

Annual Report 2018-2019

Connecting Courts and Communities

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Court Services Victoria acknowledges the Aboriginal and Torres Strait Islander people as the Traditional Custodians of the land. Court Services Victoria also acknowledges and pays respect to their Elders, past and present.

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# Glossary

|  |  |
| --- | --- |
| Term | Definition |
| AJA | Aboriginal Justice Agreement |
| AJF | Aboriginal Justice Forum |
| CEO | Chief Executive Officer |
| CMS | Case management system |
| College | Judicial College of Victoria |
| Commission | Judicial Commission of Victoria |
| Courts Council | the governing body of Court Services Victoria, comprising the Heads of Jurisdiction and up to two non-judicial members appointed by the Heads of Jurisdiction |
| CSO | Court security officer |
| CSV | Court Services Victoria |
| DTF | Department of Treasury and Finance |
| ERP | Elders and Respected Persons |
| FOI | Freedom of information |
| FTE | Full-time equivalent |
| ITS | Information Technology Services |
| Jurisdictions | Victorian courts and tribunal, which are the Supreme Court of Victoria, the County Court of Victoria, the Magistrates’ Court of Victoria, the Children’s Court of Victoria, the Coroners Court of Victoria and the Victorian Civil and Administrative Tribunal |
| Jurisdiction Services | Collective term used internally to refer to the operational divisions of CSV |
| OH&S | Occupational health and safety |
| STS | Senior Technical Specialist |
| VCAT | Victorian Civil and Administrative Tribunal |
| VGRS | Victorian Government Reporting Service |
| VPS | Victorian Public Service |

Responsible Body’s Declaration

In accordance with the Financial Management Act 1994 (Vic) and the Court Services Victoria Act 2014 (Vic), I am pleased to present the Court Services Victoria Annual Report for the year ended 30 June 2019.

The Honourable Chief Justice Mary Anne Ferguson

Chair of the Courts Council

# Message from the Chair

It is a pleasure to present the fifth annual report of Court Services Victoria (CSV).

Since 2014, Court Services Victoria has worked to improve services and strengthen the administrative independence of Victoria’s courts and tribunal.

As Chair of the Courts Council, I have seen firsthand how Court Services Victoria is meeting its objectives and continuing to build its ability to do so year on year.

The Victorian courts and tribunal operate as an interconnected network providing services to the community right across the State. Fair, accessible and efficient courts contribute to public trust and confidence in the justice system. Court Services Victoria’s role in enabling this is through the delivery of efficient and effective services and supporting Courts Council in the governance and strategy of Court Services Victoria.

I commend Court Services Victoria for helping to connect the courts and the Victorian Civil and Administrative Tribunal (VCAT), while at the same time supporting their independence. This enables individual jurisdictions to establish a culture that drives collaboration, information sharing and collective progress towards our common objectives.

## Serving Our Community

Courts and tribunals are at the frontline of delivering justice services to the community. To do this effectively, it is necessary to be able to deliver justice through modern court environments.

Following on from the successful opening and commencement of operations of the new Shepparton Law Courts in 2018, it is extremely pleasing that funding for the Bendigo Law Courts development was announced earlier this year. The new facility will deliver a fit-for-purpose court of the future to meet community justice needs for Bendigo and the wider Loddon Mallee region.

The Bendigo community has already contributed extensively to the design of the court and will continue to be engaged throughout the planning and construction phases to ensure the new court meets contemporary community and justice needs. I very much look forward to supporting the progress of this important development.

On a broader scale, Court Services Victoria is working on the next generation Strategic Asset Plan that will assess Court Services Victoria’s future asset needs and develop effective responses to addressing those needs. The Strategic Asset Plan will assist the courts and tribunal to respond to the increasing demand, as well as the changing landscape of operating in a modern justice system, by planning for their future infrastructure needs.

When Court Services Victoria was established, it was recognised that one of the significant challenges was to replace ageing and inadequate IT infrastructure and systems so that modern information technology solutions could be implemented to improve accessibility for the community and efficiency of the courts and tribunal. I am pleased to say that Court Services Victoria has taken great steps forward, including transitioning to a robust and modern technology platform that is overseen by the courts and the tribunal and progressing major IT projects to support case management.

## Acknowledgements

The Courts Council has been very well supported during the past year by the Chief Executive Officer (CEO) and Court Services Victoria staff. I am very pleased to welcome Louise Anderson, who joined Court Services Victoria as the new Chief Executive Officer in April this year. I extend the sincere thanks of Courts Council to David Ware for his dedicated service to Court Services Victoria, and to Terry Healy for his work as acting Chief Executive Officer.

All staff of Court Services Victoria have again demonstrated their commitment to supporting Victoria’s courts and tribunal to deliver independent and fair justice, and I thank them for their considerable efforts in the past year. I also extend my thanks to all Portfolio Committee members. We are extremely grateful for your contribution to the delivery of quality and accessible justice across our community.

Finally, I also thank the members of the Courts Council for their diligence, enthusiasm and vision. It is my great pleasure to work with them.

The Honourable Anne Ferguson

Chief Justice of the Supreme Court of Victoria

Chair of the Courts Council

“The Victorian courts and tribunal operate as an interconnected network providing services to the community right across the state. Fair, accessible and efficient courts contribute to public trust and confidence in the justice system.”

# Message from the Chief Executive Officer

Court Services Victoria’s Annual Report sets out Court Services Victoria’s purpose, strategic direction, achievements, challenges and priorities, as well as, to a more limited extent, those of the courts, the Victorian Civil and Administrative Tribunal, the Judicial College and the Judicial Commission, to which Court Services Victoria provides support.

Over the past five years Courts Council has laid the foundation for Court Services Victoria’s performance, through setting a strategic direction, improving governance, and building a strengthened financial position. This positions Court Services Victoria well for the future, as to meet the challenges of Court Services Victoria’s charter it is important to plan, work and invest for the long term.

Court Services Victoria has a clear and overriding objective to support the independence of the courts and tribunal. It does this through sound financial management, innovative use of technology, enabling safe and secure courts, and the provision of a professional and competent staff cohort. All these components are important to make sure that justice is delivered, performance is maintained, and public confidence in the rule of law is safeguarded.

Overall, the 2018-19 financial end-of-year results for Court Services Victoria were strong, but many of the jurisdictions that Court Services Victoria supports are challenged to find the resources necessary to keep pace with demand and community expectation. Court Services Victoria and the jurisdictions are engaging with this challenge and considering how service integration, co-location, and more shared corporate support, including shared in-court-technology systems, could alleviate some of the operational pressures.

Safety and security of our judiciary, staff and the thousands of people who access the courts and Victorian Civil and Administrative Tribunal every day is of foremost importance to Court Services Victoria. The Court Security contract has been operational for several years, enabling Court Services Victoria to deliver security staff and screening in all court buildings across Victoria. Our strong performance in this area is critical, and there are further improvements to make as we continue our efforts to strengthen the safety of facilities in outer metropolitan Melbourne and regional Victoria. This, along with increased focus on ensuring all staff understand the risks and controls that must be in place to protect the health and safety of those who access Victorian courts, is helping Court Services Victoria improve its performance in many aspects of safety.

Strengthening technology capability to enable courts and Victorian Civil and Administrative Tribunal to move towards the delivery of robust, accessible digital services is another key priority for Court Services Victoria. Securing funding for a modern Case Management System for the Magistrates’ and Children’s Courts was a fundamental step towards achieving this capability. Continuing to roll out specialist family violence courts and related support services as required by the report arising from the Royal Commission into Family Violence will require Court Services Victoria to develop even greater capacity in asset management and delivering major capital works.

Funding for the Aboriginal Justice Agreement Phase 4 - Burra Lotjpa Dunguludja was announced in August 2018. It provides for the expansion of Koori Courts in the County, Magistrates’ and Children’s Courts, and implementation of new initiatives in the Coroners Court, Victims of Crime Assistance Tribunal, and Victorian Civil and Administrative Tribunal designed to enhance Aboriginal people’s access to civil courts. Koori Courts play a very important role in the criminal justice system, delivering justice in a manner that is directed to reducing the rate of re-offending by Aboriginal offenders, and addressing the long-standing over-representation of Aboriginal people in the system. The courts are supported by dedicated specialist Koori and Aboriginal staff, and rely on the expertise of Koori elders in carrying out this significant function.

These are but a few examples of Court Services Victoria’s achievements and forward challenges, and I take this opportunity to thank David Ware and Terry Healy for their contributions in the role of Chief Executive Officer, making much of this possible. The leadership of Courts Council and the jurisdiction Chief Executive Officers, as well as the professionalism and commitment of senior executives and the staff they lead, place Court Services Victoria in a strong position to improve its value to the Victorian courts, tribunal and public year on year.

I am very much looking forward to working collaboratively, thinking boldly and acting creatively so that we can keep improving and delivering independent, valuable court and tribunal services to Victoria.

Louise Anderson

Chief Executive Officer

“Court Services Victoria has a clear and overriding objective to support the independence of the courts and tribunal. It does this through sound financial management, innovative use of technology, enabling safe and secure courts, and the provision of a professional and competent staff cohort.”

# Section 1: Governance and Organisational Structure

## About Court Services Victoria

The Court Services Victoria Act 2014 established Court Services Victoria (CSV) as an independent statutory body corporate to provide services and facilities to the Supreme Court of Victoria, the County Court of Victoria, the Magistrates’ Court of Victoria, the Children’s Court of Victoria, the Coroners Court of Victoria, the Victorian Civil and Administrative Tribunal (VCAT), the Judicial College of Victoria (College) and the Judicial Commission of Victoria (Commission).

The governing body of Court Services Victoria is the Courts Council, chaired by the Chief Justice. The Courts Council comprises the heads of each jurisdiction and up to two non-judicial members. There are seven standing committees that inform the work of the Courts Council.

Court Services Victoria’s functions are to provide, or arrange the provision of, the administrative services and facilities necessary to support the performance of the judicial, quasi-judicial and administrative functions of the courts, Victorian Civil and Administrative Tribunal, the College, and the Commission. In performing its functions and carrying out its powers, Court Services Victoria acknowledges and respects the unique identity, independence and institutional integrity of each jurisdiction, the College, and the Commission.

All staff, including those working in jurisdictions, the College, and the Commission, are employed by Court Services Victoria.

The Courts Council appoints the Chief Executive Officer Court Services Victoria to lead the functions of Court Services Victoria consistent with the governance, strategy, plans, procedures and policies of the Courts Council. The Chief Executive Officer Court Services Victoria is the accountable officer under Section 42 of the Financial Management Act 1994 responsible for financial management compliance, planning and reporting of Court Services Victoria. The Chief Executive Officer Court Services Victoria also has the rights, powers and authorities of a public service body head, on behalf of the Crown, for employees of Court Services Victoria. The Chief Executive Officer Court Services Victoria is the employer of all staff members of Court Services Victoria.

The Courts Council on the nomination of the relevant head of jurisdiction appoints Chief Executive Officers for each court and Victorian Civil and Administrative Tribunal. Chief Executive Officers ensure that appropriate supports are provided to their jurisdictions and are responsible directly to their head of jurisdiction in relation to those operations. The jurisdiction Chief Executive Officers exercise delegated authority necessary to assist the Head of Jurisdiction in the administration of the jurisdiction, and to support the effective and efficient operations of Court Services Victoria.

The Chief Executive Officer of the Judicial College and the Director of the Judicial Commission are appointed by the Court Services Victoria Chief Executive Officer, pursuant to nomination by the respective Boards of the College and the Commission.

Chief Executive Officers and the Commission Director also work with the Chief Executive Officer Court Services Victoria, and each other, on matters relevant to Court Services Victoria as a whole.

### Role with Respect to the Jurisdictions

Each jurisdiction, the College, and the Commission are separate and distinct institutions with their own legislation, governing councils and internal arrangements.

The substantive work of the jurisdictions, the College, and the Commission is not encompassed within the Court Services Victoria Annual Report.

Court Services Victoria receives a direct appropriation from the parliament to enable it to carry out its functions and manage its own budget. The Court Services Victoria Chief Executive Officer is the Accountable Officer for the Courts’ appropriation, and the Courts Council is the Responsible Body.

Court Services Victoria, each of the jurisdictions, the College and the Commission have separate budgets prepared and approved under section 41 of the Court Services Victoria Act. Court Services Victoria, as the relevant body corporate, enters into contracts, holds property and related legal rights and obligations, relevant to the administrative services and facilities required to support the performance of the jurisdictions, the College and the Commission.

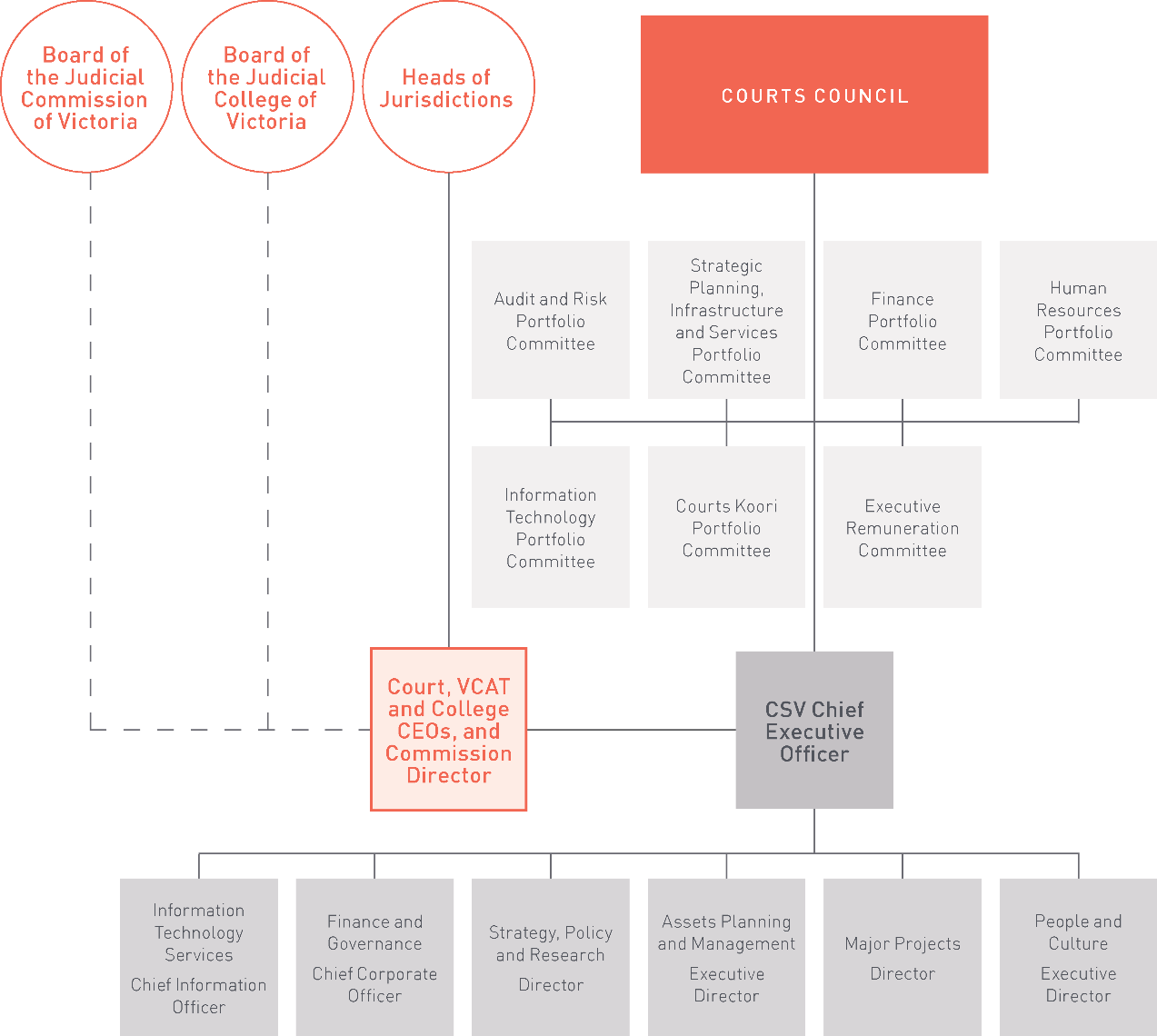
### Establishment and Ministerial Powers

Court Services Victoria has accountabilities to both the parliament and the executive for the way in which it carries out its operations within its allocated budget.

The Attorney-General is the relevant Victorian Minister with portfolio responsibility for Court Services Victoria. The Attorney-General's statutory powers with respect to Court Services Victoria are budget approval (section 41, Court Services Victoria Act), agreement to allocation statements (section 48, Court Services Victoria Act) and recommending the vesting of Crown Land to Court Services Victoria (section 58, Court Services Victoria Act).

In performing its functions, Court Services Victoria serves the Victorian community through the efficient and effective delivery of court and tribunal services, thereby supporting Victoria’s system of responsible government and the rule of law.

### Governance Structure



## Governing Body

### Courts Council

The Court Services Victoria governing body is the Courts Council. It is chaired by the Chief Justice of the Supreme Court of Victoria and consists of the six Heads of Jurisdiction and up to two non-judicial members appointed by the Heads of Jurisdiction. As at 30 June 2019, the Courts Council had one non-judicial appointed member.

The Courts Council is responsible for the general direction and superintendence of Court Services Victoria and, subject to the Court Services Victoria Act, may perform the functions and exercise the powers of Court Services Victoria. In addition, the Courts Council has the following functions and powers.

* To direct the strategy, governance and risk management of Court Services Victoria.
* To appoint the Court Services Victoria Chief Executive Officer.
* To appoint the Chief Executive Officer for each jurisdiction on the recommendation of the relevant Head of Jurisdiction.
* Any other functions that are conferred on the Courts Council by the Court Services Victoria Act, or any other Act.

### Courts Council Members



Chief Justice of the Supreme Court of Victoria

The Honourable Chief Justice Anne Ferguson was first appointed as a judge of the Supreme Court of Victoria in 2010, and subsequently appointed Chief Justice on 2 October 2017.



Chief Judge of the County Court of Victoria

The Honourable Justice Peter Kidd was appointed Chief Judge of the County Court of Victoria in September 2015.



Chief Magistrate of the Magistrates’ Court of Victoria

His Honour Judge Peter Lauritsen commenced in the role of Chief Magistrate on 29 November 2012, after being first appointed as a Magistrate in 1989.



President, Victorian Civil and Administrative Tribunal

The Honourable Justice Michelle Quigley was appointed as a judge of the Supreme Court of Victoria in December 2017, and appointed as President of the Victorian Civil and Administrative Tribunal on 1 June 2018.



State Coroner, Coroners Court of Victoria

Her Honour Coroner Caitlin English was Acting State Coroner from 16 April 2019 to 30 June 2019.

His Honour Deputy State Coroner Iain West was Acting State Coroner from 18 August 2018 to 15 April 2019.

Her Honour Judge Sara Hinchey was State Coroner until 17 August 2018.



President of the Children’s Court of Victoria

Her Honour Judge Amanda Chambers was appointed as a judge of the County Court of Victoria and President of the Children’s Court of Victoria on 9 June 2015.



#### Independent Member

Dr Philip Williams AM heads the legal and competition team of Frontier Economics (Australia). Dr Williams’ area of expertise is the relationship between economics and the law, and he is a co-author of the Australasian Institute of Judicial Administration’s Report on Court Governance.

### Committees

The Courts Council is supported by seven standing committees. These committees are judicially led, an important feature of Court Services Victoria’s governance and operating structure.

Each committee considers a range of issues pivotal to Court Services Victoria’s operations and meet regularly, except for the Executive Remuneration Committee that meets as and when required.

#### Audit and Risk Portfolio Committee

The Audit and Risk Portfolio Committee assists the Council to fulfil its governance responsibilities and obligations in relation to financial reporting and accuracy of the Court Services Victoria Financial Statements. The Committee also advises on risk management; the development of the internal audit annual program; internal control functions; external audit; and ensures the financial systems and processes of Court Services Victoria are consistent with the requirements of the Financial Management Act 1994, the Audit Act 1994, and other legislation and prescribed requirements.

In accordance with the Financial Reporting Directions under the Financial Management Act, the members of the committee during the 2018-19 financial year are listed below.

* Stewart Leslie, Chair, Independent Member
* Dr Philip Williams, Independent Member, Courts Council
* The Honourable Justice Peter Almond Supreme Court of Victoria (Retired November 2018)
* His Honour Judge Paul Lacava County Court of Victoria (Retired February 2019)
* Magistrate Phillip Goldberg, Magistrates’ Court of Victoria
* Dr Margaret Salter Independent Member (Ceased November 2018)
* Elizabeth Camilleri, Independent Member
* Justice Michael McDonald Supreme Court of Victoria, (Appointed August 2018)
* Judge Philip Ginnane County Court of Victoria (Appointed March 2019)
* Ms Kylie Maher Independent Member (Appointed August 2018 – Resigned January 2019)

#### Courts Koori Portfolio Committee

The Courts Koori Portfolio Committee advises the Courts Council on Indigenous issues, assists jurisdictions with issues relating to Indigenous justice, and recognises the importance that Indigenous communities and stakeholders have in the delivery of Indigenous justice.

#### Executive Remuneration Committee

The Executive Remuneration Committee meets as required to consider matters relating to executive remuneration, performance and governance for the assessment and approval of executive salaries, terms and conditions.

#### Finance Portfolio Committee

The Finance Portfolio Committee supports and advises the Courts Council on issues affecting financial sustainability, strategy and performance, and to assist it in fulfilling its fiduciary responsibilities and obligations. It also advises Council on matters relating to the Court Services Victoria budget and financial risk management, reviewing operating and capital budgets and monitoring performance against budget.

#### Human Resources Portfolio Committee

The Human Resources Portfolio Committee assists the Courts Council by overseeing the development of human resources policies and strategies that support best practice human resource planning and management in Court Services Victoria.

#### Information Technology Portfolio Committee

The Information Technology Portfolio Committee oversees the development of information technology strategies and initiatives to support the independent operation of Victoria’s courts and tribunals, and focuses on the identification and development of multijurisdictional policies, strategic initiatives, solutions, and services to benefit all jurisdictions.

#### Strategic Planning, Infrastructure and Services Portfolio Committee

The Strategic Planning, Infrastructure and Services Portfolio Committee assists the Courts Council in the strategic planning, development and oversight of courts and tribunals infrastructure and services for Victoria.

### Senior Executive

#### Court Services Victoria Chief Executive Officer

Louise Anderson was appointed as the Court Services Victoria Chief Executive Officer on 8 April 2019, by the Courts Council under, section 22 of the Court Services Victoria Act.

Her functions and powers include the management of the support services and functions of Court Services Victoria in accordance with the strategy, plan, procedures and functions of the Courts Council. The Court Services Victoria Chief Executive Officer is also responsible for the appointment and management of Court Services Victoria staff (other than the appointment of the jurisdiction Chief Executive Officers).

David Ware served as Chief Executive Officer from 1 July 2018 to 27 September 2018. Terry Healy served as Acting Court Services Victoria Chief Executive Officer from 28 September 2018 to 7 April 2019.

#### Operational Divisions

Court Services Victoria supports the operations of the jurisdictions, the College and the Commission through:

* Asset Planning and Management
* Compliance and best practice in Finance and Governance
* Information Technology Services
* Delivery of Major Projects
* Workforce support and planning through People and Culture
* Data and Business Intelligence

The Senior Executives, as at 30 June 2019, who have a leadership role in respect of the delivery of these services are.



Justin Bree, Chief Information Officer



Michael Carroll, Director, Major Projects



Salvatore Costanzo, Chief Finance Officer



Alicia Goddard, Executive Director, People and Culture



Marlene Morison, Executive Director, Asset Planning and Management



Marion van Rooden, Chief Corporate Officer

#### Jurisdiction Chief Executive Officers

The jurisdiction Chief Executive Officers oversee the administrative support services for their respective jurisdictions and provide support to the relative Head of Jurisdiction.

The Chief Executive Officers also come together in a collaborative forum with the Court Services Victoria Chief Executive Officer to manage Court Services Victoria as a whole. The Chief Executive Officer Group assists the Courts Council through leadership in court and tribunal administration, strategies and plans that the Council chooses to implement in pursuit of court excellence, and continuous improvement to better serve the Victorian community independently of executive government.

The Chief Executive Officers, as at 30 June 2019, are listed below.



Matt Hall, Supreme Court of Victoria



Fiona Chamberlain, County Court of Victoria



Andrew Tenni, Magistrates’ Court of Victoria



Simon McDonald, Children’s Court of Victoria



Carolyn Gale, Coroners Court of Victoria



Samantha Burchell, Judicial College of Victoria

Jacqueline Harrop, Acting Director, Judicial Commission of Victoria (see note (2))



Mary Amiridis, Victorian Civil and Administrative Tribunal (see note (1))

Notes:

1. Kerryn Negri was Chief Executive Officer, Victorian Civil and Administrative Tribunal, until 11 March 2019.
2. Richard Besley was Director, Judicial Commission of Victoria, until 31 May 2019.

# Section 2: Year in Review

Court Services Victoria’s role is to support the jurisdictions in the administration of justice in Victoria through the provision of administrative services and facilities, and is responsible for the implementation of strategy, governance and risk management as directed by the Courts Council.

In addition to the strategic priorities of Courts Council and the individual jurisdictions, the work of the jurisdictions, the College and the Commission is influenced by government policy, legislative change, the fiscal environment and demand. Consequently, Court Services Victoria’s challenge is to structure its resources and systems in a manner that ensures it can respond to change in the most cost effective, efficient and agile manner.

Court Services Victoria is committed to continuous improvement, arrived at through review, evaluation and the identification of internal and external risk and opportunities. Jurisdictions are similarly committed, and put in place programs that include changes to the way cases are managed (including a strong focus on alternative dispute resolution) as well as embracing technological change. Court Services Victoria must then be sufficiently responsive to ensure a robust compliance regime to support Courts Council and identify strategic risk and opportunities, as well as review and improve its services offerings to the jurisdictions.

This ‘Year in review’ section details performance highlights of each of Court Services Victoria’s operational areas against the four Strategic Priorities listed in the Court Services Victoria Corporate Plan. Achievements against performance measures are reported under Output Performance.

## Corporate Plan

During 2018-19, Court Services Victoria operated consistently with its Corporate Plan 2018-2022, which outlines the entity’s strategic priorities.

Strategic Statement

Vision

To support the Victorian courts and Victorian Civil and Administrative Tribunal in the administration and delivery of independent, fair and excellent justice.

Purpose

To provide the Victorian courts, Victorian Civil and Administrative Tribunal, the Judicial College and the Judicial Commission, with high quality administrative services in a judicially‑led environment.

Values

Responsiveness, Integrity, Impartiality, Accountability, Respect, Leadership and Human Rights.

Strategic Priorities

* Judicial independence
* Support the administration of justice
* Responsible management and accountability
* Excellence in court, tribunal and judicial support

In pursuit of the four high level strategies, Court Services Victoria focusses strongly on its legislated objective:

* To support judicial independence in the administration of justice in Victoria by establishing a body to provide the administrative services and facilities necessary for the Victorian courts and Victorian Civil and Administrative Tribunal to operate independently of the executive branch of government.

Court Services Victoria does this by:

* Supporting the jurisdictions to be forward thinking and innovative including system wide reform led by the judiciary.
* Embedding the principles of the International Framework for Court Excellence in court and tribunal management.
* Assisting the implementation by jurisdictions of digital transformation strategies, including electronic files and hearings.
* Providing high quality financial management, support and expertise.
* Working with jurisdictions to meet their statutory, operational and budgetary objectives.
* Facilitating the planning and provision of appropriate court and tribunal facilities to meet the needs of the evolving courts system.

## Judicial Independence

Fair, accessible and efficient courts contribute to public trust and confidence in the justice system. Court Services Victoria’s role in enabling this is through the delivery of efficient and effective court and tribunal services as well as supporting Courts Council in the governance and strategy of Court Services Victoria.

