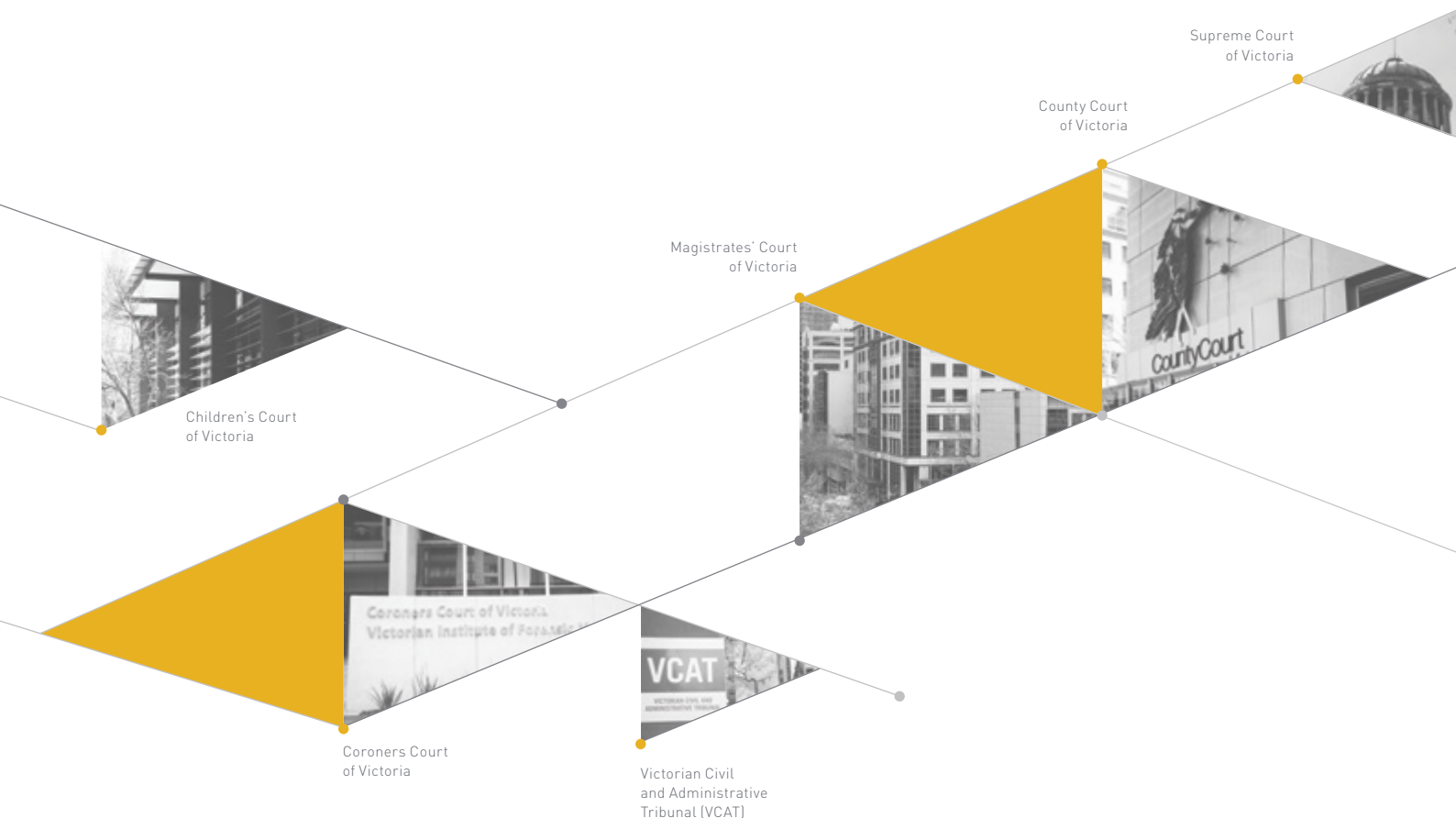




COURT SERVICES
VICTORIA

ANNUAL
REPORT
2017-18



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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CONTENTS

REPORT OF OPERATIONS

- 6** Section 1: Governance And Organisational Structure
- 17** Section 2: Year In Review
- 35** Section 3: Workforce Data
- 42** Section 4: Other disclosures

FINANCIAL STATEMENTS

- 51** Financial Statements
- 62** Notes to Financial Statements
- 131** Glossary



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 2018.



**The Honourable Chief Justice
Mary Anne Ferguson
Chair of the Courts Council**



MESSAGE FROM THE CHAIR

It is a pleasure to present the fourth annual report of Court Services Victoria (CSV) since it was formed with a view to strengthening the independence of Victoria's courts and tribunal.

As the new Chair of the Courts Council, I want to acknowledge my predecessor, former Chief Justice the Honourable Marilyn Warren AC, for her dedication to the objective of independence of the courts and tribunal from the executive arm of government and her tireless efforts in bringing about the establishment of CSV.

SERVING OUR COMMUNITY

The *Court Services Victoria Act 2014* established CSV as an independent statutory body corporate to provide services and facilities to Victoria's courts, Victorian Civil and Administrative Tribunal (VCAT), the Judicial College of Victoria and the Judicial Commission of Victoria.

At the heart of this change is a commitment to improve how justice is delivered, and in doing so, serve our community.

All of Victoria's courts and the tribunal make an equally important contribution to the justice system.

Accessibility, equality before the law and a fair hearing underpin the work of the courts and tribunal. Those enduring values and principles drive what we do and how we do it. At the same time, we must also ensure that the processes and procedures that support them evolve with the changing needs of our community. The support received by the jurisdictions from CSV is critical in this regard.

It is important that we never lose sight of our aim: to better enable access to justice, and to keep our many court and tribunal users at the front of mind at all times.

The past 12 months have seen a growth in demand for the services of our busy courts and tribunal.

Additional State Government investment will enable us to increase the capacity of our system. That investment included funding for a new Supreme Court judge, two new County Court judges and 18 new magistrates. It will also enable the acquisition of land for any future development of new courts in Bendigo and Wyndham.

Progress also continues on critical Government-funded reform programs including a modern case management system for the Magistrates' and Children's Court, which is being developed as part of a broader response to the Royal Commission into Family Violence.



ACCESSIBLE JUSTICE

Planning for high quality services and facilities is fundamental to increasing access to, and the quality of, justice. So too is strengthening our internal governance.

I want to particularly acknowledge the new Courts Koori Portfolio Committee in this regard. Chaired by the Honourable Justice Stephen Kaye AM and with strong representation from each jurisdiction, the Judicial College and Koori staff, Koori Court Elders and the Victorian Koori community, the Committee's core role is to enable CSV to discharge its role in delivering justice to Indigenous Victorians.

Thank you to all involved in this important initiative, which is grounded in our commitment to open, accessible and inclusive justice.

In April 2018, I saw what modern, open and accessible justice can look like. I was in Shepparton to mark the first Supreme Court sitting at the spectacular new multi-jurisdictional Law Courts.

It's a stunning space, filled with light and open spaces, and incredibly welcoming – something not always associated with court buildings. It was wonderful to be part of celebrating something that means so much to the people who use and work in the courts.

In particular, I thoroughly enjoyed hearing stories about the history of justice in Shepparton, in a building where people can clearly see for themselves the changing face of justice.

I look forward to doing more of this in the coming years.

We want to hear people's stories, and see for ourselves how they experience and view the courts and justice.

ACKNOWLEDGEMENTS

I want to thank all involved for bringing the Shepparton Law Courts to life. It is a significant achievement.

As CSV enters its fifth year, I want to express my deep appreciation to David Ware, who has announced his intention to retire from the Victorian Public Service, after 36 years of service. CSV has grown and moved forward under David's stewardship and the Courts Council is very grateful to David for his dedication and hard work.

I also want to acknowledge the Honourable Justice Greg Garde AO RFD, another founding member of Courts Council who completed his term as President of VCAT in April 2018 after six years. I thank Justice Garde for his leadership and valuable contribution to the establishment of CSV.

It was a pleasure to formally welcome Justice Michelle Quigley to the Courts Council as the new President of VCAT. I congratulate Justice Quigley and look forward to working with her.

Finally, I want to warmly thank the many CSV staff who work so hard to support Victoria's courts and tribunal to deliver independent and fair justice.

The Courts Council is very grateful for your contribution to helping shape how justice is delivered for the benefit of the community.

The Honourable Anne Ferguson
Chief Justice of the Supreme Court of Victoria
Chair of the Courts Council



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

I am pleased to present the fourth Court Services Victoria (CSV) Annual Report.

As with any new organisation, CSV has had to move through its establishment phase to a more mature organisation equipped to perform its role of supporting independent judicial administration in Victoria.

CSV has been fortunate through that period to have the leadership of Chief Justice Marilyn Warren AC as Chair of the Courts Council and her successor Chief Justice Anne Ferguson.

Their leadership and the commitment of Courts Council have stood CSV in good stead as important changes were made to strengthen organisational governance and service delivery to the jurisdictions.

This year has seen the delivery of notable achievements to support the courts.

The opening of the five-level Shepparton Law Courts in April 2018, is the first major asset project completed by CSV, and the state of the art building sets the standard for future regional buildings. The Shepparton Law Courts project team was recently recognised for the quality of their project management by the Australian Institute of Project Management. The project team received both the Project of the Year award and the Regional Projects award for outstanding achievement and innovation in project management.

An essential need of the courts and tribunal is up-to-date and modern technology. 2017-18 saw the commencement of full transition of CSV systems to a new, cloud-based platform that will deliver improved IT services and support, and underpin further development of independent IT capacity and capability for CSV.

The program to upgrade safety and security across Victorian court buildings continued through the year. Fifteen courts received priority asset upgrades, and a new and expanded contract was implemented with G4S Integrated Services to deploy Courts Security Officers at 40 Victorian courts and tribunals.

The 2017-18 State Budget allocated around \$250 million to address recommendations of the Royal Commission into Family Violence that relate to Victoria's courts. Staff of CSV supported the Magistrates' Court and Children's Court to commence this major program of works that will result in five specialist family violence courts being established, as well as enhanced services across many court locations.

CSV is also undertaking a major project to deliver a modern case management system (CMS) for the Magistrates' Court and Children's Court. The project team completed the Initiation Phase in March 2018 and has since moved into the Procurement Phase.



This year, the People and Culture division conducted an organisational culture survey, the results of which will help to increase organisational effectiveness over time. Action plans currently being prepared promote a culture of health, wellbeing and learning at CSV – a key priority for me as CEO.

The Victorian Government has provided nearly \$5 million to fund safety and security improvements to Echuca Court, and \$20 million for land acquisition for future court developments in Bendigo and Wyndham. These new projects add to our increasing portfolio of works. CSV will continue to build its capabilities and systems to deliver modern fit-for-purpose courts.

As this is my last year as CEO, I would like to thank Chief Justice Warren, Chief Justice Ferguson, all Courts Council members and CSV staff for their support and guidance to me during my time with CSV.

David Ware
Chief Executive Officer

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 CSV 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.

CSV provides the administrative services and facilities necessary for Victorian courts and tribunals to operate independently of the direction of the executive branch of government.

Its overall purpose is summarised in its strategic, aspirational statements:

STRATEGIC STATEMENT

VISION

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

PURPOSE

To provide the Victorian courts, VCAT, 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

CSV'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, VCAT, the College, and the Commission. In performing its functions and carrying out its powers, CSV 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 CSV.

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

The Courts Council on the nomination of the relevant head of jurisdiction appoints Court CEOs for each court and VCAT. CEOs of each court and VCAT ensure that appropriate supports are provided to their jurisdictions and are responsible directly to their head of jurisdiction in relation to those operations. CEOs also work with the CEO CSV, and each other, on matters relevant to CSV as a whole.

Employment powers and functions of the CSV CEO are delegated to Court CEOs to ensure the proper administration of support services and facilities at each jurisdiction.

ROLE WITH RESPECT TO THE JURISDICTIONS

The courts, VCAT, the College, and the Commission are separate and distinct institutions with their own legislation, governing councils and internal arrangements.

The substantive work of the courts, VCAT, the College, and the Commission is not encompassed within the CSV Annual Report.

Under section 41 of the CSV Act, a budget is prepared by Courts Council and approved by the Attorney-General, with separate budgets for each court, VCAT, the College, and the Commission; as well as an allocation for the functions of CSV that provide corporate and other support services to the jurisdictions. CSV enters into contracts and holds property and related legal rights and obligations relevant to the administrative services and facilities required to support the performance of the courts, VCAT, the College, and the Commission.

ESTABLISHMENT AND MINISTERIAL POWERS

The CSV Act commenced on 1 July 2014, establishing CSV as an independent statutory body corporate to provide the administrative services and facilities necessary for the courts and VCAT to operate independently of the executive branch of government, and for the College and the Commission to perform their functions.

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

CSV receives a direct appropriation from the parliament to enable it to carry out its functions and manage its own budget. The CSV CEO is the Accountable Officer for the Courts' appropriation, and the Courts Council is the Responsible Body.

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

A Memorandum of Understanding (MOU) between the Attorney-General and the Courts Council sets out principles and processes for the relationship between CSV and the executive branch of government, including how the parties will share information, consult with each other, and deal with financial information and budget processes. A copy of the MOU is available at www.courts.vic.gov.au.

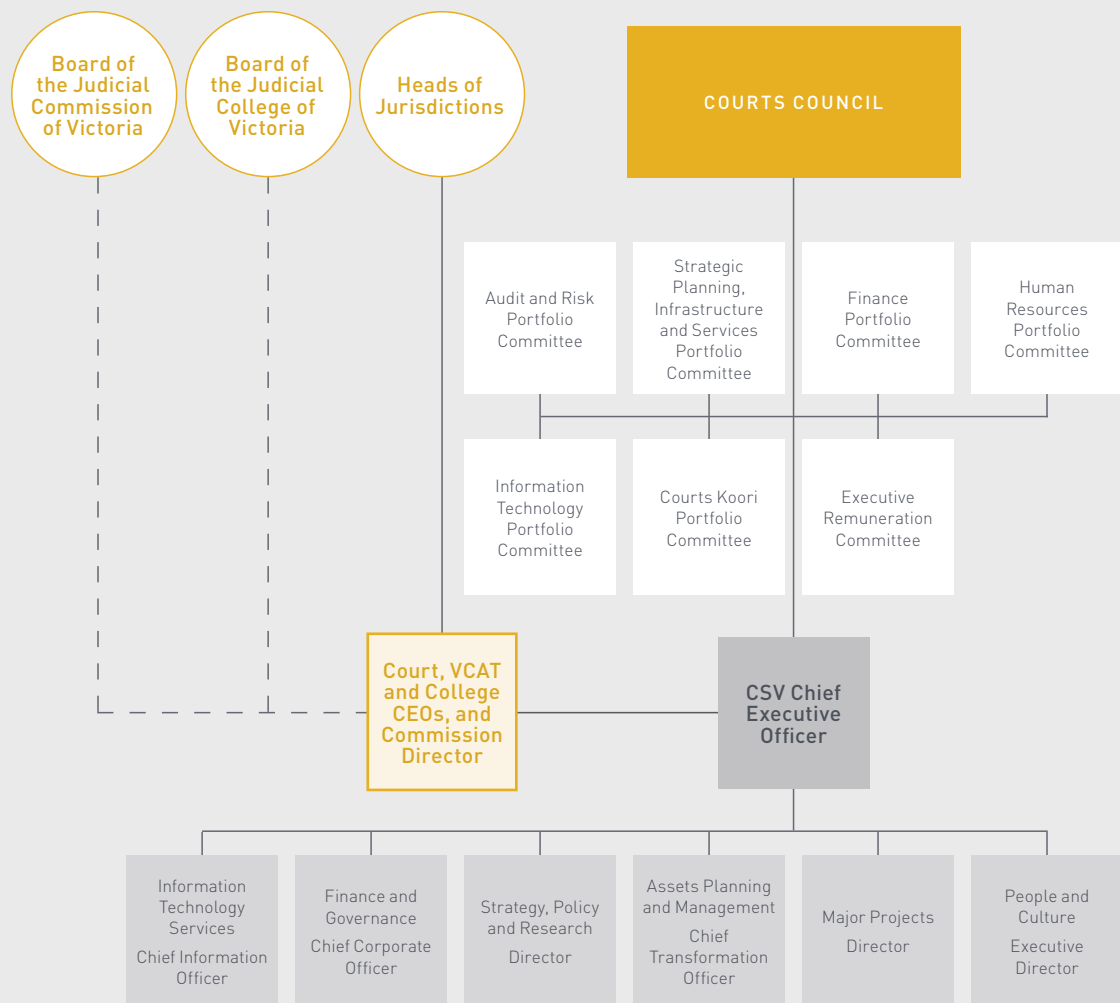
In performing its functions, CSV serves the Victorian community by strengthening the different constitutional roles of the executive and the judiciary, and by supporting Victoria's system of responsible government and the rule of law.

JUDICIAL COMMISSION OF VICTORIA

The Judicial Commission of Victoria commenced operations on 3 July 2017. The Commission is an independent statutory corporation established under the *Judicial Commission of Victoria Act 2016* to investigate complaints about the conduct or capacity of judicial officers or non-judicial VCAT members. The Commission provides an accessible and transparent complaint process which will ensure public confidence in the Victorian courts and VCAT is maintained.

The *Judicial Commission of Victoria Act 2016* amended the CSV Act to create a new CSV function, being the provision of the administrative services and facilities to enable the Judicial Commission to perform its functions.

GOVERNANCE STRUCTURE



GOVERNING BODY

COURTS COUNCIL

The CSV 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 2018, the Courts Council had one non-judicial appointed member.

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

To direct the strategy, governance and risk management of CSV.

To appoint the CSV CEO.

To appoint the Court CEO for each jurisdiction on the recommendation of the relevant Head of Jurisdiction.

Any other functions that are conferred on the Courts Council by the CSV 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.

The Honourable Chief Justice Marilyn Warren AC retired from the position of Chief Justice on 1 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.

The Honourable Justice Gregory Garde AO RFD concluded his term as President of VCAT on 31 May 2018.



State Coroner, Coroners Court of Victoria

Her Honour Judge Sara Hinchey was appointed as a Judge of the County Court in May 2015, and was appointed as State Coroner on 15 December 2015.



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 has established seven standing committees and defined their functions and procedures. These committees are an important feature of CSV's governance and operating structure.

