee expenses		53
Note 6: Supplies and services		54
Note 7: Depreciation and amortisation		55
Note 8: Other expenses		55
Note 9: Key executive management personnel and remuneration expenses		55
Note 10: Board disclosures		60
Note 11: Related party disclosures		61
<b>Statement of Financial Position Notes</b>		
Note 12: Cash and cash equivalents		61
Note 13: Other financial assets		62
Note 14: Fair value measurement		63
Note 15: Receivables		64
Note 16: Other assets		64
Note 17: Intangible assets		65
Note 18: Property, plant and equipment		67
Note 19: Payables		69
Note 20: Accrued employee benefits		70
Note 21: Financing arrangements		70
Note 22: Financial instruments		71
<b>Other Notes</b>		
Note 23: Contingencies		75
Note 24: Commitments		76
Note 25: Events occurring after balance date		76
Note 26: Future impact of accounting standards not yet effective		77
Note 27: Taxation		78
<b>Budgetary Reporting Disclosures</b>		
Note 28: Budgetary reporting disclosures		79

## General Information

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

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

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

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

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

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

Statement of Comprehensive Income  
for the year ended 30 June 2019

	Notes	Group		Parent	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Income</b>					
Investment revenue	4	40,295	26,046	40,291	26,046
Other revenue	4	15	45	15	45
<b>Total income</b>		<b>40,310</b>	<b>26,091</b>	<b>40,306</b>	<b>26,091</b>
<b>Expenses</b>					
Employee expenses	5	20,143	20,384	739	783
Supplies and services	6	9,775	10,612	29,178	30,217
Depreciation and amortisation	7	1,563	1,583	1,563	1,583
Impairment losses	17	-	1,087	-	1,087
Other expenses	8	190	314	187	310
<b>Total expenses</b>		<b>31,671</b>	<b>33,980</b>	<b>31,667</b>	<b>33,980</b>
<b>Operating result for the year</b>		<b>8,639</b>	<b>(7,889)</b>	<b>8,639</b>	<b>(7,889)</b>
<b>Other comprehensive income</b>					
<b>Total operating result</b>		<b>8,639</b>	<b>(7,889)</b>	<b>8,639</b>	<b>(7,889)</b>

The accompanying notes form part of these statements.

Statement of Financial Position  
as at 30 June 2019

	Notes	Group		Parent	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Current assets</b>					
Cash and cash equivalents	12	74,730	60,661	74,699	60,593
Other financial assets	13	880,759	841,733	880,759	841,733
Receivables	15	416	473	342	475
Other current assets	16	253	133	253	133
<b>Total current assets</b>		<b>956,158</b>	903,000	<b>956,053</b>	902,934
<b>Non current assets</b>					
Intangible assets	17	9,161	9,673	9,161	9,673
Property, plant and equipment	18	330	627	330	627
Other non current assets	16	54	10	54	10
<b>Total non current assets</b>		<b>9,545</b>	10,310	<b>9,545</b>	10,310
<b>Total assets</b>		<b>965,703</b>	913,310	<b>965,598</b>	913,244
<b>Current liabilities</b>					
Payables	19	1,611	795	5,851	4,719
Rental bonds and unclaimed monies	19	915,261	872,552	915,261	872,552
Operating lease payable	19	181	137	181	137
Accrued employee benefits	20	3,626	3,262	24	14
<b>Total current liabilities</b>		<b>920,679</b>	876,746	<b>921,317</b>	877,422
<b>Non current liabilities</b>					
Operating lease payable	19	-	181	-	181
Accrued employee benefits	20	745	743	2	1
<b>Total non current liabilities</b>		<b>745</b>	924	<b>2</b>	182
<b>Total liabilities</b>		<b>921,424</b>	877,670	<b>921,319</b>	877,604
<b>Net assets</b>		<b>44,279</b>	35,640	<b>44,279</b>	35,640
<b>Equity</b>					
Accumulated surplus		44,279	35,640	44,279	35,640
<b>Total equity</b>		<b>44,279</b>	35,640	<b>44,279</b>	35,640

The accompanying notes form part of these statements.

Statement of Changes in Equity  
for the year ended 30 June 2019

	\$'000	\$'000
	Accumulated Surplus	Total Equity
<b>Group</b>		
<b>2019</b>		
<b>Balance as 1 July 2018</b>	<b>35,640</b>	<b>35,640</b>
Operating result from continuing operations	8,639	8,639
<b>Balance as at 30 June 2019</b>	<b>44,279</b>	<b>44,279</b>
<b>2018</b>		
<b>Balance as 1 July 2017</b>	43,529	43,529
Operating result from continuing operations	(7,889)	(7,889)
<b>Balance as at 30 June 2018</b>	<b>35,640</b>	<b>35,640</b>
<b>Parent</b>		
<b>2019</b>		
<b>Balance as 1 July 2018</b>	<b>35,640</b>	<b>35,640</b>
Operating result from continuing operations	8,639	8,639
<b>Balance as at 30 June 2019</b>	<b>44,279</b>	<b>44,279</b>
<b>2018</b>		
<b>Balance as 1 July 2017</b>	43,529	43,529
Operating result from continuing operations	(7,889)	(7,889)
<b>Balance as at 30 June 2018</b>	<b>35,640</b>	<b>35,640</b>

The accompanying notes form part of these statements.

## Statement of Cash Flows

for the year ended 30 June 2019

	Notes	Group		Parent	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Cash flows from operating activities</b>					
<b>Inflows</b>					
Interest income		1,715	1,527	1,711	1,527
Bond lodgements		419,196	414,250	419,196	414,250
Other operating receipts		15	45	15	45
GST collected from customers		1	2	1	2
GST refunds received		949	1,043	949	1,043
<b>Outflows</b>					
Bond claims		(376,488)	(371,289)	(376,488)	(371,289)
Employee expenses		(19,778)	(21,398)	(735)	(1,731)
Supplies and services		(9,367)	(9,537)	(28,369)	(29,179)
Other expenses		(130)	(206)	(130)	(206)
GST paid to suppliers		(985)	(1,041)	(985)	(1,041)
<b>Net cash provided by/(used in) operating activities</b>	CF.1	<b>15,128</b>	13,396	<b>15,165</b>	13,421
<b>Cash flows from investing activities</b>					
<b>Inflows</b>					
Investments redeemed		34,695	24,104	34,695	24,104
<b>Outflows</b>					
Payments for property, plant and equipment		(73)	(16)	(73)	(16)
Payments for internally generated software		(660)	-	(660)	-
Payments for work in progress		(21)	-	(21)	-
Payments for investments		(35,000)	(27,500)	(35,000)	(27,500)
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,059)</b>	(3,412)	<b>(1,059)</b>	(3,412)
Net increase/(decrease) in cash and cash equivalents		<b>14,069</b>	9,984	<b>14,106</b>	10,009
Cash and cash equivalents at beginning of financial year	12	60,661	50,677	60,593	50,584
<b>Cash and cash equivalents at end of financial year</b>	12	<b>74,730</b>	60,661	<b>74,699</b>	60,593

The accompanying notes form part of these statements.