Court Services Victoria enables the courts and Victorian Civil and Administrative Tribunal to operate independently of the executive branch of government, a key principle of the separation of powers. At the direction of the Courts Council, Court Services Victoria is able to make independent administrative decisions. It adheres to the highest standards of integrity and accountability.

### Office of the Chief Executive Officer

The Office of the Chief Executive Officer of Court Services Victoria supports the leadership of Court Services Victoria through a culture of continuous improvement innovation and effective service delivery. This includes the coordination and preparation of papers for meetings with jurisdictions and senior representatives of Victorian government departments. The Office also administers the Secretariat function for the Courts Council and its Portfolio Committees.

### Aboriginal Justice Agreement 4

The 2017-18 State Budget included an announcement for the largest single investment made in Victorian courts and tribunals towards the Aboriginal Justice Agreement (AJA), with a total investment of just over $12 million (plus capital investment) over four years. Access to culturally- appropriate service responses for Aboriginal people is required to improve justice outcomes.

The Budget’s major investments ($6.678 million) has allowed for the expansion of the Koori Courts across three jurisdictions (County, Magistrates’ and Children’s courts). Locations for the Koori Court expansion were endorsed by the Aboriginal Justice Caucus in February 2019. Expansion has been completed in Shepparton and Warrnambool County Courts and Dandenong and Heidelberg Magistrates’ Courts. Expansion at Wodonga/Wangaratta Magistrates’ Courts is due to commence in 2020-21. The Children’s Court evaluation of the Marram-Ngala Ganbu program and consultations for expansion to Shepparton have commenced.

Additional funding was provided for the following initiatives:

* Recruitment of a designated Koori Registrar in the Coroners Court to case manage Koori coronial cases to better assist and improve the experience of Koori families and ensure culturally appropriate practices.
* Strengthen service levels and ensure the unmet demands of Koories accessing the Koori VOCAT List.
* Recruitment of dedicated resources to address the currently inadequate civil law needs of Koories by engaging with Victorian Civil and Administrative Tribunal’s services.
* One-year trial of Aboriginal Community Justice Reports.

Positions for a Koori Registrar and Koori List Engagement Registrar have been recruited. the Coroners Court employed a Koori Engagement Coordinator in March 2019 who will case manage Aboriginal coronial cases to better assist and improve the experience of Aboriginal families and ensure culturally appropriate practices. Within two months of recruitment of the Koori Engagement Coordinator, 22 families have been engaged, noting there are 92 open cases involving deaths of Koori people.

### Koori Programs and Initiatives

The Koori Programs and Initiatives unit maintains organisational focus on contemporary approaches to responding to issues relevant to Koori users of the criminal and civil court system, Koori staff and the community. Working in collaboration with jurisdictions, the unit is responsible for coordinating the strategic development and delivery of Victoria’s Koori justice policies and programs across all courts and Victorian Civil and Administrative Tribunal.

Key Koori projects and initiatives delivered in 2018-19 include the following.

#### Koori Employment

Court Services Victoria is committed to attracting, developing and retaining Koori talent. In line with the Victorian Government’s Barring Djinang Aboriginal Employment Strategy, Court Services Victoria pledged to work towards a two per cent Koori employment participation rate across the jurisdictions. As at June 2019, 46 staff identified as Aboriginal and/or Torres Strait Islander, representing 2.09 per cent Koori employment participation rate across Court Services Victoria.

#### Koori Specific Training

Court Services Victoria is committed to delivering culturally appropriate and wellbeing-based programs for the Koori workforce. A specifically designed Vicarious Trauma training program for Koori staff was delivered to Elders and Respected Persons (ERPs) of the Koori Courts across the state. In collaboration with Koori Court Officers, a cultural wellbeing program was delivered to Elders and Respected Persons in regional locations. Koori frontline staff participated in a cultural resilience program to promote self-care of front-line staff.

#### Koori Cultural Awareness Training

Building a workplace that is culturally aware of Koori history and the challenges of the Koori community is instrumental to the retention of Koori staff and the provision of a culturally safe service to the Koori community.

A program of cultural awareness training has been designed and delivered to staff and those engaging directly with the Koori community, with seven sessions and three specialist programs delivered in 2018-19. Training was also delivered for Managers of Koori staff focusing on strengthening the relationship between non-Aboriginal managers and Koori staff, primarily focusing on retention and career development.

#### Aboriginal Justice Forum Responsibilities

As the peak coordinating body responsible for overseeing the development, implementation and direction of the Aboriginal Justice Agreement, the Aboriginal Justice Forum (AJF) brings together leaders in the Aboriginal community and senior representatives of the courts, justice, health, human services, and education departments, and Aboriginal Victoria (within the Department of the Premier and Cabinet).

Court Services Victoria is represented by judicial officers from the County, Magistrates’ and Children’s Courts. The Koori Programs and Initiatives unit undertakes statewide coordination across the jurisdictions in response to requests from the Aboriginal Justice Forum.

### Finance and Governance

Finance and Governance supports effective governance of Court Services Victoria by the Courts Council and the Court Services Victoria Chief Executive Officer through corporate policies, specialist advice and services. Finance and Governance is responsible for financial management, audit and risk management, procurement and legal and governance functions. A key role is to support the Council and the Court Services Victoria Chief Executive Officer meet statutory and corporate accountabilities, particularly with respect to the Financial Management Act 1994, and the Standing Directions of the Minister for Finance.

Finance and Governance also supports the Finance Portfolio Committee, the Audit and Risk Portfolio Committee and the Procurement Board in the execution of their responsibilities.

### Risk and Audit Services

Risk and Audit Services supports the Courts Council to execute its responsibilities to direct the management of Court Services Victoria risk, assists jurisdictions with the identification and management of risk, and manages the delivery of the internal audit program.

Building a positive risk culture, one that is shared and well understood across Court Services Victoria, is integral to effective risk identification and management. Risk and Audit Services have now embedded the foundational work necessary to allow this more proactive culture to be developed − one where staff at every level appropriately manage risk as an intrinsic part of their day-to-day work.

Key achievements of Risk and Audit Services during 2018-19 include:

* Completion of strategic and operational risk registers for a number of jurisdictions and functions within Court Services Victoria.
* Development of risk categories and a methodology for the development of a Court Services Victoria consolidated risk register.
* Reviewed and updated the Court Services Victoria Risk Management Framework and Policy to ensure this meets regulatory and best practice requirements.
* Conducted a procurement process for internal audit services.
* Supported the delivery of the 2018-19 internal audit plan involving five audits, which resulted in 81 recommendations that are currently being implemented.

### Integrity Framework

In May 2018, Courts Council approved Court Services Victoria’s inaugural Integrity Framework, designed to strengthen and consolidate integrity management systems throughout Court Services Victoria.

Guided by the Integrity Framework Action (Control) Plan for 2018-19, significant work has been undertaken to design new products and services that build on existing integrity systems. This includes the introduction of training programs and the enhancement of reporting mechanisms.

The *‘*Integrity At Work’ program enhances Court Services Victoria’s many prevention, detection and response mechanisms to counter fraud and corruption, aiming to achieve the highest standards of ethical and professional practice.

### Data and Reporting

Managing Court Services Victoria’s data warehouse and coordinating a range of reporting activities is a core function for Court Services Victoria. The data warehouse hosts more than 1.4 billion records and provides business intelligence tools to the jurisdictions that enable access to this data, with 163 active users registered.

Court Services Victoria responded to 109 ad hoc requests for data, as well as coordinating the delivery of significant datasets to the Productivity Commission for the annual Report on Government Services, the Sentencing Advisory Council and the Australian Bureau of Statistics.

## Support the Administration of Justice

Court Services Victoria contributes to the effective and efficient administration of the justice system in Victoria, in a number of ways, including focussing on:

* Its people and its culture
* Court users and the community
* Collaborative service and infrastructure planning and design
* Innovative service delivery

### People and Culture

People and Culture provides strategic and innovative solutions in the development of workforce capacity, change transformation, culture, and the operational management of people across Court Services Victoria.

People and Culture’s business plan is aligned to the strategic agenda set by Courts Council, and based on the needs of each jurisdiction, identified through effective ongoing consultation. The Human Resources Portfolio Committee oversights the governance and people strategies.

### Strategic Asset Plan

Court Services Victoria is currently developing a next generation Strategic Asset Plan to formulate an expanded statewide asset strategy that identifies options for future court service delivery models, sector-wide demand modelling and multi-jurisdictional sharing of functions and assets. The Strategic Asset Plan will assist jurisdictions to respond to the increasing pressure on their facilities and to plan for their future infrastructure needs.

Following a $3 million investment in the 2018- 19 State Budget, work is underway to develop a medium-to-long term investment strategy (15 years) to form the basis for the assessment of future infrastructure cases and prioritisation by the Courts Council and the Executive Government.

Since the original Court Services Victoria Strategic Asset Plan was released in 2016, all jurisdictions have been subject to significant legislative change and new policy direction from Government. Much reform has taken place as a result of the Royal Commissions into Family Violence and Institutional Child Sexual Abuse. All jurisdictions have undertaken reforms to improve court user experience and improve efficiency. Also, demographic forecasts are now showing greater growth than anticipated in 2016.

The Strategic Asset Plan will be updated to reflect the impact of these reforms, which have and will continue to have, a major impact on the spatial requirements and asset configurations needed to meet demand and support community expectations in the delivery of justice through a modern court environment.

### Bendigo and Wyndham Law Courts Developments

The 2018-19 State Budget provided $20 million to fund the purchase of land for the future development of law courts in Bendigo and Wyndham.

Acquisition of land in East Werribee, within the Wyndham Justice Precinct, will be completed in 2019-20. The land chosen for the Bendigo Law Courts is on the corner of Mundy and Hargreaves Street, on a site currently used by Bendigo TAFE.

The 2019-20 State Budget provided $166.2 million for the construction of the new Bendigo Law Courts. the proposed five-story building will have eight courtrooms, two hearing rooms, two mediation suites and custody cells, bringing together all specialist courts: Children’s Court, Drug Court, Specialist Family Violence Court, Koori Court, and the Assessment and Referral Court. The redeveloped Bendigo Law Court will promote accessible justice, provide a safe and secure space for all users, and contribute to the regeneration of central Bendigo.

### Design and Development Specialist Court Facilities

The Specialist Family Violence Program includes an asset stream of capital projects for the Magistrates’ Court and Victorian Civil and Administrative Tribunal to support the recommendations from the Royal Commission into Family Violence, including accommodation for staff and support agencies, creating safe waiting areas, interview rooms, discrete entries and separate pathways.

During 2018-19, Asset Planning and Management completed design work for all locations, and construction commenced at Shepparton, Ballarat, Moorabbin and Heidelberg specialist family violence courts.

### Court Security Model

Court Services Victoria has continued to strengthen and mature its model of delivering security services to jurisdictions. The original model was implemented in July 2017, ensuring the presence of Court Security Officers (CSOs) on sitting days of all courts across the state, and delivered security equipment upgrades at several suburban and regional court locations.

The presence of Court Security Officers is creating a safer court environment through their role in detecting and removing prohibited and offensive weapons from entering courts and tribunals; the de-escalation of incidents; and escorting of vulnerable family violence applicants to cars. This effort is reinforced by a program to replace obsolete and outdated security entrance equipment.

Court Services Victoria’s security arrangements will be further strengthened by the adoption of the Australian Protective Security Policy Framework as a baseline for Court Services Victoria’s security standards, development of a security framework, and site-specific security assessments of all Victorian courts and tribunals. Given the significance of addressing recommendations arising from the Royal Commission into Family Violence, Court Services Victoria is prioritising Magistrates’ courts that include Specialist Family Violence Courts for site specific security assessments and development of physical security plans.

### Victorian Government Reporting Service

The transcription service provided by the Victorian Government Reporting Service (VGRS) supports the courts, particularly during criminal trials, by ensuring that the court and the involved parties have timely access to an accurate record of court proceedings. In 2018-19, Victorian Government Reporting Service experienced considerable demand for transcript services, managing approximately 29,853 matters. Approximately 15,679 of these matters were transcribed for the courts and court users. The remaining 14,174 matters were recorded but not transcribed as there was no requirement for a produced transcript.

## Responsible Management and Accountability

Court Services Victoria delivers high quality administrative services and facilities for jurisdictions, the College and the Commission. Court Services Victoria is transparent and accountable in managing and delivering these services.

### Finance Services

The jurisdictions, the College and the Commission are separately provided appropriation by Parliament. Finance Services works collaboratively with the jurisdictions to ensure a consistent and coordinated approach to financial services, including the development of budgets to support the delivery of services and facilities.

Key achievements of Finance Services during 2018-19 include:

* Approval of the 2018-19 budget within legislative timeframes.
* Unqualified financial audit reports for Court Services Victoria and the Commission for the year ended 30 June 2018.
* Compliance with applicable finance Standing Directions as issued by the Minister for Finance/ Assistant Treasurer.
* Development of funding guidelines and application forms for proposals for Court Fee Pool, depreciation equivalent and contingency funding.
* Accreditation by CPA Australia acknowledging Court Services Victoria as a Recognised Employer Partner.

### Procurement Group

The Procurement Group supports jurisdictions and Court Services Victoria to purchase assets, goods and services consistent with legislation and Government Supply Policy. The Procurement Group aims to achieve best practice through the implementation of a multi-year Procurement Improvement Project (PIP) involving system and process improvement and capability development. The PIP involves enhancement of the Court Services Victoria Procurement Framework, implementation of an e-Sourcing solution and a training and development program. It is anticipated that the PIP will be fully implemented in 2019-20.

Key achievements of the Procurement Group during 2018-19 include:

* Revised policies, procedures and processes in support of the Procurement Framework enhancement.
* Commenced an e-Sourcing technology project to deliver a streamlined, efficient and fully enabled source to contract system.
* Engagement of a supplier to implement a fully integrated e-Sourcing technology solution by the end of 2019.
* Commencement of reviews of contract management and fleet management. These reviews are expected to be completed and recommendations implemented in 2019-20.

### Legal and Governance

The Legal and Governance team provides expert legal and governance services on diverse and multifaceted legal matters, and strategic issues of significance to Court Services Victoria and Victoria’s judicial system.

Key achievements of Legal and Governance during 2018-19 include:

* Supporting the courts in implementing key recommendations of the Royal Commission into Family Violence, including the establishment of specialist family violence courts, and providing advice on the operation of the information sharing scheme.
* Drafting and advising on construction, architectural, and related consultancy contracts to build new court precincts and enhance existing court buildings and facilities.
* Providing advice to ensure Court Services Victoria meets its obligations in key compliance areas such as freedom of information, privacy, and protected disclosures.
* Providing specialised legal research and advice on Court Services Victoria’s role as an independent statutory body within a legal and operating environment unique to state entities.

### Data Governance Framework

The Framework was developed by the Court Data Working Group in consultation with all jurisdictions. The Framework sets out the roles and responsibilities for data governance and aims to build an understanding of the relevant legislation, policies and principles that guide Court Services Victoria’s decision making in relation to data.

### Network Infrastructure and Telephony Upgrades

During 2018-19, Court Services Victoria supported the upgrade of networking infrastructure across the state’s outer metropolitan and regional locations, expanding on the infrastructure upgrade across the metropolitan court locations that was completed in 2017-18.

The upgrade project replaced legacy networking hardware with new infrastructure that will improve the network’s overall reliability, and better support new network-centric or cloud services such as Office365. The new network infrastructure will also support the expansion of the NEC Voice-over-IP telephony service beyond the Melbourne Central Business District. A number of regional locations are already using the new technology, having replaced older telephony systems with the new NEC system.

### Information Technology Server and Workplace Hazard Removal

A program of works across 30 regional and five metropolitan courts resulted in the removal of hazards from court administration work spaces caused by heat and noise generated by information technology services. Works variously included installing sound proof cabinets, removing some equipment to cloud based systems, removal of outdated 1960’s and 1970’s electrical switch boards, and installation of new electrical switch boards with safety switches to support modern technology and safety requirements.

### Leased Properties

Leasing and fit out programs were completed for the Melbourne Drug Court House, Family Violence Contact Centre, and expansion of the Assessment and Referral Court List at Morwell and Frankston.

The project team for the Case Management System leased space within the legal precinct for the project team, vendor’s team and collaboration spaces to deliver this highly anticipated project.

A lease for a Level 5 community based Victorian Civil and Administrative Tribunal venue at Oakleigh was executed, and negotiations for leases in Frankston and Eaglemont are well advanced. The Project aims to relocate Victorian Civil and Administrative Tribunal hearings to support the expansion of Family Violence Programs at Moorabbin, Frankston and Heidelberg Courts.

## Excellence in Court, Tribunal and Judicial Support Services

Excellence in court, tribunal and judicial support services is evidenced by the delivery of accessible and appropriate services and investment to deliver courts that are safe, easy to access, and comfortable. This requires fit for purpose technology including electronic filing and video conferencing, highly capable and professional administrative staff, and sound, proactive fiscal management.

In delivering these Court Services Victoria is guided by the:

* International Framework for Court Excellence
* Australia and New Zealand Tribunal Excellence Framework
* International Framework for Judicial Support Excellence

### Technology Independence for Court Services Victoria

In 2018-19 Court Services Victoria continued to support the transition to the Cenitex Government Shared Platform (GSP). The GSP delivers a significant technology upgrade with the adoption of Windows 10 and Microsoft’s Office365 suite of cloud-enabled applications.

The transition also supported the realisation of the jurisdictions’ strategic objectives, which are to reduce the dependence on the Department of Justice and Community Safety for technology services, and modernising the courts computing environment.

In 2018-19, the Magistrates’ Court, Children’s Court, Coroners Court, Victorian Civil and Administrative Tribunal, the College, and Jurisdiction Services completed the transition to the GSP. The County Court plans to commence the transition to the GSP in November 2019 to coincide with the periodic replacement of desktop computing hardware.

### Case Management System Project

The 2017-18 State Budget provided $89.2 million to Court Services Victoria for a modern case management system for the Magistrates’ Court and Children’s Court, as part of the whole of government response to the Royal Commission into Family Violence.

During the reporting period, Court Services Victoria procured an experienced supplier to deliver a courts specific configurable off-the-shelf case management system solution. Following an extensive open market Expression of Interest process, then a Competitive Dialogue, and Request for Proposal with shortlisted suppliers, a preferred supplier was identified early in 2019.

Detailed contract negotiations, due diligence checks and a thorough approvals process, led to the approval of the contract award to Journal Technologies in July 2019.

The project has now entered the Implementation Phase. Journal Technologies will relocate key personnel to Melbourne to join Court Services Victoria’s project group. Piloting and incremental roll out of the new system is currently expected to commence in mid-2021.

### In-Court Technology

Court Services Victoria supports the delivery of courtroom video conferencing systems to increase the accessibility and safety of jurisdictions. Technology is increasingly being called upon to enable outcomes such as the separation of victims from the accused while giving evidence, and enabling vulnerable witnesses to provide evidence from safe locations. In 2018-19, Phase 2 of the courtroom technology enhancements for the County Court continued, with approximately 13 courtrooms being upgraded with new cameras and control systems. The upgrades will significantly increase the number of simultaneous video conference sessions, supporting the County Court’s efforts to extend the utilisation of video services.

### Safe, Secure and Sustainable Courts and Tribunals

During 2018-19, Court Services Victoria continued to deliver a program of asset upgrade works focussed on improving safety, security and sustainability of court assets across Victoria.

The Safe and Sustainable Courts program delivered safer and fit-for-purpose courts through critical upgrades and improvements in court security and technology infrastructure; occupational health and safety access and compliance; Disability Discrimination Act compliance works; and critical infrastructure to address risk of building failure. The program included delivery of major works at Maryborough, Colac and Nhill courts.

The Safe and Secure Courts program was completed, with major upgrades being finalised at Kyneton and Korumburra courts.

Planning continued on a program to deliver asset upgrade works at the Echuca Law Court. These works will provide for functional autonomy for the court and the Shire of Campaspe functions within the building.

### Learning and Development

The Learning@CSV program delivers opportunities for staff to develop key capabilities as defined by the Capability Framework and annual performance development goals. During 2018-19, a mix of online and face to face capability building programs were delivered to more than 1,060 Court Services Victoria employees. Programs addressed leadership and management; individual development through emotional intelligence; diversity and wellbeing; and specific professional capabilities to build individual skill through programs such as the year-long Court Services Victoria mentoring program.

Induction was the focus of major change during 2018-19, resulting in a co-designed program that inducts new staff to the organisation, the courts and tribunals, and their specific work area. The approach incorporates online modules with face to face programs.

The Learning and Organisational Development team continued to support Court Services Victoria employees manage their performance, development and career planning via Court Services Victoria’s Performance and Learning Management System, as well as facilitating programs that enable staff and managers to get the most from performance and development planning.

### Health and Wellbeing

Court Services Victoria has taken a renewed approach to workplace health and wellbeing commitments. Building on a focus of wellbeing, Court Services Victoria has planned a comprehensive vicarious trauma prevention and management program which is being delivered over a two-year period. Ongoing wellbeing focussed information sessions support staff to understand and reflect on the relationship between work and their personal wellbeing.

During 2018-19, Court Services Victoria established a continuous improvement project which will conduct a full review and of its safety management system. the aim of this project is to ensure that the policies, processes and systems Court Services Victoria use to prevent and manage health and safety risks in the workplace are in line with Australian and international best practice standards.

## Output Performance

The Court Services Victoria operational and budgetary objectives and performance are aligned with the jurisdictions’ performance. The Victorian Budget 2018-19 outlined the mission statement, objectives and performance indicators for the courts output.

### Courts Mission Statement

Victoria’s courts and tribunals safeguard and maintain the rule of law through the fair, timely and efficient dispensing of justice.

### Courts Objective

The fair, timely and efficient dispensing of justice.

### Courts Indicators

* Clearance of criminal caseload (finalisations/lodgements)
* Clearance of civil case load (finalisations/lodgements)

There were no changes to the courts output structure for 2018-19.

Data in relation to the two clearance rate indicators is included in Table 1 with each of the jurisdictions’ output measure results.

For more information about the outcomes and data presented below, refer to the individual annual reports of each jurisdiction.

### International Framework for Court Excellence

The International Framework for Court Excellence (IFCE) is a management framework designed to help courts improve their performance. Developed for court use internationally, the framework covers values, concepts and tools to assess and improve the quality of justice and court administration within the court and tribunal system.

The courts’ output performance measures incorporate four of the International Framework for Court Excellence Global Measures of Court Performance.

## Performance Against Measures

Table 1: Courts Output – Performance Against Measures 2018-19

Quantity:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measures | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| Average cost per case – Civil matters disposed in the Supreme Court | dollars | 2,756 | 2,851 | 3.4 |
| Average cost per case – Civil matters disposed in the County Court | dollars | 6,147 | 6,494 | 5.6 |

The 2018-19 outcome is higher than the estimate due to one-off funding initiatives designed to improve and reform court systems and processes, and lower than expected number of finalisations.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measures | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| Average cost per case – Civil matters disposed in the Magistrates’ Court | dollars | 781 | 823 | 5.4 |

The 2018-19 outcome is higher than the estimate due to higher than estimated costs and a lower than expected number of cases finalised.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measures | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| Average cost per case – Family Division matters disposed in the Children’s Court | dollars | 1,198 | 1,201 | 0.3 |
| Average cost per case – Civil matters disposed in Victorian Civil and Administrative Tribunal | dollars | 787 | 878 | 11.6 |

The 2018-19 outcome is higher than the estimate due to higher than estimated costs and a lower than expected number of cases finalised.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measures | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| Average cost per case – Coronial matters disposed in the Coroners Court | dollars | 3,688 | 4,311 | 16.9 |

The 2018-19 outcome is higher than the estimate due to higher one-off investment in health and wellbeing and the digital program at the court, and lower case finalisations than originally anticipated.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measures | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| Average cost per case – Criminal matters disposed in the Supreme Court | dollars | 47,025 | 45,857 | -2.5 |
| Average cost per case – Criminal matters disposed in the County Court | dollars | 14,776 | 16,280 | 10.2 |

The 2018-19 outcome is higher than the estimate due to one-off funding initiatives designed to improve and reform court systems and processes, and lower than expected number of finalisations.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measures | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| Average cost per case – Criminal matters disposed in the Magistrates’ Court | dollars | 967 | 1,149 | 18.8 |

The 2018-19 outcome is higher than the estimate due to higher than estimated costs and a lower than expected number of cases finalised. Contributing to the reduction in finalisations is a reduction in infringement related matters and low-level offending coming before the court.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measures | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| Average cost per case – Criminal matters disposed in the Children’s Court | dollars | 766 | 1,017 | 32.8 |

The 2018-19 outcome is higher than the estimate due to higher than estimated costs and a lower than expected number of cases finalised.

Quantity:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measures | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| Case clearance rate(1) –  Civil matters disposed  in the Supreme Court | per cent | 100 | 100 (26,830 /  26,825) | 0.0 |
| Case clearance rate(1) –  Civil matters disposed  in the County Court | per cent | 100 | 95.41 (5,761 / 6,038) | -4.6 |
| Case clearance rate(1) –  Civil matters disposed  in the Magistrates’ Court | per cent | 100 | 93 (60,747 / 65,348) | -7.0 |

The 2018-19 outcome is lower than the estimate due to a higher than expected number of initiations and a lower than expected number of finalisations.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measures | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| Case clearance rate(1) –  Family Division matters disposed  in the Children’s Court | per cent | 100 | 87 (19,214 / 22,097) | -13.0 |

The 2018-19 outcome is lower than the estimate as the court finalised more matters in 2018-19 than in 2017-18 but also experienced a higher than expected number of initiations.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measures | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| Case clearance rate(1) –  Civil matters disposed in Victorian Civil and Administrative Tribunal | per cent | 100 | 97 (83,414 / 85,850) | -3.0 |
| Case clearance rate(1) –  Coronial matters disposed  in the Coroners Court | per cent | 100 | 89 (6,010 /  6,767) | -11.0 |

The 2018-19 outcome is lower than the estimate due to the impact of transitional arrangements resulting from recent staffing changes and new Coroner appointments.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measures | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| Case clearance rate(1) –  Civil matters disposed in Victorian Civil and Administrative Tribunal | per cent | 100 | 97 (83,414 / 85,850) | -3.0 |
| Case clearance rate(1) –  Coronial matters disposed  in the Coroners Court | per cent | 100 | 89 (6,010 /  6,767) | -11.0 |

The 2018-19 outcome is lower than the estimate due to a higher than expected number of initiations and a lower than expected number of finalisations.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measures | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| Case clearance rate(1) –  Civil matters disposed in Victorian Civil and Administrative Tribunal | per cent | 100 | 97 (83,414 / 85,850) | -3.0 |
| Case clearance rate(1) –  Coronial matters disposed  in the Coroners Court | per cent | 100 | 89 (6,010 /  6,767) | -11.0 |
| Case clearance rate(1) – Family violence intervention orders disposed in the Magistrates’ and Children’s Courts | per cent | 100 | 96 (36,928/ 38,641) | -4.0 |

Quality:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measure | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| Court file integrity in the Supreme Court – availability, accuracy and completeness | per cent | 90 | 89 | -1.1 |
| Court file integrity in the County Court – availability, accuracy and completeness | per cent | 90 | 90 | 0.0 |
| Court file integrity in the Magistrates’ Court – availability, accuracy and completeness | per cent | 90 | 86 | -4.4 |
| Court file integrity in the Children’s Court – availability, accuracy and completeness | per cent | 90 | 80 | -11.1 |

The 2018-19 outcome is lower than the estimate due to variation in registry practice in venues around the state. The court is reviewing processes to improve compliance.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measures | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| Court file integrity in the Coroners Court – availability, accuracy and completeness | per cent | 90 | 67 | -25.6 |

The 2018-19 outcome is lower than the estimate due to deficiencies identified by the Court in relation to induction process for court file tracking. The court is working to remediate this to improve compliance.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measures | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| Court file integrity in Victorian Civil and Administrative Tribunal – availability, accuracy and completeness | per cent | 90 | 77 | -14.4 |

The 2018-19 outcome is lower than the estimate due to lower than expected availability and accuracy, being addressed through process mapping to refine and improve file management procedures.