Each committee considers a range of issues pivotal to CSV's operations. Committees 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 CSV 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 CSV 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 1994*, the members of the committee during the 2017-18 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

His Honour Judge Paul Lacava

County Court of Victoria

Magistrate Phillip Goldberg

Magistrates' Court of Victoria
(Appointed 2 May 2018)

Dr Margaret Salter

Independent Member

Megan Boston

Independent Member
(Resigned 1 February 2018)

Elizabeth Camilleri

Independent Member (Appointed 2 May 2018)

STRATEGIC PLANNING AND DEVELOPMENT PORTFOLIO COMMITTEE

(Established 1 July 2017. Ceased operations on 1 November 2017)

The Strategic Planning and Development Portfolio Committee provided strategic direction and oversight for the planning and development of court and tribunal services in Victoria.

STRATEGIC PLANNING, INFRASTRUCTURE AND SERVICES PORTFOLIO COMMITTEE

(Established 1 November 2017)

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.

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. The Committee may also advise Council on matters relating to the CSV 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 CSV.

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.

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.

COURTS KOORI PORTFOLIO COMMITTEE

(Established 1 July 2017)

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.

Note

The Assets and Security Portfolio Committee and the CBD Major Assets Strategic Planning Committee ceased operations on 30 June 2017, with their functions being merged into the Strategic Planning Infrastructure and Services Portfolio Committee.

CORPORATE PLAN

During 2017-18, CSV has continued its implementation of the CSV Corporate Plan 2015-19. Achievements against the key initiatives described in the Corporate Plan are covered in the Year in Review section of this report, which summarises the performance highlights of each of CSV's operational divisions. Achievements against objective indicators and output measures identified in the Corporate Plan are also recorded in the Year in Review section under Output Performance.

The CSV Corporate Plan 2018-22 was provided to the Attorney-General on 6 June 2018. Achievements against the key initiatives, objective indicators and output measures identified in this version of the Corporate Plan will be recorded in the 2018-19 Annual Report.

SENIOR EXECUTIVE

COURT SERVICES VICTORIA CHIEF EXECUTIVE OFFICER

David Ware is appointed as the CSV CEO by the Courts Council under section 22 of the CSV Act.

The functions and powers of the CSV CEO include the management of the support services and functions of CSV in accordance with the strategy, plan, procedures and functions of the Courts Council. The CSV CEO is also responsible for the appointment and management of CSV staff (other than the appointment of the Court CEOs).

Michael Carroll served as Acting CSV CEO from 28 June 2017 to 14 July 2017, and from 11 November 2017 to 26 November 2017; Marlene Morison served as Acting CSV CEO from 1 January 2018 to 14 January 2018; Terry Healy served as Acting CSV CEO from 4 June 2018 to 29 June 2018.

OPERATIONAL DIVISIONS

CSV is supported operationally by seven divisions.

Office of the CEO

Asset Planning and Management

Finance and Governance

Information Technology Services

Major Projects

People and Culture

Strategy, Policy and Research

Services provided to jurisdictions, the College, and the Commission include information technology, human resources, corporate finance, asset and facilities management, major projects, and compliance.

These services provide support for judicial independence in the administration of justice in Victoria.

The Senior Executives, as at 30 June 2018, are listed below.



Maria Vasilopoulos

Director, Office of the CEO (see note 1)



Marlene Morison

Chief Transformation Officer (see note 2)



Terry Healy

Chief Corporate Officer (see note 3)



Salvatore Costanzo

Chief Finance Officer (see note 4)



Justin Bree

Chief Information Officer



Michael Carroll

Director, Major Projects (see note 5)



Alicia Goddard

Executive Director, People and Culture
(see note 6)



Peter Fitzgerald

Director, Strategy, Policy and Research
(see note 7)

Notes:

1. Director, Office of the CEO is a new position which commenced on 18 October 2017.
2. The Chief Transformation Officer leads the Asset Planning and Management Division. This Division was previously led by Brian Stevenson who was the Chief Operating Officer until 23 April 2018.
3. The Chief Corporate Officer leads the Finance and Governance Division.
4. Lisa Wills was the Chief Finance Officer until 12 October 2017. Tony Christianen was acting Chief Finance Officer from 11 November 2017 to 12 March 2018, when Salvatore Costanzo was appointed to the role.
5. The Major Projects Division commenced operations on 1 June 2018.
6. The Executive Director, People and Culture is a new position replacing the role Director, People and Culture with the following acting periods: Maria Vasilopoulos from 1 July 2017 to 17 October 2017 and Bronwyn Corr from 18 October 2017 to 19 January 2018.
7. The Strategy, Policy and Research Division commenced operations on 1 June 2018.

COURT CHIEF EXECUTIVE OFFICERS

The Court CEOs oversee the administrative support services for their respective jurisdictions and provide support to the relative Head of Jurisdiction.

Each Court CEO is responsible to, and must comply with, any directions given by their Head of Jurisdiction in relation to the operations of their jurisdiction, and the CSV CEO in relation to all other matters. For more information about each jurisdiction, refer to their respective annual reports.

The College CEO is responsible to, and must comply with, any directions given by the Board of the College in relation to the operation of the College, and the CSV CEO in relation to all other matters. For more information about the College, refer to its annual report.

The governing body of the Commission is the Board of the Judicial Commission of Victoria. The Director of the Commission must comply with any directions given by the Board of the Commission in relation to the operation of the Commission, and the CSV CEO in relation to all other matters. For more information about the Commission, refer to its annual report.

The CEOs, as at 30 June 2018, are listed below.



Judicial Registrar Daniel Caporale
Supreme Court of Victoria
(see note 1)



Fiona Chamberlain
County Court of Victoria



Andrew Tenni
Magistrates' Court of Victoria



Keryn Negri
Victorian Civil and Administrative Tribunal



Simon McDonald
Children's Court of Victoria



Timothy Greene
Acting CEO, Coroners Court of Victoria
(see note 2)



Samantha Burchell
Judicial College of Victoria



Richard Besley
Director Judicial Commission of Victoria

Notes:

1. Judicial Registrar Caporale undertook the main duties of CEO, with the Director of Court Operations exercising human resources delegations and financial authorities, from 30 March 2018. Louise Anderson was CEO, Supreme Court of Victoria until 29 March 2018.
2. Samantha Hauge was CEO, Coroners Court of Victoria until 24 February 2018.

SECTION 2

YEAR IN REVIEW

The operational divisions of CSV provide services to jurisdictions, the College and the Commission. The key achievements of each division are outlined in this section.



OFFICE OF THE CEO

The Office of the CEO provides strategic advice and support to the CSV CEO. 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.

In acknowledgement of CSV's strengthened commitment to Koori justice issues, the Koori Programs and Initiatives unit is now situated in the Office of the CEO, and the unit is responsible for supporting the newly established Courts Koori Portfolio Committee.

The Office is also responsible for the development of performance reporting and evaluations for Jurisdiction Services and for embedding in its operations the values of the International Framework for Court Excellence.

QUALITY FRAMEWORKS

As part of its general direction of CSV, the Courts Council has endorsed international 'excellence frameworks' as court, tribunal and judicial support management models to guide continuous development and improvement. The three excellence frameworks that are relevant for CSV are the International Framework for Court Excellence (for courts); the International Framework for Judicial Support Excellence (for Jurisdiction Services and the College) and the Tribunal Excellence Framework (for VCAT). The Global Measures of Court Performance are an integral component of the International Framework for Court Excellence and are an important part of CSV's excellence frameworks implementation.

CSV's role with regard to excellence frameworks is to provide support to each jurisdiction and the College as they determine how they apply the frameworks to assess and improve the quality of justice and administration that they deliver.

CSV has promoted the use of selected measures from the Global Measures of Court Performance as new indicators within the Productivity Commission's Report on Government Services.

KOORI PROGRAMS AND INITIATIVES

The Koori Programs and Initiatives unit continues to ensure a contemporary approach in responding to issues relevant to Koori staff, community and users of the criminal and civil court system. 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 VCAT.

The responsibilities of the unit include the provision of policy advice in response to the Aboriginal Justice Agreement (AJA) and secretariat support to the Koori Reference Group in addition to other major state-wide initiatives. The unit also undertakes statewide coordination in response to requests from the Aboriginal Justice Forum.

The unit supported the Department of Justice and Regulation's review of the AJA Phase 3, and the development of AJA Phase 4.

Key Koori projects and initiatives delivered in 2017-18 include the following.

KOORI EMPLOYMENT

At the time of endorsement of CSV's Koori Employment Policy in March 2016, 24 staff identified as Aboriginal and Torres Strait Islander across CSV. A commitment was made and announced in the CSV Koori Inclusion Action Plan, in line with the Victorian Government's *Barring Djinang Aboriginal Employment Strategy*, to work towards a two per cent Koori employment participation rate across the jurisdictions.

In June 2018, 46 staff identified as Aboriginal and/or Torres Strait Islander, representing 2.09 per cent Koori employment participation rate across CSV.

COURTS KOORI STAFF NETWORK

The Courts Koori Staff Network (KSN) was launched in November 2017, followed by an inaugural two-day conference in February 2018.

Forty Koori staff participated in the KSN, which focused on cultural wellbeing and vicarious trauma. The cultural wellbeing element has been extended to include delivery of monthly lunchbox sessions, and one-on-one visits to staff in isolated locations.

KOORI SPECIFIC VICARIOUS TRAUMA

The Koori Programs and Initiatives unit participated on the Vicarious Trauma working group that led to the inclusion of a Koori specific module to the program. The program will be delivered to Elders and Respected Persons (ERPs) of the Koori Courts across the state, further to additional work to determine an appropriately tailored implementation model.

The Unit has also worked closely with Koori Court Officers to deliver a cultural wellbeing program to ERPs in regional locations.

KOORI CULTURAL AWARENESS TRAINING

It is essential that court staff and those engaging directly with the Koori community have a level of Koori cultural awareness. 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.

The Koori cultural awareness program is ongoing and has been delivered on seven occasions since June 2017. This program has proven to be popular with every session at capacity. Specialised sessions have also been coordinated and delivered to the County Koori Court registry, Magistrates' Court registrars, and the Koori to Family Violence managers training.

CELEBRATING KOORI CULTURAL EVENTS

CSV proudly recognises and celebrates cultural days of significance in the Aboriginal and Torres Strait Islander cultural calendar, including Sorry Day, Mabo Day, Reconciliation Week, and NAIDOC Week.

COURTS KOORI PORTFOLIO COMMITTEE

The inaugural meeting of the Courts Koori Portfolio Committee (CKPC) was convened in July 2017. The Committee was established to consolidate governance arrangements as they relate to Koori programs and initiatives across the courts, VCAT and the College.

The CKPC is chaired by the Honourable Justice Kaye AM, and includes Her Honour Judge Chambers (representing the Courts Council and Children's Court); His Honour Judge Grant (County Court); Deputy Chief Magistrate Popovic, Deputy Chief Magistrate Broughton and Magistrate Falla (Magistrates' Court); Coroner English (Coroners Court); and members of the Victorian Civil and Administrative Tribunal.

The CKPC also includes senior management representation from each jurisdiction and the College, and relevant Koori representation including Koori staff, Koori Court Elders and the Victorian Koori community, to provide their views to facilitate consultation and help strengthen partnerships with the Koori community.

The fundamental purpose of the CKPC is to provide input and guidance to CSV in discharging its role in the delivery of justice to Indigenous persons in the community, and with respect to the inclusion of Indigenous communities in the justice system. The CKPC may also assist jurisdictions to make applications through CSV for funding and support for court-based Koori programs and initiatives; specify research needed for the delivery of Koori justice; guide the development of policies relevant to Koories; and liaise with Koori communities to formulate CSV's input to the Aboriginal Justice Agreement.



ASSET PLANNING AND MANAGEMENT

The Assets Planning and Management Division supports accessible justice for Victorians through a portfolio of buildings that are functional, safe, secure and sustainable to meet the service needs of the jurisdictions and the community.

Working in partnership with jurisdictions, the division plans and manages court and tribunal assets and security requirements for 66 courts across 75 buildings.

INFRASTRUCTURE UPGRADES AND MAINTENANCE

The most recent program of works addressed issues with heating and cooling at Bendigo, Ballarat, Seymour and Mildura Magistrates' Courts; delivered public address systems to Melbourne and Geelong Magistrates' Courts; and expanded video conference capabilities at the Melbourne Children's Court.

In addition, the program of infrastructure repairs and upgrades to address critical priorities has now been set for the next two years. The division will work with the jurisdictions on delivering this program in a seamless way so that disruption to court activity is minimised.

DELIVERY OF SPECIALIST FAMILY VIOLENCE PROGRAM

In response to the recommendations from the Royal Commission into Family Violence the division has been upgrading several court locations to help make them safer. The Specialist Family Violence Program includes an asset stream of capital projects to support the recommendations, including accommodation for staff and support agencies, creating safe waiting areas, interview rooms, discrete entries and separate pathways at Shepparton, Moorabbin, Heidelberg, Ballarat and Frankston.

SAFE AND SECURE COURTS

The program to upgrade safety and security at 16 priority courts continued throughout 2017-18. Registry upgrades have now been completed at Dromana, Stawell, Portland, Bacchus Marsh and Maryborough. Registry upgrades, creation of safe waiting areas and interview rooms have been completed for Seymour, Swan Hill, Hamilton, Bairnsdale, Colac and Ararat. The remaining court upgrades at Kyneton and Korumburra are scheduled for completion by late 2018. Works have also included safety upgrades to the entry and foyer at Melbourne Magistrates' Court and Children's Court.

During 2017-18, CSV also implemented a new and expanded contract with G4S Integrated Services to deploy Courts Security Officers (CSOs) at Victorian courts and tribunals. CSOs are purpose-trained, licensed private security guards whose role is to help ensure that safety is maintained in and around court buildings.

The Court Security Officer model is designed to deliver a consistent security standard across every court and tribunal in Victoria through:

- ▶ entry screening to detect and remove prohibited items, including weapons, and
- ▶ an increased, and better trained, court security officer presence on all court sitting days.

The model has added provision of security to 40 courts, ensuring security coverage on all sittings days across the court network.



ECHUCA

In 2016-17, \$1 million was earmarked for safety and security improvements to the Echuca Court. In planning for these works, the need for an expanded program was identified to achieve the full range of safety, security and operability improvements needed for both court users and the community more broadly. The 2018-19 State Budget provided \$4.85m to fund this complete program of works.

These works will include asset upgrade works to improve safety, security and operability of the court and create full functional autonomy for the court and the Shire of Campaspe functions within the building. Court safety and security upgrades include: separate and safe entrances, increased interview room capacity, enhanced conferencing and hearing facilities and improvements to the sally-port to facilitate the safe delivery of persons in custody to the court.

LEASED PROPERTIES

Long term accommodation for the Melbourne Drug Court has been secured and the design and fit out for the space has commenced. This will provide fit-for-purpose accommodation for the Melbourne Drug Court and additional office space for the Magistrates' Court of Victoria.

Market searches and negotiations are underway to secure accommodation space for expansion programs for the Magistrates' Court at both Frankston and Morwell. This will provide ancillary accommodation for the delivery of services, particularly relating to the ARC List.

Renovations and upgrade works negotiated as part of the long-term lease renewals are underway at Ringwood, Frankston and Dandenong courts. These works will deliver improved amenities and waiting spaces at all three locations.

SHEPPARTON LAW COURTS

The multi-jurisdictional Shepparton Law Courts commenced operating in the new \$73 million building on 3 April 2018. The five-level building features six main courtrooms specifically designed to enable the Supreme, County, Magistrates', Children's and Coroner's Courts, and VCAT, to hold sittings locally. Dedicated courtrooms are available for higher jurisdictions complete with a jury box, custody dock and space to accommodate up to three judges.

The building was planned with flexibility in mind, with courtrooms that have capacity to vary their use to meet caseload requirements, and 23 multi-use interview rooms and break out spaces available for use by a range of clinical, legal and support service providers. Other new features include a dedicated room for Koori Court Elders and Respected Persons, safe waiting areas for vulnerable witnesses and people affected by family violence, and improved working areas and amenities for court staff.

The building's design reflects the values of an open, transparent and accessible justice system. The welcoming entry lobby features the region's ancient River Red Gum Tree to create a sense of calmness and the illusion of being beneath a leafy tree; public waiting spaces and courtrooms are generous in scale, calm in character, and filled with abundant natural light that connects seamlessly with country.

The state-of-the-art building sets the standard for regional court buildings and ensures the Shepparton community has greater access to justice services, now and into the future.

INFORMATION TECHNOLOGY SERVICES

The Information Technology Services (ITS) division delivers a high-value service for IT infrastructure, case management systems and in-court systems to the jurisdictions. The division also leads IT strategy development and works collaboratively to support IT jurisdictional objectives and outcomes.

IN-COURT TECHNOLOGY

The division supports the delivery of courtroom video conferencing systems that enable outcomes such as the separation of victims from the accused while giving evidence and enabling vulnerable witnesses to provide evidence from safe locations. This year the division delivered courtroom technology enhancements for the County Court, with approximately 15 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.

TECHNOLOGY INDEPENDENCE FOR CSV

Transition to the CenITex Government Shared Platform (GSP) continued throughout 2017-18.

The new platform reduces CSV's dependence on the Department of Justice and Regulation for technical services, while also delivering an upgrade to the desktop computing environment. The transition delivers a modern, cloud-based computing environment that will better support the operational needs of the courts and VCAT now and in the future.

Jurisdiction Services, VCAT, and the Children's Court migrated to the CenITex GSP before June 2018, with the rollout to additional locations planned to be completed by the end of 2018.

THE NEW MULTI-JURISDICTIONAL SHEPPARTON LAW COURTS COMMENCED OPERATIONS ON 3 APRIL 2018

NETWORK INFRASTRUCTURE AND TELEPHONY UPGRADES

ITS initiated a project in 2017-18 to upgrade the CSV network infrastructure across Melbourne CBD locations which was completed by June 2018. The upgrade replaces legacy network infrastructure with new hardware that supports substantially higher computer connection speeds to desktops for new services such as Microsoft's Office 365 suite and next generation telephony services. With the support of the Magistrates' Court, the network infrastructure upgrade will be extended to all regional court locations during 2018-19.