Notes to the Statement of Cash Flows  
for the year ended 30 June 2019

Group		Parent	
2019	2018	2019	2018
\$'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	<b>8,639</b>	(7,889)	<b>8,639</b>	(7,889)
Add: Depreciation and amortisation	<b>1,563</b>	1,583	<b>1,563</b>	1,583
Impairment losses	-	1,087	-	1,087
Increase in accrued employee benefits	<b>366</b>	-	<b>11</b>	-
Decrease in receivables	<b>57</b>	-	<b>133</b>	-
Decrease in prepayments	-	359	-	354
Increase in unclaimed bonds	-	435	-	435
Increase in rental bonds	<b>42,766</b>	42,526	<b>42,766</b>	42,526
Increase in trade creditors	<b>816</b>	-	<b>1,132</b>	-
Increase in operating lease payable	-	-	-	-
	<b>54,207</b>	38,101	<b>54,244</b>	38,096
Less:				
Increase in receivables	-	33	-	49
Decrease in trade creditors	-	55	-	78
Decrease in accrued employee benefits	-	122	-	53
Increase in prepayments	<b>164</b>	-	<b>164</b>	-
Decrease in unclaimed bonds	<b>57</b>	-	<b>57</b>	-
Unrealised increase in investments	<b>38,721</b>	24,449	<b>38,721</b>	24,449
Decrease in operating lease payable	<b>137</b>	46	<b>137</b>	46
	<b>39,079</b>	24,705	<b>39,079</b>	24,625
<b>Net cash provided by operating activities</b>	<b>15,128</b>	13,396	<b>15,165</b>	13,421

The accompanying notes form part of these statements.

## 1. Basis of financial statement preparation

### General information

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

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

### Compliance with prescribed requirements

The RTA has prepared these statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis (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 2018, 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

#### Changes in accounting policy

The RTA did not voluntarily change any of its accounting policies during 2018–19.

#### Accounting standards early adopted

No new Australian Accounting Standards have been early adopted for 2018–19.

#### Accounting standards applied for the first time

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

These standards have been applied to the RTA financial statements from 1 July 2018. Adopting these standards changed the classification, measurement, impairment and disclosures associated with the RTA's financial assets. AASB 9 introduced different criteria for determining if financial assets are measured at amortised cost or fair value.

The impact of AASB 9 on the categorisation and valuation of the amounts reported in Note 22(a) is summarised below:

- There was no change to either the classification or valuation of cash and cash equivalents, receivables or financial liabilities (Note 22(a)).
- The RTA's investment portfolio (Note 13) will continue to be held at fair value through profit and loss.
- The RTA did not restate comparative figures for financial instruments on initial adoption of AASB 9, as there was no change to recorded amounts arising from initial application.

### 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 2017–18 financial statements. No information has been restated.

# Notes to the Financial Statements

for the year ended 30 June 2019

## **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.

## **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.

# Notes to the Financial Statements

for the year ended 30 June 2019

## 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 Act).

The RTA's strategic objectives include:

- Enhanced client service – delivering secure online services, fostering and sustaining strong relationships with the sector and providing education to stakeholders;
- Improved business systems – that deliver simple, cost-effective systems enabling great client services and streamlined business processes;
- Adaptive people – where employees are engaged and committed to the RTA's success and where development and innovation is fostered with a mobile, flexible and agile workforce;
- Business sustainability – delivering value-for-money services, cultivated through innovation and cost-based efficiencies, addressing financial sustainability.

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

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

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

To ensure full transparency of the services and functionality that the RTEO provides the RTA, a Work Performance Arrangement was developed in accordance with Section 493 of the RTRA Act. This document provides the authority under which employees of the RTEO perform work for the RTA and stipulates operational activities of the RTEO effective from 1 July 2008.

### RTA funds management

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

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 2019

### 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) 2019: \$3,100 (2018: \$3,100)
Financial information:	
Total assets: \$4.46M (2018: \$4.06M)	Total revenue: \$19.42M (2018: \$19.61M)
Total liabilities: \$4.46M (2018: \$4.06M)	Total operating result: \$nil (2018: \$nil)

### 4. Income

#### Investment revenue

Interest on cash assets and investments

	Group		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Return on investments	38,721	24,449	38,721	24,449
Bank interest	1,574	1,597	1,570	1,597
<b>Total investment revenue</b>	<b>40,295</b>	<b>26,046</b>	<b>40,291</b>	<b>26,046</b>
<b>Other revenue</b>				
Sundry income	15	45	15	45
<b>Total other revenue</b>	<b>15</b>	<b>45</b>	<b>15</b>	<b>45</b>
<b>Total income</b>	<b>40,310</b>	<b>26,091</b>	<b>40,306</b>	<b>26,091</b>

#### 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 2019

### 5. Employee expenses

#### Employee benefits

	Group		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Salaries and wages	14,572	15,195	274	275
Allowances	60	43	-	-
Annual leave expense	1,520	1,402	21	23
Long service leave expense	629	341	5	(14)
Employer superannuation contributions	1,954	2,041	46	42
<b>Total employee benefits</b>	<b>18,735</b>	<b>19,022</b>	<b>346</b>	<b>326</b>

#### Employee related expenses

Fringe benefits tax	28	29	28	29
Workers' compensation insurance	104	118	3	118
Payroll tax	934	916	24	21
Other employee related expenses	342	299	338	289
<b>Total employee related expenses</b>	<b>1,408</b>	<b>1,362</b>	<b>393</b>	<b>457</b>
<b>Total employee expenses *</b>	<b>20,143</b>	<b>20,384</b>	<b>739</b>	<b>783</b>

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

	Group		Parent	
	2019 No.	2018 No.	2019 No.	2018 No.
	201	208	1	1

\* No redundancies were paid in the 2018–19 financial year (2017–18: \$94,679).