Timeliness:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measures | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| On time case processing – Civil matters resolved or otherwise finalised within established timeframes in the Supreme Court | per cent | 90 | 91 | 1.1 |
| On time case processing – Civil matters resolved or otherwise finalised within established timeframes in the County Court | per cent | 90 | 91 | 1.1 |
| On time case processing – Civil matters resolved or otherwise finalised within established timeframes in the Magistrates’ Court | per cent | 80 | 84 | 5.0 |
| On time case processing – Family Division matters resolved or otherwise finalised within established timeframes in the Children’s Court | per cent | 90 | 90 | 0.0 |
| On time case processing – Civil matters resolved or otherwise finalised within established timeframes in Victorian Civil and Administrative Tribunal | per cent | 90 | 91 | 1.1 |
| On time case processing – Coronial matters resolved or otherwise finalised within established timeframes in the Coroners Court | per cent | 80 | 82.8 | 3.5 |
| On time case processing – Criminal matters resolved or otherwise finalised within established timeframes in the Supreme Court | per cent | 80 | 86.8 | 8.5 |

The 2018-19 outcome is higher than the estimate due to a higher than expected proportion of cases finalised within 12 months from initiation.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measures | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| On time case processing – Criminal matters resolved or otherwise finalised within established timeframes in the County Court | per cent | 85 | 85 | 0.0 |
| On time case processing – Criminal matters resolved or otherwise finalised within established timeframes in the Magistrates’ Court | per cent | 85 | 70 | -17.6 |

The 2018-19 outcome is lower than the estimate due to an increase in specialist lists extending the finalisation of cases beyond six months, increased case complexity, and lower than expected infringement and low-level offending matters.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measures | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| On time case processing – Criminal matters resolved or otherwise finalised within established timeframes in the Children’s Court | per cent | 90 | 88 | -2.2 |
| On-time case processing – Family violence intervention orders resolved or otherwise finalised within established timeframes in the Magistrates’ and Children’s Courts | per cent | 90 | 89 | -1.1 |

Cost:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance measures | Unit of measure | 2018-2019 estimate | 2018-19 actual | Performance Variation (%) |
| Total output cost | $ million | 615.8 | 608.8 | -1.1 |

1. The case clearance rate is calculated as (number of cases disposed/number of cases initiated).

## Financial Summary and Review

The budget outcomes provide a comparison between the actual financial statements of Court Services Victoria and the forecast financial information (initial budget estimates) published in Budget Paper No.5 Statement of Finances.

The budget outcomes statement is not subject to audit by the Victorian Auditor-General’s Office and is not prepared on the same basis as the Court Services Victoria financial statements.

Refer to the financial statements for comparison of budget and actual.

### Five-Year Financial Summary

Court Services Victoria has completed its fifth year of operation.

Table 2: Five-Year Financial Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Item | 2018-19 $’000 | 2017-18 $’000 | 2016-17 $’000 | 2015-16 $’000 | 2014-15 $’000 |
| Revenue from Government | 586,423 | 521,896 | 457,763 | 432,701 | 412,389 |
| Total income from transactions | 614,588 | 546,574 | 490,874 | 457,819 | 449,332 |
| Total expenses from transactions | 603,738 | 540,393 | 493,412 | 458,291 | 443,160 |
| Net result from transactions –  surplus / (deficit) | 10,849 | 6,182 | (2,539) | (472) | 6,172 |
| Comprehensive result | 57,880 | 69,838 | 5,577 | 178,347 | 4,092 |
| Net cash flow from operating activities | 74,563 | 51,693 | 31,646 | 25,957 | 36,108 |
| Total assets | 1,276,463 | 1,196,741 | 1,086,817 | 1,064,833 | 828,921 |
| Total liabilities | 199,630 | 191,357 | 187,139 | 190,256 | 196,250 |

### Court Services Victoria Current Year Financial Review

* Court Services Victoria considers the net result from transactions to be the appropriate measure of financial management that can be directly attributed to government policy. This measure excludes the effects of revaluations (holding gains or losses) arising from changes in market prices and other changes in the volume of assets shown under ‘other economic flows’ on the comprehensive operating statement, which are outside the control of Court Services Victoria.
* In 2018-19, Court Services Victoria’s net result from transactions was a surplus of $10.8 million that comprises a total income of $614.6 million[[2]](#footnote-3) and expenditure of $603.7 million.
* Court Services Victoria’s net assets of $1.076 billion comprises total assets of $1.276 billion and liabilities of $0.199 billion. Further details are provided in the balance sheet in the financial statements.

### Budget Allocation

Court Services Victoria’s budget is allocated to each of the jurisdictions, Jurisdiction Services, the College and the Commission, in accordance with budgets approved by the Attorney- General under section 41 of the Court Services Victoria Act.

The Court Services Victoria budget breakdown for the purposes of corporate functions, the jurisdictions, the College, and the Commission is shown in Table 3 below, and includes funding from annual and special appropriations, as well as trust funding. Charges relating to the corporate functions set out below include the whole of Court Services Victoria charges, such as capital asset charges and depreciation.

Built into appropriation funding is depreciation, rent, accommodation and a capital asset charge. These are classified as non-discretionary items and funding is held and managed centrally by Court Services Victoria.

The budget allocation profiles of Jurisdiction Services and Shared Support Services, the jurisdictions, the College, and the Commission are based on an historical allocations profile adjusted for savings, indexation and new funding.

Table 3: Court Services Victoria’s Budget Allocation by Jurisdiction

|  |  |  |
| --- | --- | --- |
| By Business Area | 2018-19 Published Budget $m | 2018-19 Revised Budget $m |
| Supreme Court of Victoria | 79.7 | 86.2 |
| County Court of Victoria | 91.5 | 100.7 |
| Magistrates’ Court of Victoria | 183.4 | 205.0 |
| Victorian Civil & Administrative Tribunal | 49.2 | 56.9 |
| Children’s Court of Victoria | 26.8 | 29.5 |
| Coroners Court of Victoria | 17.5 | 21.0 |
| Judicial College of Victoria | 4.3 | 4.7 |
| Judicial Commission of Victoria | 1.3 | 2.0 |
| Jurisdiction Services | 146.2 | 102.7 |
| Shared Support Services | 15.9 | 15.8 |
| Total Court Services Victoria | 615.8 | 624.4 |

Notes:

1. The total Court Services Victoria budget is income from transactions. Refer to Budget Paper No. 3 for further information.
2. Shared Support Services captures expenditure for non-discretionary contract commitments entered into and managed by Court Services Victoria on behalf of the jurisdictions.

### Disclosure of Grants and Transfer Payments (other than contributions by owners)

Court Services Victoria has provided assistance to certain companies and organisations. Financial assistance provided in 2018-19 is detailed below.

Table 4: Grant and Other Transfer Payments

|  |  |  |
| --- | --- | --- |
| Organisation | Nature of Grant and Other Transfer Payment | Expenditure (excluding GST)  $ |
| ATSIC Family Violence Prevention & Legal Service | Employment of full time Lawyer | 133,000 |
| ATSIC Family Violence Prevention & Legal Service | Community Education and Awareness Program | 200,000 |
| Australian Bureau of Statistics | National Criminal Courts Statistics Unit Inter-Governmental Agreement | 79,018 |
| Corrections Victoria | 2018-19 Drug Court Funding Contribution | 400,000 |
| Court Network | Court Services Network Agreement | 981,264 |
| Dardi Munwurro Pty Ltd | Program Delivery for Family Violence | 133,000 |
| Department of Health and Human Services | Alcohol and Other Drug Treatment Services for Participants of the Court Integrated Service Program | 883,000 |
| Department of Health and Human Services | Emergency Housing Support - Dandenong Region | 518,282 |
| Department of Justice and Community Safety | 2018-19 Correctional Services Funding Contribution | 115,572 |
| Judicial College of Victoria | 2018-19 Output Appropriation Funding | 4,659,300 |
| Judicial Commission of Victoria | 2018-19 Output Appropriation Funding and Grant | 2,307,205 |
| Launch Housing | Justice Housing Support Program | 1,760,000 |
| McAuley Community Services for Women | Support for Women with Children | 499,377 |
| National Judicial College | 2018-19 Victorian Contribution | 88,785 |
| Supreme Court Law Library | 2018-19 Grant Contribution | 758,275 |
| Self Help Addiction Resource Centre | Program Costs | 66,228 |
| The Alannah and Madeline Foundation | 2018-19 Grant Contribution | 250,000 |
| Victorian Aboriginal Legal Services | Employment of full time Lawyer | 133,000 |
| Other | Miscellaneous | 2,716 |
| Total | N/A | 13,968,022 |

# Section 3: Workforce Data

## Workforce Data

The People and Culture division monitors Court Services Victoria-wide workforce data.

The following table includes data for actual full-time equivalent (FTE) Victorian Public Service (VPS) employees and does not include statutory appointees.

Table 5: Details of Employment Levels in June 2018 and June 2019

Demographic Data: Gender

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Gender | 30 June 2018 All employees Number (headcount) | 30 June 2018 All employees FTE | 30 June 2018 Ongoing Full-time (headcount) | 30 June 2018 Ongoing Part-time (headcount) | 30 June 2018 Ongoing FTE | 30 June 2018 Fixed term and casual Number (headcount) | 30 June 2018 Fixed term and casual FTE | 30 June 2019 All Employees Number (headcount) | 30 June 2019 All Employees FTE | 30 June 2019 Ongoing Full-time (headcount) | 30 June 2019 Ongoing Part-time (headcount) | 30 June 2019 Ongoing FTE | 30 June 2019 Fixed term and casual Number (headcount) | 30 June 2019 Fixed term and casual FTE |
| Women | 1,377 | 1,274.1 | 919 | 245 | 1,071.7 | 213 | 202.4 | 1,507 | 1,394 | 994 | 254 | 1,152.1 | 259 | 241.9 |
| Men | 597 | 589.3 | 450 | 19 | 463.4 | 128 | 125.9 | 658 | 646.6 | 488 | 29 | 507.7 | 141 | 138.9 |
| Self-described | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 2 | 0 | 2 | 0 | 0 |

Demographic Data: Age

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Age | 30 June 2018 All employees Number (headcount) | 30 June 2018 All employees FTE | 30 June 2018 Ongoing  Full-time (headcount) | 30 June 2018 Ongoing  Part-time (headcount) | 30 June 2018 Ongoing FTE | 30 June 2018 Fixed term and casual Number (headcount) | 30 June 2018 Fixed term and casual FTE | 30 June 2019 All Employees Number (headcount) | 30 June 2019 All Employees FTE | 30 June 2019 Ongoing Full-time (headcount) | 30 June 2019 Ongoing Part-time (headcount) | 30 June 2019 Ongoing FTE | 30 June 2019 Fixed term and casual Number (headcount) | 30 June 2019 Fixed term and casual FTE |
| Under 25 | 209 | 205.4 | 161 | 2 | 161.9 | 46 | 43.5 | 219 | 213.2 | 171 | 2 | 172.3 | 46 | 40.9 |
| 25-34 | 705 | 677.9 | 457 | 55 | 488.1 | 193 | 189.8 | 788 | 757.9 | 519 | 61 | 554.7 | 208 | 203.2 |
| 35-44 | 404 | 367.4 | 262 | 94 | 322.3 | 48 | 45.1 | 451 | 408.7 | 286 | 103 | 350.1 | 62 | 58.6 |
| 45-54 | 331 | 307 | 240 | 62 | 280 | 29 | 27 | 355 | 330.5 | 243 | 65 | 286.2 | 47 | 44.3 |
| 55-64 | 247 | 233.6 | 189 | 39 | 216 | 19 | 17.6 | 276 | 258.9 | 203 | 44 | 231.9 | 29 | 27 |
| Over 64 | 78 | 72.1 | 60 | 12 | 66.8 | 6 | 5.3 | 78 | 73.4 | 62 | 8 | 66.6 | 8 | 6.8 |

Classification Data

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Age | 30 June 2018 All employees Number (headcount) | 30 June 2018 All employees FTE | 30 June 2018 Ongoing Full-time (headcount) | 30 June 2018 Ongoing Part-time (headcount) | 30 June 2018 Ongoing FTE | 30 June 2018 Fixed term and casual Number (headcount) | 30 June 2018 Fixed term and casual FTE | 30 June 2019 All Employees Number (headcount) | 30 June 2019 All Employees FTE | 30 June 2019 Ongoing Full-time (headcount) | 30 June 2019 Ongoing Part-time (headcount) | 30 June 2019 Ongoing FTE | 30 June 2019 Fixed term and casual Number (headcount) | 30 June 2019 Fixed term and casual FTE |
| VPS 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 0 | 0 | 0 | 2 | 2 |
| VPS 2 | 375 | 352 | 224 | 52 | 258.7 | 99 | 93.3 | 361 | 338.2 | 232 | 45 | 262.7 | 84 | 75.5 |
| VPS 3 | 411 | 393.1 | 228 | 38 | 250.4 | 145 | 142.7 | 470 | 450.4 | 243 | 46 | 272.7 | 181 | 177.7 |
| VPS 4 | 282 | 264 | 195 | 45 | 223.9 | 42 | 40.1 | 344 | 321.3 | 230 | 57 | 267.6 | 57 | 53.7 |
| VPS 5 | 188 | 180.7 | 126 | 24 | 143.4 | 38 | 37.3 | 224 | 215 | 153 | 26 | 171.5 | 45 | 43.5 |
| VPS 6 | 123 | 119.5 | 99 | 13 | 109.1 | 11 | 10.4 | 147 | 141.6 | 110 | 12 | 117.9 | 25 | 23.7 |
| Allied Health 3 | 2 | 1.1 | 0 | 2 | 1.1 | 0 | 0 | 2 | 1.1 | 0 | 2 | 1.1 | 0 | 0 |
| Trainee Registrar | 204 | 202.2 | 200 | 4 | 202.2 | 0 | 0 | 219 | 216.6 | 214 | 5 | 216.6 | 0 | 0 |
| Deputy Registrar | 75 | 70.4 | 66 | 9 | 70.4 | 0 | 0 | 49 | 42.9 | 37 | 12 | 42.9 | 0 | 0 |
| Registrar Grade 3 | 170 | 144.6 | 111 | 57 | 143.9 | 2 | 0.7 | 199 | 176.6 | 146 | 50 | 174.9 | 3 | 1.7 |
| Registrar Grade 4 | 40 | 37.6 | 35 | 5 | 37.6 | 0 | 0 | 44 | 40.4 | 36 | 8 | 40.4 | 0 | 0 |
| Registrar Grade 5 | 52 | 47 | 39 | 13 | 47 | 0 | 0 | 52 | 48 | 42 | 10 | 48 | 0 | 0 |
| Registrar Grade 6 | 20 | 20 | 20 | 0 | 20 | 0 | 0 | 17 | 17 | 17 | 0 | 17 | 0 | 0 |
| Solicitor Grade 3 | 1 | 0.6 | 0 | 1 | 0.6 | 0 | 0 | 1 | 0.8 | 0 | 1 | 0.8 | 0 | 0 |
| Total | 1,943 | 1832.8 | 1343 | 263 | 1,508.3 | 337 | 324.5 | 2,131 | 2,011.9 | 1460 | 274 | 1,634.1 | 397 | 377.8 |
| Senior Technical Specialist | 15 | 14.8 | 11 | 0 | 11 | 4 | 3.8 | 21 | 15.8 | 10 | 8 | 12.8 | 3 | 3 |
| Executive Officer 1 | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 1 | 1 | 1 | 0 | 1 | 0 | 0 |
| Executive Officer 2 | 8 | 7.8 | 7 | 1 | 7.8 | 0 | 0 | 7 | 6.9 | 6 | 1 | 6.9 | 0 | 0 |
| Executive Officer 3 | 7 | 7 | 7 | 0 | 7 | 0 | 0 | 7 | 7 | 7 | 0 | 7 | 0 | 0 |
| Total Senior employees | 31 | 30.6 | 26 | 1 | 26.8 | 4 | 3.8 | 36 | 30.7 | 24 | 9 | 27.7 | 3 | 3 |
| Total employees | 1,974 | 1,863.4 | 1,369 | 264 | 1,535.1 | 341 | 328.3 | 2,167 | 2,042.6 | 1,484 | 283 | 1,661.8 | 400 | 380.8 |

Notes

1. All figures reflect active employees in the last pay period of June each year. The figures exclude those persons on leave without pay or absent on secondment, external contractors/consultants and temporary staff employed through recruitment agencies. ‘Ongoing employee’ means people engaged on open-ended contracts of employment and executive officers on a standard executive contract who were active in the last pay period of June each year. Judicial officers are not included.
2. The above figures include all employees defined as Court Services Victoria staff in section 3 of the Court Services Victoria Act; the Court Services Victoria Chief Executive Officer; a Court Chief Executive Officer; a person employed under section 36; a judicial employee.
3. The above figures do not include the Chief Executive Officer of the College; staff employed under section 16 (2) of the *Judicial College of Victoria Act 2001*; the Director of the Judicial Commission or staff of the Judicial Commission under the *Judicial Commission of Victoria Act 2016*, as the College and the Commission are separate reporting entities.
4. For the purposes of practicality, as a true reflection of the Court Services Victoria workforce, and for ease of comparison with data reported in previous years, FTE figures have not been rounded to the nearest whole number.
5. The gender categories have been updated in accordance with the *Policy and Standard Model for Collecting and Reporting on Staff Gender Information in the Victorian Public Sector*.

## Executive Officer Data

An executive officer is defined as a person employed as a public service body head or other executive under Part 3, Division 5 of the Public Administration Act. All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

The definition of executive officer does not include Governor in Council appointments as statutory office holders.

Table 6: Number of Executive Officers by Gender at 30 June 2019

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Class | All  Number | All Variance | Women  Number | Women  Variance | Men  Number | Men  Variance | Self-described  Number | Self-described  Variance |
| EO-1 | 1 | 0 | 1 | +1 | 0 | -1 | 0 | 0 |
| EO-2 | 7 | -1 | 3 | 0 | 4 | -1 | 0 | 0 |
| EO-3 | 7 | 0 | 5 | +1 | 2 | -1 | 0 | 0 |
| Total | 15 | -1 | 9 | +2 | 6 | -3 | 0 | 0 |

Note: ‘Variance’ refers to the variation in number between the current and previous reporting periods.

The number of executives in the Report of Operations is based on the number of executive positions that are occupied at the end of the financial year. Note 9.3 in the financial statements lists the actual number of executive officers and the total remuneration paid to executive officers over the course of the reporting period. Note 9.3 does not include the Court Services Victoria Chief Executive Officer (Accountable Officer), the Chief Executive Officer of the Judicial College, or the Director of the Judicial Commission nor does it distinguish between executive levels or disclose separations. Separations are executives who have left Court Services Victoria during the relevant reporting period. To assist readers, these numbers are reconciled in Table 7 below.

Table 7: Reconciliation of Executive Numbers

|  |  |  |
| --- | --- | --- |
| Item | 2018 | 2019 |
| Executives (as listed in Financial Statement) | 18 | 19 |
| Accountable Officer | 1 | 2 |
| Less Separations | (3) | (6) |
| Total executive numbers at 30 June | 16 | 15 |

Note:

1. The Chief Executive Officer of the Judicial College and the Director of the Judicial Commission are excluded from the above table. The College and the Commission are separate reporting entities and produce their own annual reports.

The following table discloses the annualised total salary for senior employees of Court Services Victoria, categorised by classification. The salary amount is reported as the full-time annualised salary.

Table 8: Annualised Total Salary for Executives and Other Senior Employees

|  |  |  |
| --- | --- | --- |
| Income Band | Executives | Senior Technical Specialists |
| < $160,000 | 1 | 1 |
| $160,000–$179,999 | 2 | 4 |
| $180,000–$199,999 | 5 | 33 |
| $200,000–$219,999 | 1 | 134 |
| $220,000–$239,999 | 0 | 0 |
| $240,000–$259,999 | 45 | 0 |
| $260,000–$279,999 | 1 | 0 |
| $280,000–$499,999 | 0 | 0 |
| Total | 14 | 21 |

Notes

1. The contracted remuneration of executives and payments to senior staff is the total salary amount, excluding superannuation (company and employee), and vehicle leasing arrangements as at the last full pay period in June of the reporting period.
2. This table does not include the Court Services Victoria Chief Executive Officer (Accountable Officer), the Chief Executive Officer of the Judicial College, or the Director of the Judicial Commission as the College and the Commission are separate reporting entities.
3. There is one employee employed on a part-time basis at a 0.9 FTE rate.
4. There are seven employees employed on a part-time basis: 2 at 0.1 FTE rate, 4 at 0.2 FTE rate, and 1 at 0.9 FTE rate.
5. There is one employee employed on a part-time basis at a 0.9 FTE rate.

### Employment and Conduct Principles

Court Services Victoria continues to respect and uphold the Victorian Public Sector Employment Principles and Standards of fair and reasonable treatment, merit in employment, equal employment opportunity, upholding human rights, ensuring a reasonable avenue of redress, and fostering the development of a career public service.

As part of this commitment, Court Services Victoria has delivered training to hiring managers and continuously improved its Recruitment and Selection processes to ensure fair and equitable processes, and a focus on diversity and inclusion during 2018-19. Employees have been correctly classified in workforce data collection.

## Staff Health, Safety and Wellbeing

Court Services Victoria is committed to ensuring all its employees remain safe and healthy at work, and promotes a positive preventative safety culture across all jurisdictions. During 2018-19, Court Services Victoria promoted healthy workplace initiatives, conducted awareness programs and provided targeted and strategic occupational health and safety (OH&S) professional development activities.

Each jurisdiction continued to use the OH&S self- assessment process as a measure of the effectiveness of health and safety management systems. These measures demonstrate Court Services Victoria’s commitment to continuously improving its health and safety culture, as does its commitment to frequent and informal communication between staff and management on safety and injury management.

Court Services Victoria will address with a matter of urgency the areas of training requiring substantial performance improvement indicated by the data in Table 9. The data suggests a decline in Court Services Victoria’s formal training regarding health and safety. The variance over the three years can be partially explained by inadequate recording methods in the years prior to 2018-19, which have been replaced with an integrated and more comprehensive reporting regime for this reporting period.

There was a total of 164 reported incidents in 2018-19 compared to 159 in 2017-18. The number of incidents reported by Court Services Victoria employees was 121 and a further 43 incidents were lodged by court users. The number of incidents reported compared to the number of Court Services Victoria full-time equivalent staff and the high volume of external users of the courts is quite low. Under reporting of incidents does not capture a true indication of risk or hazard and injury hotspots within the workplaces. A review of the current reporting system AIRS will be undertaken to determine better future reporting practices for Court Services Victoria.

There were 17 standard WorkSafe claims lodged during 2018-19, compared with 16 claims for the previous financial year. The significance of mental health illness claims still remains important for Court Services Victoria. Ongoing attention, support and mental health initiatives across Court Services Victoria will continue in 2019-20. There was a focus on mental health first aid and vicarious trauma training for managers and staff, as well as a Beyond Blue Ambassadors session. Court Services Victoria has on average 5.6 mental health illness claims lodged per year.

The number of claims exceeding 13 weeks of paid compensation has increased from one to six. Although Court Services Victoria is able to offer suitable and sustainable duties across all jurisdictions, the contributing factor which is influencing greater periods of absence is due to mental health illness and the certified incapacity of not returning to pre-injury or suitable alternative roles.

Table 9: Performance Against OH&S Measures

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Measure | KPI | 2016-17 | 2017-18 | 2018-19 |
| Incidents | Number of incidents(1) | 154 | 159 | 164 |
| Incidents | Rate per 100 FTE | 7.5 | 7.2 | 6.7 |
| Incidents | Number of incidents requiring first aid and/or further medical treatment(2) | 0 | 96 | 87 |
| Claims(3) | Number of standard claims | 10 | 16 | 17 |
| Claims(3) | Rate per 100 FTE | 0.48591 | 0.7204 | 0.69901 |
| Claims(3) | Number of lost time claims | 2 | 6 | 6 |
| Claims(3) | Rate per 100 FTE | 0.09718 | 0.27015 | 0.24671 |
| Claims(3) | Number of claims exceeding 13 weeks | 2 | 1 | 5 |
| Claims(3) | Rate per 100 FTE | 0.09718 | 0.04502 | 0.20559 |
| Fatalities | Fatality claims(3) | 0 | 1 | 0 |
| Claims costs | Average cost per standard claim(3) | $62,743 | $73,223 | $148,831 |
| Return to work | Percentage claims with RTW plan  >30 days | 100% | 100% | 100% |
| Management commitment | Evidence of OH&S policy statement, OH&S objectives, regular reporting to senior management of OH&S, and OH&S plans (signed by Chief Executive Officer or equivalent) | Completed | Completed | Completed |
| Management commitment | Evidence of OH&S criteria(s) in purchasing guidelines (including goods, services and personnel) | Completed | Completed | Completed |
| Consultation and participation | Evidence of agreed structure of designated workgroups (DWGs), health and safety representatives (HSRs), and issue resolution procedures (IRPs) | Completed | Completed | Completed |
| Consultation and participation | Compliance with agreed structure on designated workgroups, health and safety representatives and IRPs | Completed | Completed | Completed |
| Risk Management | Percentage of internal audits/ inspections conducted as planned | 100% | 80% | 65% |
| Risk Management | Number of Improvement Notices issued across Court Services Victoria by WorkSafe Inspector(2) | 0 | 1 | 6 |
| Risk Management | Percentage of issues identified actioned arising from: | N/A | N/A | N/A |
| Risk Management | Internal audits | Action plans developed | Action plans developed | 53% |
| Risk Management | Health and safety representatives Provisional Improvement Notices(4) | NA | NA | NA |
| Risk Management | WorkSafe notices | 100% | 100% | 100% |
| Training | Percentage of managers and staff that have received OH&S training in: | N/A | N/A | N/A |
| Training | Induction | 100% | 100% | 58% |
| Training | Management training | 80% | 80% | 26% |
| Training | Contractors, temporary staff and visitors | 60% | 60% | 83% |
| Training | Percentage of health and safety representatives trained in: | N/A | N/A | N/A |
| Training | Acceptance of role | 75% | 90% | 38% |
| Training | Re-training (refresher) | 100% | 80% | 13% |
| Training | Reporting of incidents and injuries | 80% | 100% | 70% |

Notes:

1. Includes employees and court users.
2. New reporting item introduced in 2017-18.
3. WorkSafe Victoria data for 2018-19 was received on 26 July 2019.
4. No Provisional Improvement Notices were received.

# Section 4: Other Disclosures

## Local Jobs First

TheLocal Jobs First Act 2003 introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at $3 million or more in Metropolitan Melbourne or for statewide projects, or $1 million or more for projects in regional Victoria.

Major Project Skills Guarantee applies to all construction projects valued at $20 million or more.

The Major Project Skills Guarantee guidelines and Victorian Industry Participation Policy guidelines will continue to apply to Major Project Skills Guarantee applicable and Victorian Industry Participation Policy applicable projects respectively where contracts have been entered prior to 15 August 2018.

### Projects Commenced – Local Jobs First Standard

During 2018-19, Court Services Victoria commenced five Local Jobs First standard projects totalling $20.94 million. Of those projects, two were located in regional Victoria, with an average commitment of 82 per cent of local content, and three in metropolitan Melbourne, with an average commitment of 94 per cent local content. No projects were commenced that occurred statewide. The Major Project Skills Guarantee did not apply to any of the projects.