CSV locations in the Melbourne CBD are being transitioned to a new voice-over-internet protocol (VoIP) telephony system. The new VoIP system is several generations of technology ahead of the current system that support jurisdictions, and will provide opportunities to utilise new features offered by a modern telephony platform.

VICTORIAN GOVERNMENT REPORTING SERVICE

In 2017-18, the Victorian Government Reporting Service (VGRS) completed a major organisational change program, while continuing to deliver critically important services to Victoria's courts.

VGRS completed the implementation of its TOMAS system, which replaced a legacy transcript management system. The new TOMAS system significantly improved workflow management and has enabled VGRS to meet performance targets more efficiently.

VGRS has continued to support the Supreme Court, the Court of Appeal, the County Court, and the Coroners Court by meeting or exceeding its transcript delivery performance targets.



MORE THAN 800 CSV STAFF PARTICIPATED IN CAPABILITY-BUILDING PROGRAMS

PEOPLE AND CULTURE

The People and Culture division provides responsive and innovative solutions in the management of people across CSV, specifically in relation to recruitment, performance and career planning, capability development and engagement, workplace relations, occupational health and safety, and specialist payroll administration.

The division's service delivery model is aligned to the strategic agenda set by Courts Council and based on the needs of each jurisdiction that are identified through effective ongoing consultation. These services are supported through the Human Resources Portfolio Committee and a range of cross-jurisdictional working groups.

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 2017-18, capability-building programs were delivered to over 800 CSV staff. Programs address leadership and management, individual development through emotional intelligence, performance drivers through change, and specific professional capabilities to build individual skill. In addition, programs respond to current environmental and social issues for staff through the delivery of bespoke training such as the 'Responding safely and effectively to people affected by ICE'.

During 2017-18, a third mentoring program was offered across CSV. Aligned to the annual Performance and Development Planning cycle, the program enables mentors to support mentees to undertake a sustained 12-month development journey. Fourteen pairs participated in a combination of individual mentoring meetings and collective program activities, which are strongly supported by People and Culture to ensure all participants gain maximum value.

ORGANISATIONAL CULTURE

An organisational culture survey was conducted to determine the current cultural drivers operating in each workplace. This important initiative supports an increase in organisational effectiveness over time. In support of the unique needs throughout the organisation, action plans are being created to address opportunities at a whole of organisational level as well as jurisdiction, business unit and team levels.

HEALTH AND WELLBEING

CSV continued its commitment to the health and wellbeing of staff during 2017-18. Recognising the need to move beyond traditional programs, key strategic initiatives have included vicarious trauma prevention and management; development and implementation of training to enable managers/supervisors to foster wellbeing, physical and psychological safety in their teams; managing and responding to family violence within the workplace; and development of a comprehensive wellbeing program for all CSV employees.

INTEGRITY FRAMEWORK

The aim of the new CSV Integrity Framework is to strengthen and consolidate integrity systems throughout CSV.

Approved in May 2018, the Integrity Framework emphasises a culture of integrity and respect and brings together the core integrity management elements of prevention and response to implement the Integrity Framework Action (Control) Plan.

WORKFORCE PLANNING FRAMEWORK

In 2017-18 People and Culture, in collaboration with each jurisdiction, designed a Workforce Planning Framework and toolkit that is tailored specifically for Victoria's courts and tribunals. The Workforce Planning Framework will support CSV through attraction and retention of high quality staff, developing capability within the workforce, and determining approaches to respond to projects and future workforce needs.

THE COURTS KOORI PORTFOLIO COMMITTEE FIRST CONVENED IN JULY 2017.

FINANCE AND GOVERNANCE

Finance and Governance is accountable for CSV's budgetary and financial management, audit and risk management, procurement, and the legal and governance functions. The team supports the Courts Council and the CEO CSV, as the accountable officer, to meet statutory and corporate accountabilities, particularly in respect to the *Financial Management Act 1994* and the Standing Directions of the Minister for Finance (*Ministerial Standing Direction*).

FINANCE SERVICES

Finance Services works collaboratively with the jurisdictions to ensure a consistent and coordinated financial services capability.

Parliament provides a separate appropriation for the delivery of services and facilities to the courts, tribunals, the College, and the Commission. Finance Services works with the jurisdictions to translate funding provided by parliament into budget plans to describe how services and facilities are to be delivered.

Finance Services is responsible for:

- ▶ Co-ordinating a budget for the forthcoming year for consideration and endorsement by the Courts Council, that is then submitted to the Attorney-General for approval.
- ▶ Systems and processes to report activities to the Courts Council and the Department of Treasury and Finance.
- ▶ Providing appropriation management and reporting, production of financial statements, and statutory reporting.

Key achievements for Finance Services include:

- ▶ Earlier approval processes for Court Fee Pool initiatives.

- ▶ Access to \$15 million capital projects funding from Depreciation Equivalent Funding.
- ▶ Updated finance policies to meet compliance requirements of the Standing Directions of the Minister for Finance.

PROCUREMENT

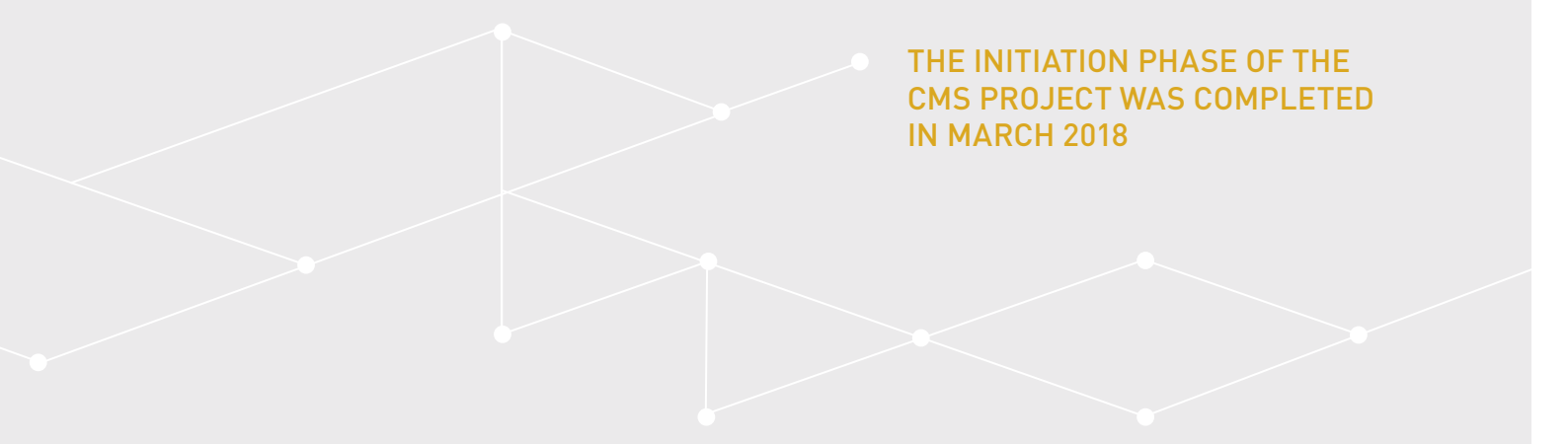
The CSV Procurement Group supported procurement activity across jurisdictions to ensure compliance, best practice and value-for-money outcomes. In accordance with the Procurement Framework Review conducted last year, a Procurement Improvement Project is underway to enhance CSV's end-to-end procurement function to ensure CSV's Procurement Framework delivers best practice procurement.

LEGAL AND GOVERNANCE

The unit provides legal support, advice and documentation to assist the Courts Council, CSV's operating divisions, Victorian courts and VCAT, the College, and the Commission. The unit has provided legal advice on major procurement, diverse property matters and administrative law, as well as various compliance matters including freedom of information, privacy and other governance requirements.

RISK AND AUDIT

The Risk and Audit Services team is responsible for the CSV Risk Management Framework and the CSV Risk Management Policy, that ensure the organisation is compliant with the mandatory requirements of the Victorian Government Risk Management Framework. The team's aim is to embed proactive risk management activities and a positive risk culture within CSV, through the development of Strategic and Operational Risk registers. The team is also responsible for oversight of the CSV Internal Audit Program and the CSV Insurance Program, and risk related reporting to CSV's Audit and Risk Portfolio Committee.



THE INITIATION PHASE OF THE CMS PROJECT WAS COMPLETED IN MARCH 2018

MAJOR PROJECTS

The Major Projects division was established in June 2018 to take responsibility for planning, business case development and management of specific infrastructure projects. Major Projects is subject to the oversight of the Strategic, Planning, Infrastructure and Services Portfolio Committee.

BENDIGO LAW COURTS AND WYNDHAM LAW COURTS DEVELOPMENTS

The 2017-18 State Budget provided \$7.57 million for CSV to undertake initial planning work for the future development of headquarter courts for Bendigo and Wyndham. This funding has supported service planning, master-planning, feasibility studies and schematic design to inform potential full construction and operational funding needs.

Further investment in these initiatives was provided in the 2018-19 State Budget, which allocated \$20 million for land acquisition. This will ensure that CSV can secure necessary land and preserve the opportunity for future court developments. It will also mean that CSV will be well positioned to continue the complex and detailed planning work required for the development of modern, fit-for-purpose courts.

CASE MANAGEMENT SYSTEM PROJECT

The 2017-18 State Budget provided \$89.2 million to CSV 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.

The Case Management System (CMS) Project officially commenced in July 2017 and is expected to be completed in 2021. The Project aims to support the future delivery of services at the Magistrates' Court and Children's Court, through the implementation of a contemporary system that is chosen based on meeting the needs of the two courts.

The CMS Project completed the Initiation Phase in March 2018 during which time the project environment was established; key resources were recruited including the Project Director, stream leads, business SMEs and technical staff; the project plan was approved; communication and engagement foundations were established; engagement commenced with business and external parties; and initial business requirements were finalised.

The Project is now well into the Procurement Phase.



CSV'S DATA WAREHOUSE HOSTS MORE THAN 1.2 BILLION RECORDS

STRATEGY, POLICY AND RESEARCH

The Strategy, Policy and Research division of CSV was established during 2017-18 and has taken responsibility for:

- ▶ Planning and coordination of CSV submissions for funding as part of the government's annual budget.
- ▶ Development of budget and performance reports for the Department of Treasury and Finance and Report on Government Services, among other reporting requirements, in consultation with jurisdictions.
- ▶ Development of CSV's Strategic Plan and proposed Strategic Directions document.
- ▶ Management of CSV's data warehouse, provision of business intelligence platforms that enable the jurisdictions to access court data, and assisting jurisdictions to develop new data solutions that support court operations.
- ▶ Coordinating responses to policy issues, particularly those of a multi-jurisdictional nature.

2018-19 BUDGET

The division coordinated CSV's contribution to State Budget processes. This included supporting the jurisdictions to secure additional resources including \$128.9 million of additional funding over five years to establish a new Bail and Remand Court, with three additional magistrates to hear bail applications after hours; appointment of an additional Supreme Court judge, two County Court judges and 15 magistrates in the Criminal Division of the Magistrates' Court.

DATA AND REPORTING

Managing CSV's data warehouse and coordinating a range of reporting activities is a core function for the division. The data warehouse hosts more than 1.2 billion records and provides business intelligence tools to the jurisdictions that enable access to this data, with 142 active users registered. The division responded to 114 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, and the Australian Bureau of Statistics for its Criminal Courts dataset.

POLICY AND RESEARCH

During 2017-18, the division collaborated with jurisdictions in the preparation of submissions to the following law reform reviews:

- ▶ Victorian Law Reform Commission's review of the *Victims of Crime Assistance Act 1996*-joint submission of the Magistrates' Court, the Children's Court and the Victims of Crime Assistance Tribunal.
- ▶ Magistrates' Court submission to the Sentencing Advisory Council review of Restitution and Compensation Orders.



OUTPUT PERFORMANCE

The CSV operational and budgetary objectives and performance are aligned with the jurisdictions' performance. The Victorian Budget 2017-18 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 2017-18.

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.

FAMILY VIOLENCE PERFORMANCE MEASURES

In 2017-18, two new performance measures were introduced to reflect the Victorian Government's priorities regarding prevention of family violence and responding to Recommendation 217 of the Royal Commission into Family Violence:

- ▶ Case clearance rate – Family violence intervention orders disposed in the Magistrates' and Children's Courts.
- ▶ On-time case processing – Family violence intervention orders resolved or otherwise finalised within established timeframes in the Magistrates' and Children's Courts.

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 the following IFCE Global Measures:

- ▶ Average cost per case
- ▶ Case clearance rate
- ▶ Court file integrity
- ▶ On-time case processing

PERFORMANCE AGAINST MEASURES

TABLE 1: COURTS OUTPUT – PERFORMANCE AGAINST MEASURES 2017-18

Performance measures	Unit of measure	2017-18 estimate	2017-18 actual	Performance Variation (%)
Quantity				
Average cost per case – Civil matters disposed in the Supreme Court	dollars	2,413	2,345	-2.8
Average cost per case – Civil matters disposed in the County Court	dollars	5,319	5,963	12.1
<i>The 2017-18 outcome is higher than the estimate due to increased one-off funding for initiatives.</i>				
Average cost per case – Civil matters disposed in the Magistrates' Court	dollars	691	714	3.3
Average cost per case – Family Division matters disposed in the Children's Court	dollars	1,014	1,213	19.6
<i>The 2017-18 outcome is higher than the estimate due to increased funding finalised after the publication of the 2017-18 Budget. The Court has amended the distribution of expenses between the Family and Criminal Divisions to reflect new or increased funding for initiatives including Family Drug Treatment Court, Specialist Family Violence Integrated Court Response and Youth Justice Reforms.</i>				
Average cost per case – Civil matters disposed in VCAT	dollars	708	823	16.2
<i>The 2017-18 outcome is higher than the estimate due to changes in VCAT's finalisations (driven by lower case initiations in 2017-18 than expected) and increased funding finalised after the publication of the 2017-18 Budget.</i>				
Average cost per case – Coronial matters disposed in the Coroners Court	dollars	3,379	3,376	-0.1
Average cost per case – Criminal matters disposed in the Supreme Court	dollars	41,167	38,993	-5.3
<i>The 2017-18 outcome is lower than the estimate due to a significant increase in criminal applications (including Bails) to the criminal division.</i>				
Average cost per case – Criminal matters disposed in the County Court	dollars	15,841	15,663	-1.1
Average cost per case – Criminal matters disposed in the Magistrates' Court	dollars	632	893	41.3
<i>The 2017-18 outcome is higher than the estimate due to a number of initiatives at the Magistrates' Court, and new counting rules, which more accurately quantify the number of disposals, resulting in lower than initially estimated numbers.</i>				
Average cost per case – Criminal matters disposed in the Children's Court	dollars	313	519	65.8
<i>The 2017-18 outcome is higher than the estimate due to increased funding finalised after the publication of the 2017-18 Budget. The Court has amended the distribution of expenses between the Family and Criminal Divisions to reflect new funding initiatives including Youth Justice Reforms. There has also been a reduction in the number of unpaid infringements registered for enforcement, which has resulted in fewer cases finalised.</i>				

Performance measures	Unit of measure	2017-18 estimate	2017-18 actual	Performance Variation (%)
Case clearance rate ¹ – Civil matters disposed in the Supreme Court	per cent	100	100.2 (28 278/ 28 211)	0.2
Case clearance rate ¹ – Civil matters disposed in the County Court	per cent	100	100.1 (6 004/ 5 999)	0.1
Case clearance rate ¹ – Civil matters disposed in the Magistrates' Court	per cent	100	92.4 (57 065/ 61 784)	-7.6
<i>The 2017-18 outcome is lower than the estimate as the Court operates at capacity, with higher than anticipated demand leading to a decrease in the clearance rate.</i>				
Case clearance rate ¹ – Family Division matters disposed in the Children's Court	per cent	100	91.6 (18 461/ 20 149)	-8.4
<i>The 2017-18 outcome is lower than the estimate due to a disparity between a high clearance rate in the metropolitan venues of the Court and a lower clearance rate in regional venues* of the Court, where an increase in initiations and broader demand pressures have been experienced. The overall effect is a lower than estimated clearance rate.</i>				
<i>*Children's Court cases in regional areas are managed by the local Magistrates' Court using its infrastructure and judicial and staff resources.</i>				
Case clearance rate ¹ – Civil matters disposed in VCAT	per cent	100	97.9 (83 424/ 85 191)	-2.1
Case clearance rate ¹ – Coronial matters disposed in the Coroners Court	per cent	100	97.9 (6 500/ 6 642)	-2.1
Case clearance rate ¹ – Criminal matters disposed in the Supreme Court	per cent	100	96.5 (629/ 652)	-3.5
Case clearance rate ¹ – Criminal matters disposed in the County Court	per cent	100	91.6 (5 333/ 5 820)	-8.4
<i>The 2017-18 outcome is lower than the estimate due to a large increase in criminal initiations in 2017-18, alongside increasing matter complexity and an increase in post-sentencing workload.</i>				
Case clearance rate ¹ – Criminal matters disposed in the Magistrates' Court	per cent	100	99.4 (158 014/ 158 926)	-0.6
Case clearance rate ¹ – Criminal matters disposed in the Children's Court	per cent	100	103.4 (13 317/ 12 873)	3.4
<i>The 2017-18 actual outcome incorporates new counting rules that improve the accuracy of reporting</i>				
Case clearance rate – Family violence intervention orders disposed in the Magistrates' and Children's Courts	per cent	100	92.9 (35307/ 38022)	-7.1
<i>The 2017-18 actual outcome is lower than the estimate due to an increased focus on quality outcomes, informed decision making and greater access to court-based support services and responses.</i>				