#### 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 2019

## 5. Employee expenses (continued)

### Accounting policy – superannuation

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

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

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

### Accounting policy – workers compensation premiums

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

	Group		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>6. Supplies and services</b>				
Delivery of service expenses	874	844	874	844
Board fees	142	138	142	138
Building expenses	306	278	306	278
Contractors and consultants	2,525	3,690	2,524	3,690
Less: capitalised costs	(681)	-	(681)	-
Investment fees	1,797	1,774	1,797	1,774
Information technology expenses	1,332	995	1,332	995
Legal expenses	59	98	59	98
Operating lease rental	2,214	2,231	2,214	2,231
Repairs and maintenance - computer and office equipment	293	133	293	133
RTEO service fees	-	-	19,412	19,607
Other supplies and services	914	431	906	429
<b>Total supplies and services</b>	<b>9,775</b>	<b>10,612</b>	<b>29,178</b>	<b>30,217</b>

## Notes to the Financial Statements

for the year ended 30 June 2019

	Group		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>7. Depreciation and amortisation</b>				
Depreciation and amortisation were incurred in respect of:				
Plant and equipment	95	18	95	18
Computer equipment	-	99	-	99
Leasehold improvements	275	275	275	275
Intangible assets				
Internally generated software	1,183	1,181	1,183	1,181
Purchased software	10	10	10	10
<b>Total depreciation and amortisation</b>	<b>1,563</b>	<b>1,583</b>	<b>1,563</b>	<b>1,583</b>

## 8. Other expenses

External audit fees *	37	36	34	32
Internal audit fees	62	141	62	141
Bad and impaired debts	68	65	68	65
Special payments **	-	7	-	7
Insurance premiums	23	72	23	72
<b>Total other expenses</b>	<b>190</b>	<b>314</b>	<b>187</b>	<b>310</b>

\* Total external audit fees paid to QAO relating to the 2018–19 financial year are estimated to be \$36,500 for the group (2018: \$35,550 for the group). There are no non-audit services included in this amount.

\*\* Special payments represent ex gratia expenditure and other expenditure that the RTA is not contractually or legally obligated to make to other parties. An individual was paid \$7,000 for the settlement of an employment matter. No special payments were made during 2018–19.

## 9. Key management personnel and remuneration expenses

### (a). Key management personnel

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

The following details for non-ministerial executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the RTA and its controlled entity during 2018–19.

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.

In October 2018 RTA launched the Roadmap for Success to map its journey for the next three years. In implementing the Roadmap, an organisational reshape occurred with the creation of new operating divisions and appointment of the new executive leaders. Director – Strategy and Innovation, Director – Customer Experience and Director – People and Culture joined the Chief Digital Officer and the Chief Financial Officer on the Executive Leadership Team. The positions Director Policy and Stakeholder Engagement and the Director Service Delivery ceased in November 2018.

## Notes to the Financial Statements

for the year ended 30 June 2019

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

#### (a). Key management personnel (continued)

Position and responsibilities	Changes to positions	
	2019	2018
<p><b>Chief Executive Officer</b></p> <p>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.</p>	<b>Current role</b>	<b>Current:</b> from 30/4/18 <b>Acting:</b> 19/2/18 – 27/4/18 <b>Ceased:</b> 16/2/18
<p><b>Chief Financial Officer</b></p> <p>Ensures business sustainability by managing financials, meeting governance and legal requirements to assess and mitigate risks, and overseeing investigations for compliance activities.</p>	<b>Current role</b>	<b>Current:</b> from 2/11/15 <b>Acting:</b> 19/2/18 – 27/4/18
<p><b>Chief Digital Officer</b></p> <p>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.</p>	<b>New role</b> <b>Current:</b> from 23/7/18	
<p><b>Director – Customer Experience</b></p> <p>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.</p>	<b>New role</b> <b>Current:</b> from 15/11/18	
<p><b>Director – Strategy and Innovation</b></p> <p>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.</p>	<b>New role</b> <b>Current:</b> from 12/11/18	
<p><b>Director – People and Culture</b></p> <p>Leads the People and Culture division which includes specialist teams across Human Resources, Learning and Organisational Development, Communications and Education and Change Management.</p>	<b>New role</b> <b>Current:</b> from 12/11/18	
<p><b>Director – Policy and Stakeholder Engagement</b></p> <p>Led the Policy and Stakeholder Engagement team, undertaking policy development and research, proactive community education and compliance activities and stakeholder engagement. Position ceased 16/11/18.</p>	<b>Ceased:</b> 16/11/18	
<p><b>Director – Service Delivery</b></p> <p>Headed the RTA's Service Delivery division that comprised of 4 business units which included the Contact Centre, Support, Dispute Resolution and Quality and Training. Position ceased 4/11/18.</p>	<b>Ceased:</b> to 14/11/18	<b>Acting:</b> from 30/10/17 <b>Ceased:</b> 3/11/17
<p><b>A/IT Director</b></p> <p>Responsible for the RTA's information, communication and technology strategies, driving the use of enabling technologies to deliver innovative digital solutions for the RTA. Position ceased 23/7/18.</p>	<b>Ceased:</b> 23/7/18	<b>Current:</b> from 5/3/18

## Notes to the Financial Statements

for the year ended 30 June 2019

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

#### (a). Key management personnel (continued)

Position and responsibilities	Changes to positions	
	2019	2018
<p><b>Manager – Transaction Centre</b> Oversees the RTA's provision of a rental bond custodial service including the processing of all bond lodgements and refunds. As at 14 May 2018 this position was no longer considered a key management personnel position.</p>		<b>Ceased:</b> 14/05/18
<p><b>Chief Information Officer</b> Responsible for the RTA's information, communication and technology strategies, driving the use of enabling technologies to deliver innovative digital solutions for the RTA. Position ceased 1/03/18.</p>		<b>Acting:</b> 21/09/17 – 1/03/18 <b>Ceased:</b> 22/09/17

#### (b) Remuneration

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

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

For the 2018–19 year, the remuneration of key executive management personnel did not have an increase (2017–18 2.5%) for Senior Officers and for Senior Executive Services, in accordance with government directives.

The remuneration packages for key executive management personnel comprises the following: –

- 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.