The outcomes expected from the implementation of the Local Jobs First policy to these projects where information was provided, are as follows:

* An average of 89 per cent of local content commitment was made.
* A total of 94.13 jobs (annualised employee equivalent (AEE)) were committed, including the creation of 10.74 new jobs and the retention of 83.39 existing jobs (AEE).
* A total of 14.24 positions for apprentices, traineeships, and cadets.

### Projects Completed – Local Jobs First Standard

During 2018-19, Court Services Victoria completed two Local Jobs First standard projects, totalling $2.49 million. Of those projects, both were located in regional Victoria. No completed projects had occurred state wide. The Major Project Skills Guarantee did not apply to these projects.

The outcomes expected from the implementation of the Local Jobs First policy to these projects where information was provided, were as follows:

* An average of 95 per cent of local content commitment was made.
* A total of 13 (annualised employee equivalent) positions were committed, including the creation of 2 jobs and the retention of 11 existing jobs (annualised employee equivalent).
* No new apprenticeships, traineeships and cadets were created, however 4 existing apprenticeships, traineeships were retained.

### Projects Commenced – Local Jobs First Strategic

During 2018-19, Court Services Victoria did not commence any Local Jobs First Strategic projects.

### Projects Completed – Local Jobs First Strategic

During 2018-19, Court Services Victoria did not complete any Local Jobs First Strategic projects.

### Reporting Requirements – All Projects

During 2018-19, there were five small-to-medium sized businesses that prepared a Victorian Industry Participation Policy Plan or LIDP for contracts successfully appointed as Principal Contractor.

During 2018-19 twenty small-to-medium sized businesses were engaged through the supply chain on these projects.

Court Services Victoria commenced two projects prior to 15 August 2018 for which a Victorian Industry Participation Policy Plan or LIDP was not required, as the procurement activity was local by nature or had no contestable items.

### Reporting Requirements – Grants

There have been no grants during 2018-19 which entailed a conversation with the Industry Capability Network (Victoria) Ltd.

## Compliance with Building Act 1993

Court Services Victoria complies with the building and maintenance provisions of the Building Act 1993, the Building Regulations 2018 and relevant provisions of the National Construction Code.

Court Services Victoria applies the guidance to the Asset Management Accountability Framework in so far as it relates to the compliance with building regulations, the safety and fitness to occupy facilities, and application to new building and construction works.

### Scope of Properties

Court Services Victoria manages a diverse asset base of 51 owned facilities that range from major purpose-built court buildings concentrated in the CBD and metropolitan Melbourne, to single room court facilities dispersed throughout regional Victoria. In some cases, Court Services Victoria manages and maintains facilities where there is a co-shared arrangement with the Department of Justice and Community Safety.

### New and Existing Building Standards

During 2018-19, Court Services Victoria conducted 117 major works projects (valued over $50,000) in court locations across Victoria.

All new work, and redevelopment of existing properties, is carried out to conform to current Building Regulations and the provisions of the Building Act.

The municipal Building Surveyor or the relevant building surveyor issues either a Certificate of Final Inspection for upgrades or alterations to an existing building for which an Occupancy Permit has already been issued or deemed to be issued, or an Occupancy Permit for all new facilities and change of use and/or classification.

### Maintenance of Court Services Victoria- Owned Facilities

Court Services Victoria-owned buildings satisfy the maintenance provisions of building regulations through management by internal resources and external contractors. Court Services Victoria administers the issues on which maintenance standards rely, such as competencies of personnel, monitoring, reporting and auditing of servicing and maintenance systems.

Court Services Victoria receives maintenance statements from contractors and ensures evidence-based asset compliance is achieved by auditing all maintenance logbooks, records and databases and providing the annual Essential Safety Measures Report for each facility.

In 2018-19, any identified and prioritised non- compliances were scheduled to be undertaken as part of the upgrade works across all facilities.

The Victorian Government Shared Services Provider manages maintenance for leased facilities, excluding the County Court which is managed through a public-private partnership.

Occupational health and safety, functionality for service delivery and upkeep of plant and equipment are key priorities for the allocation of funding for maintenance.

All legislative requirements for asbestos inspections and monitoring have been met and coordinated to the satisfaction of the Victorian Asbestos Eradication Agency.

Legionella risks are managed by ensuring compliance with Legionella-related Acts and Regulations.

To date there are no emergency orders or building orders issued in relation to Court Services Victoria owned facilities.

## Government Advertising Expenditure

Court Services Victoria did not conduct any advertising campaign in the financial year 2018-19.

## Compliance with the DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the information included in this Annual Report will be available on our website in machine-readable format.

## Statement of Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation.

Court Services Victoria is working towards developing a documented approach to competitive neutrality in accordance with Victoria’s Competitive Neutrality Policy.

## Compliance with the Protected Disclosure Act 2012

TheProtected Disclosure Act 2012 encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Protected Disclosure Act provides certain protection to people who make disclosures in accordance with the Protected Disclosure Act and establishes a system for the matters disclosed to be investigated, and rectifying action to be taken.

Court Services Victoria does not tolerate improper conduct by employees, nor reprisals against those who come forward to disclose such conduct. Court Services Victoria is committed to ensuring transparency and accountability in administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety, or the environment.

Court Services Victoria will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. Court Services Victoria will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

### Reporting Procedures

Disclosure of improper conduct or detrimental action by Court Services Victoria, or any of its employees or officers, may be made to:

The Independent Broad-based Anti-Corruption Commission (IBAC)

Level 1, North Tower, 459 Collins Street,

Melbourne Vic 3000

Telephone: 1300 735 135

[IBAC Website](https://www.ibac.vic.gov.au/)[[3]](#footnote-4)

### Further Information

Further Information about what constitutes corrupt and specified conduct, how to make a disclosure, what happens when a disclosure is made, the protections and support available to disclosers, and the support available to a Court Services Victoria employee who is being investigated can be found in the Making and Handling Protected Disclosures Procedures. To request a copy of the Making and Handling Protected Disclosures Procedures, please contact [feedback@courts.vic.gov.au](mailto:feedback@courts.vic.gov.au)

## Compliance with the Carers Recognition Act 2012

Court Services Victoria complies with its obligations under the Carers Recognition Act 2012 by ensuring all new employees are aware of their rights under the legislation and ensuring that existing employees, who have carer responsibilities, are supported to balance work responsibilities and caring commitments in accordance with the Victorian Public Service Enterprise Agreement 2016.

Court Services Victoria also has people management policies that support the guiding principles of the Carers Recognition Act, including those listed below.

* Employee Assistance Program
* Personal/Carer’s Leave Policy
* Flexible Working Arrangements Policy
* Respect in the Workplace Policy
* Hours of Work Policy
* Purchased Leave Policy.

## Consultancy Expenditure

### Details of Consultancies Valued at $10,000 or Greater

In 2018-19, there were 22 consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2018-19 in relation to these consultancies is $3.12 million (excluding GST).

Table 10: Consultancies Valued at $10,000 or Greater

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Consultant | Purpose of consultancy | Total approved project fee $ (excl. GST) | Expenditure $ (excl. GST) | Future Expenditure $ (excl. GST) |
| Acclimation Pty Ltd | Review current Court Case Management support model | 100,000 | 66,062 | 33,938 |
| Deloitte Touche Tohmatsu | Fraud and Corruption Risk Assessment | 124,683 | 67,443 | 57,240 |
| Deloitte Touche Tohmatsu | Advice on County Court Future Accommodation & Service Needs | 848,623 | 430,646 | 417,977 |
| Fenton Strategic Communications | Development of Communications and Education Strategy for Coroners Court | 30,000 | 30,000 | 0 |
| Fiona Wynn | Court Services Victoria Customer Service Charter Development | 21,000 | 21,000 | 0 |
| Gabrielle Hartin – Learning and Delivery Services | Development of framework of Judicial Abilities and Qualities for Victorian Officers | 15,050 | 15,050 | 0 |
| Gabrielle Hartin – Learning and Delivery Services | Development of a Family Violence Competency Framework for Magistrates | 22,575 | 22,575 | 0 |
| Grant Thornton Australia Ltd | Coroners Prevention Unit Business Intelligence Project | 57,600 | 57,600 | 0 |
| Infrastructure Advisory Group Pty Ltd | County Court - Commercial Strategy and Contract Negotiation Services | 798,000 | 794,546 | 3,454 |
| KPMG | ILM & Business Case Preparation | 92,000 | 60,663 | 31,337 |
| Nous Group Pty Ltd | Shepparton service delivery model as part of Courts Family Violence Reform Program | 136,200 | 136,200 | 0 |
| Nous Group Pty Ltd | Design the VOCAT Specialised Assistance Model | 109,500 | 54,750 | 54,750 |
| Nous Group Pty Ltd | Victorian Civil and Administrative Tribunal - CAFAS Business Case Design and Development | 172,727 | 167,100 | 5,627 |
| Paxton Partners | Stakeholder Needs Analysis for the Coroners Court | 135,208 | 101,190 | 34,018 |
| Risk Group Pty Ltd | Security risk assessment for Supreme Court | 89,000 | 89,000 | 0 |
| RMIT University | Review models of Family Violence Counselling Orders Program and Family Violence Court Intervention Program | 137,641 | 137,641 | 0 |
| RMIT University | Service Delivery Reform Project | 636,364 | 248,580 | 387,784 |
| SACS Consulting Pty Ltd | Magistrates’ Court Strategic Workforce Plan | 303,636 | 68,119 | 235,517 |
| SGS Economics and Planning Pty Ltd | Court system-wide demand modelling | 227,100 | 215,500 | 11,600 |
| Siggins Miller Consultants Pty Ltd | Develop an evaluation and monitoring framework for Drug Court | 147,517 | 75,159 | 72,358 |
| Thoughtworks Australia Pty Ltd | Architecture review - Victorian Civil and Administrative Tribunal Online Dispute Resolution Project | 226,510 | 211,800 | 14,710 |
| Thoughtworks Australia Pty Ltd | Service model - Victorian Civil and Administrative Tribunal Online Dispute Resolution Project | 54,370 | 54,370 | 0 |
| Consultancy above $10,000 | N/A | 4,485,304 | 3,124,994 | 1,360,310 |

### Details of Consultancies Valued under $10,000

In 2018-19, there were no consultancies where the total fees payable to the consultants was less than $10,000.

### Disclosure of Major Contracts

Court Services Victoria did not enter into any contracts greater than $10 million in the year ended 30 June 2019.

## Information and Communication Technology Expenditure

For the 2018-19 reporting period, Court Services Victoria had a total ICT expenditure of $68.5 million.

Table 11: Information and Communication Technology Expenditure

ICT expenditure related to projects to create or enhance ICT capabilities

|  |  |  |  |
| --- | --- | --- | --- |
| All operational ICT expenditure  Business-as-usual (BAU) ICT expenditure  ($ thousand) | Non business-as-usual (non-BAU)  ICT expenditure  ($ thousand) | Operational  expenditure ($ thousand) | Capital expenditure ($ thousand) |
| 41,420 Total  (Total = Operational expenditure and capital expenditure) | 27,059 | 12,502 | 14,557 |

Notes:

1. ICT expenditure refers to Court Services Victoria’s costs in providing business-enabling ICT services within the current reporting period. It comprises BAU ICT expenditure and non-BAU ICT expenditure.
2. Non-BAU ICT expenditure relates to extending or enhancing Court Services Victoria’s current ICT capabilities.
3. BAU ICT expenditure is all remaining ICT expenditure that primarily relates to ongoing activities to operate and maintain the current ICT capability.

## Freedom of Information

During 2018-19, Court Services Victoria received 82 Freedom of information (FOI) requests. Of these requests, 69 were requests for personal documents and 13 were non- personal requests.

Court Services Victoria made seven Freedom of Information decisions during the 12 months ended 30 June 2019. All seven decisions were made within the statutory 30-day time period.

Of the remaining 75 requests, 43 were for documents excluded from the Freedom of Information process, one was transferred to another agency for processing, nine were not proceeded with by the applicants and five are still being processed.

During 2018-19, four requests were subject to complaint/review by the Office of the Victorian Information Commissioner (OVIC). The Information Commissioner affirmed Court Services Victoria’s decision in two matters. One review and one complaint are still pending. Two applicants applied to Victorian Civil and Administrative Tribunal for review of Office of the Victorian Information Commissioner’s decisions. One applicant withdrew his review proceedings and one proceeding was settled by consent.

Table 12: Freedom of Information Outcomes

|  |  |
| --- | --- |
| Freedom of Information Outcome | Number of requests |
| Court documents excluded from the Freedom of Information Act (Freedom of Information Act) or documents that are publicly available or available to the public for a fee (sections 14(1)(a) and 14(1)(b) of the Freedom of Information Act) | 43 |
| Valid requests (application fee paid or waived) – total | 39 |
| * Access granted in full | 1 |
| * Access granted in part | 5 |
| * Access denied | 1 |
| * No document exists/no document located | 4 |
| * Transferred to another agency | 1 |
| * Refused without identifying documents | 3 |
| * Not processed | 5 |
| * Not proceeded with | 9 |
| * Withdrawn | 5 |
| * In process | 5 |
| Total requests received | 82 |

### Court Documents

The Freedom of Information Act 1982 does not apply to documents held by courts in respect of their judicial functions (section 6 of the Freedom of Information Act). Each court or tribunal has its own arrangements for accessing such documents and applicants are encouraged to contact the relevant court or tribunal in the first instance for these types of documents. Contact details can be found on each court or tribunal’s website.

### Making a Request

Access to documents available under Freedom of Information may be obtained through written request to Court Services Victoria Freedom of Information, as detailed in section 17 of the Freedom of Information Act.

Requests for documents in the possession of Court Services Victoria should be made in writing, accompanied by the application fee or request for a fee waiver, and be addressed to:

Court Services Victoria Freedom of Information

PO Box 13193

Law Courts Vic 8010

Email [foi@courts.vic.gov.au](mailto:foi@courts.vic.gov.au)

Requests can also be lodged online on the Freedom of Information website.

Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying or search and retrieval charges).

Further information regarding Freedom of Information can be found on the Freedom of Information website. Court Services Victoria’s Part 2 Information Statement can be found on our website.

## Court Services Victoria Financial Management Compliance Attestation Statement

I, the Honourable Chief Justice Mary Anne Ferguson, on behalf of the Responsible Body, certify that Court Services Victoria has complied with the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions.

The Honourable Chief Justice Mary Anne Ferguson  
Chair of the Courts Council  
11 September 2019

## Statement of Availability of Other Information

Under Financial Reporting Direction (FRD) 22H Standard Disclosures in the Report of Operations, Court Services Victoria is required to retain the following information for the 2018-19 financial year and make it available upon request (subject to freedom of information requirements, if applicable).

1. A statement that declarations of pecuniary interests have been duly completed by all relevant officers.
2. Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary.
3. Details of publications produced by Court Services Victoria about itself, and how these can be obtained.
4. Details of changes in prices, fees, charges, rates and levies charged by Court Services Victoria.
5. Details of any major external reviews carried out on Court Services Victoria.
6. Details of major research and development activities undertaken by Court Services Victoria.
7. Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.
8. Details of major promotional, public relations and marketing activities undertaken by Court Services Victoria to develop community awareness of Court Services Victoria and its services.
9. Details of assessments and measures undertaken to improve the occupational health and safety of employees.
10. A general statement on industrial relations within Court Services Victoria and details of time lost through industrial accidents and disputes.
11. A list of major committees sponsored by Court Services Victoria, the purposes of each committee and the extent to which the purposes have been achieved.
12. Details of all consultancies and contractors including:
    1. consultants/contractors engaged,
    2. services provided, and
    3. expenditure committed to for each engagement.

The information is available on request from:

Court Services Victoria

PO Box 13193

Law Courts Vic 8010

Email: [feedback@courts.vic.gov.au](mailto:feedback@courts.vic.gov.au)

## Disclosure Index

The Court Services Victoria Annual Report 2018-19 is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of Court Services Victoria’s compliance with statutory disclosures requirements.

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Financial Statements

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# Section 5: Financial Statements for the Financial Year Ended 30 June 2019

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## How this report is structured

Court Services Victoria (CSV) has presented its audited general purpose financial statements for the financial year ended 30 June 2019 in the following structure to provide users with the information about Court Services Victoria's stewardship of resources entrusted to it.

Declarations:

* Declaration in the financial statements
* Independent Auditor's Report

Financial Statements:

* Comprehensive operating statement
* Balance sheet
* Cash flow statement
* Statement of changes in equity

Notes to the financial statements

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The basis on which the financial statements have been prepared and compliance with reporting regulations

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8.2 Contingent assets and contingent liabilities

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9.2 Responsible persons

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9.5 Remuneration of auditors

9.6 Subsequent events

9.7 Other accounting policies

9.8 Australian Accounting Standards issued that are not yet effect­ive

1. Glossary of technical terms and style conventions

## Declaration in the financial statements

The attached financial statements for Court Services Victoria have been prepared in accordance with Direction 5.2 of the Standing Directions 2018 under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, cash flow statement, statement of changes in equity and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2019 and financial position of Court Services Victoria at 30 June 2019.

At the time of signing, we are not aware of any circumstance that would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 11 September 2019.

The Honourable Chief Justice  
Mary Anne Ferguson  
Chair of the Courts Council  
Court Services Victoria  
Melbourne  
11 September 2019

Louise Anderson  
Chief Executive Officer  
Court Services Victoria  
Melbourne  
11 September 2019

Salvatore Costanzo  
Chief Finance Officer  
Court Services Victoria  
Melbourne  
11 September 2019

## Independent Auditors Report

Victorian Auditor-General’s Office

Level 31, 35 Collins Street, Melbourne VIC 3000

Telephone 03 8601 7000

Email [enquiries@audit.vic.gov.au](mailto:enquiries@audit.vic.gov.au)

Independent Auditor’s Report   
To the Courts Council of Court Services Victoria

Opinion

I have audited the financial report of Court Services Victoria (the authority) which comprises the:

* balance sheet as at 30 June 2019
* comprehensive operating statement for the year then ended
* cash flow statement for the year then ended
* statement of changes in equity for the year then ended
* notes to the financial statements, including significant accounting policies
* declaration in the financial statements

In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the Financial Management Act 1994 and applicable Australian Accounting Standards.

Basis for Opinion

I have conducted my audit in accordance with the Audit Act 1994 which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor’s Responsibilities* for the Audit of the Financial Report section of my report.

My independence is established by the Constitution Act 1975. My staff and I are independent of the authority 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 Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Courts Council’s responsibilities for the financial report

The Courts Council of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Financial Management Act 1994, and for such internal control as the Court’s Council determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Courts Council is responsible for assessing the authority’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the performance statement

As required by the Audit Act 1994, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

* identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
* obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the authority’s internal control.
* evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Courts Council.
* conclude on the appropriateness of the Courts Council’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 authority’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the authority 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.

I communicate with the Courts Council 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.

Charlotte Jeffries

as delegate for the Auditor-General of Victoria

Melbourne  
18 September 2019

## Comprehensive Operating Statement for the Financial Year Ended 30 June 2019

|  |  |  |  |
| --- | --- | --- | --- |
| Item | Note | 2019 $'000 | 2018 $'000 |
| Continuing operations | N/A | N/A | N/A |
| Income from transactions | N/A | N/A | N/A |
| Output appropriations | 2.1 | 428,469 | 378,618 |
| Special appropriations | 2.3 | 157,954 | 143,278 |
| Grants | 2.4 | 28,164 | 24,678 |
| Total income from transactions | N/A | 614,588 | 546,574 |
| Expenses from transactions | N/A | N/A | N/A |
| Employee expenses and Judicial Officer remuneration | 3.1.1 | 341,714 | 307,503 |
| Depreciation and amortisation | 5.1.1 | 53,488 | 46,631 |
| Interest expense | [7.1(d)](#_D._Interest_on) | 4,983 | 6,050 |
| Grants and other transfers | 3.2 | 13,968 | 10,836 |
| Capital asset charge | 3.3 | 45,499 | 39,053 |
| Supplies and services | 3.4 | 144,086 | 130,319 |
| Total expenses from transactions | N/A | 603,738 | 540,393 |
| Net result from transactions (net operating balance) | N/A | 10,849 | 6,182 |
| Other economic flows included in net result | N/A | N/A | N/A |
| Net gain/(loss) on non-financial assets | 9.1 | 468 | 417 |
| Net gain/(loss) on financial instruments | 9.1 | 381 | (23) |
| Other gains/(losses) from other economic flows | 9.1 | (7,663) | (107) |
| Total other economic flows included in net result | N/A | (6,814) | 287 |
| Net result | N/A | 4,035 | 6,469 |
| Other economic flows - other comprehensive income | N/A | N/A | N/A |
| Items that will not be reclassified to net result | N/A | N/A | N/A |
| Changes in physical asset revaluation surplus | 5.1.3 | 53,844 | 63,369 |
| Total other economic flows - other comprehensive income | N/A | 53,844 | 63,369 |
| Comprehensive result | N/A | 57,880 | 69,838 |

The accompanying notes form part of these financial statements.

## Balance Sheet as at 30 June 2019

|  |  |  |  |
| --- | --- | --- | --- |
| Item | Note | 2019 $'000 | 2018 $'000 |
| Financial assets | N/A | N/A | N/A |
| Cash and deposits | 8.1.1 | 17,899 | 13,151 |
| Receivables | 6.1 | 99,925 | 97,199 |
| Total financial assets | N/A | 117,824 | 110,350 |
| Non-financial assets | N/A | N/A | N/A |
| Non-financial physical assets classified as held for sale | N/A | 200 | 181 |
| Property, plant and equipment | 5.1 | 1,128,160 | 1,066,249 |
| Intangible assets | [5.2](#_5.2_Intangible_assets) | 24,393 | 17,591 |
| Prepayments | N/A | 5,887 | 2,370 |
| Total non-financial assets | N/A | 1,158,640 | 1,086,391 |
| Total assets | N/A | 1,276,463 | 1,196,741 |
| Liabilities | N/A | N/A | N/A |
| Payables | 6.2 | 50,468 | 44,229 |
| Borrowings | 7.1 | 54,917 | 67,242 |
| Provisions | 3.1.2 | 93,903 | 79,569 |
| Other Provisions | N/A | 342 | 318 |
| Total liabilities | N/A | 199,630 | 191,357 |
| Net assets | N/A | 1,076,833 | 1,005,384 |
| Equity | N/A | N/A | N/A |
| Accumulated surplus/(deficit) | N/A | 11,752 | 7,717 |
| Contributed capital | N/A | 761,099 | 747,530 |
| Physical asset revaluation surplus | N/A | 303,982 | 250,137 |
| Net worth | N/A | 1,076,833 | 1,005,384 |

The accompanying notes form part of these financial statements.

## Cash Flow Statement for the Financial Year Ended 30 June 2019

|  |  |  |  |
| --- | --- | --- | --- |
| Item | Note | 2019 $'000 | 2018 $'000 |
| Cash flows from operating activities | N/A | N/A | N/A |
| Receipts | N/A | N/A | N/A |
| Receipts from Government | N/A | 590,385 | 502,174 |
| Receipts from other entities | N/A | 20,492 | 23,007 |
| Goods and services tax recovered from the Australian Taxation Office | N/A | 19,835 | 19,354 |
| Total receipts | N/A | 630,712 | 544,535 |
| Payments | N/A | N/A | N/A |
| Payments to suppliers, employees and judicial officers | N/A | (498,346) | (441,846) |
| Payments of grants and other transfers | N/A | (7,321) | (5,893) |
| Capital assets charge payments | N/A | (45,499) | (39,053) |
| Interest and other costs of finance paid | N/A | (4,983) | (6,050) |
| Total payments | N/A | (556,150) | (492,842) |
| Net cash flows from/(used in) operating activities | 7.2.1 | 74,563 | 51,693 |
| Cash flows from investing activities | N/A | N/A | N/A |
| Purchases of non-financial assets | N/A | (73,964) | (73,992) |
| Proceeds from sales of non-financial assets | N/A | 2,904 | 2,330 |
| Net cash flows from/(used in) investing activities | N/A | (71,060) | (71,662) |
| Cash flows from financing activities | N/A | N/A | N/A |
| Owner contributions by State Government | N/A | 13,569 | 35,868 |
| Repayment of borrowings and finance leases | N/A | (12,324) | (11,833) |
| Net cash provided by/(used in) financing activities | N/A | 1,245 | 24,035 |
| Net increase (decrease) in cash held | N/A | 4,747 | 4,065 |
| Cash and cash equivalents at the beginning of the financial year | N/A | 13,151 | 9,086 |
| Cash and cash equivalents at the end of the financial year | 8.1.1 | 17,899 | 13,151 |

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity for the Financial Year Ended 30 June 2019

2019

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Item | Note | Physical asset revaluation surplus $’000 | Accumulated surplus/ (deficit) $’000 | Contributed capital $’000 | Total $’000 |
| Balance as at 1 July 2018 | N/A | 250,137 | 7,717 | 747,530 | 1,005,384 |
| Net result for the year | N/A | N/A | 4,035 | N/A | 4,035 |
| Other comprehensive income | 5.1.3 | 53,844 | N/A | N/A | 53,844 |
| Transactions with the State in its capacity as owners(1) | N/A | N/A | N/A | 13,569 | 13,569 |
| Balance at 30 June 2019 | N/A | 303,982 | 11,752 | 761,099 | 1,076,833 |

2018

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Item | Note | Physical asset revaluation surplus $’000 | Accumulated surplus/ (deficit) $’000 | Contributed capital $’000 | Total $’000 |
| Balance as at 1 July 2017 | N/A | 186,768 | 1,248 | 711,662 | 899,678 |
| Net result for the year | N/A | N/A | 6,469 | N/A | 6,469 |
| Other comprehensive income | 5.1.3 | 63,369 | N/A | N/A | 63,369 |
| Transactions with the State in its capacity as owners | N/A | N/A | N/A | 35,868 | 35,868 |
| Balance at 30 June 2018 | N/A | 250,137 | 7,717 | 747,530 | 1,005,384 |

Note:

1. Transfers with the State in its capacity as owner relates to asset additions funded from output initiatives and special appropriations.

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

## Note 1. About This Report

Court Services Victoria (CSV) was established on 1 July 2014 under the Court Services Victoria Act 2014 as an independent statutory body to provide administrative services and facilities to support the Victorian courts and tribunals, the Judicial College of Victoria and the Judicial Commission of Victoria. Court Services Victoria supports the performance of the judicial, quasi-judicial and administrative functions of the Supreme Court of Victoria, the County Court of Victoria, the Magistrates’ Court of Victoria, the Children’s Court of Victoria, the Coroners Court of Victoria and the Victorian Civil and Administrative Tribunal (VCAT).

Court Services Victoria's status as a statutory body allows the courts to operate independently of the direction of the executive branch of government, thus supporting the independence of the judiciary.

Court Services Victoria's activities include overseeing court facilities and providing the people, information technology and financial management to deliver enhanced administrative services to the Victorian courts, Victorian Civil and Administrative Tribunal, Judicial College of Victoria, and the Judicial Commission of Victoria. Some or all of these activities are provided through an administration function known as "Jurisdiction Services".

The Courts Council is Court Services Victoria’s governing body and comprises the head of each court jurisdiction and Victorian Civil and Administrative Tribunal and up to two independent members. There are seven committees that inform the work of the Courts Council.

Court Services Victoria's principal address is:   
223 William Street  
Melbourne, Vic 3000.

### Basis of Preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of Australian Accounting Standard AASB 1004 Contributions, contributions by owners (that is contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of Court Services Victoria.

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owner.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. Significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates are disclosed in the notes under the heading 'Significant judgement or estimates'.

These financial statements cover Court Services Victoria as an individual reporting entity and include all the controlled activities of Court Services Victoria.

All amounts in the financial statements have been rounded to the nearest $1,000 unless otherwise stated.

### Compliance Information

These general purpose financial statements have been prepared in accordance with the Financial Management Act 1994 (FMA) and applicable Australian Accounting Standards (AASs), which include Interpretations issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

## Note 2. Funding Delivery of Our Services

### Introduction

Court Services Victoria's overall objective is the fair, timely and efficient dispensing of justice.