Performance measures	Unit of measure	2017-18 estimate	2017-18 actual	Performance Variation (%)
Quality				
Court file integrity in the Supreme Court – availability, accuracy and completeness	per cent	90	90	0
Court file integrity in the County Court – availability, accuracy and completeness	per cent	90	96	6.7
<i>The 2017-18 outcome is higher than the estimate as the County Court has maintained a focus on streamlining procedures, which has led to an improvement in court file integrity results. The above result excludes the April 2018 audit as this occurred during the rollout of civil e-case files, with paper files in the process of being back-scanned into the system at the same time.</i>				
Court file integrity in the Magistrates' Court – availability, accuracy and completeness	per cent	90	88	-2.2
Court file integrity in the Children's Court – availability, accuracy and completeness	per cent	90	86.8	-3.6
Court file integrity in the Coroners Court – availability, accuracy and completeness	per cent	90	87.6	-2.7
<i>The Coroners Court has commenced investment in and development of business improvement processes to improve court file integrity.</i>				
Court file integrity in VCAT – availability, accuracy and completeness	per cent	90	83	-7.8
<i>The 2017-18 audits identified file availability as the key issue affecting file integrity. VCAT commenced a process improvement program in 2016-17, which continued throughout 2017-18 and will address file availability over the next two years. In addition, VCAT is also undertaking digital enhancement, which will reduce reliance on manual processes and paper files, and is anticipated to further drive improvement in file integrity.</i>				
Timeliness				
On time case processing – Civil matters resolved or otherwise finalised within established timeframes in the Supreme Court	per cent	90	92	2.2
On time case processing – Civil matters resolved or otherwise finalised within established timeframes in the County Court	per cent	90	87	-3.3
<i>The 2017-18 result can be attributed to a large volume of Timbercorp proceedings being finalised during the reporting period that were over two years old at the time.</i>				
On time case processing – Civil matters resolved or otherwise finalised within established timeframes in the Magistrates' Court	per cent	80	81.1	1.4
On time case processing – Family Division matters resolved or otherwise finalised within established timeframes in the Children's Court	per cent	90	85.4	-5.1
<i>The 2017-18 outcome is lower than the estimate due to an increase in initiations and broader demand pressures experienced in the regional venues of the Court, where Children's Court cases are managed by the local Magistrates' Court using its infrastructure and judicial and staff resources.</i>				
On time case processing – Civil matters resolved or otherwise finalised within established timeframes in VCAT	per cent	90	88	-2.2
On time case processing – Coronial matters resolved or otherwise finalised within established timeframes in the Coroners Court	per cent	80	85.4	6.8
<i>The 2017-18 outcome is higher than the estimate due to the Coroners Court continuing to review and streamline processes and information requirements. The Coroners Court will review the estimate for future years if this trend continues.</i>				

Performance measures	Unit of measure	2017-18 estimate	2017-18 actual	Performance Variation (%)
On time case processing – Criminal matters resolved or otherwise finalised within established timeframes in the Supreme Court	per cent	80	94	17.5
<i>Criminal applications, including bail applications, have increased, and these are finalised in very short time frames due to their urgent nature. The on-time case processing estimate is currently under review to determine if the estimate should be increased for 2019-20 in alignment with current activity.</i>				
On time case processing – Criminal matters resolved or otherwise finalised within established timeframes in the County Court	per cent	85	91	7.1
<i>The 2017-18 outcome is higher than the estimate. This is partly affected by a high proportion of appeals from the Magistrates' Court and Children's Court finalising within 12 months. The results can also be attributed to ongoing enhancements to listings processes, including the utilisation of civil circuits to hear and finalise intervention order appeals.</i>				
On time case processing – Criminal matters resolved or otherwise finalised within established timeframes in the Magistrates' Court	per cent	85	81.4	-4.2
On time case processing – Criminal matters resolved or otherwise finalised within established timeframes in the Children's Court	per cent	90	90	0.0
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	91.6	1.8
Cost				
Total output cost	\$ million	532.2	538.0	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 CSV 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 CSV financial statements.

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

FOUR-YEAR FINANCIAL SUMMARY

As CSV is in its fourth year of operation only four years of revenue and expenditure figures are available.

TABLE 2: FOUR-YEAR FINANCIAL SUMMARY

	2017-18 \$'000	2016-17 \$'000	2015-16 \$'000	2014-15 \$'000
Revenue from Government	521,896	457,763	432,701	412,389
Total income from transactions	546,574	490,874	457,819	449,332
Total expenses from transactions	540,393	493,412	458,291	443,160
Net result from transactions – surplus / (deficit)	6,182	(2,539)	(472)	6,172
Net result for the period – surplus / (deficit)	69,838	5,577	178,347	4,092
Net cash flow from operating activities	51,693	31,646	25,957	36,108
Total assets	1,196,741	1,086,817	1,064,833	828,921
Total liabilities	191,357	187,139	190,256	196,250

COURT SERVICES VICTORIA CURRENT YEAR FINANCIAL REVIEW

- ▶ CSV 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 CSV.
- ▶ In 2017-18, CSV's net result from transactions was a surplus of \$6.2 million that comprises a total income of \$546.5 million¹ and expenditure of \$540.4 million.
- ▶ CSV's net assets of \$1.005 billion comprises total assets of \$1.196 billion and liabilities of \$0.191 billion. Further details are provided in the balance sheet in the financial statements.

BUDGET ALLOCATION

CSV'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 CSV Act.

The CSV 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 CSV 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 CSV.

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

TABLE 3: CSV'S BUDGET ALLOCATION BY JURISDICTION

By Business Area	2017-18 Published Budget \$m	2017-18 Revised Budget \$m
Supreme Court Victoria	74.2	81.0
County Court	89.5	96.4
Magistrates' Court of Victoria	145.4	177.7
Victorian Civil & Administrative Tribunal	46.1	53.7
Children's Court of Victoria	19.9	24.4
Coroners Court	15.9	18.7
Judicial College of Victoria	2.2	3.7
Judicial Commission of Victoria	1.4	1.4
Jurisdiction Services	137.4	103.5
Total CSV	532.2	560.5

Note:

1. The total CSV budget is income from transactions, as per Budget Paper No. 3.

1 This figure relates to actual revenue.

DISCLOSURE OF GRANTS AND TRANSFER PAYMENTS (OTHER THAN CONTRIBUTIONS BY OWNERS)

CSV has provided assistance to certain companies and organisations. Financial assistance provided in 2017-18 is detailed below.

TABLE 4: GRANT AND OTHER TRANSFER PAYMENTS

Organisation	Nature of Grant and Other Transfer Payment	Expenditure (exc. GST) \$
Australian Bureau of Statistics	National Criminal Courts Statistics Unit Inter-Governmental Agreement	77,634
Child Rights International	Translation and Pilot Contribution for Community Justice Practices in Cambodia	15,000
Corrections Victoria	2016-17 Drug Court Funding Contribution	400,000
Court Network	Court Services Network Agreement	923,476
Department of Health and Human Services	Alcohol and Other Drug Treatment Services for Participants of the Court Integrated Service Program	984,770
Department of Health and Human Services	Drug Court Expansion Funding Contribution	1,786,000
Department of Health and Human Services	Leasing Arrangements for Properties to House the Homeless	291,949
Department of Justice and Regulation	2017-18 Correctional Services Funding Contribution	104,062
Judicial College of Victoria	2017-18 Output Appropriation Funding	3,520,470
Judicial Commission of Victoria	2017-18 Output Appropriation Funding	1,422,110
Launch Housing	Justice Housing Support Program	609,424
National Judicial College	2017-18 Victorian Contribution	88,024
Supreme Court Law Library	2017-18 Grant Contribution	350,000
The Alannah and Madeline Foundation	2017-18 Grant Contribution	250,000
Other	Miscellaneous	13,078
TOTAL		10,835,997



SECTION 3

WORKFORCE DATA

WORKFORCE DATA

The People and Culture division monitors CSV-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 2017 AND 2018

	30 June 2017							
	All employees		Ongoing			Fixed term and casual		
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	
Demographic data								
Gender								
Women	1272	1172.2	844	240	994.2	188	178	
Men	568	556.2	450	17	460.8	101	95.4	
Self-described	0	0	0	0	0	0	0	
Age								
Under 25	188	183.2	146	2	146.9	40	36.3	
25-34	644	617.8	416	57	449.2	171	168.6	
35-44	358	323.1	241	80	290.1	37	33	
45-54	321	297	230	70	277.4	21	19.6	
55-64	252	237	200	32	221.1	20	15.9	
Over 64	77	70.3	61	16	70.3	0	0	
Classification data								
VPS 1	0	0	0	0	0	0	0	
VPS 2	449	423.3	265	55	301.5	129	121.8	
VPS 3	347	327.1	211	44	238.8	92	88.3	
VPS 4	233	217.3	157	35	179.5	41	37.8	
VPS 5	150	143.5	117	22	132.5	11	11	
VPS 6	111	108.3	93	8	99.2	10	9.1	
Allied Health 3	2	1.3	0	2	1.3	0	0	
Trainee Registrar	150	147.2	144	6	147.2	0	0	
Deputy Registrar	95	89.5	83	11	88.5	1	1	
Registrar Grade 3	176	150.8	116	58	149.4	2	1.4	
Registrar Grade 4	38	35.9	33	5	35.9	0	0	
Registrar Grade 5	51	46.2	39	11	45.2	1	1	
Registrar Grade 6	18	18	18	0	18	0	0	
Solicitor Grade 3	0	0	0	0	0	0	0	
Total	1820	1708.4	1276	257	1437	287	271.4	
STS	9	9	7	0	7	2	2	
Executive Officer 1	1	1	1	0	1	0	0	
Executive Officer 2	7	7	7	0	7	0	0	
Executive Officer 3	3	3	3	0	3	0	0	
Total Senior employees	20	20	18	0	18	2	2	
Total employees	1840	1728.4	1294	257	1455	289	273.4	

	30 June 2018						
	All employees		Ongoing			Fixed term and casual	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Demographic data							
Gender							
Women	1377	1274.1	919	245	1071.7	213	202.4
Men	597	589.3	450	19	463.4	128	125.9
Self-described	0	0	0	0	0	0	0
Age							
Under 25	209	205.4	161	2	161.9	46	43.5
25-34	705	677.9	457	55	488.1	193	189.8
35-44	404	367.4	262	94	322.3	48	45.1
45-54	331	307	240	62	280	29	27
55-64	247	233.6	189	39	216	19	17.6
Over 64	78	72.1	60	12	66.8	6	5.3
Classification data							
VPS 1	0	0	0	0	0	0	0
VPS 2	375	352	224	52	258.7	99	93.3
VPS 3	411	393.1	228	38	250.4	145	142.7
VPS 4	282	264	195	45	223.9	42	40.1
VPS 5	188	180.7	126	24	143.4	38	37.3
VPS 6	123	119.5	99	13	109.1	11	10.4
Allied Health 3	2	1.1	0	2	1.1	0	0
Trainee Registrar	204	202.2	200	4	202.2	0	0
Deputy Registrar	75	70.4	66	9	70.4	0	0
Registrar Grade 3	170	144.6	111	57	143.9	2	0.7
Registrar Grade 4	40	37.6	35	5	37.6	0	0
Registrar Grade 5	52	47	39	13	47	0	0
Registrar Grade 6	20	20	20	0	20	0	0
Solicitor Grade 3	1	0.6	0	1	0.6	0	0
Total	1943	1832.8	1343	263	1508.3	337	324.5
STS	15	14.8	11	0	11	4	3.8
Executive Officer 1	1	1	1	0	1	0	0
Executive Officer 2	8	7.8	7	1	7.8	0	0
Executive Officer 3	7	7	7	0	7	0	0
Total Senior employees	31	30.6	26	1	26.8	4	3.8
Total employees	1974	1863.4	1369	264	1535.1	341	328.3

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 CSV staff in section 3 of the CSV Act; the CSV CEO; a Court CEO; a person employed under section 36; a judicial employee.
3. The above figures do not include the CEO 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 CSV 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 2018

Class	All		Women		Men		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
EO-1	1	0	0	0	1	0	0	0
EO-2	8	+1	3	-1	5	+2	0	0
EO-3	7	+4	4	+2	3	+2	0	0
Total	16	+6	8	+1	10	+5	0	0

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 CSV CEO (Accountable Officer), the CEO 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 CSV during the relevant reporting period. To assist readers, these numbers are reconciled in Table 7 below.

TABLE 7: RECONCILIATION OF EXECUTIVE NUMBERS

	2017	2018
Executives (as listed in Financial Statement)	11	18
Accountable Officer	1	1
Less Separations	(2)	(3)
Total executive numbers at 30 June	10	16

Notes

1. In the 2016-17 Annual Report the above table included figures for commencements during the reporting period and the CEO of the Judicial College. In alignment with the model report, the commencements have been removed, as well as the CEO of the Judicial College for both reporting periods (2016-17 and 2017-18). The Director of the Judicial Commission is also excluded. 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 CSV, 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	STS
< \$160,000	1	0
\$160,000–\$179,999	4	7
\$180,000–\$199,999	4	4 ²
\$200,000–\$219,999	0	4
\$220,000–\$239,999	2 ²	0
\$240,000–\$259,999	3	0
\$260,000–\$279,999	0	0
\$280,000–\$499,999	1	0
Total	15	15

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. There are two employees employed on a part-time basis at a 0.9 FTE rate and a 0.8 FTE rate respectively.
3. This table does not include the CSV CEO (Accountable Officer), the CEO of the Judicial College, or the Director of the Judicial Commission as the College and the Commission are separate reporting entities.

EMPLOYMENT AND CONDUCT PRINCIPLES

CSV 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, CSV reviewed its Recruitment and Selection Policy, associated processes and recruitment training program during 2017-18. Selection processes ensure that applicants are assessed and evaluated fairly and equitably in accordance with the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collection.

STAFF HEALTH, SAFETY AND WELLBEING

CSV is committed to ensuring all its employees remain safe and healthy at work. During 2017-18, CSV 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.

There were 159 reported incidents in 2017-18 compared to 154 in 2016-17. This represented an increase of 3.2 per cent. The number of incidents reported relating to CSV employees decreased by one, whereas the number of incidents lodged on behalf of court users or contractors increased by six.

There were 16 accepted standard WorkCover claims during 2017-18, compared with 10 accepted

claims in 2016-17. Although the total number of standard WorkCover claims increased during the past year, the number of claims with 'lost time' greater than 13 weeks decreased from two to one. This is attributable to the strategies developed to support injured employees to remain at, or return to work as quickly as possible, and the proactive preventative programs that address causes of workplace injuries.

The capability of managers and employees was enhanced through targeted programs and initiatives including Beyond Blue sessions on mental health; mental health first aid; vicarious trauma information sessions; information sessions to enable managers/supervisors to foster wellbeing, physical and psychological safety in their teams; the inclusion of OH&S obligations into role descriptions; proactive and fit-for-purpose approaches to risk management and the management of injured or ill employees.

TABLE 9: PERFORMANCE AGAINST OH&S MEASURES

Measure	KPI	2015-16	2016-17	2017-18	Notes
Incidents	Number of incidents	159	154	159	1
	Rate per 100 FTE	8.1	7.5	7.2	
	Number of incidents requiring first aid and/or further medical treatment	–	–	96	2
Claims	Number of standard claims	5	10	16	3
	Rate per 100 FTE	0.25694	0.48591	0.7204	3
	Number of lost time claims	2	2	6	3
	Rate per 100 FTE	0.10277	0.09718	0.27015	3
	Number of claims exceeding 13 weeks	2	2	1	3
	Rate per 100 FTE	0.10277	0.09718	0.04502	3
Fatalities	Fatality claims	0	0	1	3
Claims costs	Average cost per standard claim	\$58,523	\$62,743	\$73,223	3
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 CEO or equivalent)	Completed	Completed	Completed	

Measure	KPI	2015-16	2016-17	2017-18	Notes
	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	
	Compliance with agreed structure on DWGs, HSRs and IRPs.	Completed	Completed	Completed	
Risk Management	Percentage of internal audits/ inspections conducted as planned	100%	100%	80%	
	Number of Improvement Notices issued across CSV by WorkSafe Inspector	–	–	1	2
	Percentage of issues identified actioned arising from:	Action plans developed	Action plans developed	Action plans developed	4
	▶ Internal audits				
	▶ HSR Provisional Improvement Notices	0	NA	NA	
	▶ WorkSafe notices	0	100%	100%	
Training	Percentage of managers and staff that have received OH&S training:				
	▶ Induction	100%	100%	100%	
	▶ Management training	60%	80%	80%	
	▶ Contractors, temporary staff and visitors	25%	60%	60%	
	Percentage of HSRs trained:				
	▶ Acceptance of role	59%	75%	90%	
	▶ Re-training (refresher)	41%	100%	80%	
	▶ Reporting of incidents and injuries	100%	80%	100%	

Notes:

1. Includes employees and court users.
2. New reporting item introduced in 2017-18.
3. WorkSafe Victoria data was received on 25 July 2018.
4. No Provisional Improvement Notices were received.

SECTION 4

OTHER DISCLOSURES



VICTORIAN INDUSTRY PARTICIPATION POLICY

The *Victorian Industry Participation Policy Act 2003* requires departments and public sector bodies to report on the implementation of the Victorian Industry Participation Policy (VIPP). Departments and public sector bodies are required to apply VIPP in all procurement activities valued at \$3 million or more for metropolitan Melbourne and statewide projects, or \$1 million or more for procurement activities in regional Victoria. Industry Capability Network (ICN) Victoria facilitates the VIPP on behalf of the Victorian Government, providing assistance to suppliers and assessment services to government agencies.

During 2017-18, CSV commenced two contracts totalling \$2,494,713 (ex GST) to which VIPP Plans were required. The contracts were associated with the rollout of the safe and secure court asset upgrade program at Ararat and Hamilton courts valued at \$1,082,969, and the Kyneton Magistrates' Court project costing \$1,411,744.

The total VIPP Plan commitments achieved include:

- ▶ An average of 95 per cent of local content commitment made using both regional builders and local suppliers.
- ▶ Two new jobs and 11 retained jobs (Annualised Employee Equivalent).
- ▶ No new apprenticeships/traineeships were created, however four apprenticeships/traineeships were retained.

Forming part of the tender requirements was the need to engage with builders that are local to the areas in which the courts operate. While the total contract value is modest, the additional benefits to the Victorian economy were seen with the flow of trades and suppliers engaged throughout the project that had not previously worked on government projects.

COMPLIANCE WITH BUILDING ACT 1993 (VIC)

CSV complies with the building and maintenance provisions of the *Building Act 1993*, the Building Regulations 2018 and relevant provisions of the National Construction Code.

CSV 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

CSV 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, CSV manages and maintains facilities where there is a co-shared arrangement with the Department of Justice and Regulation.

NEW AND EXISTING BUILDING STANDARDS

During 2017-18, CSV conducted major works projects (valued over \$50,000) in 42 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 1993*.

The municipal Building Surveyor or 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 CSV-OWNED FACILITIES

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

CSV 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 (AESMR) for each facility.