Notes to the Financial Statements  
for the year ended 30 June 2019

**9. Key management personnel and remuneration expenses (continued)**

**(b) Remuneration (continued)**

1 July 2018 – 30 June 2019

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

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

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

Notes to the Financial Statements  
for the year ended 30 June 2019

**9. Key management personnel and remuneration expenses (continued)**

**(b) Remuneration (continued)**

1 July 2017 – 30 June 2018

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 <sup>1</sup>	293	-	8	33	-	<b>334</b>
Chief Financial Officer <sup>1</sup>	162	-	4	18	-	<b>184</b>
Chief Information Officer <sup>1</sup>	114	-	3	13	-	<b>130</b>
A/IT Director <sup>2</sup>	-	-	-	-	-	<b>-</b>
Director – Policy and Stakeholder Engagement <sup>3</sup>	142	18	4	17	-	<b>181</b>
Director – Service Delivery <sup>1</sup>	135	-	3	17	-	<b>155</b>
Manager – Transaction Centre <sup>1</sup>	104	-	2	13	-	<b>119</b>
<b>Total</b>	<b>950</b>	<b>18</b>	<b>24</b>	<b>111</b>	<b>-</b>	<b>1,103</b>

<sup>1</sup> – Total remuneration shown is for the total position over the 2017–18 financial year. Refer to Note 9(a) for further information about the length of service of the current and previous incumbents.

<sup>2</sup> – The A/IT Director was engaged as a contractor via a temporary agency arrangement and is not an employee of the RTA or its controlled entity. Total amount paid for the A/IT Director's services was \$98K for the 2017–18 financial year. Refer to Note 9(a) for additional information.

<sup>3</sup> – The Director received education benefits subject to fringe benefits tax.

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

For the 2018–19 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 2019

**10. 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	
			2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Mr Paul Melville (Chair) <sup>1</sup>	May 2017		51	39	51	39
Mr Stephen Ryan	Nov 2016		21	21	21	21
Ms Sally Watson	Nov 2016		21	21	21	21
Ms Janet Benson	May 2017		21	23	21	23
Ms Rachel Watson	Dec 2017		21	10	21	10
Ms Christine Castley <sup>2</sup>	Dec 2017		-	-	-	-
Ms Deborah Duffy <sup>3</sup>	Dec 2017		21	18	21	18
Ms Catherine Sinclair (Chair) <sup>4</sup>	Apr 2013	Oct 2017	-	18	-	18
Ms Penny Gillespie	Nov 2013	Oct 2017	-	7	-	7
<b>Total Board member payments</b>			<b>156</b>	157	<b>156</b>	157

The 2018–19 Board fees included fees of \$141,514 plus superannuation of \$14,486. The 2017–18 Board fees included fees of \$143,116 plus superannuation of \$13,873.

<sup>1</sup> – Paul Melville was a Director from May 2017 but commenced as the Chair from 21 December 2017.

<sup>2</sup> – Christine Castley was appointed to the Board from 21 December 2017. As Ms Castley is a public sector employee she will not receive remuneration as a Director of the RTA while she remains employed in the public sector.

<sup>3</sup> – Deborah Duffy had been previously appointed as a Director between April 2010 and October 2017.

<sup>4</sup> – Catherine Sinclair ceased being the Chair when she ceased being a Director effective from 25 October 2017.

**(b) Other transactions with board members and board member related entities**

The RTA has no dealings with another entity of which a board member has a related interest as declared in the conflicts of interest register.

## Notes to the Financial Statements

for the year ended 30 June 2019

### 11. Related party disclosures

During the year, the RTA paid service fee income to its controlled entity, the RTEO, of \$19,411,950 (2018: \$19,607,000).

For the 2018–19 financial year there were no other related party transactions.

### 12. Cash and cash equivalents

Cash at bank

Queensland Treasury Corporation (QTC)

Term deposits

**Total cash and cash equivalents**

Group		Parent	
2019	2018	2019	2018
\$'000	\$'000	\$'000	\$'000
3,354	1,831	3,323	1,763
71,376	37,330	71,376	37,330
-	21,500	-	21,500
<b>74,730</b>	<b>60,661</b>	<b>74,699</b>	<b>60,593</b>

#### 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 2019

	Group		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Managed funds – QIC	880,759	841,733	880,759	841,733
<b>Total other financial assets</b>	<b>880,759</b>	<b>841,733</b>	<b>880,759</b>	<b>841,733</b>

Represented by:

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

QIC investment products as at 30 June 2018	Group and Parent			
	Annual average return on investments	Treasurer approved strategic asset allocation parameter	Actual Allocation	Amount \$'000
QIC Bond Plus Fund	2.98%	0% – 45%	19.44%	163,658
QIC Cash Enhanced Fund	2.20%	0% – 100%	21.93%	184,567
QIC Global Credit Fund	1.35%	0% – 45%	39.96%	336,324
QIC Global Credit Opportunities Fund	-8.59%	0% – 20%	0.19%	1,629
QIC Property Fund	7.95%	0% – 20%	18.48%	155,555
<b>Total Portfolio</b>	<b>2.95%</b>		<b>100.00%</b>	<b>841,733</b>

#### Accounting policy – other financial assets

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

The RTA 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 14 for further information regarding the RTA's fair value accounting policies.

# Notes to the Financial Statements

for the year ended 30 June 2019

## 14. 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 2019 Amount \$'000	30 June 2018 Amount \$'000	Fair value hierarchy category
<b>QIC investment products as at 30 June 2019</b>			
QIC Bond Plus Fund	177,839	163,658	Level 2
QIC Cash Enhanced Fund	114,964	184,567	Level 2
QIC Global Credit Fund	343,419	336,324	Level 2
QIC Global Credit Opportunities Fund	1,572	1,629	Level 2
QIC Growth Fund	92,316	-	Level 2
QIC Property Fund	150,649	155,555	Level 3
<b>Total Portfolio</b>	<b>880,759</b>	<b>841,733</b>	

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 2019

	Group		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>15. Receivables</b>				
Debtors	215	107	141	109
Less: allowance for expected credit losses	(73)	(13)	(73)	(13)
	<b>142</b>	94	<b>68</b>	96
Accrued interest revenue	141	281	141	281
GST receivable	133	98	133	98
<b>Total receivables</b>	<b>416</b>	473	<b>342</b>	475

	Group		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>16. Other assets</b>				
<b>Current</b>				
Prepayments	253	133	253	133
<b>Total current</b>	<b>253</b>	133	<b>253</b>	133
<b>Non current</b>				
Prepayments	54	10	54	10
<b>Total non current</b>	<b>54</b>	10	<b>54</b>	10
<b>Total other assets</b>	<b>307</b>	143	<b>307</b>	143

Notes to the Financial Statements  
for the year ended 30 June 2019

	Group		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>17. Intangible assets</b>				
<b>Software purchased: at cost</b>				
Gross	750	750	750	750
Less: accumulated amortisation	(676)	(666)	(676)	(666)
	74	84	74	84
<b>Software internally generated: at cost</b>				
Gross	15,267	14,607	15,267	14,607
Less: accumulated amortisation	(6,201)	(5,018)	(6,201)	(5,018)
	9,066	9,589	9,066	9,589
<b>Work in progress: at cost</b>				
Gross	21	-	21	-
<b>Total intangible assets</b>	<b>9,161</b>	<b>9,673</b>	<b>9,161</b>	<b>9,673</b>