To enable Court Services Victoria to fulfil its objective and provide outputs as described in Note 4, it receives income which is predominantly accrual based Parliamentary appropriations.

Structure

2.1 Summary of income that funds the delivery of our services

2.2 Appropriations

2.3 Summary of compliance with annual Parliamentary and special appropriations

2.4 Income from transactions

2.5 Annotated income agreements

### Note 2.1 Summary of Income that Funds the Delivery of our Services

|  |  |  |  |
| --- | --- | --- | --- |
| Item | Notes | 2019 $’000 | 2018 $’000 |
| Output appropriations | 2.2 | 428,469 | 378,618 |
| Special appropriations | 2.3 | 157,954 | 143,278 |
| Grants | 2.4.1 | 28,164 | 24,678 |
| Total income from transactions | N/A | 614,587 | 546,574 |

Income is recognised to the extent it is probable that the economic benefits will flow to Court Services Victoria and the income can be reliably measured at fair value. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes. All amounts of income over which Court Services Victoria does not have control are disclosed as administered income (see note 4.3 ).

### Note 2.2 Appropriations

Once annual Parliamentary appropriations are applied by the Treasurer, they become controlled by Court Services Victoria and are recognised as income when applied to the purposes defined under the relevant Appropriations Act.

#### Output Appropriations

Income received to deliver the outputs Court Services Victoria provides to the Government is recognised when those outputs have been delivered and the relevant minister has certified delivery of those outputs in accordance with specified performance criteria.

#### Special Appropriations

Income from special appropriations is recognised on a cash basis when the amount appropriated for that purpose is due and payable, with the exception of long service leave and annual leave which includes income for unpaid leave on an accrual basis.

### Note 2.3 Summary of Compliance with Annual Parliamentary and Special Appropriations

The following table discloses the details of the various annual Parliamentary appropriations received by Court Services Victoria for the year.

In accordance with accrual output‑based management procedures, ‘provision of outputs’ and ‘additions to net assets’ are disclosed as ‘controlled’ activities of Court Services Victoria. Administered transactions are those that are undertaken on behalf of the State over which Court Services Victoria has no control or discretion.

2019

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Item | Appropriation Act  Annual appropriation  $’000 | Appropriation Act Advance from Treasurer $’000 | Financial Management Act 1994 Section 28 $’000 | Financial Management Act 1994 Section 29 $’000 | Financial Management Act 1994 Section 31A $’000 | Financial Management Act 1994 Section 32 $’000 | Financial Management Act 1994 Section 34(1) $’000 | Financial Management Act 1994 Section 35 $’000 | Financial Management  Act 1994 Total Parliamentary  authority $’000 | Financial Management  Act 1994  Appropriations applied $’000 | Financial Management Act 1994 Variance(2) $’000 |
| Controlled | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Provision of outputs | 353,378 | 6,178 | 0 | 75,982 | (2,803) | 11,177 | 0 | 0 | 443,913 | 428,469 | 15,443 |
| Additions to net assets | 80,432 | 431 | 0 | 0 | 2,803 | 2,451 | (50,128) | 0 | 35,989 | 11,521 | 24,468 |
| Total | 433,811 | 6,609 | 0 | 75,982 | 0 | 13,628 | (50,128) | 0 | 479,902 | 439,990 | 39,911 |

2018

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Item | Appropriation Act Annual appropriation  $’000 | Appropriation Act Advance from Treasurer $’000 | Financial Management Act 1994 Section 28 $’000 | Financial Management Act 1994 Section 29 $’000 | Financial Management Act 1994 Section 31A $’000 | Financial Management Act 1994 Section 32 $’000 | Financial Management Act 1994 Section 34 $’000 | Financial Management Act 1994 Section 35 $’000 | Financial Management  Act 1994 Total Parliamentary  authority $’000 | Financial Management  Act 1994  Appropriations applied $’000 | Financial Management Act 1994 Variance $’000 |
| Controlled | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Provision of outputs | 311,292 | 9,907 | 0 | 69,699 | (2,494) | 6,126 | (9,330) | 0 | 385,200 | 378,618 | 6,582 |
| Additions to net assets | 48,370 | 0 | 0 | 0 | 2,494 | 10,342 | (25,014) | 855 | 37,047 | 33,741 | 3,306 |
| Total | 359,662 | 9,907 | 0 | 69,699 | 0 | 16,468 | (34,344) | 855 | 422,247 | 412,359 | 9,888 |

Note:

1. Section 34 Financial Management Act 1994 (FMA): s34 provides the legal authority to reduce the appropriation in the current financial year to meet future payments. Court Services Victoria utilised s34 where detailed implementation planning for recent government initiatives resulted in outputs being rescheduled into the forward estimate years.
2. The variance is primarily related to rescheduling committed projects for delivery in future years.

The following table discloses the details of the compliance with special appropriations received by Court Services Victoria for the year.

#### Summary of Compliance with Special Appropriations

Purpose: Operating Costs

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Item | Authority | Purpose | 2019 $'000 | 2018 $'000 |
| 1 | Constitution Act 1975 (No. 8750/1975), s.82 (7) | Remuneration of Judges of the Supreme Court of Victoria and the Chief Justice | 26,608 | 24,240 |
| 2 | Constitution Act 1975 (No. 8750/1975), s.82 (7) | Remuneration of the President and Judges of the Court of Appeal Division of the Supreme Court of Victoria | 7,971 | 7,726 |
| 3 | County Court Act 1958 (No. 6230/1958) s.10 (7) | Remuneration of Judges of the County Court of Victoria | 37,169 | 34,443 |
| 4 | Victims of Crime Assistance Act 1996 (No. 81/1996), s.69 | Operating costs of the Victims of Crime Assistance Tribunal | 3,384 | 3,055 |
| 5 | Magistrates’ Court Act 1989 (No. 51/1989), sch.1 Pt 1 cl.10 | Remuneration of Magistrates of the Magistrates’ Court of Victoria | 63,332 | 56,278 |
| 6 | Victorian Civil and Administrative Tribunal Act 53 of 1998 section 17AA | Remuneration of Members of the Victorian Civil and Administrative  Tribunal | 19,444 | 17,497 |
| 7 | Juries Act 2000 (No. 53/2000), s.59 | Compensation to jurors from the WorkCover Authority Fund under the Accident Compensation Act 1985 | 2 | 39 |
| 8 | Constitution Act No. 8750 - Section 87AAT(5) | Judicial Commission  Investigation Panel | 46 | 0 |
| N/A | Total | N/A | 157,954 | 143,278 |

Purpose: Capital Component

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Item | Authority | Purpose | 2019 $'000 | 2018 $'000 |
| 9 | Constitution Act 1975 (No. 8750/1975), s.82 (7) | Remuneration of Judges of the Supreme Court of Victoria. | 335 | 360 |
| 10 | Constitution Act 1975 (No. 8750/1975), s.82 (7) | Remuneration of Judges of the Court of Appeals Supreme Court of Victoria | 104 | 108 |
| 11 | County Court Act 1958 (No. 6230/1958) s.10 (7) | Remuneration of Judges of the County Court of Victoria | 569 | 564 |
| 12 | Magistrates’ Court Act 1989 (No. 51/1989), sch.1 Pt 1 cl.10 | Remuneration of Magistrates of the Magistrates’ Court of Victoria | 855 | 901 |
| 13 | Victorian Civil and Administrative Tribunal Act 53 of 1998 section 17AA | Remuneration of Members of the Victorian Civil and Administrative  Tribunal | 184 | 194 |
| N/A | Total | N/A | 2,048 | 2,127 |
| N/A | Administered Special Appropriations Applied: Victims of Crime Assistance Act 1996 (No 81/1996), s.69 | Costs incurred by the  Victims of Crime Assistance  Tribunal and payments  to victims of crime | 46,008 | 42,977 |
| N/A | Total | N/A | 46,008 | 42,977 |

### Note 2.4 Income from Transactions

#### 2.4.1 Grants

|  |  |  |
| --- | --- | --- |
| Item | 2019 $'000 | 2018 $'000 |
| General government | 27,693 | 24,406 |
| Other specific purpose | 471 | 272 |
| Total grants | 28,164 | 24,678 |

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to Court Services Victoria without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed ‘non-reciprocal’ transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For non‑reciprocal grants, Court Services Victoria recognises revenue when the grant is receivable or received.

Grants can be received as general purpose grants, that refers to grants which are not subject to conditions regarding their use. Alternatively, they may be received as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

Some grants are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider). Court Services Victoria recognises the income when it has satisfied its performance obligations under the terms of the grant.

### Note 2.5 Annotated Income Agreements

Court Services Victoria is permitted under section 29 of the *Financial Management Act 1994* to have certain income annotated to the annual appropriation. The income which forms part of section 29 agreement is recognised by Court Services Victoria as an administered item and the receipts paid into the consolidated fund. At the point of income recognition, section 29 provides for an equivalent amount to be added to the annual appropriation.

The Treasurer has approved the Court Fees, Victorian Workcover Authority, and Retail Sale of Courts Data annotated income agreement of $76.0 million (2018: $69.7million).

The annotated income forms part of the annual appropriation received from the Victorian Government as disclosed in Note 2.3.

## Note 3. The Cost of Delivering Services

### Introduction

This section provides an account of the expenses incurred by Court Services Victoria in delivering the services and outputs it received income for, as outlined in Section 2.

Structure

3.1 Expenses incurred in delivery of services

3.2 Grant and other transfers

3.3 Capital asset charge

3.4 Supplies and services

### Note 3.1 Expenses incurred in delivery of services

|  |  |  |  |
| --- | --- | --- | --- |
| Item | Notes | 2019 $'000 | 2018 $'000 |
| Employee benefit and Judicial Officer remuneration expenses | 3.1.1 | 341,714 | 307,503 |
| Grants and other transfers - Judicial College & Judicial Commission | 3.2 | 6,967 | 4,943 |
| Other grants and other transfers | 3.2 | 7,002 | 5,893 |
| Capital asset charge | 3.3 | 45,499 | 39,053 |
| Supplies and services | 3.4 | 144,086 | 130,319 |
| Total expenses incurred in delivery of services | N/A | 545,268 | 487,711 |

#### 3.1.1 Employee Benefit and Judicial Officer Remuneration Expenses in the Comprehensive Operating Statement

|  |  |  |  |
| --- | --- | --- | --- |
| Item | Notes | 2019 $'000 | 2018 $'000 |
| Defined contribution superannuation expense | 3.1.3 | 20,535 | 17,998 |
| Defined benefit superannuation expense | 3.1.3 | 1,751 | 1,887 |
| Termination benefits | N/A | 440 | 1,089 |
| Salaries and wages | N/A | 265,086 | 238,050 |
| Leave expenses (annual leave and long service leave) | N/A | 31,731 | 26,718 |
| Other on-costs (fringe benefits tax, payroll tax, training and workcover levy) | N/A | 22,171 | 21,763 |
| Total employee expenses and Judicial Officer remuneration | N/A | 341,714 | 307,503 |

Employee expenses and Judicial Officer remuneration encompasses all costs related to employment, including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. Court Services Victoria does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee or Judicial Officer accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when Court Services Victoria is demonstrably committed to terminating the employment of current employees according to formal plans without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits of judicial officers are recognised when the employment of a Judicial Officer is terminated. Benefits due more than 12 months after the end of the reporting period are discounted to present value.

#### 3.1.2 Employee Benefits and Judicial Officer Remuneration in the Balance Sheet

Provision is made for benefits accruing to employees and judicial officers in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

Current provisions

|  |  |  |
| --- | --- | --- |
| Item | 2019 $'000 | 2018 $'000 |
| Annual leave | N/A | N/A |
| Unconditional and expected to settle within 12 months | 12,415 | 10,666 |
| Unconditional and expected to settle after 12 months | 2,234 | 2,474 |
| Long service leave | N/A | N/A |
| Unconditional and expected to settle within 12 months | 4,811 | 4,156 |
| Unconditional and expected to settle after 12 months | 52,479 | 44,163 |
| Provisions for on-costs | N/A | N/A |
| Unconditional and expected to settle within 12 months | 4,030 | 3,456 |
| Unconditional and expected to settle after 12 months | 6,964 | 6,102 |
| Total current provisions for employee benefits and Judicial Officer remuneration | 82,934 | 71,017 |

Non-current provisions

|  |  |  |
| --- | --- | --- |
| Item | 2019 $’000 | 2018 $’000 |
| Employee benefits and Judicial Officer remuneration | 9,786 | 7,617 |
| On-costs | 1,183 | 934 |
| Total non-current provisions for employee benefits and Judicial Officer remuneration | 10,968 | 8,551 |
| Total provisions for employee benefits and Judicial Officer remuneration | 93,903 | 79,569 |

#### Reconciliation of Movement in On-Cost Provision

|  |  |  |
| --- | --- | --- |
| Item | 2019 $'000 | 2018 $'000 |
| Opening balance | 10,493 | 9,844 |
| Additional provisions recognised | 5,484 | 4,366 |
| Reductions arising from payments/other sacrifices of future economic benefits | (3,800) | (3,718) |
| Closing balance | 12,177 | 10,493 |
| N/A | N/A | N/A |
| Current | 10,994 | 9,558 |
| Non-current | 1,183 | 934 |
| Total | 12,177 | 10,493 |

#### Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit and Judicial Officer remuneration provision as current liabilities, because Court Services Victoria does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates that are current at the reporting date. As Court Services Victoria expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as Court Services Victoria does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits and Judicial Officer remuneration. They are disclosed separately as a component of the provision for employee benefits and Judicial Officer remuneration when the employment to which they relate has occurred.

#### Unconditional Long Service Leave

Unconditional long service leave is disclosed as a current liability even where Court Services Victoria does not expect to settle the liability within 12 months, as it will not have the unconditional right to defer the settlement of the entitlement should an employee and Judicial Officer take leave within 12 months.

The components of the current long service leave liability are measured at:

* undiscounted value – if Court Services Victoria expects to wholly settle within 12 months; or
* present value – if Court Services Victoria does not expect to wholly settle within 12 months.

#### Conditional Long Service Leave

Conditional long service leave is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current long service leave liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current long service leave liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

##### 3.1.3 Superannuation Contributions

Employees and judicial officers of Court Services Victoria are entitled to receive superannuation benefits and Court Services Victoria contributes to both defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary. Judicial Officer pension schemes are non-contributory.

As noted previously, the defined benefit liability is recognised by Department of Treasury and Finance as an administered liability. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits and judicial officers in the comprehensive operating statement of Court Services Victoria.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Item | Paid contribution for the year 2019 $'000 | Paid contribution  for the year 2018 $'000 | Contribution outstanding at year end  2019 $'000 | Contribution outstanding at year end  2018 $'000 |
| Defined benefit plans: | N/A | N/A | N/A | N/A |
| Emergency Services and State Super - revised and new | 1,715 | 1,852 | 36 | 35 |
| Defined contribution plans: | N/A | N/A | N/A | N/A |
| VicSuper | 12,670 | 11,763 | 292 | 237 |
| Various other | 7,395 | 5,876 | 179 | 122 |
| Total | 21,779 | 19,491 | 507 | 394 |

Note:

The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

### 3.2 Grants and Other Transfers

Grant expenses represent contributions of Court Services Victoria resources to another party for specific or general purposes where there is no expectation that the amount will be repaid in equal value (either by money, goods or services).

Grants can either be operating or capital in nature. Grants can be paid as general purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

Grant expenses are recognised in the reporting period in which they are paid or payable. Grants can take the form of money, assets, goods, services or forgiveness of liabilities.

Grants and other transfers include payments to the Judicial College Victoria $4.7m (2018: $3.5m), and Judicial Commission Victoria $2.3m (2018: $1.4m).

### 3.3 Capital Asset Charge

A capital asset charge is a charge levied on the written down value of controlled non‑current physical assets in Court Services Victoria's balance sheet. It aims to attribute to Court Services Victoria's outputs, a cost of capital used in service delivery. Imposing this charge provides incentives for Court Services Victoria to identify and dispose of underutilised or surplus non‑current physical assets.

### 3.4 Supplies and Services

|  |  |  |
| --- | --- | --- |
| Item | 2019 $'000 | 2018 $'000 |
| Accommodation and property services | 39,280 | 34,788 |
| Outsourced contracts | 22,301 | 22,182 |
| Contractors, professional services and consultants | 28,150 | 28,035 |
| Printing, stationery and other office expenses | 12,882 | 11,587 |
| Technology services | 16,971 | 15,424 |
| Juror payments | 3,610 | 3,319 |
| Repairs and maintenance | 4,977 | 5,084 |
| Deceased removals and transfer costs (Coroners Court) | 4,260 | 4,286 |
| Interpreter and translation services | 3,448 | 3,297 |
| Other | 8,209 | 2,317 |
| Total supplies and services | 144,086 | 130,319 |

Supplies and services expenses generally represent day-to-day running costs incurred in normal operations.

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

## Note 4. Disaggregated Financial Information by Output

### Introduction

Court Services Victoria is predominantly funded by accrual based Parliamentary appropriations for the provision of outputs. This section provides a description of Court Services Victoria outputs delivered during the period ending 30 June 2019 along with the objectives of those outputs.

Structure

4.1 Court Services Victoria outputs–Descriptions and objectives

4.2 Controlled items

4.3 Administered items

### 4.1 Court Services Victoria Outputs–Descriptions and Objectives

Court Services Victoria provides administrative services and facilities to support the Victorian Courts and Statutory Tribunals in the dispensation of criminal and civil matters.

Court Services Victoria outputs reflect services and facilities provided to: Supreme Court of Victoria, County Court of Victoria, Magistrates’ Court of Victoria, Children’s Court of Victoria, Coroners Court of Victoria, Victorian Civil and Administrative Tribunal, and Jurisdiction Services. The corporate support to the Courts and the Tribunal is reflected in the Courts' and Tribunal's total output costs.

#### Objectives

Court Services Victoria's overall objective is the fair, timely and efficient dispensing of justice.

### 4.2 Controlled Items

#### Schedule A - Controlled Income and Expenses by Jurisdiction for the Year Ended 30 June 2019

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Item | Supreme Court of Victoria  2019 $'000 | Supreme Court of Victoria  2018 $'000 | County Court of Victoria  2019 $'000 | County Court of Victoria  2018 $'000 | Magistrates' Court of Victoria  2019 $'000 | Magistrates' Court of Victoria  2018 $'000 | Children's Court of Victoria  2019 $'000 | Children's Court of Victoria  2018 $'000 | Coroners Court of Victoria  2019 $'000 | Coroners Court of Victoria  2018 $'000 | Victorian Civil & Administrative Tribunal  2019 $'000 | Victorian Civil & Administrative Tribunal  2018 $'000 | Jurisdiction Services  2019 $'000 | Jurisdiction Services  2018 $'000 | Total  2019 $'000 | Total  2018 $'000 |
| Income from transactions | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Output appropriations | 57,253 | 52,452 | 73,180 | 71,290 | 151,886 | 126,065 | 24,175 | 19,551 | 15,992 | 13,597 | 18,166 | 16,812 | 87,818 | 78,849 | 428,469 | 378,618 |
| Special appropriations | 34,580 | 31,995 | 37,169 | 34,443 | 55,904 | 50,155 | 6,506 | 5,173 | 4,303 | 3,999 | 19,447 | 17,497 | 46 | 16 | 157,954 | 143,278 |
| Grants | 0 | 5 | 0 | 0 | 8,164 | 4,073 | 0 | 250 | 221 | 268 | 19,480 | 20,082 | 299 | 0 | 28,164 | 24,678 |
| Other income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total income from transactions | 91,833 | 84,452 | 110,349 | 105,734 | 215,954 | 180,294 | 30,680 | 24,974 | 20,517 | 17,864 | 57,092 | 54,392 | 88,162 | 78,866 | 614,588 | 546,574 |
| Expenses from transactions | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Employee expenses and Judicial Officer remuneration | 58,051 | 52,328 | 56,049 | 51,592 | 123,102 | 107,295 | 19,010 | 15,328 | 11,738 | 10,312 | 46,843 | 44,205 | 26,920 | 26,445 | 341,714 | 307,503 |
| Depreciation and amortisation | 6,570 | 6,327 | 9,839 | 8,186 | 22,539 | 17,946 | 1,811 | 1,781 | 45 | 20 | 715 | 795 | 11,968 | 11,577 | 53,488 | 46,631 |
| Interest expense | 61 | 61 | 4,832 | 5,972 | 117 | 112 | 15 | 14 | 5 | 3 | 40 | 45 | (88) | (156) | 4,983 | 6,050 |
| Grants and other transfers | 350 | 350 | 1 | 1 | 5,368 | 4,199 | 316 | 254 | 0 | 0 | 0 | 0 | 7,933 | 6,032 | 13,968 | 10,836 |
| Capital asset charge | 9,406 | 8,233 | 12,673 | 11,323 | 12,514 | 10,849 | 2,040 | 1,768 | 69 | 5 | 393 | 239 | 8,404 | 6,635 | 45,499 | 39,053 |
| Supplies and services | 16,576 | 13,730 | 25,773 | 26,232 | 41,240 | 35,292 | 6,574 | 5,364 | 8,585 | 7,082 | 8,393 | 7,327 | 36,947 | 35,292 | 144,086 | 130,319 |
| Total expenses from transactions | 91,015 | 81,028 | 109,168 | 103,306 | 204,879 | 175,693 | 29,766 | 24,509 | 20,443 | 17,421 | 56,384 | 52,611 | 92,085 | 85,825 | 603,738 | 540,393 |
| Net result from transactions (net operating balance) | 818 | 3,424 | 1,181 | 2,428 | 11,076 | 4,600 | 914 | 465 | 74 | 443 | 708 | 1,781 | (3,923) | (6,959) | 10,849 | 6,182 |
| Other economic flows included in net result | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Net gain/(loss) on non-financial assets | 99 | 150 | 119 | 109 | 193 | 153 | 26 | 10 | (2) | 0 | 12 | 25 | 21 | (30) | 468 | 417 |
| Net gain/(loss) on financial instruments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 381 | (23) | 381 | (23) |
| Other gains/(losses) from other economic flows | (1,850) | 251 | (1,576) | 72 | (2,622) | (347) | (376) | (58) | (151) | 5 | (590) | 17 | (498) | (47) | (7,663) | (107) |
| Total other economic flows included in net result | (1,751) | 401 | (1,457) | 181 | (2,429) | (194) | (350) | (49) | (153) | 5 | (578) | 42 | (95) | (99) | (6,814) | 287 |
| Net Result from continuing operations | (933) | 3,825 | (276) | 2,609 | 8,646 | 4,407 | 564 | 416 | (79) | 448 | 131 | 1,823 | (4,018) | (7,058) | 4,035 | 6,469 |
| Other economic flows-other comprehensive income | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Items that will not be reclassified to net result | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Changes in physical asset revaluation reserve | 8,218 | 22,021 | 16,040 | 19,709 | 21,213 | 19,654 | 2,483 | 3,447 | 0 | 0 | 0 | 0 | 5,891 | (1,462) | 53,844 | 63,369 |
| Total other economic flows - other comprehensive income | 8,218 | 22,021 | 16,040 | 19,709 | 21,213 | 19,654 | 2,483 | 3,447 | 0 | 0 | 0 | 0 | 5,891 | (1,462) | 53,844 | 63,369 |
| Comprehensive result | 7,285 | 25,846 | 15,764 | 22,317 | 29,859 | 24,061 | 3,047 | 3,864 | (79) | 448 | 131 | 1,823 | 1,873 | (8,521) | 57,880 | 69,838 |

#### Schedule B–Controlled Assets and Liabilities by Jurisdiction for the Year Ended 30 June 2019

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Item | Supreme Court of Victoria  2019 $'000 | Supreme Court of Victoria  2018 $'000 | County Court of Victoria  2019 $'000 | County Court of Victoria  2018 $'000 | Magistrates' Court of Victoria  2019 $'000 | Magistrates' Court of Victoria  2018 $'000 | Children's Court of Victoria  2019 $'000 | Children's Court of Victoria  2018 $'000 | Coroners Court of Victoria  2019 $'000 | Coroners Court of Victoria  2018 $'000 | Victorian Civil & Administrative Tribunal  2019 $'000 | Victorian Civil & Administrative Tribunal  2018 $'000 | Jurisdiction Services  2019 $'000 | Jurisdiction Services  2018 $'000 | Total  2019 $'000 | Total  2018 $'000 |
| Financial assets | 5,596 | 891 | 4,372 | 744 | 17,733 | 8,477 | 363 | 138 | 1,895 | 302 | 4,777 | 4,355 | 83,086 | 95,443 | 117,824 | 110,350 |
| Non-financial assets(1) | 239,533 | 229,053 | 322,720 | 315,028 | 318,658 | 301,741 | 51,958 | 49,190 | 1,756 | 143 | 10,001 | 6,654 | 214,014 | 184,582 | 1,158,640 | 1,086,391 |
| Total assets | 245,129 | 229,944 | 327,092 | 315,772 | 336,391 | 310,218 | 52,321 | 49,329 | 3,651 | 445 | 14,779 | 11,008 | 297,100 | 280,025 | 1,276,463 | 1,196,741 |
| Liabilities | 27,955 | 22,566 | 71,421 | 79,144 | 51,853 | 44,058 | 6,397 | 4,758 | 3,490 | 3,797 | 12,929 | 11,359 | 25,585 | 25,676 | 199,630 | 191,357 |
| Total liabilities | 27,955 | 22,566 | 71,421 | 79,144 | 51,853 | 44,058 | 6,397 | 4,758 | 3,490 | 3,797 | 12,929 | 11,359 | 25,585 | 25,676 | 199,630 | 191,357 |
| Net assets | 217,174 | 207,378 | 255,672 | 236,628 | 284,538 | 266,160 | 45,924 | 44,570 | 160 | (3,352) | 1,850 | (350) | 271,515 | 254,349 | 1,076,833 | 1,005,384 |

Note:

1. Non-financial assets, Capital asset charge and Changes in physical asset revaluation reserve have been allocated by Jurisdiction.

### 4.3 Administered (Non-Controlled) Items for the Financial Year Ended 30 June 2019

Administered income includes taxes, fees and fines and Special Appropriations provided to fund payments for criminal injuries compensation. Administered expenses include payments made on behalf of the State and payments into the consolidated fund. Administered assets include government income earned but yet to be collected. Administered liabilities include government expenses incurred but yet to be paid. Administered resources are accounted for on a cash basis except for Jurisdiction Services, the Supreme Court CITEC e-filing fees, Magistrates' Court revenue received from services provided to credit rating agencies, and County Court administered revenue which is accounted for on an accrual basis using same accounting policies adopted for recognition of Court Services Victoria's items in the financial statements. Both controlled and administered items of Court Services Victoria are consolidated into the financial statements of the State.