In 2017-18, 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 (SSP) 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 co-ordinated to the satisfaction of the Victorian Asbestos Eradication Agency (VAEA).

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 CSV owned facilities.

GOVERNMENT ADVERTISING EXPENDITURE

CSV did not conduct any advertising campaign in the financial year 2017-18.

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 at www.courts.vic.gov.au 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.

CSV 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

The *Protected 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.

CSV does not tolerate improper conduct by employees, nor reprisals against those who come forward to disclose such conduct. CSV 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.

CSV will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. CSV 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 CSV, 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

Website: www.ibac.vic.gov.au

FURTHER INFORMATION

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 CSV 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.

COMPLIANCE WITH THE CARERS RECOGNITION ACT 2012

CSV 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.

CSV 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 (reviewed during 2017-18)
- ▶ Hours of Work Policy
- ▶ Purchased Leave Policy (reviewed during 2017-18).

CONSULTANCY EXPENDITURE

DETAILS OF CONSULTANCIES VALUED AT \$10,000 OR GREATER

In 2017-18, there were 20 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2017-18 in relation to these consultancies is \$2.65 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)
Acil Allen Consulting Pty Ltd	Prefeasibility study–County Court	518,935	505,025	13,909
Acil Allen Consulting Pty Ltd	Strategic advice on budgets and court reforms	22,727	22,727	0
Centring Pty Ltd	Scoping study report for the County Court Sunsetting Fees Review	16,110	16,110	0
Centring Pty Ltd	Regulatory Impact Statement development	99,227	99,227	0
Cloudstreet Economics Pty Ltd	Business Case Review	50,000	52,200	0
Cube Group Managing Consulting Australia Pty Ltd	Review the regional service model and staffing structure	43,364	43,364	0
Cube Group Managing Consulting Australia Pty Ltd	Level 5 Service Delivery Model and Implementing Options	138,325	118,143	20,183
Ernst & Young	Business Case for Magistrates' Court of Victoria	141,136	137,540	3,595
McGill & Assoc Consulting Pty Ltd	Complex transformational organisational change	79,296	79,296	0
Nous Group Pty Ltd	Report on Library Service Delivery	60,125	60,125	0
Nous Group Pty Ltd	Create organisational change management plan for new CMS	102,700	102,700	0
Nous Group Pty Ltd	Design a service delivery model for the Family Violence Contact Centre	198,400	198,400	0
PwC Australia	Business Case for Bendigo and Werribee Law Courts Development	545,688	545,688	0
PwC Australia	Family Law Project–Demand Modelling	250,170	187,628	62,543
PwC Australia	Post Budget Analysis and Implementation Strategy	119,532	119,532	0
Root Partnerships Pty Ltd	Supreme Court Building for the Future feasibility study	63,780	63,780	0
Senate SHJ	Communication strategy for County Court	21,365	21,365	0
Flinders University of South Australia	Review of Melbourne Magistrates' Court	178,750	178,750	0
Thoughtworks Australia Pty Ltd	Technology feasibility and do-ability on ODR solution	99,875	99,875	0
Consultancy above \$10,000		2,749,505	2,651,475	100,230

DETAILS OF CONSULTANCIES VALUED UNDER \$10,000

In 2017-18, there was one consultancy where the total fee payable to the consultant was less than \$10,000. The total expenditure incurred during 2017-18 in relation to this consultancy was \$0.004 million (excl. GST).

TABLE 11: CONSULTANCIES VALUED UNDER \$10,000

Consultant	Purpose of consultancy	Total approved project fee \$ (excl. GST)	Expenditure \$ (excl. GST)	Future expenditure \$ (excl. GST)
Centring Pty Ltd	2017 Fees Review July and August 2017	3,870	3,870	0
Consultancy below \$10,000		3,870	3,870	0
Total Consultancy		2,753,375	2,655,345	100,230

Note:

1. The contract value and contract end date is inclusive of the option to extend the agreement for a further 2 years.

DISCLOSURE OF MAJOR CONTRACTS

CSV entered into one contract greater than \$10 million in the year ended 30 June 2018.

TABLE 12: CONTRACTS GREATER THAN \$10 MILLION

Company	Descriptions	Start Date	End Date	Contract Value \$ (excl. GST)
G4S Integrated Services	Provision of Security Services	23/10/2017	23/10/2024	94,314,000

INFORMATION AND COMMUNICATION TECHNOLOGY EXPENDITURE

For the 2017-18 reporting period, CSV had a total ICT expenditure of \$73.4 million.

TABLE 13: INFORMATION AND COMMUNICATION TECHNOLOGY EXPENDITURE

All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
Business-as-usual (BAU) ICT expenditure (\$ thousand)	Non business-as-usual (non-BAU) ICT expenditure (\$ thousand)	Operational expenditure (\$ thousand)	Capital expenditure (\$ thousand)
(Total)	(Total = Operational expenditure and capital expenditure)		
42,969	30,414	15,001	15,413

Notes:

1. ICT expenditure refers to CSV'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 CSV'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

The *Freedom of Information Act 1982* allows the public the right of access to documents held by CSV.

During 2017-18, CSV received 74 Freedom of Information (FOI) applications. Of these requests, 67 were from the public and seven were non-personal requests.

CSV made 25 FOI decisions during the 12 months ended 30 June 2018. All 25 decisions were made within the statutory 30-day time-period.

Of the remaining 49 applications, 38 were for documents excluded from the FOI process, four were transferred to another agency for processing, five were not proceeded with by the applicants and two are still being processed.

During 2017-18, five requests were subject to complaint/review by the Office of the Victorian Information Commissioner (OVIC). The FOI Commissioner affirmed CSV's decision in one case, two applicants withdrew their applications for review, and two applicants' reviews are still pending. One applicant applied to VCAT and that request is still pending.

TABLE 14: FREEDOM OF INFORMATION OUTCOMES

FOI Outcome	Number of requests
Court documents excluded from the FOI process 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)	38
Valid requests (application fee paid or waived)–total	36
▶ Access granted in full	2
▶ Access granted in part	1
▶ Access denied	19
▶ No document exists/No document located	0
▶ Transferred to another agency	4
▶ Refused without identifying documents	3
▶ Not proceeded with	5
▶ In process	2
Total requests received	74

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 1982*). 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 FOI may be obtained through written request to CSV FOI, as detailed in section 17 of the *Freedom of Information Act 1982*.

Requests for documents in the possession of CSV 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

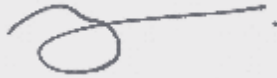
Requests can also be lodged online at www.foi.vic.gov.au.

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 FOI can be found at www.foi.vic.gov.au. CSV's Part II Information Statement can be found at www.courts.vic.gov.au.

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**

5 September 2018

STATEMENT OF AVAILABILITY OF OTHER INFORMATION

Under Financial Reporting Direction (FRD) 22H Standard Disclosures in the Report of Operations, CSV is required to retain the following information for the 2017-18 financial year and make it available upon request (subject to freedom of information requirements, if applicable).

- a. A statement that declarations of pecuniary interests have been duly completed by all relevant officers.
- b. Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary.
- c. Details of publications produced by CSV about itself, and how these can be obtained.
- d. Details of changes in prices, fees, charges, rates and levies charged by CSV.
- e. Details of any major external reviews carried out on CSV.
- f. Details of major research and development activities undertaken by CSV.
- g. Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.
- h. Details of major promotional, public relations and marketing activities undertaken by CSV to develop community awareness of CSV and its services.
- i. Details of assessments and measures undertaken to improve the occupational health and safety of employees.
- j. A general statement on industrial relations within CSV and details of time lost through industrial accidents and disputes.
- k. A list of major committees sponsored by CSV, the purposes of each committee and the extent to which the purposes have been achieved.
- l. Details of all consultancies and contractors including:
 - i. consultants/contractors engaged,
 - ii. services provided, and
 - iii. 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

DISCLOSURE INDEX

The CSV Annual Report 2017-18 is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of CSV's compliance with statutory disclosures requirements.

Legislation	Requirement	Page
Ministerial Directions and Financial Reporting Directions		
REPORT OF OPERATIONS		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant ministers	8
FRD 22H	Purpose, functions, powers and duties	6
FRD 8D	Objectives, indicators and outputs	27
FRD 22H	Key Initiatives and projects	17-26
FRD 22H	Nature and range of services provided	17-26
Management and structure		
FRD 22H	Organisational structure	9
Financial and other information		
FRD 8D,	Performance against output performance measures	28-31
FRD 8D	Budget portfolio outcomes	33
FRD 10A	Disclosure index	49-50
FRD 12B	Disclosure of major contracts	46
FRD 15E	Executive Officer disclosures	38
FRD 22H	Employment and conduct principles	39
FRD 22H	Occupational health and safety policy	40-41
FRD 22H	Summary of the financial results for the year	32
FRD 22H	Significant changes in financial position during the year	NA
FRD 22H	Major changes or factors affecting performance	NA
FRD 22H	Subsequent events	NA
FRD 22H	Application and operation of Freedom of Information Act 1982 (Vic)	47
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993 (Vic)	43
FRD 22H	Statement on National Competition Policy	44
FRD 22H	Application and operation of the Protected Disclosure Act 2012 (Vic)	44
FRD 22H	Application and operation of the Carers Recognition Act 2012 (Vic)	44
FRD 22H	Details of consultancies over \$10,000	45
FRD 22H	Details of consultancies under \$10,000	46
FRD 22H	Disclosure of government advertising expenditure	43
FRD 22H	Disclosure of ICT expenditure	46

Legislation	Requirement	Page
FRD 22H	Statement of availability of other information	48
FRD 25C	Victorian Industry Participation Policy disclosures	42
FRD 29C	Workforce data disclosures	36-37
Compliance attestation and declaration		
SD 5.143	Attestation for compliance with Ministerial Standing Direction	48
SD 5.2.3	Declaration in report of operations	1
FINANCIAL STATEMENTS		
Declaration		
SD 5.2.2	Declaration in financial statements	55
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	62-63
SD 5.2.1(a)	Compliance with Ministerial Directions	58-130
SD 5.2.1(b)	Compliance with Model Financial Report	58-130
Other disclosures as required by FRDs in notes to the financial statements		
FRD 9B	Departmental disclosure of administered assets and liabilities by activity	78-81
FRD 11A	Disclosure of ex-gratia expenses	NA
FRD 13	Disclosure of parliamentary appropriations	65
FRD 21C	Disclosures of responsible persons, executive officers and other personnel (contractors with significant management responsibilities) in the Financial Report	108-110
FRD 103G	Non-financial physical assets	82-88
FRD 110A	Cash flow statements	60
FRD 112D	Defined benefit superannuation obligations	69
LEGISLATION		
<i>Freedom of Information Act 1982 (Vic)</i>		47
<i>Building Act 1993 (Vic)</i>		43
<i>Protected Disclosure Act 2012 (Vic)</i>		44
<i>Carers Recognition Act 2012 (Vic)</i>		44
<i>Victorian Industry Participation Policy Act 2003 (Vic)</i>		42
<i>Financial Management Act 1994 (Vic)</i>		63
<i>Court Services Victoria Act 2014 (Vic)</i>		33



FINANCIAL STATEMENTS



CONTENTS

53	How this report is structured
55	Declaration in the financial statements
56	Independent Auditors Report
58	Comprehensive operating statement
59	Balance sheet
60	Cash flow statement
61	Statement of changes in equity
62	Note 1. About this report
64	Note 2. Funding delivery of our services
69	Note 3. The cost of delivering services
73	Note 4. Disaggregated financial information by output
82	Note 5. Key assets available to support output delivery
89	Note 6. Other assets and liabilities
91	Note 7. Financing our operations
100	Note 8. Risks, contingencies and valuation judgements
107	Note 9. Other disclosures
118	Note 10. Glossary of technical terms
122	Note 11. Budgetary reporting
131	Glossary

SECTION 5

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

HOW THIS REPORT IS STRUCTURED

Court Services Victoria (CSV) has presented its audited general purpose financial statements for the financial year ended 30 June 2018 in the following structure to provide users with the information about CSV'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

1. About this report

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

2. Funding delivery of our services

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

3. The cost of delivering services

3.1 Expenses incurred in delivery of services

3.2 Grant and other transfers

3.3 Capital asset charge

3.4 Supplies and services

4. Disaggregated financial information by output

4.1 CSV's outputs—descriptions and objectives

4.2 Controlled items

4.3 Administered items

Notes to the financial statements cont.

5. Key assets available to support output delivery

5.1 Property, plant and equipment

5.2 Intangible assets

6. Other assets and liabilities

6.1 Receivables

6.2 Payables

7. Financing our operations

7.1 Borrowings—Finance lease liabilities (CSV as lessee)

7.2 Cash flow information and balances

7.3 Trust account balances

7.4 Commitments for expenditure

8. Risks, contingencies and valuation judgements

8.1 Financial instruments specific disclosures

8.2 Contingent assets and contingent liabilities

8.3 Fair value determination

9. Other disclosures

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 Other accounting policies

9.7 Australian Accounting Standards issued that are not yet effective

10. 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 of the Minister for Finance 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 2018 and financial position of Court Services Victoria at 30 June 2018.

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 5 September 2018.



**The Honourable Chief Justice
Mary Anne Ferguson
Chair of the Courts Council
Court Services Victoria**

Melbourne
5 September 2018



**David Ware
Chief Executive Officer
Court Services Victoria**

Melbourne
5 September 2018



**Salvatore Costanzo
Chief Finance Officer
Court Services Victoria**

Melbourne
5 September 2018

INDEPENDENT AUDITORS REPORT



Independent Auditor's Report

To the Courts Council of Court Services Victoria

Opinion	<p>I have audited the financial report of Court Services Victoria (the authority) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2018 • 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. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. 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 <i>Code of Ethics for Professional Accountants</i> (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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Courts Council's responsibilities for the financial report	<p>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 <i>Financial Management Act 1994</i>, and for such internal control as the Courts 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.</p> <p>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.</p>

Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>
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MELBOURNE
11 September 2018



Travis Derricott
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018 \$'000	2017 \$'000
CONTINUING OPERATIONS			
Income from transactions			
Output appropriations	2.1	378,618	332,215
Special appropriations	2.1	143,278	125,548
Grants	2.1	24,678	26,929
Other income	2.1	0	6,181
Total income from transactions		546,574	490,874
EXPENSES FROM TRANSACTIONS			
Employee expenses	3.1	307,503	278,533
Depreciation and amortisation	5.1.1	46,631	43,895
Interest expense	7.1(d)	6,050	7,174
Grants and other transfers	3.2	10,836	8,535
Capital asset charge	3.3	39,053	39,846
Supplies and services	3.4	130,319	115,429
Total expenses from transactions		540,393	493,412
Net result from transactions (net operating balance)		6,182	(2,539)
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net gain/(loss) on non-financial assets	9.1	417	461
Net gain/(loss) on financial instruments	9.1	(23)	(13)
Other gains/(losses) from other economic flows	9.1	(107)	3,774
Total other economic flows included in net result		287	4,221
Net result		6,469	1,682
OTHER ECONOMIC FLOWS— OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	5.1.3	63,369	3,894
Total other economic flows—other comprehensive income		63,369	3,894
Comprehensive result		69,838	5,577

The accompanying notes form part of these financial statements.

BALANCE SHEET AS AT 30 JUNE 2018

	Note	2018 \$'000	2017 \$'000
ASSETS			
FINANCIAL ASSETS			
Cash and deposits	8.1	13,151	9,086
Receivables	6.1	97,199	81,879
Total financial assets		110,350	90,965
NON-FINANCIAL ASSETS			
Non-financial physical assets classified as held for sale		181	233
Property, plant and equipment	5.1	1,066,249	975,236
Intangible assets	5.2	17,591	18,254
Prepayments		2,370	2,129
Total non-financial assets		1,086,391	995,852
Total assets		1,196,741	1,086,817
LIABILITIES			
Payables	6.2	44,229	31,116
Borrowings	7.1	67,242	79,075
Provisions	3.1.2	79,569	76,948
Other Provisions		318	0
Total liabilities		191,357	187,139
Net assets		1,005,384	899,678
EQUITY			
Accumulated surplus/(deficit)		7,717	1,248
Contributed capital		747,530	711,662
Physical asset revaluation surplus		250,137	186,768
Net worth		1,005,384	899,678

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018 \$'000	2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Government		502,174	437,229
Receipts from other entities		23,007	30,410
Goods and services tax recovered from the Australian Taxation Office		19,354	14,726
Total receipts		544,535	482,365
PAYMENTS			
Payments to suppliers and employees		(441,846)	(397,624)
Payments of grants and other transfers		(5,893)	(6,076)
Capital assets charge payments		(39,053)	(39,846)
Interest and other costs of finance paid		(6,050)	(7,174)
Total payments		(492,842)	(450,719)
Net cash flows from/(used in) operating activities	7.2.1	51,693	31,646
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of non-financial assets		(73,992)	(40,977)
Proceeds from sales of non-financial assets		2,330	2,245
Net cash flows from/(used in) investing activities		(71,662)	(38,733)
CASH FLOWS FROM FINANCING ACTIVITIES			
Owner contributions by State Government		35,868	19,525
Repayment of borrowings and finance leases		(11,833)	(11,732)
Net cash provided by/(used in) financing activities		24,035	7,793
Net increase (decrease) in cash held		4,065	707
Cash and cash equivalents at the beginning of the financial year		9,086	8,379
Cash and cash equivalents at the end of the financial year	8.1	13,151	9,086

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	Physical asset revaluation surplus \$'000	Accumulated surplus/ (deficit) \$'000	Contributed capital \$'000	Total \$'000
2018					
Balance as at 1 July 2017		186,768	1,248	711,662	899,678
Net result for the year			6,469		6,469
Other comprehensive income	5.1.3	63,369			63,369
Transactions with the State in its capacity as owners ⁽ⁱ⁾	2.3			35,868	35,868
Balance at 30 June 2018		250,137	7,717	747,530	1,005,384
2017					
Balance as at 1 July 2016		182,874	(434)	692,137	874,577
Net result for the year			1,682		1,682
Other comprehensive income	5.1.3	3,894			3,894
Transactions with the State in its capacity as owners ⁽ⁱ⁾	2.3			19,525	19,525
Balance at 30 June 2017		186,768	1,248	711,662	899,678

Note:

(i) 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 and the Judicial College of Victoria. CSV 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). The *Court Services Victoria Act 2014* was amended on 19 April 2016 to require CSV to carry out the same functions for the Judicial Commission of Victoria, which commenced operations on 1 July 2017.