Intangible assets reconciliation

	Software internally generated	Software purchased	Software work in progress	Total
	Group and Parent			
	\$'000	\$'000	\$'000	\$'000
<b>2019</b>				
<b>Carrying amount at 1 July 2018</b>	<b>9,589</b>	<b>84</b>	<b>-</b>	<b>9,673</b>
Acquisitions	660	-	21	<b>681</b>
Amortisation	(1,183)	(10)	-	<b>(1,193)</b>
Impairment losses recognised in operating deficit *	-	-	-	-
<b>Carrying amount at 30 June 2019</b>	<b>9,066</b>	<b>74</b>	<b>21</b>	<b>9,161</b>
<b>2018</b>				
<b>Carrying amount at 1 July 2017</b>	<b>10,770</b>	<b>94</b>	<b>1,087</b>	<b>11,951</b>
Acquisitions	-	-	-	-
Amortisation	(1,181)	(10)	-	<b>(1,191)</b>
Impairment losses recognised in operating deficit *	-	-	(1,087)	<b>(1,087)</b>
<b>Carrying amount at 30 June 2018</b>	<b>9,589</b>	<b>84</b>	<b>-</b>	<b>9,673</b>

\* Impairment loss expense for the 2018–19 year is \$nil. (2018: \$1,086,976). Impairment loss expense for the prior year was the Client Portal work in progress due to previously capitalised development costs that were no longer being utilised by the organisation.

## Notes to the Financial Statements

for the year ended 30 June 2019

### 17. 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 2019

	Group		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>18. Property, plant and equipment</b>				
<b>Property, plant and equipment: at cost</b>				
Gross	4,459	4,386	4,459	4,386
Less: accumulated depreciation	(4,129)	(3,759)	(4,129)	(3,759)
	<b>330</b>	<b>627</b>	<b>330</b>	<b>627</b>
<b>Total property, plant and equipment</b>	<b>330</b>	<b>627</b>	<b>330</b>	<b>627</b>

Property, plant and equipment reconciliation

	Plant and equipment		Total
	Group and Parent		
	\$'000	\$'000	
<b>2019</b>			
<b>Carrying amount at 1 July 2018</b>	<b>627</b>	<b>627</b>	
Acquisitions	73	73	
Depreciation	(370)	(370)	
<b>Carrying amount at 30 June 2019</b>	<b>330</b>	<b>330</b>	
<b>2018</b>			
<b>Carrying amount at 1 July 2017</b>	<b>1,003</b>	<b>1,003</b>	
Acquisitions	16	16	
Depreciation	(392)	(392)	
<b>Carrying amount at 30 June 2018</b>	<b>627</b>	<b>627</b>	

# Notes to the Financial Statements

for the year ended 30 June 2019

## 18. 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 2019

	Group		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>19. Payables</b>				
<b>Current Payables</b>				
Trade creditors	1,611	795	1,494	722
Payables to RTEO	-	-	4,357	3,997
	<b>1,611</b>	<b>795</b>	<b>5,851</b>	<b>4,719</b>
<b>Rental bonds and unclaimed monies</b>				
Rental bonds *	899,826	858,017	899,826	858,017
Unclaimed bond monies **	15,435	14,535	15,435	14,535
	<b>915,261</b>	<b>872,552</b>	<b>915,261</b>	<b>872,552</b>
<b>Operating lease payable</b>				
Operating lease payable ***	181	137	181	137
	<b>181</b>	<b>137</b>	<b>181</b>	<b>137</b>
<b>Total current</b>	<b>917,053</b>	<b>873,484</b>	<b>921,293</b>	<b>877,408</b>
<b>Non current</b>				
<b>Operating lease payable</b>				
Operating lease payable **	-	181	-	181
<b>Total non current</b>	<b>-</b>	<b>181</b>	<b>-</b>	<b>181</b>
<b>Total payables</b>	<b>917,053</b>	<b>873,665</b>	<b>921,293</b>	<b>877,589</b>

\* Includes unclaimed bond monies up to 15 months from when the payment was made, 2019 \$2,841,800 (2018: \$2,076,449).

\*\* Under s151 of the RTRA Act when a rental bond claim has not been presented within 15 months it is classified as unclaimed bond monies.

\*\*\* Relates to the operating lease agreement for the RTA's current premises, 179 Turbot St, Brisbane. The lease agreement ends in April 2020 with an extension being exercised to take the total lease agreement out to 31 August 2021.

#### Accounting policy – payables

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

#### Accounting policy – lease liabilities

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

The RTA has no finance leases.

Operating lease expenditure is recognised on a straight-line basis over the term of the lease. The difference between actual lease payments in accordance with the lease agreement and the expenditure recorded under the above policy is recorded as an operating lease payable.

Notes to the Financial Statements  
for the year ended 30 June 2019

**19. Payables (continued)**

**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.

Unclaimed monies represent payments (including cheque and electronic) issued and returned or still un-presented. These are disclosed as current liabilities and are recognised at the face value of the bond. Unclaimed monies do not lose the demand feature associated with the bond, and are therefore recognised as current liabilities at their undiscounted face value.

	Group		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>20. Accrued employee benefits</b>				
<b>Current</b>				
Annual leave	1,351	1,281	16	4
Long service leave	1,942	1,605	7	-
Accrued wages	320	369	1	10
Time off in lieu (TOIL)	13	7	-	-
<b>Total current</b>	<b>3,626</b>	<b>3,262</b>	<b>24</b>	<b>14</b>
<b>Non current</b>				
Long service leave	745	743	2	1
<b>Total non current</b>	<b>745</b>	<b>743</b>	<b>2</b>	<b>1</b>
<b>Total accrued employee benefits</b>	<b>4,371</b>	<b>4,005</b>	<b>26</b>	<b>15</b>

All provisions include associated on-costs.