Court Services Victoria does not gain control over assets arising from taxes and fines, consequently no income is recognised in Court Services Victoria's financial statements. Court Services Victoria collects these amounts on behalf of the State. Accordingly, the amounts are disclosed as income in the schedule of Administered items.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Item | Supreme Court of Victoria  2019 $'000 | Supreme Court of Victoria  2018 $'000 | County Court of Victoria  2019 $'000 | County Court of Victoria  2018 $'000 | Magistrates' Court of Victoria  2019 $'000 | Magistrates' Court of Victoria  2018 $'000 | Children's Court of Victoria  2019 $'000 | Children's Court of Victoria  2018 $'000 | Coroners Court of Victoria  2019 $'000 | Coroners Court of Victoria  2018 $'000 | Victorian Civil & Administrative Tribunal  2019 $'000 | Victorian Civil & Administrative Tribunal  2018 $'000 | Jurisdiction Services  2019 $'000 | Jurisdiction Services  2018 $'000 |
| Administered income from transactions | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Special appropriations applied | 0 | 0 | 0 | 0 | 46,008 | 42,977 | 0 | 0 | 0 | 0 | 0 | 0 | 46,008 | 42,977 |
| Fines | 280 | 0 | (1,720) | 241 | 4,342 | 16,543 | 0 | 0 | 0 | 12 | 0 | 0 | 2,902 | 16,796 |
| Sales of goods and services (including fees) | 22,585 | 20,880 | 10,408 | 10,567 | 22,181 | 20,889 | 3 | 3 | 9,931 | 9,774 | 114 | 21 | 65,221 | 62,133 |
| Other income | 103 | 250 | 67 | 98 | 309 | 1,193 | 0 | 0 | 0 | 0 | 1,005 | 903 | 1,484 | 2,444 |
| Total administered income from transactions | 22,967 | 21,131 | 8,755 | 10,906 | 72,840 | 81,602 | 3 | 3 | 9,931 | 9,786 | 1,119 | 923 | 115,615 | 124,350 |
| Administered expenses from transactions | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Payments into the Consolidated Fund | (22,875) | (20,880) | (8,689) | (10,818) | (26,617) | (37,966) | (3) | (3) | (9,931) | (9,786) | (2,857) | (2,476) | (70,971) | (81,929) |
| Criminal injuries compensation | 0 | 0 | 0 | 0 | (46,208) | (42,601) | 0 | 0 | 0 | 0 | 0 | 0 | (46,208) | (42,601) |
| Other expenses | 0 | 0 | 2,164 | (1,100) | 49 | (98) | 0 | 0 | 0 | 0 | (1,099) | (978) | 1,114 | (2,176) |
| Total administered expenses from transactions | (22,875) | (20,880) | (6,524) | (11,918) | (72,776) | (80,664) | (3) | (3) | (9,931) | (9,786) | (3,956) | (3,455) | (116,065) | (126,706) |
| Total administered net result from transactions (net operating balance) | 92 | 250 | 2,231 | (1,012) | 64 | 937 | 0 | 0 | 0 | 0 | (2,837) | (2,532) | (450) | (2,356) |
| Administered other economic flows included in administered net result | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Net gain/(loss) on non-financial assets | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Net gain/(loss) on financial instruments | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Other gains/(losses) from other economic flows | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Total administered other economic flows | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total administered net result | 92 | 250 | 2,231 | (1,012) | 64 | 937 | 0 | 0 | 0 | 0 | (2,837) | (2,532) | (450) | (2,356) |

Note

1. Payments into the Consolidated Fund by Jurisdiction Services relates to fines and other income paid on behalf of the jurisdictions.
2. The previous years comparative information are restated to be consistent with 2019 classifications.

#### Administered (Non-Controlled) Items (Continued) for the Financial Year Ended 30 June 2019

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Item | Supreme Court of Victoria  2019 $'000 | Supreme Court of Victoria  2018 $'000 | County Court of Victoria  2019 $'000 | County Court of Victoria  2018 $'000 | Magistrates' Court of Victoria  2019 $'000 | Magistrates' Court of Victoria  2018 $'000 | Children's Court of Victoria  2019 $'000 | Children's Court of Victoria  2018 $'000 | Coroners Court of Victoria  2019 $'000 | Coroners Court of Victoria  2018 $'000 | Victorian Civil & Administrative Tribunal  2019 $'000 | Victorian Civil & Administrative Tribunal  2018 $'000 | Jurisdiction Services  2019 $'000 | Jurisdiction Services  2018 $'000 |
| Administered financial assets | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Cash and deposits | 99 | (306) | 2,777 | 3,636 | 2,889 | 3,140 | 0 | 0 | 374 | 37 | 3,081 | 2,412 | 9,219 | 8,918 |
| Receivables | 0 | 543 | 2,217 | 2,891 | 41 | 74 | 0 | 0 | 0 | 0 | (7) | (12) | 2,251 | 3,495 |
| Total administered financial assets | 99 | 237 | 4,994 | 6,527 | 2,930 | 3,214 | 0 | 0 | 374 | 37 | 3,074 | 2,400 | 11,470 | 12,413 |
| Administered liabilities | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Creditors and accruals | (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (319) | (313) | (493) | (586) | (814) | (899) |
| Deposits payable | 49 | (89) | (1,872) | (2,731) | (4,573) | (4,900) | 0 | 0 | 597 | 614 | (2,999) | (2,302) | (8,798) | (9,408) |
| Provisions | 0 | 0 | 0 | 0 | (3,500) | (3,300) | 0 | 0 | 0 | 0 | (1) | (0) | (3,501) | (3,300) |
| Total administered liabilities | 47 | (89) | (1,872) | (2,731) | (8,073) | (8,200) | 0 | 0 | 278 | 301 | (3,493) | (2,888) | (13,114) | (13,607) |
| Total administered net assets (Liabilities) | 145 | 147 | 3,123 | 3,796 | (5,144) | (4,986) | 0 | 0 | 651 | 338 | (419) | (488) | (1,643) | (1,194) |
| Equity | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Contributed Capital | (53) | 103 | (891) | (4,808) | 5,207 | 5,923 | 0 | 0 | (651) | (338) | (2,418) | (2,044) | 1,194 | (1,161) |
| Net Worth | 92 | 250 | 2,231 | (1,012) | 64 | 937 | 0 | 0 | 0 | 0 | (2,837) | (2,532) | (450) | (2,356) |

## Note 5. Key Assets Available to Support Output Delivery

### Introduction

Court Services Victoria controls infrastructure that is utilised in fulfilling its objectives and conducting activities. The infrastructure represents the key resources that have been entrusted to Court Services Victoria to be utilised for delivery of its outputs.

### Fair Value Measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 8.3 in connection with how those fair values were determined.

Structure

5.1 Property, plant and equipment

5.2 Intangible assets

### 5.1 Property, Plant and Equipment

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Item | Gross carrying  amount 2019 $'000 | Gross carrying  amount 2018 $'000 | Accumulated Depreciation 2019 $'000 | Accumulated Depreciation 2018 $'000 | Net carrying  amount 2019 $'000 | Net carrying  amount 2018 $'000 |
| Land at fair value | 412,632 | 412,632 | 0 | 0 | 412,632 | 412,632 |
| Buildings at fair value | 426,951 | 449,590 | (1,647) | (47,921) | 425,304 | 401,670 |
| Leasehold buildings at fair value subject to finance lease | 219,745 | 203,705 | (23,544) | (14,545) | 196,201 | 189,160 |
| Leasehold improvements at fair value | 15,476 | 5,758 | (2,936) | (1,727) | 12,540 | 4,031 |
| Plant and equipment at fair value | 5,934 | 4,843 | (2,050) | (1,528) | 3,884 | 3,315 |
| Plant and equipment under finance lease at fair value | 13,941 | 13,870 | (4,066) | (4,380) | 9,875 | 9,490 |
| Computer & telecommunications equipment at fair value | 25,083 | 18,299 | (10,228) | (6,077) | 14,855 | 12,222 |
| Cultural assets at fair value | 916 | 916 | 0 | 0 | 916 | 916 |
| Assets under construction at cost | 51,953 | 32,812 | 0 | 0 | 51,953 | 32,812 |
| Total property, plant and equipment | 1,172,631 | 1,142,425 | (44,470) | (76,177) | 1,128,160 | 1,066,249 |

#### Initial Recognition

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, a fair value is determined at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or its estimated useful lives.

#### Subsequent Measurement

Property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset’s highest and best use (considering legal or physical restrictions imposed on the asset and public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category.

#### Non-Specialised Buildings and Artworks

These assets are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

#### Specialised Land and Specialised Buildings

The market approach is also used for specialised land and buildings, although it is adjusted for the community service obligation to reflect the specialised nature of the land being valued.

The community service obligation adjustment reflects the valuer’s assessment of the impact of restrictions associated with an asset to the extent that these restrictions are also equally applicable to market participants.

The current replacement cost method is used to value Court Services Victoria's specialised buildings, adjusting for the associated depreciation.

#### Heritage Assets and Infrastructure

Heritage assets and infrastructure are valued using the current replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. However, for some heritage and iconic assets, the cost may be the reproduction cost rather than the replacement cost if those assets’ service potential could only be replaced by reproducing them with the same materials.

#### Vehicles

Vehicles are valued using the current replacement cost method. Court Services Victoria acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market of vehicles is managed by VicFleet who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

#### Plant and Equipment

Fair value for plant and equipment that are specialised in use (such that it is rarely sold other than as part of a going concern) is determined using the current replacement cost method.

Note 8.3 includes additional information in connection with fair value determination of property, plant and equipment.

#### 5.1.1 Depreciation & Amortisation Charge for the Period

|  |  |  |
| --- | --- | --- |
| Item | 2019 $'000 | 2018 $'000 |
| Buildings | 28,139 | 24,453 |
| Leasehold buildings at fair value subject to finance lease (1) | 9,000 | 7,272 |
| Leasehold improvements at fair value | 1,209 | 465 |
| Plant and equipment at fair value | 5,097 | 3,691 |
| Plant and equipment under finance lease at fair value | 2,428 | 2,497 |
| Software | 7,614 | 8,252 |
| Total property, plant and equipment | 53,488 | 46,631 |

Note:

1. Public private partnership arrangements.

All buildings, plant and equipment and other non‑financial physical assets that have finite useful lives, are depreciated. The exceptions to this rule include items under operating leases, assets held for sale, land and cultural assets.

Depreciation is generally calculated on a straight‑line basis, at rates that allocate the asset’s value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

|  |  |
| --- | --- |
| Asset | Useful life years |
| Cultural assets | Indefinite |
| Buildings | N/A |
| * Structure/shell/building fabric | 6 to 50 |
| * Site engineering services | 6 to 50 |
| * Fit out | 3 to 25 |
| * Trunk reticulated building systems | 3 to 30 |
| Leasehold improvements | 2 to 37 |
| Leasehold buildings | 1 to 38 |
| Plant and equipment | 1 to 10 |
| Computer and telecommunication equipment | 1 to 10 |
| Intangible assets | 3 to 7 |
| Antique furniture and artefacts | 75 to 95 |

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

##### Indefinite Life Assets

Land and cultural assets, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

##### Impairment

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset’s carrying value exceeds its recoverable amount, the difference is written off as an ‘other economic flow’, except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset’s carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

#### 5.1.2 Carrying Values by 'Purpose' Groups

Public safety and environment

|  |  |  |
| --- | --- | --- |
| Item | 2019 $'000 | 2018 $'000 |
| Crown land at fair value(1) | 412,632 | 412,632 |
| Buildings at fair value(1) | 425,304 | 401,670 |
| Leasehold buildings subject to finance lease at fair value(2) | 196,201 | 189,160 |
| Leasehold improvements at fair value(2) | 12,540 | 4,031 |
| Plant and equipment at fair value(3) | 3,884 | 3,315 |
| Plant and equipment under finance lease at fair value(3) | 9,875 | 9,490 |
| Computer & telecommunications equipment at fair value(3) | 14,855 | 12,222 |
| Cultural assets at fair value(1) | 916 | 916 |
| Assets under construction at cost | 51,953 | 32,812 |
| Total property, plant and equipment | 1,128,161 | 1,066,249 |

Notes:

1. An independent revaluation of Court Services Victoria land, buildings and cultural assets was performed by the Valuer-General of Victoria as at 30 June 2016.   
   A Managerial Revaluation of Land was undertaken in 2017/18 in accordance with FRD 103 G  
   A Managerial Revaluation of Buildings was undertaken in 2018/19 in accordance with FRD 103 H
2. Fair value of finance leasehold buildings and improvements is depreciated replacement cost.
3. The fair value of plant, equipment, computer and telecommunications assets is depreciated cost. This represents a reasonable approximation of fair value as there is no evidence of a reliable market-based fair value for this class of asset.
4. Property, plant, equipment, computer and telecommunications assets are classified primarily by the ‘purpose’ for which the assets are used, according to one of six purpose groups based upon government purpose classifications. All assets in a purpose group are further sub‑categorised according to the asset’s ‘nature’ (e.g. buildings, plant etc.), with each sub–category being classified as a separate class of asset for financial reporting purposes.

#### 5.1.3 Reconciliation of Movements in Carrying Values of Property, Plant and Equipment

2019

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Item | Specialised  Land at  fair value  $’000 | Specialised Buildings at  fair value  $’000 | Buildings leasehold at  fair value  $’000 | Leasehold improvements at  fair value  $’000 | Plant and equipment at fair value  $’000 | Computer & communication equipment  $’000 | Leased plant & equipment at fair value  $’000 | Cultural  assets at fair value  $’000 | Assets under construction at cost  $’000 | Total  $’000 |
| Opening balance | 412,632 | 401,670 | 189,160 | 4,031 | 3,316 | 12,222 | 9,490 | 916 | 32,812 | 1,066,249 |
| Additions | 0 | 0 | 0 | 0 | 24 | 0 | 5,262 | 0 | 54,689 | 59,975 |
| Disposals | 0 | 0 | 0 | 0 | (6) | 0 | (2,249) | 0 | 0 | (2,255) |
| Depreciation | 0 | (28,138) | (9,000) | (1,209) | (548) | (4,550) | (2,428) | 0 | 0 | (45,872) |
| Revaluation of property | 0 | 37,804 | 16,040 | 0 | 0 | 0 | 0 | 0 | 0 | 53,844 |
| Transfer between asset classes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (3,581) | (3,581) |
| Transfer to disposal group held for sale | 0 | 0 | 0 | 0 | 0 | 0 | (200) | 0 | 0 | (200) |
| Transfer in/out of assets under construction | 0 | 13,968 | 0 | 9,719 | 1,098 | 7,182 | 0 | 0 | (31,967) | 0 |
| Total | 412,632 | 425,304 | 196,201 | 12,540 | 3,884 | 14,855 | 9,875 | 916 | 51,953 | 1,128,160 |

2018

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Item | Specialised  Land at  fair value  $’000 | Specialised Buildings at  fair value  $’000 | Buildings leasehold at  fair value  $’000 | Leasehold improvements at  fair value  $’000 | Plant and equipment at fair value  $’000 | Computer & communication equipment  $’000 | Leased plant & equipment at fair value  $’000 | Cultural  assets at fair value  $’000 | Assets under construction at cost  $’000 | Total  $’000 |
| Opening balance | 343,911 | 361,000 | 196,433 | 5,490 | 2,350 | 4,875 | 8,969 | 896 | 51,313 | 975,237 |
| Additions | 0 | 0 | 0 | 36 | 0 | 0 | 4,940 | 20 | 62,955 | 67,951 |
| Disposals | 0 | 0 | 0 | 0 | (8) | 0 | (1,740) | 0 | 0 | (1,747) |
| Depreciation | 0 | (24,453) | (7,272) | (465) | (455) | (3,236) | (2,497) | 0 | 0 | (38,379) |
| Revaluation of property | 68,721 | 0 | 0 | (1,396) | 0 | 0 | 0 | 0 | (3,956) | 63,369 |
| Transfer between asset classes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer to disposal group held for sale | 0 | 0 | 0 | 0 | 0 | 0 | (181) | 0 | 0 | (181) |
| Transfer in/out of assets under construction | 0 | 65,123 | 0 | 366 | 1,429 | 10,583 | 0 | 0 | (77,501) | 0 |
| Closing balance | 412,632 | 401,670 | 189,160 | 4,031 | 3,316 | 12,222 | 9,490 | 916 | 32,812 | 1,066,249 |

### 5.2 Intangible assets

#### 5.2.1 Intangible Assets - Excluding Case Management System (CMS)

Computer Software

|  |  |  |
| --- | --- | --- |
| Item | 2019 $'000 | 2018 $'000 |
| Gross carrying amount | N/A | N/A |
| Opening balance | 45,981 | 40,308 |
| Additions | 0 | 450 |
| Additions to work in progress | 5,772 | 5,222 |
| Transfer between asset classes | 3,581 | N/A |
| Gross value at the end of the financial year | 55,334 | 45,982 |
| Accumulated amortisation and impairment | N/A | N/A |
| Opening balance | (31,003) | (22,893) |
| Amortisation(1) | (7,472) | (8,109) |
| Closing balance | (38,474) | (31,003) |
| Net book value at the end of the financial year | 16,859 | 14,978 |

#### 5.2.2 Intangible Assets – Case management system

Computer Software

|  |  |  |
| --- | --- | --- |
| Item | 2019 $'000 | 2018 $'000 |
| Gross carrying amount | N/A | N/A |
| Opening balance | 999 | 999 |
| Accumulated amortisation and impairment | N/A | N/A |
| Opening balance | (303) | (160) |
| Amortisation(1) | (143) | (143) |
| Closing balance | (445) | (303) |
| Net book value at the end of the financial year | 554 | 696 |

#### 5.2.3 Intangible Assets - Case management system (WIP)

Computer Software

|  |  |  |
| --- | --- | --- |
| Item | 2019 $'000 | 2018 $'000 |
| Gross carrying amount | N/A | N/A |
| Opening balance | 1,916 | 0 |
| Additions to work in progress | 5,064 | 1,916 |
| Gross value at the end of the financial year(2) | 6,980 | 1,916 |
| Total Intangible Assets | 24,393 | 17,591 |

Notes:

1. The consumption of intangible produced assets is included in ‘amortisation’ line item on the comprehensive operating statement.
2. Refer to notes 9.6 subsequent events and 7.4 commitments for expenditure.

##### Initial Recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 Intangible Assets is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An internally‑generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

1. The technical feasibility of completing the intangible asset so that it will be available for use or sale;
2. an intention to complete the intangible asset and use or sell it;
3. The ability to use or sell the intangible asset;
4. The intangible asset will generate probable future economic benefits;
5. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
6. The ability to measure reliably the expenditure attributable to the intangible asset during its development.

##### Subsequent Measurement

Intangible produced assets with finite useful lives, are amortised as an ‘expense from transactions’ on a straight line basis over their useful lives. Produced intangible assets have useful lives of between 3 and 7 years (2018: 3 and 7 years).

Intangible non‑produced assets with finite lives are amortised as an ‘other economic flow’ on a straight‑line basis over their useful lives. The amortisation period is 3 to 5 years (2018: 3 and 5 years).

##### Impairment of Intangible Assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified. Intangible assets not yet available for use are tested annually for impairment and whenever there is an indication that the asset may be impaired. Court Services Victoria has no intangible assets with indefinite useful lives.

The policy in connection with testing for impairment is outlined in section 5.1.1.

## Note 6. Other Assets and Liabilities

### Introduction

This section sets out those assets and liabilities that arose from Court Services Victoria's controlled operations.

Structure

6.1 Receivables

6.2 Payables

### 6.1 Receivables

|  |  |  |
| --- | --- | --- |
| Current receivables | 2019 $'000 | 2018 $'000 |
| Contractual | N/A | N/A |
| Other receivables | 10,600 | 3,443 |
| Allowance for impairment losses of contractual receivables | (246) | (627) |
| Total | 10,354 | 2,816 |
| Statutory | N/A | N/A |
| Amounts owing from Victorian Government | 83,555 | 91,013 |
| Amounts owing from the Judicial Commission of Victoria | 0 | 320 |
| GST input tax credit recoverable | 6,016 | 3,051 |
| Total | 89,571 | 94,384 |
| Total receivables | 99,925 | 97,199 |
| Represented by: | N/A | N/A |
| Current receivables | 98,029 | 92,477 |
| Non-current receivables | 1,896 | 4,722 |

#### Contractual Receivables

Contractual receivables are classified as financial instruments and categorised as financial assets at amortised costs. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

#### Statutory Receivables

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

#### 6.1.1 Ageing Analysis of Contractual Financial Assets

No interest is charged for the first 30 days from the invoice date. The average credit period for sales of goods / services and other receivables is 30 days. There are no material financial assets that are individually determined to be impaired. Currently, Court Services Victoria does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

### 6.2 Payables

|  |  |  |
| --- | --- | --- |
| Current Payables | 2019 $'000 | 2018 $'000 |
| Contractual | N/A | N/A |
| Trade creditors and other payables | 33,146 | 24,666 |
| Unearned Revenue | 0 | 548 |
| Accrued capital works | 5,921 | 6,781 |
| Salaries and wages | 7,512 | 9,223 |
| Total | 46,579 | 41,217 |
| Statutory | N/A | N/A |
| Payroll tax | 1,259 | 1,131 |
| Fringe benefits tax | 733 | 726 |
| Amounts payable to the Judicial College of Victoria | 1,646 | 1,155 |
| Amounts payable to the Judicial Commission of Victoria | 250 | 0 |
| Total | 3,888 | 3,012 |
| Total payables | 50,468 | 44,229 |
| Represented by: | N/A | N/A |
| Current payables | 50,397 | 44,137 |
| Non-current payables | 71 | 92 |

Payables consist of:

* contractual payables, totalling $46.46 million (2018: $41.22 million) that are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to Court Services Victoria prior to the end of the financial year that are unpaid; and
* statutory payables, totalling $3.94 million (2018: $3.01 million) that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, they are not classified as financial instruments.

## Note 7. Financing Our Operations

### Introduction

This section provides information on the sources of finance utilised by Court Services Victoria during its operations and other information related to the financing of activities.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 8.1 and 8.3 provide additional, specific financial instrument disclosures.

Structure

7.1 Borrowings–Finance lease liabilities (Court Services Victoria as lessee)

7.2 Cash flow information and balances

7.3 Trust account balances

7.4 Commitments for expenditure

### 7.1 Borrowings–Finance Lease Liabilities (Court Services Victoria as Lessee)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Finance lease liabilities payable | Minimum future lease payments(1) 2019 $'000 | Minimum future lease payments(1) 2018 $'000 | Present value of minimum lease payments 2019 $'000 | Present value of minimum lease payments 2018 $'000 |
| Commissioned PPP related finance lease liabilities payable | N/A | N/A | N/A | N/A |
| Not longer than 1 year | 17,633 | 17,486 | 14,107 | 12,733 |
| Longer than 1 year and not longer than 5 years | 33,579 | 51,213 | 30,701 | 44,808 |
| Longer than 5 years | 0 | 0 | 0 | 0 |
| Other finance lease liabilities payable(2) | N/A | N/A | N/A | N/A |
| Not longer than 1 year | 4,638 | 4,650 | 4,394 | 4,426 |
| Longer than 1 year and not longer than 5 years | 5,877 | 5,423 | 5,715 | 5,274 |
| Minimum future lease payments | 61,728 | 78,772 | 54,917 | 67,242 |
| Less future finance charges | (6,810) | (11,531) | N/A | N/A |
| Present value of minimum lease payments | 54,917 | 67,242 | 54,917 | 67,242 |
| Included in the financial statements as: | N/A | N/A | N/A | N/A |
| Current borrowings lease liabilities | N/A | N/A | 18,501 | 17,159 |
| Non-current borrowings lease liabilities | N/A | N/A | 36,417 | 50,082 |
| Total lease liabilities | N/A | N/A | 54,917 | 67,242 |

Notes:

1. Minimum future lease payments include the aggregate of all base payments and any guaranteed residual.
2. Other finance lease liabilities include obligations that are recognised on the balance sheet; the future payments related to operating and lease commitments are disclosed in Note 7.4.1.

Borrowings are classified as financial instruments. Court Services Victoria's borrowings comprise a commissioned public private partnership and other leasing arrangements.

#### A. Initial Recognition and Subsequent Measurement

All interest bearing borrowings are initially recognised at the fair value of consideration received less directly attributable transaction costs.

The measurement basis subsequent to initial recognition depends on whether Court Services Victoria has categorised its interest bearing liabilities as either 'financial liabilities designated at fair value through profit or loss' or 'financial liabilities at amortised cost'.

The classification depends on the nature and purpose of the interest bearing liabilities. Court Services Victoria determines the classification of its interest bearing liabilities at initial recognition and has determined its borrowings, including finance lease liabilities, are to be classified as 'financial liabilities at amortised cost'. Further information regarding the subsequent measurement of these liabilities can be found at Note 8.1 .

#### B. Commissioned Public Private Partnership

The State, through Court Services Victoria, may enter into certain arrangements with private sector participants to design and construct or upgrade assets used to provide public services. These arrangements are typically complex and usually include the provision of operational and maintenance services for a specified time. These arrangements are often referred to as either public private partnerships or service concession arrangements (SCAs).

These SCAs usually take one of two main forms. In the more common form, Court Services Victoria pays the operator over the period of the arrangement subject to specified performance criteria being met. At the date of the commitment to the principal provisions of the arrangement, these periodic payments are allocated between a component related to the design and construction or upgrading of the asset and components related to the ongoing operation and maintenance of the asset. The former component is accounted for as a lease payment in accordance with the lease accounting policy. The remaining components are accounted for as commitments for operating costs which are expensed in the comprehensive operating statement as they are incurred.

The State, through Court Services Victoria, has entered this type of service concession arrangement for the County Court. The state entered into a 20 year contract with the private sector for the design, construction and management of the County Court. The facility provides the County Court and court users with accommodation which ends in 2022. The operation and maintenance commitments are disclosed in Note 7.4 .

The other, less common form of service concession arrangements is one in which an operator is granted for a specified period of time, the right to collect fees from the asset for the period of the concession. These private sector entities typically lease land, and sometimes state works, from the Court Services Victoria and construct infrastructure. At the end of the concession period the land and state works, together with the constructed facilities, are returned to the grantor Court Services Victoria. Court Services Victoria has not entered into this type of concession agreement.

#### C. Other Leasing Arrangements

The other finance lease relates to motor vehicles leased through the VicFleet lease facility. The lease term is the period over which the vehicle is to be leased. Generally, vehicles must be retained for three years or 60,000 kms, whichever occurs first. On disposal of the vehicle any profit or loss on sale is borne by Court Services Victoria.

#### D. Interest on Finance Leases

Interest on finance leases comprises interest relating to the County Court Facility Public Private Partnership (PPP) arrangement of $4.75 million (2018: $5.89 million) and motor vehicles of $0.23 million (2018: $0.16million).

Interest expense is recognised in the period in which it is incurred.

#### E. Security, Defaults and Breaches

Finance leases are effectively secured as the right to the leased assets revert to the lessor in the event of default. During the current and prior year there were no defaults or breaches of any of the loans.

### 7.2 Cash Flow Information and Balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank that are held for the purpose of meeting short-term cash commitments, rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Due to the State’s investment policy and funding arrangements, Court Services Victoria does not hold a large cash reserve in its bank accounts. Cash received from generation of income is generally paid into the State’s bank account (‘public account’). Similarly, Court Services Victoria expenditure, including in the form of cheques drawn for the payments to its suppliers and creditors, is made via the public account. The public account remits to Court Services Victoria the cash required upon presentation of cheques by Court Services Victoria's suppliers or creditors.

These funding arrangements often result in Court Services Victoria having a notional shortfall in the cash at bank required for payment of unpresented cheques at reporting date. At 30 June 2019, cash at bank included the amount of a notional shortfall for the payment of unpresented cheques of $2.78 million in Court Services Victoria Expenditure Account (2018: $1.15 million) and $0.26 million in the Juror Payments Account (2018: $0.27 million).

For cash flow statement presentation purposes, cash and cash equivalents comprise the cash balance and funds held in trust, $17.90 million (2018 $13.15 million) details of which can be found at Note 8.1 .

#### 7.2.1 Reconciliation of Net Result for the Period to Cash Flow from Operating Activities

|  |  |  |
| --- | --- | --- |
| Item | 2019 $'000 | 2018 $'000 |
| Net result for the period | 4,035 | 6,469 |
| Non-cash movements: | N/A | N/A |
| (Gain)/loss on sale or disposal of non-current assets | (468) | (417) |
| Depreciation and amortisation of non-current assets | 53,488 | 46,631 |
| Allowance for doubtful debts and bad debts | (381) | 612 |
| Resources free of charge | 0 | 0 |
| Movements in net assets and liabilities | N/A | N/A |
| Decrease/(increase) in receivables | (346) | (15,937) |
| Decrease/(increase) in prepayments | (3,517) | (241) |
| Increase/(decrease) in payables | 7,418 | 11,636 |
| Increase/(decrease) in provisions | 14,334 | 2,939 |
| Net cash from/(used in) operating activities | 74,563 | 51,693 |

### 7.3 Trust Account Balances

Funds held in trust are quarantined for use specifically for the purposes under which each trust fund has been established and are not used for operating purposes.