CSV'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.

CSV's activities include overseeing court facilities and providing the people, information technology and financial management to deliver enhanced administrative services to the Victorian courts, VCAT, 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 CSV's governing body and comprises the head of each court jurisdiction and VCAT and up to two independent members. There are seven governance committees at CSV that inform the work of the Courts Council.

CSV'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. Figures in the tables and the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding.

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

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 CSV.

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 CSV as an individual reporting entity and include all the controlled activities of CSV.

COMPLIANCE INFORMATION

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable AAS, which include Interpretations issued by the 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

CSV's overall objective is the fair, timely and efficient dispensing of justice.

To enable CSV 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

	Notes	2018 \$'000	2017 \$'000
Output appropriations	2.2	378,618	332,215
Special appropriations	2.2	143,278	125,548
Grants	2.4.1	24,678	26,929
Other income		0	6,181
Total income from transactions		546,574	490,874

Income is recognised to the extent it is probable that the economic benefits will flow to CSV 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 CSV does not have control are disclosed as administered income (see note 4.3).

2.2 APPROPRIATIONS

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

OUTPUT APPROPRIATIONS

Income received to deliver the outputs CSV 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.

and 'additions to net assets' are disclosed as 'controlled' activities of CSV. Administered transactions are those that are undertaken on behalf of the State over which CSV has no control or discretion.

Appropriation Act		Financial Management Act 1994									
2018	Advance from Treasurer	Annual appropriation \$'000	Section 28 \$'000	Section 29 \$'000	Section 31A \$'000	Section 32 \$'000	Section 34 ⁽ⁱⁱ⁾ \$'000	Section 35 \$'000	Parliamentary authority \$'000	Appropriations applied \$'000	Variance ⁽ⁱⁱⁱ⁾ \$'000
Controlled											
Provision of outputs		311,292	0	69,699	[2,494]	6,126	(9,330)	0	385,200	378,618	6,582
Additions to net assets		48,370	0	0	2,494	10,342	[25,014]	855	37,047	33,741	3,306
		359,662	0	69,699	0	16,468	[34,344]	855	422,247	412,359	9,888
Appropriation Act		Financial Management Act 1994									
2017	Advance from Treasurer	Annual appropriation \$'000	Section 28 \$'000	Section 29 \$'000	Section 31A \$'000	Section 32 \$'000	Section 34 \$'000	Section 35 \$'000	Parliamentary authority \$'000	Appropriations applied \$'000	Variance \$'000
Controlled											
Provision of outputs		257,238	0	70,725	9,703	9,840	0	0	352,629	332,215	20,414
Additions to net assets		28,766	0		[9,703]	18,196	0	0	37,530	17,551	19,980
		286,004	0	70,725	0	28,036	0	0	390,159	349,766	40,394

Notes:

(i) 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. CSV utilised s34 where detailed implementation planning for recent government initiatives resulted in outputs being rescheduled into the forward estimate years.

(ii) The variance between Appropriations Applied and Total Parliamentary Authority is explained as follows:

<i>Provision of outputs</i>	<i>\$m</i>	<i>Comment</i>
The variance for the provision of outputs	6.582	Applied is less than Authority by this amount
less unapplied treasurer advance authority	(4.063)	
add above target s29 revenue	0.833	
less carry over unapplied	(3.352)	
	0	
 <i>Additions to net assets (ATNAB)</i>	 <i>\$m</i>	 <i>Comment</i>
The variance for ATNAB	3.306	Applied is less than Authority by this amount
less ATNAB carry over request	(2.451)	
less unused s35 Financial Management Act	(0.855)	Funds were provided to facilitate building works associated with requirements to conduct a Coronial Inquiry

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

SUMMARY OF COMPLIANCE WITH SPECIAL APPROPRIATIONS

		2018 \$'000	2017 \$'000
Authority	Purpose: Operating Costs		
1 Constitution Act 1975 (No. 8750/1975), s.82 (7)	Remuneration of Judges of the Supreme Court of Victoria and the Chief Justice	24,240	20,005
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	7,726	6,873
3 County Court Act 1958 (No. 6230/1958) s.10 (7)	Remuneration of Judges of the County Court of Victoria	34,443	29,690
4 Victims of Crime Assistance Act 1996 (No. 81/1996), s.69	Operating costs of the Victims of Crime Assistance Tribunal	3,055	3,009
5 Magistrates' Court Act 1989 (No. 51/1989), sch.1 Pt 1 cl.10	Remuneration of Magistrates of the Magistrates' Court of Victoria	56,278	49,865
6 Victorian Civil and Administrative Tribunal Act 53 of 1998 section 17AA	Remuneration of Members of the Victorian Civil and Administrative Tribunal	17,497	16,082
7 Juries Act 2000 (No. 53/2000), s.59	Compensation to jurors from the WorkCover Authority Fund under the <i>Accident Compensation Act 1985</i>	39	24
		143,278	125,548
Authority	Purpose: Capital Component	2018 \$'000	2017 \$'000
8 Constitution Act 1975 (No. 8750/1975), s.82 (7)	Remuneration of Judges of the Supreme Court of Victoria.	360	323
9 Constitution Act 1975 (No. 8750/1975), s.82 (7)	Remuneration of Judges of the Court of Appeals Supreme Court of Victoria.	108	98
10 County Court Act 1958 (No. 6230/1958) s.10 (7)	Remuneration of Judges of the County Court of Victoria.	564	526
11 Magistrates' Court Act 1989 (No. 51/1989), sch.1 Pt 1 cl.10	Remuneration of Magistrates of the Magistrates' Court of Victoria.	901	853
12 Victorian Civil and Administrative Tribunal Act 53 of 1998 section 17AA	Remuneration of Members of the Victorian Civil and Administrative Tribunal.	194	174
		2,127	1,974
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	42,977	42,609
		42,977	42,609

NOTE 2.4 INCOME FROM TRANSACTIONS

2.4.1 GRANTS

	2018 \$'000	2017 \$'000
General government outside portfolio	24,406	26,857
Other specific purpose	272	73
Total grants	24,678	26,929

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to CSV 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, CSV 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). CSV recognises the income when it has satisfied its performance obligations under the terms of the grant.

NOTE 2.5 ANNOTATED INCOME AGREEMENTS

CSV is permitted under section 29 of the FMA to have certain income annotated to the annual appropriation. The income which forms part of section 29 agreement is recognised by CSV 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 \$69.7 million (2017: \$70.7million).

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 CSV 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

	Notes	2018 \$'000	2017 \$'000
Employee benefit expenses	3.1.1	307,503	278,533
Grants and other transfers	3.2	10,836	8,535
Capital asset charge	3.3	39,053	39,846
Supplies and services	3.4	130,319	115,429
Total expenses incurred in delivery of services		487,711	442,343

3.1.1 EMPLOYEE BENEFIT EXPENSES IN THE COMPREHENSIVE OPERATING STATEMENT

	2018 \$'000	2017 \$'000
Defined contribution superannuation expense	17,998	15,869
Defined benefit superannuation expense	1,887	2,038
Termination benefits	1,089	632
Salaries and wages	238,050	213,795
Leave expenses (annual leave and long service leave)	26,718	26,251
Other on-costs (fringe benefits tax, payroll tax, training and Workcover levy)	21,763	19,949
Total employee expenses	307,503	278,533

Employee expenses 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. CSV 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 accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when CSV 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. Benefits due more than 12 months after the end of the reporting period are discounted to present value.

3.1.2 EMPLOYEE BENEFITS IN THE BALANCE SHEET

Provision is made for benefits accruing to employees 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.

	2018 \$'000	2017 \$'000
Current provisions:		
Annual leave		
Unconditional and expected to settle within 12 months	10,666	9,335
Unconditional and expected to settle after 12 months	2,474	1,853
Long service leave		
Unconditional and expected to settle within 12 months	4,156	3,559
Unconditional and expected to settle after 12 months	44,163	44,711
Provisions for on-costs		
Unconditional and expected to settle within 12 months	3,456	3,055
Unconditional and expected to settle after 12 months	6,102	5,874
Total current provisions for employee benefits	71,017	68,387
Non-current provisions		
Employee benefits	7,617	7,645
On-costs	934	915
Total non-current provisions for employee benefits	8,551	8,561
Total provisions for employee benefits	79,569	76,948

RECONCILIATION OF MOVEMENT IN ON-COST PROVISION

	2018 \$'000	2017 \$'000
Opening balance	9,844	9,677
Additional provisions recognised	4,366	5,243
Reductions arising from payments/other sacrifices of future economic benefits	(3,718)	(5,076)
Closing balance	10,493	9,844
Current	9,558	8,929
Non-current	934	915
Total	10,493	9,844

WAGES AND SALARIES, ANNUAL LEAVE AND SICK LEAVE

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 provision as current liabilities, because CSV does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages is recognised in the balance sheet at remuneration rates that are current at the reporting date. As CSV 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 CSV 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 Statement of Comprehensive Income as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits 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 CSV 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 take leave within 12 months.

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

- ▶ undiscounted value – if CSV expects to wholly settle within 12 months; or
- ▶ present value – if CSV 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 a conditional 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 of CSV are entitled to receive superannuation benefits and CSV contributes to both defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

As noted previously, the defined benefit liability is recognised by DTF as an administered liability. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of CSV.

	Paid contribution for the year		Contribution outstanding at year end	
	2018 \$'000	2017 ⁽ⁱ⁾ \$'000	2018 \$'000	2017 ⁽ⁱ⁾ \$'000
Defined benefit plans:				
Emergency Services and State Super-revised and new	1,852	2,006	35	31
Defined contribution plans:				
VicSuper	11,763	10,809	237	184
Various other	5,876	4,790	122	86
Total	19,491	17,605	394	301

Notes

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

(i) 2017 paid contributions and contributions outstanding have been restated to align with the presentation in 2018.

3.2 GRANTS AND OTHER TRANSFERS

Grant expenses represent contributions of CSV 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 \$3.5m (2017: \$2.4m), and Judicial Commission Victoria \$1.4m (2017: nil).

3.4 SUPPLIES AND SERVICES

	2018 \$'000	2017 \$'000
Accommodation and property services	34,788	26,608
Outsourced contracts	22,182	20,507
Contractors, professional services and consultants	28,035	17,742
Printing, stationery and other office expenses	11,587	11,149
Technology services	15,424	14,702
Juror payments	3,319	3,123
Repairs and maintenance	5,084	4,683
Deceased removals and transfer costs (Coroners Court)	4,286	4,271
Interpreter and translation services	3,297	2,945
Other	2,317	9,697
Total supplies and services	130,319	115,429

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

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 CSV's balance sheet. It aims to attribute to CSV's outputs, a cost of capital used in service delivery. Imposing this charge provides incentives for CSV to identify and dispose of underutilised or surplus non-current physical assets.

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

CSV is predominantly funded by accrual based Parliamentary appropriations for the provision of outputs. This section provides a description of CSV outputs delivered during the period ending 30 June 2018 along with the objectives of those outputs.

STRUCTURE

- 4.1** CSV outputs - Descriptions and objectives
- 4.2** Controlled items
- 4.3** Administered items

4.1 CSV OUTPUTS—DESCRIPTIONS AND OBJECTIVES

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

CSV 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, which provides corporate support to the Courts and the Tribunal, the cost of which is reflected in the Courts' and Tribunal total output cost.

OBJECTIVES

CSV'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 2018

	Supreme Court of Victoria		County Court of Victoria		Magistrates' Court of Victoria		
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	
INCOME FROM TRANSACTIONS							
Output appropriations ⁽ⁱ⁾	52,452	54,668	71,290	67,029	126,065	105,612	
Special appropriations	31,995	26,913	34,443	29,690	50,155	43,688	
Grants	5	73	0	0	4,073	7,577	
Other income	0	73	0	0	0	5,378	
Total income from transactions	84,452	81,727	105,734	96,720	180,294	162,256	
EXPENSES FROM TRANSACTIONS							
Employee expenses	52,328	50,408	51,592	47,087	107,295	94,040	
Depreciation and amortisation	6,327	6,341	8,186	8,212	17,946	15,088	
Interest expense	61	65	5,972	7,105	112	124	
Grants and other transfers	350	350	1	1	4,199	3,998	
Capital asset charge ⁽ⁱⁱ⁾	8,233	8,280	11,323	12,074	10,849	11,751	
Supplies and services	13,730	14,982	26,232	24,505	35,292	34,558	
Total expenses from transactions	81,028	80,425	103,306	98,984	175,693	159,558	
Net result from transactions (net operating balance)	3,424	1,301	2,428	(2,264)	4,600	2,698	
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT							
Net gain/(loss) on non-financial assets	150	124	109	73	153	187	
Net gain/(loss) on financial instruments	0	0	0	0	0	0	
Other gains/(losses) from other economic flows	251	830	72	903	(347)	1,294	
Total other economic flows included in net result	401	954	181	976	(194)	1,482	
Net Result from continuing operations	3,825	2,255	2,609	(1,289)	4,407	4,179	
OTHER ECONOMIC FLOWS—OTHER COMPREHENSIVE INCOME ITEMS THAT WILL NOT BE RECLASSIFIED TO NET RESULT							
Changes in physical asset revaluation reserve ⁽ⁱⁱⁱ⁾	22,021		19,709	1,606	19,654	2,288	
Total other economic flows—other comprehensive income	22,021	0	19,709	1,606	19,654	2,288	
Comprehensive result	25,846	2,255	22,317	317	24,061	6,468	

	Children's Court of Victoria		Coroners Court of Victoria		Victorian Civil & Administrative Tribunal		Jurisdiction Services		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
	19,551	16,813	13,597	11,305	16,812	15,018	78,849	61,770	378,618	332,215
	5,173	5,682	3,999	3,493	17,497	16,082	16	0	143,278	125,548
	250	349	268	0	20,082	18,591	0	339	24,678	26,929
	0	0	0	0	0	0	0	729	0	6,181
	24,974	22,844	17,864	14,798	54,392	49,691	78,866	62,838	546,574	490,874
	15,328	14,629	10,312	8,390	44,205	40,367	26,445	23,613	307,503	278,533
	1,781	1,645	20	2	795	562	11,577	12,047	46,631	43,895
	14	13	3	0	45	43	(156)	(177)	6,050	7,174
	254	407	0	0	0	0	6,032	3,779	10,836	8,535
	1,768	1,884	5	1	239	114	6,635	5,743	39,053	39,846
	5,364	4,464	7,082	6,415	7,327	8,646	35,292	21,859	130,319	115,429
	24,509	23,043	17,421	14,807	52,611	49,732	85,825	66,863	540,393	493,412
	465	(198)	443	(9)	1,781	(42)	(6,959)	(4,024)	6,182	(2,539)
	10	0	0	0	25	54	(30)	22	417	461
	0	0	0	0	0	0	(23)	(13)	(23)	(13)
	(58)	118	5	94	17	292	(47)	243	(107)	3,774
	(49)	118	5	94	42	346	(99)	252	287	4,221
	416	(81)	448	85	1,823	305	(7,058)	(3,772)	6,469	1,682
	3,447						(1,462)		63,369	3,894
	3,447	0	0	0	0	0	(1,462)	0	63,369	3,894
	3,864	(81)	448	85	1,823	305	(8,521)	(3,772)	69,838	5,577

**SCHEDULE B—CONTROLLED ASSETS AND LIABILITIES BY JURISDICTION
FOR THE YEAR ENDED 30 JUNE 2018**

	Supreme Court of Victoria		County Court of Victoria		Magistrates' Court of Victoria		
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	
Financial assets	891	1,001	744	531	8,477	4,526	
Non-financial assets ⁽ⁱⁱⁱ⁾	229,053	206,940	315,028	301,748	301,741	293,675	
Total assets	229,944	207,941	315,772	302,279	310,218	298,201	
Liabilities	22,566	21,441	79,144	91,192	44,058	37,950	
Total liabilities	22,566	21,441	79,144	91,192	44,058	37,950	
Net assets	207,378	186,500	236,628	211,087	266,160	260,251	

Notes

(i) The comparative information in respect of the previous financial year has been restated to reflect reclassifications from Jurisdiction Services to the Jurisdictions.

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

	Children's Court of Victoria		Coroners Court of Victoria		Victorian Civil & Administrative Tribunal		Jurisdiction Services		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
	138	107	302	14	4,355	2,407	95,443	82,378	110,350	90,965
	49,190	47,088	143	17	6,654	2,856	184,582	143,528	1,086,391	995,852
	49,329	47,196	445	31	11,008	5,263	280,025	225,907	1,196,741	1,086,817
	4,758	4,603	3,797	2,687	11,359	9,205	25,676	20,061	191,357	187,139
	4,758	4,603	3,797	2,687	11,359	9,205	25,676	20,061	191,357	187,139
	44,570	42,592	(3,352)	(2,656)	(350)	(3,942)	254,349	205,846	1,005,384	899,678

4.3 ADMINISTERED (NON-CONTROLLED) ITEMS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

Administered income includes taxes, fees and fines. 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 accruals basis using same accounting policies adopted for recognition of CSV's items in the financial statements. Both controlled and administered items of CSV are consolidated into the financial statements of the State.

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

	Supreme Court of Victoria		County Court of Victoria		
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	
Administered income from transactions					
Special appropriations applied	0	0	0	0	
Fines	0	305	241	1,584	
Sales of goods and services (including fees)	20,880	20,055	10,567	12,110	
Other income	250	877	98	70	
Total administered income from transactions	21,131	21,237	10,906	13,764	
Administered expenses from transactions					
Payments into the Consolidated Fund ⁽ⁱ⁾	(20,880)	(20,360)	(10,818)	(13,707)	
Criminal injuries compensation	0	0	0	0	
Other expenses	0	0	(1,100)	(1,602)	
Total administered expenses from transactions	(20,880)	(20,360)	(11,918)	(15,309)	
Total administered net result from transactions (net operating balance)	250	878	(1,011)	(1,545)	
Administered other economic flows included in administered net result					
Net gain/(loss) on non-financial assets					
Net gain/(loss) on financial instruments					
Other gains/(losses) from other economic flows					
Total administered other economic flows	0	0	0	0	
Total administered net result	250	878	(1,011)	(1,545)	

Note:

(i) Prior year comparatives for Payments into the Consolidated Fund restated to more accurately reflect fines and other income paid by Jurisdictions. Payments held centrally and not directly related to the Jurisdictions are shown in Jurisdiction Services \$4.22 million (2017: \$0.89 million).