**Accounting policy – accrued employee benefits**

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

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

**21. Financing arrangements**

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

	2019	2018	2019	2018
Corporate credit cards	200	200	200	200

Notes to the Financial Statements  
for the year ended 30 June 2019

## 22. Financial instruments

### (a) Categorisation of financial instruments

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

Category	Group		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Financial assets</b>				
Financial assets measured at fair value through profit and loss:				
Cash and cash equivalents	74,730	60,661	74,699	60,593
Other financial assets	880,759	841,733	880,759	841,733
Financial assets measured at amortised cost:				
Receivables	416	473	342	475
<b>Total financial assets</b>	<b>955,905</b>	<b>902,867</b>	<b>955,800</b>	<b>902,801</b>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost:				
Payables	1,611	795	5,851	4,719
Rental bonds and unclaimed monies	915,261	872,552	915,261	872,552
Operating lease payable	181	318	181	318
<b>Total financial liabilities</b>	<b>917,053</b>	<b>873,665</b>	<b>921,293</b>	<b>877,589</b>

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 2019

## 22. 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:

<b>Risk exposure</b>	<b>Credit risk</b>
<b>Definition</b>	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.
<b>Exposure</b>	The RTA is exposed to credit risk in respect of its receivables (Note 15), cash and cash equivalents (Note 12) and other financial assets (Note 13). 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 22(a) represents the group's maximum exposure to credit risk at 30 June 2019. 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.
<b>Risk management strategies</b>	The RTA and its controlled entity manage credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the RTA invests in secure assets and monitors all funds owed on a timely and ongoing basis. The RTA manages its exposure to credit risk on investments through compliance with the SBFA Act, Queensland Treasury Guidelines and a formal investment strategy approved by the RTA Board. The Treasurer must approve through Section 61A of the SBFA Act the strategic asset allocation parameters. The Treasurer approved the RTA to appoint QIC as its fund manager under section 59 of the SBFA Act on 23 November 2004.  The method for calculating any provisional impairment for risk is based on past experience, current and expected changes in economic conditions and changes in client credit ratings.  No financial assets are past due as at 30 June 2019 (2018: \$nil).
<b>Risk exposure</b>	<b>Liquidity risk</b>
<b>Definition</b>	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.
<b>Exposure</b>	The RTA is exposed to liquidity risk in respect of its payables (Note 19a), rental bonds and unclaimed monies (Note 19b) and operating lease payable (Note 19c).
<b>Risk management strategies</b>	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.
<b>Risk exposure</b>	<b>Market risk</b>
<b>Definition</b>	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.
<b>Exposure</b>	The RTA does not trade in foreign currency (other than indirectly through its investments with QIC) and is not materially exposed to commodity price changes.  The RTA is exposed to interest rate and other price risks through its large investment with QIC and other short term investments with financial institutions. Through the investment strategy with QIC, the RTA is exposed to the risk of movements in domestic and international bond yields, equity investment values, and exchange fluctuations for investments denominated in foreign currencies, refer (Note 13).  The RTA is also exposed to interest rate risk through its cash deposited in interest bearing accounts (Note 12).
<b>Risk management strategies</b>	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.

Notes to the Financial Statements  
for the year ended 30 June 2019

**22. 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
	Notes	\$'000	\$'000	\$'000	\$'000
<b>2019</b>					
<b>Financial liabilities</b>					
Payables	19	1,611	-	-	1,611
Rental bonds and unclaimed monies	19	915,261	-	-	915,261
Operating lease payable	19	181	-	-	181
<b>Total financial liabilities</b>		<b>917,053</b>	<b>-</b>	<b>-</b>	<b>917,053</b>
<b>2018</b>					
<b>Financial liabilities</b>					
Payables	19	795	-	-	795
Rental bonds and unclaimed monies	19	872,552	-	-	872,552
Operating lease payable	19	137	181	-	318
<b>Total financial liabilities</b>		<b>873,484</b>	<b>181</b>	<b>-</b>	<b>873,665</b>

Notes to the Financial Statements  
for the year ended 30 June 2019

**22. Financial instruments (continued)**

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

		Parent			
		Payable in:			
		≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
		\$'000	\$'000	\$'000	\$'000
Notes					
<b>2019</b>					
<b>Financial liabilities</b>					
Payables	19	5,851	-	-	5,851
Rental bonds and unclaimed monies	19	915,261	-	-	915,261
Operating lease payable	19	181	-	-	181
<b>Total financial liabilities</b>		<b>921,293</b>	<b>-</b>	<b>-</b>	<b>921,293</b>
<b>2018</b>					
<b>Financial liabilities</b>					
Payables	19	4,719	-	-	4,719
Rental bonds and unclaimed monies	19	872,552	-	-	872,552
Operating lease payable	19	137	181	-	318
<b>Total financial liabilities</b>		<b>877,408</b>	<b>181</b>	<b>-</b>	<b>877,589</b>



Notes to the Financial Statements  
for the year ended 30 June 2019

## 24. Commitments

### (a) Capital commitments

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

### (b) Finance lease commitments

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

### (c) Non-cancellable operating lease commitments

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

<u>Total Future Minimum Lease Payments</u>				
Not later than one year	<b>2,710</b>	2,607	<b>2,710</b>	2,607
Later than one year and not later than 5 years	<b>3,301</b>	6,012	<b>3,301</b>	6,012
Later than 5 years	-	-	-	-
	<b>6,011</b>	8,619	<b>6,011</b>	8,619

In 2009–10, the RTA entered into an office accommodation operating lease agreement for its current premises, 179 Turbot St, Brisbane.

The lease agreement is for a term of 10 years and two months with a further term option of three years. A 1 year extension option was exercised which takes the expected life of the operating lease out to 31 August 2021. Lease payments are fixed with allowance for a fixed percentage escalation on each anniversary of the commencement date of the agreement. The lease contains no restrictions on financing or other leasing activities.

The RTA has no option to purchase the leased item at the conclusion of the lease although the lease provides for a right of renewal at which time the lease terms are renegotiated.

## 25. Events occurring after balance date

The RTA and its controlled entity are not aware of any event occurring after balance date that would impact this financial report.

## Notes to the Financial Statements

for the year ended 30 June 2019

### 26. Future impact of accounting standards not yet effective

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

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

These standards will first apply to the RTA's financial statements for 2019–20.

The RTA has analysed the new revenue recognition requirements under these standards and no material impacts are expected based on the type of revenue the RTA earns.

Only minor amendments to accounting policy disclosures will be required in respect of the RTA's revenue.

#### **AASB 16 Leases**

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

##### Impact for Lessees

Under AASB 16, the majority of operating leases (as defined by the current AASB 117 and shown at Note 24) will be reported on the statement of financial position as a right-of-use asset and lease liability.

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

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

AASB 16 allows a 'cumulative approach' rather than a full retrospective application to recognising existing operating leases. In accordance with Queensland Treasury's policy, the RTA will apply the cumulative approach and, will not need to restate the comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus at the date of initial application.

##### Outcome of review as lessee

The RTA has completed its review of the impact of adoption of AASB 16 on the statement of financial position and statement of comprehensive income and identified the following major impacts which are outlined below.