#### Trust Account Balances Relating to Trust Accounts Controlled and/or Administered by Court Services Victoria

Cash and cash equivalents and investments

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Controlled trusts | Opening balance as at 1 July 2018 $'000 | Total receipts $'000 | Total payments $'000 | Closing balance as at 30-Jun-19 $'000 | Opening balance as at 1-Jul-17 $'000 | Total receipts $'000 | Total payments $'000 | Closing balance as at  30-Jun-18 $'000 |
| Treasury Trust Fund | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Financial Management Act 1994 (No. 18/1994), Part 4 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Working account for Court Services Victoria | 10,403 | 2,888 | 629 | 12,661 | 8,922 | 2,709 | 1,229 | 10,403 |
| Vehicle Lease Trust Account | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Financial Management Act 1994 (No. 18/1994), Part 4 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Working account for the sale of VicFleet motor vehicles | 49 | 590 | 526 | 113 | 87 | 452 | 490 | 49 |
| Victorian Civil and Administrative Tribunal Trust Account | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Financial Management Act 1994 (No. 18/1994), Part 4 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Working account for the Owners Corporation, Domestic Building and Residential Tenancies disputes. | 2,547 | 19,480 | 19,077 | 2,949 | 1,795 | 20,082 | 19,331 | 2,547 |
| Inter-Departmental Transfer Fund | 1,556 | 5,797 | 2,147 | 5,206 | 0 | 1,887 | 331 | 1,556 |
| Total controlled trusts | 14,554 | 28,755 | 22,379 | 20,930 | 10,804 | 25,131 | 21,380 | 14,554 |

1. Prior year comparatives for Inter-Departmental Transfer Fund restated to more accurately reflect total receipts and total payments

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Administered trusts | Opening balance as at 1 July 2018 $'000 | Total receipts $'000 | Total payments $'000 | Closing balance as at 30-Jun-19 $'000 | Opening balance as at 1-Jul-17 $'000 | Total receipts $'000 | Total payments $'000 | Closing balance as at 30-Jun-18 $'000 |
| Courtlink Trust Account | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Financial Management Act 1994 (No. 18/1994), Part 4 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Working account for the Magistrates' Courts court orders | 11 | 11,605 | 11,428 | 187 | 1,156 | 29,511 | 30,656 | 11 |
| Suspense Account | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Financial Management Act 1994 (No. 18/1994), Part 4 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Working account for Court Services Victoria | 466 | 27 | (96) | 588 | 579 | 3 | 116 | 466 |
| Public Service Commuter Club | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Financial Management Act 1994 (No. 18/1994), Part 4 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Working account for the Public Service Commuter Club | (372) | 985 | 1,014 | (401) | (305) | 902 | 969 | (372) |
| Revenue Suspense | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Financial Management Act 1994 (No. 18/1994), Part 4 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Working account for the allocation of revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Treasury Trust Fund | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Financial Management Act 1994 (No. 18/1994), Part 4 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Working account for Court Services Victoria | 1,743 | 11 | (645) | 2,400 | 1,254 | 46 | (443) | 1,743 |
| Security Account | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Financial Management Act 1994 (No. 18/1994), Part 4 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Holds monies as security for good behaviour | 127 | 34 | 0 | 160 | 85 | 42 | 0 | 127 |
| Victorian Civil and Administrative Tribunal Trust Account | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Financial Management Act 1994 (No. 18/1994), Part 4 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| * Working account for the Owners Corporation, Domestic Building and Residential Tenancies disputes. | (75) | (11) | (319) | 233 | 240 | 5 | 320 | (75) |
| Total administered trusts | 1,899 | 12,651 | 11,382 | 3,168 | 3,008 | 30,509 | 31,618 | 1,899 |

#### Third Party Funds under Management

Third party funds under management include assets under management by Funds in Court, Bail Monies and the Court Investment Accounts.

Fund in Court (FIC) is an office of the Supreme Court of Victoria that is responsible for administering funds paid into the Court. Funds can be paid pursuant to orders of all Victorian Courts, awards of the Victims of Crime Assistance Tribunal (VOCAT) and pursuant to legislation such as the Trustee Act 1958. These funds under management are not consolidated within Court Services Victoria accounts as they are not used for government purposes.

|  |  |  |
| --- | --- | --- |
| Item | 2019 $'000 | 2018 $'000 |
| Courts | N/A | N/A |
| Bail Monies | 5,265 | 4,512 |
| Court Infant Investment Accounts | 0 | 5 |
| Assets under management by the Senior Master  of the Supreme Court (Funds in Court)(1) | 2,024,471 | 1,855,041 |
| Total | 2,029,736 | 1,859,558 |

1. Further information about Funds in Court can be found at <https://fundsincourt.vic.gov.au/>

### 7.4 Commitments for Expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

#### 7.4.1 Total Commitments Payable

Nominal Amounts: 2019

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Item | Less than 1 year  $'000 | Between 1 and 5 years  $'000 | Over  5 years  $'000 | Total  $'000 |
| Public private partnership–operation and maintenance commitments ([7.1(b)](#_B._Commissioned_Public)) | 13,948 | 28,207 | 0 | 42,155 |
| Capital expenditure commitments payable | 3,659 | 17,848 | 0 | 21,507 |
| Operating commitments payable | 19,363 | 73,735 | 14,705 | 107,803 |
| Accommodation lease commitments payable | 10,299 | 20,874 | 25,044 | 56,217 |
| Other commitments payable | 368 | 153 | 0 | 521 |
| Total commitments (inclusive of GST) | 47,637 | 140,817 | 39,749 | 228,203 |
| Less GST recoverable | 4,331 | 12,802 | 3,614 | 20,746 |
| Total commitments (exclusive of GST) | 43,306 | 128,015 | 36,136 | 207,457 |

Nominal Amounts: 2018

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Item | Less than 1 year  $'000 | Between 1 and 5 years  $'000 | Over  5 years  $'000 | Total  $'000 |
| Public private partnership–operation and maintenance commitments ([7.1(b)](#_B._Commissioned_Public))7.1 | 13,847 | 42,155 | 0 | 56,002 |
| Capital expenditure commitments payable | 4,404 | 0 | 0 | 4,404 |
| Operating commitments payable | 19,274 | 59,119 | 19,628 | 98,021 |
| Accommodation lease commitments payable | 8,640 | 13,414 | 25,184 | 47,238 |
| Other commitments payable | 79 | 28 | 2 | 109 |
| Total commitments (inclusive of GST) | 46,243 | 114,717 | 44,814 | 205,774 |
| Less GST recoverable | 4,204 | 10,429 | 4,074 | 18,707 |
| Total commitments (exclusive of GST) | 42,039 | 104,288 | 40,740 | 187,067 |

## Note 8. Risks, Contingencies and Valuation Judgements

### Introduction

Court Services Victoria is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks), as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for Court Services Victoria relate mainly to fair value determination.

Structure

8.1 Financial Instruments Specific Disclosures Financial instruments specific disclosures

8.2 Contingent Assets and Contingent Liabilities Contingent assets and contingent liabilities

8.3 Fair Value Determination Fair value determination

### 8.1 Financial Instruments Specific Disclosures

#### Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Court Services Victoria’s activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

From 1 July 2018, Court Services Victoria applies AASB 9 Financial Instruments and classifies all of its financial assets based on its business model for managing the assets and the asset’s contractual terms. Prior to that date Court Services Victoria applied AASB 139 Financial Instruments; Recognition and Measurement.

#### Categories of Financial Assets under AASB 9

AASB 9 requires Court Services Victoria to classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Court Services Victoria has no financial assets classified as “at fair value through other comprehensive income” or “at fair value through profit or loss”.

#### Financial Assets at Amortised Cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

* The assets are held by Court Services Victoria to collect the contractual cash flows, and
* The assets’ contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

Court Services Victoria recognises the following assets in this category:

* cash and deposits; and
* receivables (excluding statutory receivables).

#### Categories of Financial Assets Previously Under AASB 139

AASB 139 requires Court Services Victoria to classify financial assets as loans and receivables, available for sale financial instrument assets, held to maturity investments or at fair value through profit and loss.

Court Services Victoria has no financial assets classified as “available for sale financial assets” or “held to maturity investments” or “at fair value through profit and loss”.

##### Loans and receivables

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). Court Services Victoria recognises the following assets in this category:

* cash and deposits; and
* receivables (excluding statutory receivables).

#### Categories of Financial Liabilities Under AASB 9 and Previously Under AASB 139

##### Financial Liabilities at Amortised Cost

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. Court Services Victoria recognises the following liabilities in this category:

* payables (excluding statutory payables); and
* borrowings (including finance lease liabilities).

##### Financial Liabilities at Fair Value

Financial liabilities are categorised at fair value through net result if they are designated as such upon initial recognition. Financial liabilities at fair value through net result are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows unless the changes in fair value relate to changes in Court Services Victoria’s own credit risk. In this case, the portion of the change attributable to changes in Court Services Victoria’s own credit risk is recognised in other comprehensive income with no subsequent recycling to net result when the financial liability is derecognised.

##### Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

* The rights to receive cash flows from the asset have expired; or
* Court Services Victoria retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass through’ arrangement; or
* Court Services Victoria has transferred its rights to receive cash flows from the asset and either:
* has transferred substantially all the risks and rewards of the asset; or
* has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where Court Services Victoria has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Court Services Victoria’s continuing involvement in the asset.

##### Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an ‘other economic flow’ in the comprehensive operating statement.

##### Reclassification of Financial Instruments

Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when Court Services Victoria’ business model for managing its financial assets has changes such that its previous model would no longer apply.

However, Court Services Victoria is generally unable to change its business model because it is determined by the Performance Management Framework (PMF) and all Victorian government departments are required to apply the Performance Management Framework under the Standing Directions of the Assistant Treasurer 2018.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

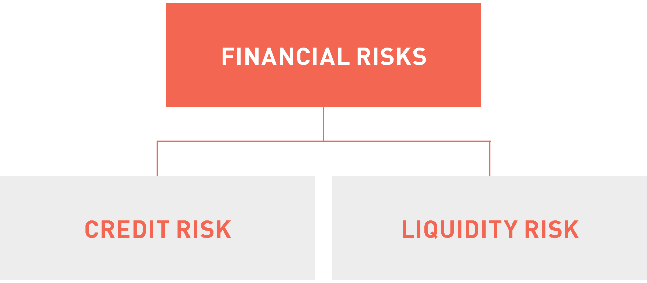
#### 8.1.1 Financial Instruments: Categorisation

|  |  |  |  |
| --- | --- | --- | --- |
| Item | Category | 2019 $’000 | 2018 $’000 |
| Contractual financial assets | Cash and deposits | N/A | N/A |
| Cash and deposits/(overdrawn) | Cash and deposits | (3,031) | (1,403) |
| Funds held in Trust | Cash and deposits | 20,930 | 14,554 |
| Total contractual cash and deposits | N/A | 17,899 | 13,151 |
| Receivable | Financial assets at amortised cost | N/A | N/A |
| Other receivables | Financial assets at amortised cost | 10,354 | 2,816 |
| Total contractual financial assets | Financial assets at amortised cost | 28,252 | 15,967 |
| Contractual financial liabilities | Financial liabilities at amortised cost | N/A | N/A |
| Payable: | Financial liabilities at amortised cost | N/A | N/A |
| Trade creditors and other payables | Financial liabilities at amortised cost | 33,146 | 24,666 |
| Accrued capital works | Financial liabilities at amortised cost | 5,921 | 6,781 |
| Salary and wages | Financial liabilities at amortised cost | 7,512 | 9,223 |
| Borrowings: | Financial liabilities at amortised cost | N/A | N/A |
| PPP related finance lease liabilities | Financial liabilities at amortised cost | 44,808 | 57,541 |
| Non PPP related finance lease liabilities | Financial liabilities at amortised cost | 10,109 | 9,700 |
| Total contractual financial liabilities | N/A | 101,497 | 107,911 |

#### 8.1.2 Financial Instruments: Net Holding Gain/(Loss) on Financial Instruments by Category

|  |  |  |
| --- | --- | --- |
| Item | 2019 Total expense $'000 | 2018 Total expense $'000 |
| Contractual financial liabilities under the PPP arrangement for the County Court Facility | (4,753) | (5,895) |
| Contractual financial liabilities for VicFleet | (231) | (156) |
| Total | (4,983) | (6,050) |

#### 8.1.3 Financial Risk Management Objectives and Policies



As a whole, Court Services Victoria’s financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 8.3 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage Court Services Victoria’s financial risks within the government policy parameters.

Court Services Victoria main financial risks include credit risk and liquidity risk. Court Services Victoria manages these financial risks in accordance with its financial risk management policy.

Court Services Victoria uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with Court Services Victoria's Finance Portfolio Committee.

##### Financial instruments: Credit Risk

Credit risk refers to the possibility that a debtor will default on its financial obligations as and when they fall due. Court Services Victoria's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to Court Services Victoria. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with Court Services Victoria's contractual financial assets is minimal as its main debtor is the Victorian Government. For debtors other than the Government, Court Services Victoria monitors outstanding debtors on a monthly basis.

In addition, Court Services Victoria does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that Court Services Victoria will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 60 days overdue, and changes in debtor credit ratings. At 30 June 2019 Court Services Victoria's contractual financial assets are neither past due nor impaired.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Court Services Victoria’s maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to Court Services Victoria’s credit risk profile in 2018-19.

##### Credit Quality of Financial Assets

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2019 | Financial institution (triple-A credit rating)  $’000 | Government agencies (triple-A credit rating)  $’000 | Government agencies (triple-B credit rating)  $’000 | Other (min triple-B credit rating)  $’000 | Total  $’000 |
| Financial assets | N/A | N/A | N/A | N/A | N/A |
| Financial assets with loss allowance measured at 12-month expected credit loss | N/A | N/A | N/A | N/A | N/A |
| Cash and deposits (not assessed for impairment due to materiality) | (3,031) | 20,930 | 0 | 0 | 17,899 |
| Statutory receivables (with no impairment loss recognised) | 0 | 89,571 | 0 | 0 | 89,571 |
| Financial assets with loss allowance measured at lifetime expected credit loss: | N/A | N/A | N/A | N/A | N/A |
| Contractual receivables applying the simplified approach for impairment | 0 | 10,189 | 216 | 195 | 10,600 |
| Total financial assets | (3,031) | 120,690 | 216 | 195 | 118,070 |

##### Credit quality of contractual financial assets that are neither past due nor impaired

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2018 | Financial institution  (triple-A credit rating)  $’000 | Government agencies  (triple-A credit rating)  $’000 | Government agencies  (triple-B credit rating)  $’000 | Other  (min triple-B credit rating)  $’000 | Total  $’000 |
| Financial assets | N/A | N/A | N/A | N/A | N/A |
| Cash and deposits | (1,403) | 14,554 | 0 | 0 | 13,151 |
| Contractual receivables | 0 | 3,379 | 17 | 47 | 3,443 |
| Total financial assets | (1,403) | 17,933 | 17 | 47 | 16,594 |

##### Impairment of Financial Assets under AASB 9 – Applicable from 1 July 2018

From 1 July 2018, Court Services Victoria has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139’s incurred loss approach with AASB 9’s Expected Credit Loss approach. Financial assets subject to AASB 9 impairment assessment include Court Services Victoria’s contractual receivables, statutory receivables and its investment in debt instruments.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

##### Contractual Receivables at Amortised Cost

Court Services Victoria applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. Court Services Victoria has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on Court Services Victoria’s past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, Court Services Victoria determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at end of the financial year as follows:

1 July 2018:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Expected loss rate | Current 0% $’000 | Less than 1 month 0% $’000 | 1–3 months 0% $’000 | 3 months –1 year 81% $’000 | 1–5  years 100% $’000 | Total $’000 |
| Gross carrying amount of contractual receivables | 528 | 1,080 | 178 | 707 | 52 | 2,544 |
| Loss allowance | 0 | 0 | 0 | 575 | 52 | 627 |

30 June 2019:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Expected loss rate | Current 0% $’000 | Less than 1 month 0% $’000 | 1–3 months 0% $’000 | 3 months –1 year 6% $’000 | 1–5  years 11% $’000 | Total $’000 |
| Gross carrying amount of contractual receivables | 3,925 | 1,983 | 758 | 3,715 | 219 | 10,600 |
| Loss allowance | 0 | 0 | 0 | 223 | 23 | 246 |

Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows:

|  |  |  |
| --- | --- | --- |
| Item | 2019 $’000 | 2018 $’000 |
| Balance at beginning of the year | (627) | (15) |
| Opening retained earnings adjustment on adoption of AASB 9 | 0 | 0 |
| Opening Loss Allowance | (627) | (15) |
| Increase in provision recognised in the net result | 381 | 0 |
| Balance at end of the year | (246) | (627) |

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

##### Statutory Receivables at Amortised Cost

Court Services Victoria’s non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Statutory receivables are considered to have low credit risk, taking into account the counterparty’s credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance recognised at 30 June 2018 under AASB 139. No additional loss allowance required upon transition into AASB 9 on 1 July 2018.

##### Financial Instruments: Liquidity Risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. Court Services Victoria operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

Court Services Victoria is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. Court Services Victoria manages its liquidity risk by:

* close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
* maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
* holding investments and other contractual financial assets that are readily tradeable in the financial markets;
* careful maturity planning of its financial obligations based on forecasts of future cash flows; and
* a high credit rating for the State of Victoria (Moody’s Investor Services and Standard & Poor’s triple-A, which assists in accessing debt market at a lower interest rate).

Court Services Victoria’s exposure to liquidity risk is deemed insignificant based on prior periods’ data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of available-for-sale financial investments.

### 8.2 Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

#### Quantifiable Contingent Assets (Arising from Outside of Government)

##### Contingent Assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non‑quantifiable.

|  |  |  |
| --- | --- | --- |
| Contingent assets | 2019 $'000 | 2018 $'000 |
| Insurance Claim | 0 | 220 |
| Total contingent assets | 0 | 220 |

#### Quantifiable Contingent Liabilities (Arising from Outside of Government)

##### Contingent Liabilities

Contingent liabilities are:

* possible obligations that arise from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
* present obligations that arise from past events but are not recognised because:
  + it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
  + The amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

|  |  |  |
| --- | --- | --- |
| Contingent liabilities | 2019 $'000 | 2018 $'000 |
| Liabilities pending the outcome of legal action | 250 | 252 |
| Remediation of combustible aluminium composite panels | 7,020 | 0 |
| Make good requirements under leases of premises | 3,353 | 1,246 |
| Total contingent liabilities(1) | 10,623 | 1,498 |

1. Possible obligations that arise and only can be confirmed by the occurrence of one or more uncertain future events not wholly within the control of Court Services Victoria.

Court Services Victoria has received information from Department of Environment, Land, Water and Planning (DELWP) regarding the risk arising from the use of combustible aluminium composite panels in seven Court Services Victoria owned buildings. The estimated cost of remediation, which is based on that information, may increase or decrease as the nature and extent of remediation is determined. Court Services Victoria expects funding will be provided to meet the cost of remediation. This funding has not been reflected in the estimated cost of remediation.

Court Services Victoria's "make good" obligations under leases of premises comprise:

1. The removal of leasehold improvements and the return of the premises to a "warm shell" state which might require the installation of new carpet, repair of ceilings and reinstating air-conditioner. Court Services Victoria has recognised a make good provision of $0.34million (2018: $0.32 million) on the Balance Sheet in respect of these costs.
2. The repair of any damage (other than damage attributed to fair wear and tear) and the removal of any chattels and other loose items from the tenancy. These obligations will only be confirmed on termination of the lease and following negotiations with the lessor. The quantified contingent liability of $3.35 million (2018: $1.25 million) is the estimated maximum amount Court Services Victoria might incur in meeting those obligations.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

#### Non-Quantifiable Contingent Liabilities

Court Services Victoria has no non-quantifiable contingent liabilities arising at this time from:

* indemnities provided in relation to transactions, including financial arrangements and consultancy services, as well as for directors and administrators;
* performance guarantees, warranties, letters of comfort and the like;
* deeds in respect of certain obligations; and
* unclaimed monies, which may be subject to future claims by the general public against the State.

### 8.3 Fair Value Determination

#### Significant Judgement: Fair Value Measurements of Assets and Liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of Court Services Victoria.

This section sets out information on how Court Services Victoria determined fair value for financial reporting purposes. 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.

The following assets and liabilities are carried at fair value:

* Financial assets and liabilities at fair value through operating result;
* Available for sale financial assets; and
* Land, buildings, plant and equipment.

Court Services Victoria determines the policies and procedures for determining fair values for both financial and non financial assets and liabilities as required.

#### Fair Value Hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

* Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
* Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
* Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Court Services Victoria determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### How this Section is Structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

* carrying amount and the fair value (which would be the same for those assets measured at fair value);
* The level of the fair value hierarchy that was used to determine the fair value; and
* in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
  + a reconciliation of the movements in fair values from the beginning of the year to the end; and
  + details of significant unobservable inputs used in the fair value determination.

#### 8.3.1 Fair Value Determination of Financial Assets and Liabilities

The fair values and net fair values of financial assets and liabilities are determined using Level 3 valuation techniques. This involves the determination of fair value in accordance with generally accepted accounting pricing models based on discounted cash flow analysis using unobservable market inputs.

Court Services Victoria currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2018‑19 reporting period.

#### 8.3.2 Fair Value Determination: Non‑Financial Physical Assets

##### Fair Value Measurement Hierarchy

Court Services Victoria has applied Level 3 of the fair value hierarchy to determine the non-financial physical assets valuation which is consistent with the previous financial year. There were no changes in valuation techniques throughout the period to 30 June 2019. For all assets measured at fair value, the current use is considered the highest and best use. Movements in Level 3 fair values of non-financial physical assets are shown at Note 5.1.3.

Specialised land and specialised buildings: the market approach is a used for specialised land, although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The community service obligation adjustment is a reflection of the valuer’s assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of community service obligation are considered significant unobservable inputs, specialised land would be classified as Level 3 assets.

For the majority of Court Services Victoria’s specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation. As depreciation adjustments are considered significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of Court Services Victoria's specialised land and specialised buildings was performed by the Valuer‑General of Victoria. The valuation was performed using the market approach adjusted for community service obligation effective 30 June 2016. A Managerial Revaluation of Land was undertaken with a 30 June 2018 effective date of valuation.

In accordance with FRD 103H, Court Services Victoria has reviewed the difference between the fair value and the carrying amount of all categories of assets based on the Valuer-General of Victoria indices for 2018-19. The review indicates that:

* Since the last independent valuation, the movement in the fair value of specialised buildings is material and therefore a managerial revaluation at 30 June 2019 is appropriate; and
* Since the last managerial revaluation, the movement in the fair value of specialised land is not material and therefore no adjustment to the assets carrying value is required to reflect the movement in the Valuer-General of Victoria indices during the year ended 30 June 2019.

An increase in the physical assets revaluation surplus of $53.8 million has therefore been recognised for specialised buildings at 30 June 2019.

Leasehold Buildings are valued using the current replacement value. An Independent valuation of Court Services Victoria leasehold buildings was performed by the Valuer-General Victoria as at 30 June 2016.

Heritage assets: Court Services Victoria holds heritage assets with a carrying value of $115.8 million. These heritage assets can neither be modified or not disposed of without formal ministerial approval. Heritage assets are valued using the current replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. However, for some heritage and iconic assets, the cost may be the reproduction cost rather than the replacement cost if those assets’ service potential could only be replaced by reproducing them with the same materials.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

An independent valuation of Court Services Victoria's heritage assets was performed by the Valuer‑General of Victoria. The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation is 30 June 2016.

Vehicles are valued using the current replacement cost method. Court Services Victoria acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by VicFleet who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2019.

## Note 9. Other Disclosures

### Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

9.1 Other economic flows included in net result

9.2 Responsible persons

9.3 Remuneration of executives

9.4 Key Management personnel

9.5 Remuneration of auditors

9.6 Subsequent events

9.7 Other accounting policies

9.8 Australian Accounting Standards issued that are not yet effective

### 9.1 Other Economic Flows Included in Net Result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

|  |  |  |  |
| --- | --- | --- | --- |
| Item | N/A | 2019 $'000 | 2018 $'000 |
| (a) | Net gain/(loss) on non-financial assets | N/A | N/A |
| N/A | Net gain/(loss) on disposal of property, plant and equipment | 468 | 417 |
| N/A | Total net gain/(loss) on non-financial assets | 468 | 417 |
| (b) | Net gain/(loss) on financial instruments | N/A | N/A |
| N/A | Bad debts written off | 381 | (23) |
| N/A | Total net gain/(loss) on financial instruments | 381 | (23) |
| (c) | Other gains/(losses) from other economic flows | N/A | N/A |
| N/A | Net gain/(loss) arising from revaluation of long service  leave liability(1) | (7,663) | (107) |
| N/A | Total other gains/(losses) from other economic flows | (7,663) | (107) |

1. Revaluation of the long service leave liability includes wages inflation increase from 3.88% (2018) to 4.33% (2019) and lower discount rate from 2.65% (2018) to 1.32% (2019) contributing to an increase to the present value of long service leave liabilities, all else being equal.

### 9.2 Responsible Persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the Financial Management Act 1994, the following disclosures are made regarding responsible persons for the reporting period.

#### Names

The persons who held the positions of Ministers and Accountable Officer in Court Services Victoria are as follows:

Responsible Minister:

|  |  |
| --- | --- |
| Name | Period |
| Attorney-General, the Hon. Martin Pakula MP | 1 July 2018 to 28 November 2018 |
| Attorney-General, the Hon. Jill Hennessy MP | 29 November 2018 to 30 June 2019 |
| Acting Attorney-General, the Hon. Benjamin Carroll MP | 6 April 2019 to 14 April 2019 |

Accountable Officer

|  |  |
| --- | --- |
| Name | Period |
| Chief Executive Officer, David Ware | 1 July 2018 to 29 January 2019 |
| Acting Chief Executive Officer, Terrence Healy | 28 September 2018 to 7 April 2019 |
| Chief Executive Officer, Louise Anderson | 8 April 2019 to 30 June 2019 |

Governing Body

The persons who held membership of the Courts Council in Court Services Victoria are as follows:

|  |  |
| --- | --- |
| Member Names | Period |
| the Honourable Chief Justice Mary Anne Ferguson, Chair | 1 July 2018 to 30 June 2019 |
| the Honourable Chief Judge Peter Kidd | 1 July 2018 to 30 June 2019 |
| His Honour Chief Magistrate Peter Lauritsen | 1 July 2018 to 30 June 2019 |
| Her Honour Judge Amanda Chambers | 1 July 2018 to 30 June 2019 |
| Her Honour Judge Sara Hinchey | 1 July 2018 to 17 August 2018 |
| Acting State Coroner Iain West | 18 August 2018 to 15 April 2019 |
| Acting State Coroner Caitlin English | 16 April 2019 to 30 June 2019 |
| the Honourable Justice Michelle Quigley | 1 July 2018 to 30 June 2019 |
| Dr Philip Williams AM | 1 July 2018 to 30 June 2019 |

#### Remuneration: Accountable Officer

|  |  |  |
| --- | --- | --- |
| Item | 2019 No. | 2018 No. |
| $90,000- $99,999 | 1 | 0 |
| $220,000 -$229,000 | 1 | 0 |
| $230,000–$239,999 | 1 | 0 |
| $440,000-$449,999 | 0 | 1 |
| Total | 3 | 1 |

1. Some of the comparatives have been restated for 2018

Remuneration received or receivable by the independent member during the reporting period was in the range: $20,000-$29,999 ($20,000-$29,999 in 2017-18)

Judicial members of the responsible body are remunerated under the Judicial Entitlements Act 2015 as holders of judicial positions defined by the respective acts of law that create the Victorian judiciary, namely the Constitution Act 1975 s 82, County Court Act 1958 s.10, Magistrates Court Act Schedule 1 Part 1 Chapter 10 and Victorian Civil and Administrative Tribunal Act. 1998 s.17AA. The Judicial members receive no additional remuneration in their capacity as members of the Courts Council.