	Magistrates' Court of Victoria		Children's Court of Victoria		Victorian Civil & Administrative Tribunal		Jurisdiction Services		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
	42,977	42,609	0	0	0	0	0	0	42,977	42,609
	16,543	26,122	0	0	12	0	0	0	16,796	28,011
	20,889	21,002	3	4	9,774	9,143	21	64	62,133	62,378
	1,193	1,968	0	0	0	0	903	771	2,444	3,686
	81,602	91,701	3	4	9,786	9,143	923	834	124,350	136,683
	(37,966)	(48,012)	(3)	(4)	(9,786)	(9,143)	(4,220)	(894)	(83,672)	(92,119)
	(42,601)	(43,409)	0	0	0	0	0	0	(42,601)	(43,409)
	(98)	(52)	0	0	0	0	(978)	(826)	(2,176)	(2,481)
	(80,664)	(91,473)	(3)	(4)	(9,786)	(9,143)	(5,198)	(1,720)	(128,449)	(138,008)
	937	228	0	0	0	0	(4,275)	(885)	(4,098)	(1,325)
	0	0	0	0	0	0	0	0	0	0
	937	228	0	0	0	0	(4,275)	(885)	(4,098)	(1,325)

ADMINISTERED (NON-CONTROLLED) ITEMS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Supreme Court of Victoria		County Court of Victoria		Magistrates' Court of Victoria		
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	
Administered financial assets							
Cash and deposits	207	66	3,603	2,191	3,093	3,370	
Receivables	30	30	1,176	2,336	121	943	
Total administered financial assets	237	96	4,779	4,526	3,214	4,314	
Administered liabilities							
Creditors and accruals	0	0	0	0	0	0	
Deposits payable	(89)	51	(2,731)	(1,314)	(4,900)	(5,944)	
Provisions	0	0	0	0	(3,300)	(3,300)	
Total administered liabilities	(89)	51	(2,731)	(1,314)	(8,200)	(9,244)	
Total administered net assets	147	147	2,048	3,213	(4,986)	(4,930)	

Note:

- (i) At the end of the financial year there is a contingent liability of \$56.2 million (2017 - \$56.1 million) for claims for crimes compensation payments yet to be determined. The ultimate obligation for these payments is dependent upon the outcomes of cases being or yet to be heard. The estimated amount of this contingent liability is based on the number of cases and an average of past compensation payments.

	Children's Court of Victoria		Victorian Civil & Administrative Tribunal		Jurisdiction Services		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
	0	0	112	132	0	0	7,014	5,759
	0	0	(75)	240	2,400	2,832	3,652	6,381
	0	0	37	371	2,400	2,832	10,666	12,140
	0	0	(313)	(320)	(586)	(472)	(899)	(792)
	0	0	614	600	(2,302)	(1,866)	(9,408)	(8,472)
	0	0	0	0	0	0	(3,300)	(3,300)
	0	0	301	280	(2,888)	(2,338)	(13,607)	(12,564)
	0	0	338	651	(488)	494	(2,941)	(425)

NOTE 5. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

INTRODUCTION

CSV controls infrastructure that is utilised in fulfilling its objectives and conducting its activities. This infrastructure represents the key resources that have been entrusted to CSV 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

	Gross carrying amount		Accumulated Depreciation		Net carrying amount	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Land at fair value	412,632	343,911			412,632	343,911
Buildings at fair value	449,590	384,468	(47,921)	(23,467)	401,670	361,000
Leasehold buildings at fair value subject to finance lease	203,705	203,705	(14,545)	(7,272)	189,160	196,433
Leasehold improvements at fair value	5,758	8,321	(1,727)	(2,831)	4,031	5,490
Plant and equipment at fair value	4,843	3,460	(1,528)	(1,111)	3,315	2,349
Plant and equipment under finance lease at fair value	13,870	13,269	(4,380)	(4,299)	9,490	8,969
Computer & telecommunications equipment at fair value	18,299	7,717	(6,077)	(2,842)	12,222	4,875
Cultural assets at fair value	916	896			916	896
Assets under construction at cost	32,812	51,313			32,812	51,313
Total property, plant and equipment	1,142,425	1,017,059	(76,177)	(41,823)	1,066,249	975,236

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 CSV'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. CSV 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.

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 AND AMORTISATION CHARGE FOR THE PERIOD

	2018 \$'000	2017 \$'000
Buildings	24,453	23,362
Leasehold buildings at fair value subject to finance lease ⁽ⁱ⁾	7,272	7,272
Leasehold improvements at fair value	465	973
Plant and equipment at fair value	3,691	1,701
Plant and equipment under finance lease at fair value	2,497	2,603
Software	8,252	7,985
Total property, plant and equipment	46,631	43,895

Note:

(i) 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	
▶ Structure/shell/building fabric	6 to 50
▶ Site engineering services	6 to 50
▶ Fit out	3 to 25
▶ Trunk reticulated building systems	3 to 20
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	80

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 will be increased to its recoverable amount. However this reversal will 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	
	2018 \$'000	2017 \$'000
Crown land at fair value ⁽ⁱ⁾	412,632	343,911
Buildings at fair value ⁽ⁱ⁾	401,670	361,000
Leasehold buildings subject to finance lease at fair value ⁽ⁱⁱ⁾	189,160	196,433
Leasehold improvements at fair value ⁽ⁱⁱ⁾	4,031	5,490
Plant and equipment at fair value ⁽ⁱⁱⁱ⁾	3,315	2,349
Plant and equipment under finance lease at fair value ⁽ⁱⁱⁱ⁾	9,490	8,969
Computer & telecommunications equipment at fair value ⁽ⁱⁱⁱ⁾	12,222	4,875
Cultural assets at fair value	916	896
Assets under construction at cost	32,812	51,313
Total property, plant and equipment	1,066,249	975,236

Notes:

(i) A managerial revaluation of land and buildings was undertaken at 30 June 2018 in accordance with the FRD 103F.

(ii) Fair value of finance leasehold buildings and improvements is current replacement cost.

(iii) 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.

(iv) 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

	Specialised land at fair value	Specialised Buildings at fair value ⁽ⁱ⁾	Buildings leasehold at fair value	Leasehold improvements at fair value
2018	\$'000	\$'000	\$'000	\$'000
Opening balance	343,911	361,000	196,433	5,490
Additions				36
Disposals				
Depreciation		(24,453)	(7,272)	(465)
Revaluation of property ⁽ⁱⁱ⁾	68,721			(1,396)
Transfer between asset classes				
Transfer to disposal group held for sale				
Transfer in/out of assets under construction		65,123		366
	412,632	401,670	189,160	4,031

	Specialised land at fair value	Specialised Buildings at fair value ⁽ⁱ⁾	Buildings leasehold at fair value	Leasehold improvements at fair value
2017	\$'000	\$'000	\$'000	\$'000
Opening balance	343,911	365,171	202,099	15,814
Additions		6,075		174
Disposals				
Depreciation		(23,362)	(7,272)	(973)
Revaluation of property		2,281	1,606	
Transfer between asset classes		9,441		(9,525)
Transfer to disposal group held for sale				
Transfer in/out of assets under construction		1,395		
Closing balance	343,911	361,000	196,433	5,490

Notes:

(i) Specialised buildings include buildings classified as heritage assets. Refer to Note 8.3.2

(ii) Refer to Note 8.3.2 for fair value determinations.

	Plant and equipment at fair value	Computer & communication equipment	Leased plant & equipment at fair value	Cultural assets at fair value	Assets under construction at cost	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2,350	4,875	8,969	896	51,313	975,236
			4,940	20	62,955	67,951
	(8)		(1,740)			(1,747)
	(455)	(3,236)	(2,497)			(38,379)
					(3,956)	63,369
						0
			(181)			(181)
	1,429	10,583			(77,501)	0
	3,316	12,222	9,490	916	32,812	1,066,248

	Plant and equipment at fair value	Computer & communication equipment	Leased plant & equipment at fair value	Cultural assets at fair value	Assets under construction at cost	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2,722	4,288	8,465	866	21,209	964,545
	19		4,971	30	33,302	44,572
			(1,632)			(1,632)
	(484)	(1,217)	(2,603)			(35,911)
	8					3,894
	84					0
			(233)			(233)
		1,804			(3,199)	0
	2,350	4,875	8,969	896	51,313	975,236

5.2 INTANGIBLE ASSETS

	Computer Software	
	2018 \$'000	2017 \$'000
Gross carrying amount		
Opening balance	41,308	40,304
Additions	450	43
Additions to work in progress	7,139	961
Gross value at the end of the financial year	48,897	41,308
Accumulated amortisation and impairment		
Opening balance	(23,053)	(15,069)
Amortisation	(8,252)	(7,985)
Closing balance	(31,305)	(23,053)
Net book value at the end of the financial year	17,591	18,254

Notes

(i) The consumption of intangible produced assets is included in 'depreciation' line item on the comprehensive operating statement.

(ii) Intangible assets include Technology-Based assets being computer software and patented technology.

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. Depreciation and 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:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

- 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 (2017: 3 and 5 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 (2017: 3 and 7 years).

IMPAIRMENT OF INTANGIBLE ASSETS

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

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 CSV's controlled operations.

STRUCTURE

6.1 Receivables

6.2 Payables

6.1 RECEIVABLES

	2018 \$'000	2017 \$'000
Current receivables		
Contractual		
Other receivables	3,443	2,649
Provision for doubtful contractual receivables	(627)	(15)
	2,816	2,634
Statutory		
Amounts owing from Victorian Government	91,013	77,548
Amounts owing from the Judicial Commission of Victoria	320	–
GST input tax credit recoverable	3,051	1,697
	94,383	79,245
Total receivables	97,199	81,879
<i>Represented by:</i>		
Current receivables	92,477	78,335
Non-current receivables	4,722	3,544

CONTRACTUAL RECEIVABLES

Contractual receivables are classified as financial instruments and categorised as 'loans and receivables'. 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 owing 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, including those that are past due, that are individually determined to be impaired.

Currently, CSV 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

	2018 \$'000	2017 \$'000
Current Payables		
Contractual		
Trade creditors and other payables	24,666	15,578
Unearned Revenue	548	1,438
Accrued capital works	6,781	5,305
Salaries and wages	9,223	4,731
	41,217	27,051
Statutory		
Payroll tax	1,131	1,007
Fringe benefits tax	726	834
Amounts payable to the Judicial College of Victoria	1,155	2,223
	3,012	4,064
Total payables	44,229	31,115
<i>Represented by:</i>		
Current payables	44,136	31,077
Non-current payables	92	39

Payables consist of:

- ▶ **contractual payables**, totalling \$41.22 million (2017: \$27.05 million), that are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to CSV prior to the end of the financial year that are unpaid; and
- ▶ **statutory payables**, totalling \$2.69 million (2017: \$4.06 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.

Contractual payables have an average maturity 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 CSV during its operations and other information related to the financing of activities.

STRUCTURE

- 7.1** Borrowings–Finance lease liabilities (CSV 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 (CSV AS LESSEE)

Finance lease liabilities payable	Minimum future lease payments ⁽ⁱ⁾		Present value of minimum lease payments	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Commissioned PPP related finance lease liabilities payable				
Not longer than 1 year	17,486	18,194	12,733	12,299
Longer than 1 year and not longer than 5 years	51,213	68,699	44,808	57,541
Longer than 5 years				
Other finance lease liabilities payable ⁽ⁱⁱⁱ⁾				
Not longer than 1 year	4,650	4,730	4,426	4,509
Longer than 1 year and not longer than 5 years	5,423	4,855	5,274	4,726
Minimum future lease payments	78,772	96,478	67,242	79,075
Less future finance charges	(11,531)	(17,403)		
Present value of minimum lease payments	67,242	79,075	67,242	79,075
Included in the financial statements as:				
Current borrowings lease liabilities			17,159	16,808
Non-current borrowings lease liabilities			50,082	62,267
Total lease liabilities	0	0	67,242	79,075

Notes:

(i) Minimum future lease payments include the aggregate of all base payments and any guaranteed residual.

(ii) Other finance lease liabilities include obligations that are recognised on the balance sheet; the future payments related to operating and lease commitments as disclosed in Note 7.4.1.

Borrowings are classified as financial instruments. CSV'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 CSV 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. CSV 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 CSV, 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, CSV 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 CSV, has entered this type of SCA 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 SCA 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 CSV 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 CSV. CSV 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 CSV.

D. INTEREST ON FINANCE LEASES

Interest on finance leases comprises interest relating to the County Court Facility Public Private Partnership (PPP) arrangement of \$5.89 million (2017: \$7.02 million) and motor vehicles of \$0.16 million (2017: \$0.15million).

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, CSV 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, CSV 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 CSV the cash required upon presentation of cheques by CSV's suppliers or creditors.

These funding arrangements often result in CSV having a notional shortfall in the cash at bank required for payment of unrepresented cheques at reporting date. At 30 June 2018, cash at bank included the amount of a notional shortfall for the payment of unrepresented cheques of \$1.15 million in the CSV Expenditure Account (2017: \$1.45 million) and \$0.27 million in the Juror Payments Account (2017: \$0.28 million).

For cash flow statement presentation purposes, cash and cash equivalents comprise the cash balance and funds held in trust, \$13.15 million (2017 \$9.09 million) can be found at Note 8.1.

7.2.1 RECONCILIATION OF NET RESULT FOR THE PERIOD TO CASH FLOW FROM OPERATING ACTIVITIES

	2018 \$'000	2017 \$'000
Net result for the period	6,469	1,682
Non-cash movements:		
(Gain)/loss on sale or disposal of non-current assets	(417)	(461)
Depreciation and amortisation of non-current assets	46,631	43,895
Allowance for doubtful debts and bad debts	612	10
Resources free of charge	0	(13)
Movements in net assets and liabilities		
Decrease/(increase) in receivables	(15,937)	(16,838)
Decrease/(increase) in prepayments	(241)	(393)
Increase/(decrease) in payables	11,637	3,371
Increase/(decrease) in provisions	2,939	393
Net cash from/(used in) operating activities	51,693	31,646

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 CSV

	Opening balance as at 1 July 2017 \$'000	Total receipts \$'000	Total payments \$'000
Cash and cash equivalents and investments			
CONTROLLED TRUSTS			
Treasury Trust Fund			
▶ <i>Financial Management Act 1994</i> (No. 18/1994), Part 4			
▶ Working account for CSV	8,922	2,709	1,229
Vehicle Lease Trust Account			
▶ <i>Financial Management Act 1994</i> (No. 18/1994), Part 4			
▶ Working account for the sale of VicFleet motor vehicles	87	452	490
Victorian Civil and Administrative Tribunal Trust Account			
▶ <i>Financial Management Act 1994</i> (No. 18/1994), Part 4			
▶ Working account for the Owners Corporation, Domestic Building and Residential Tenancies disputes.	1,795	20,082	19,331
Inter-Departmental Transfer Fund	0	1,556	0
Total controlled trusts⁽ⁱ⁾	10,804	24,800	21,049

	Closing balance as at 30 June 2018 \$'000	Opening balance as at 1 July 2016 \$'000	Total receipts \$'000	Total payments \$'000	Closing balance as at 30 June 2017 \$'000
	10,403	8,143	13,346	12,567	8,922
	49	0	500	413	87
	2,547	1,755	18,591	18,552	1,795
	1,556	0	0	0	0
	14,554	9,898	32,437	31,531	10,804

**TRUST ACCOUNT BALANCES RELATING TO TRUST ACCOUNTS
CONTROLLED AND/OR ADMINISTERED BY CSV (CONTINUED)**

	Opening balance as at 1 July 2017 `\$'000	Total receipts \$'000	Total payments \$'000
ADMINISTERED TRUSTS			
Courtlink Trust Account			
▶ <i>Financial Management Act 1994</i> (No. 18/1994), Part 4			
▶ Working account for the Magistrates' Courts court orders	1,156	29,511	30,656
Suspense Account			
▶ <i>Financial Management Act 1994</i> (No. 18/1994), Part 4			
▶ Working account for CSV	579	3	116
Public Service Commuter Club			
▶ <i>Financial Management Act 1994</i> (No. 18/1994), Part 4			
▶ Working account for the Public Service Commuter Club	(305)	902	969
Revenue Suspense			
▶ <i>Financial Management Act 1994</i> (No. 18/1994), Part 4			
▶ Working account for the allocation of revenue	0	0	0
Treasury Trust Fund			
▶ <i>Financial Management Act 1994</i> (No. 18/1994), Part 4			
▶ Working account for CSV	1,254	46	(443)
Security Account			
▶ <i>Financial Management Act 1994</i> (No. 18/1994), Part 4			
▶ Holds monies as security for good behaviour	85	42	0
Victorian Civil and Administrative Tribunal Trust Account			
▶ <i>Financial Management Act 1994</i> (No. 18/1994), Part 4			
▶ Owners Corporation, Domestic Building and Residential Tenancies.	240	5	320
Total administered trusts⁽ⁱⁱⁱ⁾	3,008	30,509	31,618

Notes:

(i) Controlled trust balances form part of cash and deposits balance.

(ii) Administered trust balances do not form part of cash and deposits balance.

	Closing balance as at 30 June 2018 \$'000	Opening balance as at 1 July 2016 \$'000	Total receipts \$'000	Total payments \$'000	Closing balance as at 30 June 2017 \$'000
11		1,243	43,870	43,958	1,156
466		556	51	28	579
(372)		(245)	770	830	(305)
0		0	0	0	0
1,743		862	407	15	1,254
127		69	16	0	85
(75)		650	20	430	240
1,899		3,135	45,134	45,261	3,008

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.

Funds 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 CSV accounts as they are not used for government purposes.