The RTA has quantified the transitional impact on the financial position and statement of comprehensive income of all qualifying lease arrangements that will be recognised on balance sheet under AASB 16, as follows;

- Statement of financial position impact on 1 July 2019:
  - \$5,234,273 increase in lease liability
  - \$3,745,829 increase in right-of-use asset
  - \$1,338,611 decrease in opening accumulated surplus
  - \$180,883 decrease in operating lease liability
- Statement of comprehensive income impact expected for the 2019-20 financial year, as compared to 2018–19:
  - \$1,797,996 increase in depreciation and amortisation expense
  - \$102,013 increase in interest expense
  - \$2,196,447 decrease in rent expenses
  - This results in a net decrease of \$296,438 decrease in total expenses.

These amounts are only related to the lease of premises at 179 Turbot Street as it was the only identified material lease under AASB 16.

# Notes to the Financial Statements

for the year ended 30 June 2019

## 27. 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 2019

## 28. Budgetary reporting disclosures

### Statement of Comprehensive Income

		Original budget 2019	Actual 2019	Variance
	Variance notes	\$'000	\$'000	\$'000
<b>Income</b>				
Investment revenue	1	26,626	40,295	(13,669)
Other revenue		24	15	9
<b>Total income</b>		<b>26,650</b>	<b>40,310</b>	<b>(13,660)</b>
<b>Expenses</b>				
Employee expenses	2	22,661	20,143	2,518
Supplies and services	3	10,911	9,775	1,136
Depreciation and amortisation		1,556	1,563	(7)
Other expenses		85	190	(105)
<b>Total expenses</b>		<b>35,213</b>	<b>31,671</b>	<b>3,542</b>
<b>Operating result for the year</b>		<b>(8,563)</b>	<b>8,639</b>	<b>(17,202)</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operating Result</b>		<b>(8,563)</b>	<b>8,639</b>	<b>(17,202)</b>

Notes to the Financial Statements  
for the year ended 30 June 2019

28. Budgetary reporting disclosures (continued)

Statement of Financial Position

		Original budget 2019	Actual 2019	Variance
	Variance notes	\$'000	\$'000	\$'000
<b>Current assets</b>				
Cash and cash equivalents	4	44,586	74,730	30,144
Other financial assets		866,547	880,759	14,212
Receivables		449	416	(33)
Other current assets		487	253	(234)
<b>Total current assets</b>		<b>912,069</b>	<b>956,158</b>	<b>44,089</b>
<b>Non current assets</b>				
Intangible assets		9,569	9,161	(408)
Property, plant and equipment		417	330	(87)
Other non current assets		105	54	(51)
<b>Total non current assets</b>		<b>10,091</b>	<b>9,545</b>	<b>(546)</b>
<b>Total assets</b>		<b>922,160</b>	<b>965,703</b>	<b>43,543</b>
<b>Current liabilities</b>				
Payables	5	1,758	1,611	147
Rental bonds and unclaimed monies		888,534	915,261	(26,727)
Operating lease payable		181	181	-
Accrued employee benefits	6	3,187	3,626	(439)
<b>Total current liabilities</b>		<b>893,660</b>	<b>920,679</b>	<b>(27,019)</b>
<b>Non current liabilities</b>				
Accrued employee benefits		838	745	93
<b>Total non current liabilities</b>		<b>838</b>	<b>745</b>	<b>93</b>
<b>Total liabilities</b>		<b>894,498</b>	<b>921,424</b>	<b>(26,926)</b>
<b>Net assets</b>		<b>27,662</b>	<b>44,279</b>	<b>16,617</b>
<b>Equity</b>				
Accumulated surplus		27,662	44,279	16,617
<b>Total equity</b>		<b>27,662</b>	<b>44,279</b>	<b>16,617</b>

Notes to the Financial Statements  
for the year ended 30 June 2019

**28. Budgetary reporting disclosures (continued)**

**Statement of Cash Flows**

		Original budget 2019	Actual 2019	Variance
	Variance notes	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
<b>Inflows</b>				
Interest income	7	1,499	1,715	(216)
Bond lodgements		412,560	419,196	(6,636)
Other operating receipts		12	15	(3)
GST collected from customers		-	1	(1)
GST refunds received	8	1,022	949	173
<b>Outflows</b>				
Bond claims		(386,103)	(376,488)	(9,615)
Employee expenses	9	(23,433)	(19,778)	(3,655)
Supplies and services	10	(10,024)	(9,367)	(657)
Other expenses		(200)	(130)	(70)
GST paid to suppliers	11	(1,022)	(985)	(37)
<b>Net cash provided by/(used in) operating activities</b>		<b>(5,689)</b>	<b>15,128</b>	<b>(20,817)</b>
<b>Cash flows from investing activities</b>				
<b>Inflows</b>				
Investments redeemed		25,127	34,695	(9,568)
<b>Outflows</b>				
Payments for property, plant and equipment		(87)	(73)	(14)
Payments for intangibles	12	-	(660)	660
Payments for work in progress		-	(21)	21
Payments for investments	13	(50,627)	(35,000)	(15,627)
<b>Net cash provided by/(used in) investing activities</b>		<b>(25,587)</b>	<b>(1,059)</b>	<b>(24,528)</b>
Net increase/(decrease) in cash and cash equivalents		<b>(31,276)</b>	14,069	<b>(45,345)</b>
Cash and cash equivalents at beginning of financial year		<b>75,862</b>	60,661	<b>15,201</b>
<b>Cash and cash equivalents at end of financial year</b>		<b>44,586</b>	74,730	<b>(30,144)</b>

# Notes to the Financial Statements

for the year ended 30 June 2019

## 28. Budgetary reporting disclosures (continued)

### Explanations of major variances

#### Statement of Comprehensive Income

1 Investment revenue	The RTA experienced a significant growth in investment returns. The result of this has been an increase in returns from a budgeted 3% to an actual return of 4.56%. The RTA made an initial investment of \$88M in the QIC Growth Fund in October 2018.
2 Employee expenses	The RTA is undergoing a journey of transformation to modernise and implement greater business efficiencies. The reshape of the RTA's organisational structure has built staff capability resulting in vacant roles no longer required. FTE finished at 201 against a budgeted 220.
3 Supplies and services	RTA's cost reduction included contract reviews and renegotiations with suppliers to engage in more value for money services. This, along with the reduction of mail and printing costs from implementing more online services, have all contributed to a saving in supplies and services.