### 9.3 Remuneration of Executives

The number of executive officers, other than Ministers, members of the Governing Body and Accountable Officer, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 Employee Benefits) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefit or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

#### Remuneration of Executive Officers

|  |  |  |
| --- | --- | --- |
| Item | 2019 $'000 | 2018 $'000 |
| Short-term employee benefits | 3,349 | 2,848 |
| Post-employment benefits | 288 | 238 |
| Other long-term benefits | 84 | 85 |
| Termination benefits | 116 | 72 |
| Total remuneration | 3,836 | 3,243 |
| Total number of executives | 19 | 18 |
| Total annualised employee equivalents(1) | 14.0 | 11.7 |

Note

1. Annualised employee equivalent is calculated by dividing the total number of days that an employee is engaged to work during the week by the total number of full-time working days per week.
2. Some of the comparatives have been restated for 2018.

### 9.4 Key Management Personnel

Key management personnel of Court Services Victoria includes the responsible Minister, members of the Governing Body, and Accountable Officer. Court Services Victoria has determined that the executive officers, whose remuneration is reported in Note 9.3 , are not Key Management Personnel.

Remuneration of key management personnel comprises employee benefits (as defined in AASB 119 Employee Benefits) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

The remuneration detailed below excludes the salaries and benefits the Minister receives. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the Department of Parliamentary Services' Financial Report.

The remuneration of the Judicial members of the responsible body receive in their capacity as holders of judicial positions is also excluded. The Judicial members receive no additional remuneration in their capacity as members of the Courts Council.

#### Remuneration of Key Management Personnel

|  |  |  |
| --- | --- | --- |
| Item | 2019 $'000 | 2018 $'000 |
| Short-term employee benefits | 529 | 425 |
| Post-employment benefits | 37 | 33 |
| Other long-term benefits | 12 | 10 |
| Total remuneration | 578 | 468 |

Note

1. Some of the comparatives have been restated for 2018.

#### 9.4.1 Transactions and Balances with Key Management Personnel

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the Public Administration Act 2004 and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Purchasing Board requirements.

The period 1 July 2018 to 30 June 2019, there were no related party transactions that involved key management personnel of Court Services Victoria.

### 9.5 Remuneration of Auditors

|  |  |  |
| --- | --- | --- |
| Item | 2019 $'000 | 2018 $'000 |
| Victorian Auditor-General's Office | N/A | N/A |
| Audit of the financial statements | 205 | 200 |
| Total remuneration of auditors | 205 | 200 |

### 9.6 Subsequent Events

Court Services Victoria signed a contract on the 1 August 2019 for the implementation of a new case management system (CMS) for the Magistrates’ Court and Children’s Court of Victoria. The new Case management system will replace Courtlink. The estimated cost for the new Case management system contract is $30.72m over 10 years (capital $15.37m and operating $15.35m).

Refer to notes 5.2.3 Intangible assets - Case management system (WIP) and 7.4 Commitments for expenditure.

### 9.7 Other Accounting Policies

#### Contributions by Owners

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of Court Services Victoria.

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

### 9.8 Australian Accounting Standards Issued That Are Not Yet Effective

The following AASs become effective for reporting periods commencing after 1 July 2019:

* AASB 1059 Service Concession Arrangements: Grantor;
* AASB 16 Leases;
* AASB 15 Revenue from Contract with Customers; and
* AASB 1058 Income of Not-for-Profit Entities.

#### Leases

AASB 16 Leases replaces AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases on the balance sheet by recording a Right-of-Use (RoU) asset and a lease liability except for leases that are shorter than 12 months and leases where the underlying asset is of low value (deemed to be below $10,000).

AASB 16 also requires the lessees to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset, and remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The amount of the remeasurement of the lease liability will generally be recognised as an adjustment to the RoU asset.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The effective date is for annual reporting periods beginning on or after 1 January 2019. Court Services Victoria intends to adopt AASB 16 in 2019-20 financial year when it becomes effective.

Court Services Victoria will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

Various practical expedients are available on adoption to account for leases previously classified by a lessee as operating leases under AASB 117. Court Services Victoria will elect to use the exemptions for all short-term leases (lease term less than 12 months) and low value leases (deemed to be below $10,000).

In addition, AASB 2018-8 – Amendments to Australian Accounting Standards – Right-of-Use Assets (RoU) of Not-for-Profit Entities allows a temporary option for not-for-profit entities to not measure RoU assets at initial recognition at fair value in respect of leases that have significantly below-market terms, since further guidance is expected to be developed to assist not-for-profit entities in measuring RoU assets at fair value. The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such RoU assets at cost rather than fair value) to include additional disclosures. Court Services Victoria intends to choose the temporary relief to value the RoU asset at the present value of the payments required (at cost).

Court Services Victoria has performed a detailed impact assessment of AASB 16 and the potential impact in the initial year of application has been estimated as follows:

* increase in RoU ($101.10 million),
* increase in related depreciation ($11.76 million),
* increase in lease liability ($101.10 million),
* increase in related interest ($4.17 million) calculated using effective interest method, and
* decrease in rental expense ($12.19 million).

The following AASs become effective for reporting periods commencing after the operative dates stated:

Certain new Australian Accounting Standards (AAS) have been published which are not mandatory for the 30 June 2019 reporting period. Department of Treasury and Finance assesses the impact of all these new standards and advises Court Services Victoria of their applicability and early adoption where applicable.

|  |  |  |  |
| --- | --- | --- | --- |
| Topic(a) | Key requirements | Effective date | Impact on Court Services Victoria financial statements |
| AASB 15 Revenue from Contracts with Customers | The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015 8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017 for Not-for-Profit entities. | 1-Jan-19 | The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. Revenue from grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as the performance obligations attached to the grant are satisfied. |
| AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not‑for-Profit Public Sector Licensors | AASB 2018-4 amends AASB 15 and AASB 16 to provide guidance for revenue recognition in connection with taxes and Non-IP licences for Not-for-Profit entities. | 1-Jan-19 | AASB 2018-4 provides additional guidance for not-for-profit public sector licenses, which include:   * Matters to consider in distinguishing between a tax and a license, with all taxes being accounted for under AASB 1058; * IP licenses to be accounted for under AASB 15; and * Non-IP, such as casino licenses, are to be accounted for in accordance with the principles of AASB 15 after first having determined whether any part of the arrangement should be accounted for as a lease under AASB 16. |
| AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not‑for-Profit Entities | AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15.  This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events. | 1-Jan-19 | This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. the areas within these standards that are amended for not-for-profit application include:  AASB 9   * Statutory receivables are recognised and measured similarly to financial assets.   AASB 15   * The ‘customer’ does not need to be the recipient of goods and/or services; * The “contract” could include an arrangement entered into under the direction of another party; * Contracts are enforceable if they are enforceable by legal or ‘equivalent means’; * Contracts do not have to have commercial substance, only economic substance; and * Performance obligations need to be ‘sufficiently specific’ to be able to apply AASB 15 to these transactions. |
| AASB 1058 Income of Not for Profit Entities | AASB 1058 will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions.  The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context,  AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective. | 1-Jan-19 | Grant revenue is currently recognised up front upon receipt of the funds under AASB 1004 Contributions.  The timing of revenue recognition for grant agreements that fall under the scope of AASB 1058 may be deferred. For example, revenue from capital grants for the construction of assets will need to be deferred and recognised progressively as the asset is being constructed.  The impact on current revenue recognition of the changes is the potential phasing and deferral of revenue recorded in the operating statement. |
| AASB 17 Insurance Contracts | The new Australian standard eliminates inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities.  This standard currently does not apply to the not-for-profit public sector entities. | 1-Jan-21 | The assessment has indicated that there will be no significant impact for the public sector. |
| AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material | This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material. | 1-Jan-20 | The standard is not expected to have a significant impact on the public sector. |
| AASB 1059 Service Concession Arrangements: Grantor | This standard applies to arrangements that involve an operator providing a public service on behalf of a public sector grantor. It involves the use of a service concession asset and where the operator manages at least some of the public service at its own direction. An arrangement within the scope of this standard typically involves an operator constructing the asset used to provide the public service or upgrading the assets and operating and maintaining the assets for a specified period of time. | 1-Jan-20 | For an arrangement to be in scope of AASB 1059 all of the following requirements are to be satisfied:   * Operator is providing public services using a service concession asset; * Operator manages at ‘least some’ of public services under its own discretion; * The State controls / regulates:   + what services are to be provided;   + to whom; and   + at what price * State controls any significant residual interest in the asset.   If the arrangement does not satisfy all the above requirements the recognition will fall under the requirements of another applicable accounting standard. |
| AASB 2018-5 Amendments to Australian Accounting Standards – Deferral of AASB 1059 | This standard defers the mandatory effective date of AASB 1059 from 1 January 2019 to 1 January 2020. | 1-Jan-20 | This standard defers the mandatory effective date of AASB 1059 for periods beginning on or after 1 January 2019 to 1 January 2020. As the State has elected to early adopt AASB 1059, the financial impact will be reported in the financial year ending 30 June 2019, rather than the following year. |

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2018-19 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

* AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
* AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendments, Curtailment or Settlement
* AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements
* AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business

## Note 10. Glossary of Technical Terms and Style Conventions

Comprehensive result: Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Controlled item: Controlled item generally refers to the capacity of Court Services Victoria to benefit from that item in the pursuit of the entity’s objectives and to deny or regulate the access of others to that benefit.

Current grants: Current grants are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Community Service Obligation (CSO): Community Service Obligation (CSO) is an allowance made to reflect the difference between unrestricted freehold land and assets held by the Public Sector which may be affected by social and economic restraints. This may arise because the land is Crown land and in a public use zone or it is considered an iconic property that would be difficult to sell.

Depreciation: Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a ‘transaction’ and so reduces the ‘net result from transaction’.

Effective interest method: Effective interest method is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. the effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Employee benefits expenses: Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex-gratia expenses: Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write-off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Financial asset: Financial asset is any asset that is:

1. cash;
2. an equity instrument of another entity;
3. a contractual right:
   1. to receive cash or another financial asset from another entity; or
   2. to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
4. a contract that will or may be settled in the entity’s own equity instruments and is:
   1. a non-derivative for which the entity is or may be obliged to receive a variable number of the entity’s own equity instruments; or
   2. a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity’s own equity instruments.

Financial instrument: Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability: Financial liability is any liability that is:

1. a contractual obligation:
   1. to deliver cash or another financial asset to another entity; or
   2. to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
2. a contract that will or may be settled in the entity’s own equity instruments and is:
   1. a non derivative for which the entity is or may be obliged to deliver a variable number of the entity’s own equity instruments; or
   2. a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity’s own equity instruments. For this purpose, the entity’s own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity’s own equity instruments.

Financial statements: Financial statements in this report comprises:

1. a balance sheet as at the end of the period;
2. a comprehensive operating statement for the period;
3. a statement of changes in equity for the period;
4. a cash flow statement for the period;
5. notes, comprising a summary of significant accounting policies and other explanatory information;
6. comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements; and
7. a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grant expenses: Grant expenses and other transfers are transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

General government sector: General government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Interest expense: Interest expense represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of finance lease repayments, and amortisation of discounts or premiums in relation to borrowings.

Leases: Leases are rights to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of infrastructure, property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Net financial worth: Net financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation, but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

Net operating balance: Net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Net result: Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as ‘other non-owner movements in equity’.

Net worth: Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

Non-financial assets: Non-financial assets are all assets that are not financial assets. It includes land, buildings, plant and equipment, cultural and heritage assets and intangibles.

Operating result: Operating result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as ‘other non-owner movements in equity’. Refer also ‘net result’.

Other economic flows included in net result: Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

Other economic flows – other comprehensive income: Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus and gains and losses on remeasuring available-for-sale financial assets.

Payables: Payables includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Present Value: Present Value is a financial calculation that measures the worth of future amount of money in today's dollars adjusted for interest and inflation.

Produced assets: Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software and research and development costs (not including the start-up costs associated with capital projects).

Receivables: Receivables include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services: Sales of goods and services refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets, such as buildings and entertainment, but excludes rent income from the use of non-produced assets, such as land. User charges includes sale of goods and services income.

Supplies and services: Supplies and services generally represent cost of goods sold and the day to day running costs, including maintenance costs, incurred in the normal operations of Court Services Victoria.

Transactions: Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows into an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the Government.

Style conventions: Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

Hyphen zero, or rounded to zero

(xxx) negative numbers

200x year period

200x 0x year period

The financial statements and notes are presented based on the illustration for a government department in the 2018-19 Model Report for Victorian Government Departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Court Services Victoria’s annual reports.

## Note 11. Budgetary Reporting

### Introduction

This section includes budget and variance analysis information.

Structure

11.1 Comprehensive Operating Statement for the Financial Year Ended 30 June 2019 Comprehensive operating statement

11.2 Balance Sheet as at 30 June 2019 Balance sheet

11.3 Cash Flow Statement for the Financial Year Ended 30 June 2019 Cash flow statement

11.4 Statement of Changes in Equity for the Financial Year Ended 30 June 2019 Statement of changes in equity

11.5 Administered Items Administered items

### 11.1 Comprehensive Operating Statement for the Financial Year Ended 30 June 2019

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Item | Variance  note | Budget 2019 $'million | Actual 2019 $'million | Variance $'million |
| Continuing operations | N/A | N/A | N/A | N/A |
| Income from transactions | N/A | N/A | N/A | N/A |
| Output appropriations | (1) | 432.1 | 428.5 | (3.7) |
| Special appropriations | (2) | 166.0 | 158.0 | (8.1) |
| Grants | (3) | 17.6 | 28.2 | 10.6 |
| Other income | N/A | 0 | 0 | 0 |
| Total income from transactions | N/A | 615.7 | 614.6 | (1.1) |
| Expenses from transactions | N/A | N/A | N/A | N/A |
| Employee expenses | N/A | 347.5 | 341.7 | (5.8) |
| Depreciation and amortisation | N/A | 48.5 | 53.5 | 5.0 |
| Interest expense | N/A | 5.2 | 5.0 | (0.2) |
| Grants and other transfers | N/A | 13.0 | 14.0 | 0.9 |
| Capital asset charge | N/A | 45.5 | 45.5 | 0 |
| Supplies and services | (4) | 156.0 | 144.1 | (12.0) |
| Total expenses from transactions | N/A | 615.8 | 603.7 | (12.0) |
| Net result from transactions (net operating balance) | N/A | (0.1) | 10.8 | 10.9 |
| Other economic flows included in net result | N/A | N/A | N/A | N/A |
| Net gain/(loss) on non-financial assets | N/A | 0 | 0.5 | 0.5 |
| Net gain/(loss) on financial instruments | N/A | 0 | 0.4 | 0.4 |
| Other gains/(losses) from other economic flows | (5) | 0 | (7.7) | (7.7) |
| Total other economic flows included in net result | N/A | 0 | (6.8) | (6.8) |
| Net result | N/A | (0.1) | 4.0 | 4.1 |
| Other economic flows–other comprehensive income | N/A | N/A | N/A | N/A |
| Items that will not be reclassified to net result | N/A | N/A | N/A | N/A |
| Changes in physical asset revaluation reserve | (6) | 0 | 53.8 | 53.8 |
| Total other economic flows–other comprehensive income | N/A | 0 | 53.8 | 53.8 |
| Comprehensive result | N/A | (0.1) | 57.9 | 57.9 |

Notes:

1. The Output appropriations variance reflects rescheduling of government initiatives into the forward estimates.
2. The Special appropriations budget represents the annual warrant provided to cover judicial entitlements and non-judicial members in order to support the delivery of government initiatives. The variance from controlled special appropriations represents undrawn revenue and it is mainly due to the timing of cash requirements especially in relation to Employee Provisions for which revenue is drawn when paid rather than incurred.
3. Grants Revenue variance is due to timing of finalisation of annual agreements between Court Services Victoria and other Government Departments. The material cause of the variance is an increase, post-Published budget, of $3m in grants received by Victorian Civil and Administrative Tribunal from Consumer Affairs Victoria and $5m in inter-departmental funds being made available to Court Services Victoria, primarily for the purchase of support services from 3rd parties for persons affected by court matters.
4. The below budget variance reflects rescheduling of government initiatives into the forward estimates as reported in Note 1. About This Report.
5. Other gains/(losses) from other economic flows: this is a non-budget non-cash outflow.
6. Changes in Physical Assets Revaluation Reserve: the implementation of Valuer-General of Victoria (VGV) indexation post dates the Published budget.

### 11.2 Balance Sheet as at 30 June 2019

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Item | Variance note | Original budget 2019 $’million | Actual 2019 $’million | Variance $’million |
| Financial assets | N/A | N/A | N/A | N/A |
| Cash and deposits | (1) | 6.8 | 17.9 | 11.1 |
| Receivables | (2) | 129.6 | 99.9 | (29.7) |
| Total financial assets | N/A | 136.5 | 117.8 | (18.6) |
| Non-financial assets | N/A | N/A | N/A | N/A |
| Non-financial physical assets classified as held for sale | N/A | 0.2 | 0.2 | (0) |
| Property, plant and equipment | (3) | 1036.5 | 1128.2 | 91.7 |
| Intangible assets | N/A | 22.8 | 24.4 | 1.6 |
| Prepayments | N/A | 2.1 | 5.9 | 3.8 |
| Total non-financial assets | N/A | 1061.7 | 1158.6 | 97.0 |
| Total assets | N/A | 1198.1 | 1276.5 | 78.3 |
| Liabilities | N/A | N/A | N/A | N/A |
| Payables | (4) | 29.4 | 50.5 | 21.0 |
| Borrowings | (5) | 65.6 | 54.9 | (10.6) |
| Provisions | (6) | 77.4 | 93.9 | 16.5 |
| Other Provisions | N/A | 0 | 0.3 | 0.3 |
| Total liabilities | N/A | 172.4 | 199.6 | 27.3 |
| Net assets | N/A | 1025.8 | 1076.8 | 51.0 |
| Equity | N/A | N/A | N/A | N/A |
| Accumulated surplus/(deficit) | N/A | (0.7) | 11.8 | 12.5 |
| Contributed capital | (7) | 839.7 | 761.1 | (78.6) |
| Physical asset revaluation surplus | (8) | 186.8 | 304.0 | 117.2 |
| Net worth | N/A | 1025.8 | 1076.8 | 51.0 |

Notes:

1. Cash and Deposits: the balance consists mainly of deposits held in Trust for third parties.
2. The receivables balance primarily represents the annual appropriation revenue drawdown from the State Administered Unit (SAU) for funding that is owed from the Victorian Government for output expenses recognised by Court Services Victoria as they are incurred. The variance is due to revenue requirements being lower as initiatives are rescheduled over the forward estimates.
3. The Property Plant and Equipment variance reflects delivery of government funded capital investment program and the asset revaluation made in accordance with FRD 103H (refer to movement in revaluation reserve).
4. Payables: Court Services Victoria operates on 30 day government payment terms and suppliers are paid within that time frame as a policy.
5. Borrowings: actuals are lower than budget due to lease principal payments for the County Court PPP increasing over the life of the contract. The contract is now in year 16 of 20.
6. Provisions: the higher than budget result reflects revaluations of provisions arising from employee Enterprise Bargaining Agreement and Judicial Remuneration Tribunal decisions.
7. Contributed Capital: Movements relating to owner contributions by State Government are lower than budgeted due to rescheduling of capital works across the forward estimates.
8. Physical Assets Revaluation Reserve: a decision to implement recommended Valuer-General Victoria land and building indexation adjustment post dates the Published budget.

### 11.3 Cash Flow Statement for the Financial Year Ended 30 June 2019

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Item | Variance  Note | Budget 2019 $'million | Actual 2019 $'million | Variance $'million |
| Cash flows from operating activities | N/A | N/A | N/A | N/A |
| Receipts | N/A | N/A | N/A | N/A |
| Receipts from Government | (1) | 572.8 | 590.4 | 17.5 |
| Receipts from other entities | (2) | 17.6 | 20.5 | 2.9 |
| Goods and services tax recovered from the ATO | (3) | 0 | 19.8 | 19.8 |
| Total receipts | N/A | 590.4 | 630.7 | 40.3 |
| Payments | N/A | N/A | N/A | N/A |
| Payments to suppliers and employees | (4)**Error! Reference source not found.** | (513.5) | (498.3) | 15.1 |
| Payments of grants and other transfers | (5) | (2.6) | (7.3) | (4.8) |
| Capital assets charge payments | N/A | (45.4) | (45.5) | (0.1) |
| Interest and other costs of finance paid | N/A | (5.6) | (5.0) | 0.6 |
| Total payments | N/A | (567.1) | (556.1) | 10.9 |
| Net cash provided by/(used in) operating activities | N/A | 23.3 | 74.6 | 51.2 |
| Cash flows from investing activities | N/A | N/A | N/A | N/A |
| Purchases of non-financial assets | (6) | (108.7) | (74.0) | 34.7 |
| Proceed sales of non-financial assets | N/A | 0 | 2.9 | 2.9 |
| Net cash provided by/(used in) investing activities | N/A | (108.7) | (71.1) | 37.6 |
| Cash flows from financing activities | N/A | N/A | N/A | N/A |
| Owner contributions by State Government | (7) | 94.0 | 13.6 | (80.5) |
| Repayment of borrowing and finance leases | (8) | (8.7) | (12.3) | (3.6) |
| Net cash provided by/(used in) financing activities | N/A | 85.3 | 1.2 | (84.1) |
| Net increase (decrease) in cash held | N/A | (0.1) | 4.7 | 4.8 |
| Cash and cash equivalents at the beginning of the financial year | N/A | (0.1) | 13.2 | 13.2 |
| Cash and cash equivalents at the  end of the financial year | N/A | (0.1) | 17.9 | 17.9 |

Notes:

1. Receipts from Government: the higher than published budget result is due to post-Published budget releases of funding held by Department of Treasury and Finance Victoria pending agreement on detail implementation plans and Treasurer's Advances for urgent works and programs.
2. Receipts from Other Entities: the higher than budget result is due to annual funding agreements with other government departments being finalised post Published Budget.
3. Goods and services tax recovered from the ATO: Court Services Victoria had budgeted for no net movement as this item does not impact Court Services Victoria's funding base.
4. Payments to suppliers and employees: the lower than budget spend reflects government initiatives which has been rescheduled across the forward estimates.
5. Payments of grants and other transfers: the finalisation of inter-government funding arrangements resulted in additional funds being available to purchase support services from third parties for persons affected by court matters.
6. Purchases of non-financial assets: the lower than published budget result reflects rescheduling of government funded capital programs to be delivered over the forward estimates, including the land purchase of Bendigo and Wyndham court redevelopment to occur in the following year.
7. Owner contributions by State Government are lower than budgeted due to rescheduling of capital works across the forward estimates.
8. Repayment of borrowing and finance leases: the movement is greater than budget due to the County Court PPP lease principal repayments increasing over the life of the contract. The contract is in year 16 of 20.

### 11.4 Statement of Changes in Equity for the Financial Year Ended 30 June 2019

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Item | Physical asset revaluation surplus  $'million | Accumulated surplus/ (deficit) $'million | Contributions by owner $'million | Total $'million |
| Budget | N/A | N/A | N/A | N/A |
| Opening balance | 250.1 | 7.7 | 747.5 | 1005.4 |
| Net result for the year | 0 | (0.1) | 0 | (0.1) |
| Other comprehensive income for the year | 0 | 0 | 0 | 0 |
| Transactions with owners in their capacity as owners | 0 | 0 | 94.0 | 94.0 |
| Closing Balance | 250.1 | 7.7 | 841.6 | 1099.4 |
| Statement of Changes in Equity | N/A | N/A | N/A | N/A |
| Opening balance | 250.1 | 7.7 | 747.5 | 1005.4 |
| Net result for the year | 0 | 4.0 | 0 | 4.0 |
| Other comprehensive income for the year | 53.8 | 0 | 0 | 53.8 |
| Transactions with owners in their capacity as owners | 0 | 0 | 13.6 | 13.6 |
| Closing Balance | 304.0 | 11.8 | 761.1 | 1076.8 |
| Variance to Budget | N/A | N/A | N/A | N/A |
| Opening balance | 0 | 0 | 0 | 0 |
| Net result for the year | 0 | 4.1 | 0 | 4.1 |
| Other comprehensive income for the year | 53.8 | 0 | 0 | 53.8 |
| Transactions with owners in their capacity as owners | 0 | 0 | (80.5) | (80.5) |
| Total | 53.8 | 4.1 | (80.5) | (22.5) |

### 11.5 Administered Items

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Item | Variance  note | Budget 2019 $'million | Actual 2019 $'million | Variance $'million |
| Administered income from transactions | N/A | N/A | N/A | N/A |
| Special appropriations applied | (1) | 42.0 | 46.0 | 4.0 |
| Fines | (2) | 21.0 | 2.9 | (18.1) |
| Sales of goods and services (including fees) | N/A | 65.8 | 65.2 | (0.6) |
| Other income | N/A | 0 | 1.5 | 1.5 |
| Total administered income from transactions | N/A | 128.8 | 115.6 | (13.2) |
| Administered expenses from transactions | N/A | N/A | N/A | N/A |
| Payments into the Consolidated Fund | (3) | 86.8 | 71.0 | (15.8) |
| Criminal injuries compensation | (4) | 32.6 | 46.2 | 13.6 |
| Other expenses | (5) | 9.5 | (1.1) | (10.6) |
| Total administered expenses from transactions | N/A | 128.8 | 116.1 | (12.8) |
| Total administered net result from transactions (net operating balance) | N/A | 0 | (0.5) | (0.5) |
| N/A | N/A | 0 | 0 | 0 |
| Total administered comprehensive result | N/A | 0 | (0.5) | (0.5) |
| Administered financial assets | N/A | N/A | N/A | N/A |
| Cash and deposits | N/A | 8.8 | 9.2 | 0.4 |
| Receivables | N/A | 5.0 | 2.3 | (2.7) |
| Total administered financial assets | N/A | 13.7 | 11.5 | (2.3) |
| Administered liabilities | N/A | N/A | N/A | N/A |
| Creditors and accruals | N/A | 0 | 0.8 | 0.8 |
| Payable | N/A | 9.3 | 8.8 | (0.5) |
| Provisions | N/A | 3.3 | 3.5 | 0.2 |
| Total administered liabilities | N/A | 12.6 | 13.1 | 0.5 |
| Total administered net assets | N/A | 1.2 | (1.6) | (2.8) |

Notes:

1. Special Appropriations Applied represents the drawing down of revenue to provide for Criminal Injuries Assistances Awards determined by the Victims of Crime Assistance Tribunal (VOCAT).
2. New arrangements with Fines Victoria, effective 1/1/2018, has resulted in fines revenue that was previously administered by the Courts now being administered by Fines Victoria.
3. Payments into the Consolidated Fund represents the depositing of fines and fees collected on behalf of the Crown into the Consolidated Fund as required by the Constitution Act 1975 Part V, Division 1.
4. Criminal injuries compensation represents the payment of awards to victims of crime.
5. Other expenses captures payments to providers of goods and services to victims of crime as determined by VOCAT.

End of Document

1. http://www.courts.vic.gov.au/ [↑](#footnote-ref-2)
2. This figure relates to actual revenue. [↑](#footnote-ref-3)
3. https://www.ibac.vic.gov.au/ [↑](#footnote-ref-4)