#### Statement of Financial Position

4 Cash and cash equivalents	With an increase in investment returns, the RTA has been able to accumulate additional cash reserves, refer to note 1 above.
5 Payables	Due to less expenses being incurred, the RTA has a lower than budgeted payables amount, refer to note 3 above.
6 Employee benefits	Employee benefits are higher than budgeted due to higher leave balances than budgeted.

#### Statement of Cash Flows

7 Interest Income	Interest income has increased due to increased cash reserves invested during the year, refer to note 4 above.
8 GST refunded	Movements in GST are in line with reduced expenditure.
9 Employee expenses	Reduced FTE has resulted in less cash payments for employee expenses, refer to note 2.
10 Supplies and services	Cash outflows for suppliers were lower than budgeted due to a reduction in expenditure, refer note 3 above.
11 GST paid to suppliers	GST payments have decreased in line with the reduction in expenses incurred with the RTA's suppliers, refer to note 9 above.
12 Payments for intangibles	The Digital Strategic Plan prioritised the investment in the building of new online forms. On June 24, 2019 the first form went live and the cost of this development has been capitalised. This investment was not included in the original budget.
13 Payments for investments	The RTA held additional cash reserves in QTC in order to maximise revenue.

# Management Certificate

for the year ended 30 June 2019

This consolidated general purpose financial report has been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009 (Qld)* (the Act), section 43 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Residential Tenancies Authority and its controlled entities for the financial year ended 30 June 2019 and of the financial position of the Authority and its controlled entities at the end of that year.
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



**Jennifer Smith**  
Chief Executive Officer



**Paul Melville**  
Chairperson, RTA Board

28/08/2019



## 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 entity (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 2019, 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 2009 and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 30 June 2019, 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 of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

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

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

#### Other information

Other information comprises the information included in the group's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon.

The Board is responsible for the other information.

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

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

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

I have nothing to report in this regard.

### **Responsibilities of the Entity for the Financial Report**

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that 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, but not for expressing an opinion on the effectiveness of the parent's and group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group.

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

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

#### **Report on other legal and regulatory requirements**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

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

Melissa Fletcher  
as delegate of the Auditor-General

30 August 2019  
Queensland Audit Office  
Brisbane

# Compliance checklist

	Summary of requirement	Basis for requirement	Annual Report reference
<b>Letter of compliance</b>	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	2
<b>Accessibility</b>	Table of contents	ARRs – section 9.1	3
	Glossary		88
	Public availability	ARRs – section 9.2	3
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	3
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	3
	Information licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	3
<b>General information</b>	Introductory information	ARRs – section 10.1	6
	Machinery of Government changes	ARRs – section 10.2, 31 and 32	n/a
	Agency role and main functions	ARRs – section 10.2	6
	Operating environment	ARRs – section 10.3	7
<b>Non-financial performance</b>	Government's objectives for the community	ARRs – section 11.1	6
	Other whole-of-government plans/ specific initiatives	ARRs – section 11.2	20 –21
	Agency objectives and performance indicators	ARRs – section 11.3	37–38
	Agency service areas and service standards	ARRs – section 11.4	39
<b>Financial performance</b>	Summary of financial performance	ARRs – section 12.1	40–42
<b>Governance – management and structure</b>	Organisational structure	ARRs – section 13.1	25
	Executive management	ARRs – section 13.2	30–31
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	n/a
	<i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	32
	Queensland public services values	ARRs – section 13.5	n/a

<b>Governance – risk management and accountability</b>	Risk management	ARRs – section 14.1	28,32
	Audit committee	ARRs – section 14.2	28
	Internal audit	ARRs – section 14.3	32
	External scrutiny	ARRs – section 14.4	32
	Information systems and recordkeeping	ARRs – section 14.5	34
<b>Governance – human resources</b>	Strategic workforce planning and performance	ARRs – section 15.1	35
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	36
<b>Open Data</b>	Statement advising publication of information	ARRs – section 16	3
	Consultancies	ARRs – section 33.1	3
	Overseas travel	ARRs – section 33.2	3
	Queensland Language Services Policy	ARRs – section 33.3	3
<b>Financial statements</b>	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	83
	Independent Auditor’s Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	84–86

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual Report requirements for Queensland Government agencies*

## GLOSSARY – ACRONYMS AND ABBREVIATIONS

<b>ABS</b>	Australian Bureau of Statistics
<b>ARAMA</b>	Australian Resident Accommodation Managers Association
<b>ARC</b>	Audit and Risk Committee
<b>CC</b>	Consultative Committee
<b>CPAQ</b>	Caravan Parks Association of Queensland
<b>DHPW</b>	Department of Housing and Public Works
<b>EEO</b>	Equal Employment Opportunity
<b>FPMS</b>	Financial and Performance Management Standard 2019 (effective 1 September 2019)
<b>FTE</b>	Fulltime Equivalent (staff)
<b>IP Act</b>	<i>Information Privacy Act 2009</i>
<b>OFT</b>	Office of Fair Trading
<b>PMSC</b>	Portfolio Management Steering Committee
<b>POAQ</b>	Property Owners' Association of Queensland
<b>QCAT</b>	Queensland Civil and Administrative Tribunal
<b>QIC</b>	Queensland Investment Corporation
<b>QPS</b>	Queensland Police Service
<b>Q Shelter</b>	Queensland Shelter
<b>QTC</b>	Queensland Treasury Corporation
<b>REIQ</b>	Real Estate Institute of Queensland
<b>RTA</b>	Residential Tenancies Authority
<b>RTEO</b>	Residential Tenancies Employing Office
<b>RTI Act</b>	<i>Right to Information Act 2009</i>
<b>RTRA Act</b>	<i>Residential Tenancies and Rooming Accommodation Act 2008</i>
<b>SDS</b>	Service Delivery Statement

## LIST OF CHARTS, GRAPHS AND TABLES

Actual results for 2018–19	39
Adaptive people	38
Allocation of investment funds as at 30 June 2018	41
Board Meetings	28
Bond forms processed	16
Bond management	15
Business sustainability	38
Calls answered by RTA's Contact Centre	17
Dispute resolution requests received	18
Enhanced client services	37
Financial performance 2012–13 to 2017–18	40
Improve business systems	37
Median length of tenancies (months)	9
Median rents for Queensland and major centres	11
Our customers	8
Our corporate governance framework	32
Our operations	7
Our organisational structure	25
Performance review framework	33
Queensland bonds held by the RTA	12
Reasons for disputes	19
RTA Service Delivery Statement	39
Total bonds held by dwelling type	13
Total expenditure by type	42
Types of offences investigated in 2017–18	23
Weekly median rents	11
Workforce profile	36