	2018 \$'000	2017 \$'000
COURTS		
Bail Monies	4,512	4,191
Court Infant Investment Accounts	5	20
Assets under management by the Senior Master of the Supreme Court (Funds in Court)	1,855,041	1,726,077
	1,859,558	1,730,288

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

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Nominal Amounts: 2018				
Public private partnership–operation and maintenance commitments (Note 7.1b)	13,847	42,155		56,002
Capital expenditure commitments payable	4,404			4,404
Operating commitments payable	19,201	58,829	19,532	97,561
Accommodation lease commitments payable	8,640	13,414	25,184	47,238
Other commitments payable	79	28	2	109
Total commitments (inclusive of GST)	46,171	114,426	44,717	205,314
Less GST recoverable	4,197	10,402	4,065	18,665
Total commitments (exclusive of GST)	41,973	104,024	40,652	186,649

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Nominal Amounts: 2017				
Public private partnership–operation and maintenance commitments (Note 7.1b)	13,748	56,002		69,750
Capital expenditure commitments payable	34,546	2,893		37,439
Operating commitments payable	8,624	4,213	150	12,987
Accommodation lease commitments payable	6,917	9,544		16,461
Other commitments payable	134	53		187
Total commitments (inclusive of GST)	63,968	72,705	150	136,823
Less GST recoverable	5,815	6,610	14	12,438
Total commitments (exclusive of GST)	58,153	66,096	136	124,385

NOTE 8. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

INTRODUCTION

CSV 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 CSV relate mainly to fair value determination.

STRUCTURE

- 8.1 Financial instruments specific disclosures
- 8.2 Contingent assets and contingent liabilities
- 8.3 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 CSV'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.

CATEGORIES OF FINANCIAL INSTRUMENTS

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). CSV recognises the following assets in this category:

- ▶ cash; and
- ▶ receivables (excluding statutory receivables).

Financial assets and liabilities at fair value through net result

are categorised as such at trade date, or if they are classified as held for trading or designated as such, upon initial recognition. Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments 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.

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. CSV recognises the following liabilities in this category:

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

Offsetting financial instruments: Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, CSV has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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
- ▶ CSV 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
- ▶ CSV has transferred its rights to receive cash flows from the asset and either:
 - a. transferred substantially all the risks and rewards of the asset; or
 - b. neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets: At the end of each reporting period, CSV assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

Reclassification of financial instruments:

Subsequent to initial recognition and under rare circumstances, non-derivative financial instruments assets, which have not been designated at fair value through profit or loss upon recognition, may be reclassified out of the fair value through profit or loss category if they are no longer held for the purpose of selling or repurchasing in the near term.

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

Available for sale financial instrument assets that meet the definition of loans and receivables may be reclassified into the loans and receivables category if there is the intention and ability to hold them for the foreseeable future or until maturity.

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.

2018	Category	2018 (\$'000)	2017 (\$'000)
CONTRACTUAL FINANCIAL ASSETS			
Cash and deposits/(overdrawn)	Loans and receivables	(1,403)	(1,718)
Funds held in Trust	Loans and receivables	14,554	10,804
Total contractual cash and deposits		13,151	9,086
Receivable			
▶ Other receivables		2,816	2,634
Total contractual financial assets		15,967	11,720
CONTRACTUAL FINANCIAL LIABILITIES			
Payable:			
Trade creditors and other payables	Amortised cost	24,666	15,578
Accrued capital works	Amortised cost	6,781	5,305
Salary and wages	Amortised cost	9,223	4,731
Borrowings:			
PPP related finance lease liabilities	Amortised cost	57,541	69,840
Non PPP related finance lease liabilities	Amortised cost	9,700	9,235
Total contractual financial liabilities		107,911	104,689

8.1.3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES



CSV'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 CSV's financial risks within the government policy parameters.

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

CSV 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 CSV'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. CSV's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to CSV. Credit risk is measured at fair value and is monitored on a regular basis.

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

In addition, CSV 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 for impairment of contractual financial assets is recognised when there is objective evidence that CSV 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 2018 CSV's contractual financial assets are neither past due nor impaired.

CSV's maximum exposure to credit risk rating arising from contractual financial assets is \$2.8 million (2017: \$2.6 million) which comprises the carrying amounts recorded in the financial statements of cash and deposits, funds held in trust and non-statutory receivables net of any allowance for losses.

Cash and deposits, and funds held in trust are deposited with government agencies which have AAA credit rating. Currently, CSV does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There has been no material change to CSV's credit risk profile in 2017-18.

FINANCIAL INSTRUMENTS: LIQUIDITY RISK

Liquidity risk arises from being unable to meet financial obligations as they fall due. CSV 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.

CSV is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet.

CSV's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

8.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

QUANTIFIABLE CONTINGENT ASSETS (ARISING FROM OUTSIDE OF GOVERNMENT)

	2018 \$'000	2017 \$'000
Contingent assets		
Insurance Claim ⁽ⁱ⁾	220	0
Total contingent assets	220	0

Note:

(i) CSV are in dispute with VMIA regarding a claim following the fire at Cobram Courthouse

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.

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.

QUANTIFIABLE CONTINGENT LIABILITIES (ARISING FROM OUTSIDE OF GOVERNMENT)

	2018 \$'000	2017 \$'000
Contingent liabilities		
Liabilities pending the outcome of legal action	252	755
Make good provision	1,246	512
Total contingent liabilities ⁽ⁱ⁾	1,498	1,267

Note:

(i) 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 CSV.

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:
 - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - b. the amount of the obligations cannot be measured with sufficient reliability.

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

NON-QUANTIFIABLE CONTINGENT LIABILITIES

A number of potential obligations are non-quantifiable at this time arising 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 CSV.

This section sets out information on how CSV 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.

CSV 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.

CSV 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. a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - b. 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.

CSV currently holds a range of financial assets and liabilities whose carrying amounts in the financial statements are considered a reasonable approximation of fair value, either due to their short-term nature or because it is expected 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

CSV 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 2018. 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 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 CSO 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 CSO are considered significant unobservable inputs, specialised land would be classified as Level 3 assets.

For the majority of CSV'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 CSV's specialised land and specialised buildings was performed by the Valuer-General of Victoria. The valuation was performed using the market approach adjusted for CSO effective 30 June 2016. A Managerial Revaluation of Land was undertaken with a 30 June 2018 effective date of valuation.

In accordance with FRD 103F, CSV 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 2017-18. The review indicates that since the last independent valuation:

- ▶ the movement in the fair value of specialised buildings is not material and therefore no adjustment to the assets carrying value is required at 30 June 2018; and

- ▶ the movement in the fair value of specialised land is material and therefore a managerial revaluation at 30 June 2018 is appropriate.

An increase in the physical assets revaluation surplus of \$68.72 million has therefore been recognised for specialised land at 30 June 2018.

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

Heritage assets: CSV holds heritage assets with a carrying value of \$107.8 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 CSV'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. CSV 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.

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** Other accounting policies
- 9.7** 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.

	2018 \$'000	2017 \$'000
(a) Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of property, plant and equipment	417	461
Total net gain/(loss) on non-financial assets	417	461
(b) Net gain/(loss) on financial instruments		
Bad debts written off	(23)	(13)
Total net gain/(loss) on financial instruments	(23)	(13)
(c) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	(107)	3,774
Total other gains/(losses) from other economic flows	(107)	3,774

9.2 RESPONSIBLE PERSONS

In accordance with the Ministerial Directions issued by the Minister for Finance 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 CSV are as follows:

RESPONSIBLE MINISTER	PERIOD
Attorney-General, The Hon. Martin Pakula MP	1 July 2017 to 30 June 2018
ACCOUNTABLE OFFICER	PERIOD
Chief Executive Officer, David Ware	1 July 2017 to 30 June 2018

GOVERNING BODY

The persons who held membership of the Courts Council in CSV are as follows:

MEMBER NAMES	PERIOD
The Honourable Chief Justice Mary Anne Ferguson, Chair	2 October 2017 to 30 June 2018
The Honourable Chief Justice Marilyn Warren AC, Chair	1 July 2017 to 1 October 2017
The Honourable Chief Judge Peter Kidd	1 July 2017 to 30 June 2018
His Honour Chief Magistrate Peter Lauritsen	1 July 2017 to 30 June 2018
Her Honour Judge Amanda Chambers	1 July 2017 to 30 June 2018
Her Honour Judge Sara Hinchey	1 July 2017 to 30 June 2018
The Honourable Justice Michelle Quigley	1 June 2018 to 30 June 2018
The Honourable Justice Gregory Garde AO RFD	1 July 2017 to 31 May 2018
Dr Philip Williams	1 July 2017 to 30 June 2018

REMUNERATION: ACCOUNTABLE OFFICER

	2018 No.	2017 No.
\$60,000-\$69,999	0	1
\$210,000- \$219,999	0	1
\$390,000 - \$399,999	0	1
\$430,000 - \$439,999	1	0
	1	3

Remuneration received or receivable by the non judicial member during the reporting period was in the range: \$20,000-\$29,999 (\$20,000-\$29,999 in 2016-17)

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 shc.1 Pt1 cl.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 benefits or deferred compensation.

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

REMUNERATION OF EXECUTIVE OFFICERS

	2018 \$'000	2017 \$'000
Short-term employee benefits	2,821	2,130
Post-employment benefits	238	175
Other long-term benefits	85	67
Termination benefits	192	111
Total remuneration	3,336	2,483
Total number of executives	18	11
Total annualised employee equivalents ⁽ⁱ⁾	11.7	11

Notes:

(i) 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.

(ii) Total number of executives include 3 employees that have resigned during the 2017-18 financial year, one acting appointee, one appointee to manage a major project and one recruited to an existing vacancy.

9.4 KEY MANAGEMENT PERSONNEL

Key management personnel of CSV includes the responsible Minister, members of the Governing Body, and Accountable Officer. CSV 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

	2018 \$'000	2017 \$'000
Short-term employee benefits	404	385
Post-employment benefits	33	68
Other long-term benefits	12	11
Termination benefits	0	221
Total remuneration	449	686

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 2017 to 30 June 2018, there were no related party transactions that involved key management personnel of CSV.

9.5 REMUNERATION OF AUDITORS

	2018 \$'000	2017 \$'000
Victorian Auditor-General's Office		
Audit of the financial statements	200	224
Total remuneration of auditors	200	209

9.6 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 CSV.

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.

9.7 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

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 2018 reporting period. DTF assesses the impact of all these new standards and advises CSV of their applicability and early adoption where applicable.

Topic ⁽ⁱ⁾	Key requirements	Effective date	Impact on CSV financial statements
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedge accounting model and a revised impairment loss model to recognise expected impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1-Jan-18	<p>The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals.</p> <p>The initial application of AASB 9 is not expected to significantly impact the financial position however there will be a change to the way financial instruments are classified and new disclosure requirements.</p>
AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018, and to amend Reduced Disclosure requirements.	1-Jan-18	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1-Jan-18	The assessment has indicated that there will be no significant impact for the public sector.

Topic ⁽ⁱ⁾	Key requirements	Effective date	Impact on CSV 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.	1-Jan-18	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. The Standard will also require additional disclosures on service revenue and contract modifications.
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	Amends the measurement of trade receivables and the recognition of dividends as follow: <ul style="list-style-type: none"> ▶ Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. ▶ Dividends are recognised in the profit and loss only when: <ul style="list-style-type: none"> ▶ the entity's right to receive payment of the dividend is established; ▶ it is probable that the economic benefits associated with the dividend will flow to the entity; and ▶ the amount can be measured reliably. 	1 January 2018, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply 1 January 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15	This standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1-Jan-18	The amending standard will defer the application period of AASB 15 for for-profit entities to the 2018-19 reporting period in accordance with the transition requirements.

Topic ⁽ⁱ⁾	Key requirements	Effective date	Impact on CSV financial statements
AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	<p>This Standard amends AASB 15 to clarify requirements for identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence.</p> <p>The amendments require:</p> <ul style="list-style-type: none"> ▶ a promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; ▶ for items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and ▶ for licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access). 	1-Jan-18	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified for AASB 15 above.
AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities	The Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1-Jan-19	▶ The amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.

Topic ⁽ⁱ⁾	Key requirements	Effective date	Impact on CSV financial statements
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	<p>AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15.</p> <p>The 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.</p>	1-Jan-19	<p>The 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:</p> <p>AASB 9</p> <ul style="list-style-type: none"> ▶ Statutory receivables are recognised and measured similarly to financial assets. <p>AASB 15</p> <ul style="list-style-type: none"> ▶ 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.

Topic ⁽ⁱ⁾	Key requirements	Effective date	Impact on CSV financial statements
AASB 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of operating leases (which are currently not recognised) on balance sheet.	1-Jan-19	<p>The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability.</p> <p>In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge.</p> <p>There will be no change for lessors as the classification of operating and finance leases remains unchanged.</p>
AASB 1058 <i>Income of Not-for-Profit Entities</i>	<p>AASB 1058 standard 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.</p> <p>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.</p> <p>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.</p>	1-Jan-19	<p>The current revenue recognition for grants is to recognise revenue up front upon receipt of the funds.</p> <p>This may change under AASB 1058, as capital grants for the construction of assets will need to be deferred. Income will be recognised over time, upon completion and satisfaction of performance obligations for assets being constructed, or income will be recognised at a point in time for acquisition of assets.</p> <p>The revenue recognition for operating grants will need to be analysed to establish whether the requirements under other applicable standards need to be considered for recognition of liabilities (which will have the effect of deferring the income associated with these grants). Only after that analysis would it be possible to conclude whether there are any changes to operating grants.</p> <p>The impact on current revenue recognition of the changes is the phasing and timing of revenue recorded in the profit and loss statement.</p>

Topic ⁽ⁱ⁾	Key requirements	Effective date	Impact on CSV financial statements
AASB 1059 <i>Service Concession Arrangements: Grantor</i>	The standard prescribes the accounting treatment of Public Private Partnership (PPP) arrangements involving a private sector operator providing public services related to a service concession asset on behalf of the State, for a specified period of time. For social infrastructure PPP arrangements, this would result in an earlier recognition of financial liabilities progressively over the construction period rather than at completion date. For economic infrastructure PPP arrangements, that were previously not on balance sheet, the standard will require recognition of these arrangements on-balance sheet.	1-Jan-19	<p>For an arrangement to be in scope of AASB 1059 all of the following requirements are to be satisfied:</p> <ul style="list-style-type: none"> ▶ 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: <ul style="list-style-type: none"> ▶ what services are to be provided; ▶ to whom; and ▶ at what price; ▶ State controls any significant residual interest in the asset. <p>If the arrangement does not satisfy all the above requirements the recognition will fall under the requirements of another applicable accounting standard.</p> <p>Currently the social infrastructure PPPs are only recognised on the balance sheet at commercial acceptance. The arrangement will need to be progressively recognised as and when the asset is being constructed. This will have the impact of progressively recognising the financial liability and corresponding asset as the asset is being constructed.</p> <p>For economic infrastructure PPP arrangements, that were previously not on balance sheet, the standard will require recognition of these arrangements on balance sheet. There will be no impact to net debt, as a deferred revenue liability will be recognised and amortised over the concession term.</p>

Note:

- (ii) *For the current year, given the number of consequential amendments to AASB 9 Financial Instruments, AASB 15 Revenue from Contracts with Customers, and AASB 16 Leases the standards/interpretations have been grouped together to provide a more relevant view of the upcoming changes.*

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 2017-18 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 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share based Payment Transactions
- ▶ AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts
- ▶ AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- ▶ AASB 2017-3 Amendments to Australian Accounting Standards – Clarifications to AASB 4
- ▶ AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments
- ▶ AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- ▶ AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- ▶ AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- ▶ AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015 – 2017 Cycle
- ▶ AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendments, Curtailment or Settlement

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 CSV 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 transactions'.

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:

- a. cash;
- b. an equity instrument of another entity;
- c. a contractual right:
 - ▶ to receive cash or another financial asset from another entity; or
 - ▶ to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- d. a contract that will or may be settled in the entity's own equity instruments and is:
 - ▶ 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
 - ▶ 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:

- a. a contractual obligation:
 - ▶ to deliver cash or another financial asset to another entity; or
 - ▶ to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- b. a contract that will or may be settled in the entity's own equity instruments and is:
 - ▶ 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
 - ▶ 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:

- a. a balance sheet as at the end of the period;
- b. a comprehensive operating statement for the period;
- c. a statement of changes in equity for the period;
- d. a cash flow statement for the period;
- e. notes, comprising a summary of significant accounting policies and other explanatory information;
- f. comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements; and
- g. 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 or net result from transactions 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.

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 CSV.

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:

- 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 2017-18 Model Report for Victorian Government Departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the CSV’s annual reports.

NOTE 11. BUDGETARY REPORTING

INTRODUCTION

This section includes budget and variance analysis information.

STRUCTURE

- 11.1 Comprehensive operating statement
- 11.2 Balance sheet
- 11.3 Cash flow statement
- 11.4 Statement of changes in equity
- 11.5 Administered items

11.1 COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Variance note	Original budget 2018 \$'million	Actual 2018 \$'million	Variance \$'million
CONTINUING OPERATIONS				
INCOME FROM TRANSACTIONS				
Output appropriations	1	361.8	378.6	16.7
Special appropriations	2	153.8	143.3	(10.5)
Grants	3	16.6	24.7	8.1
Other income		0.0	0.0	0.0
Total income from transactions		532.2	546.6	14.3
EXPENSES FROM TRANSACTIONS				
Employee expenses		314.6	307.5	(7.1)
Depreciation and amortisation	4	33.8	46.5	12.8
Interest expense	5	11.4	6.1	(5.4)
Grants and other transfers	6	7.0	10.8	3.8
Capital asset charge		39.1	39.1	(0.0)
Supplies and services		126.2	130.3	4.1
Total expenses from transactions		532.2	540.4	8.2
Net result from transactions (net operating balance)		0.0	6.2	6.2
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT				
Net gain/(loss) on non-financial assets		0.0	0.4	0.4
Net gain/(loss) on financial instruments		0.0	(0.0)	0.0
Other gains/(losses) from other economic flows		0.0	(0.1)	(0.1)
Total other economic flows included in net result		0.0	0.3	0.3
Net result		0.0	6.5	6.5
OTHER ECONOMIC FLOWS—OTHER COMPREHENSIVE INCOME				
ITEMS THAT WILL NOT BE RECLASSIFIED TO NET RESULT				
Changes in physical asset revaluation reserve	7	0.0	63.4	63.4
Total other economic flows—other comprehensive income		0.0	63.4	63.4
Comprehensive result		0.0	69.8	69.8

Notes:

1. The original Output appropriations budget authority was increased to \$385m over the course of 2017-18 due to the release of \$13m 2017-18 ERSC initiative budgets held by DTF pending finalisation of implementation agreements and by \$10m in Treasurer's Advances for the Bourke St Incident Response and other projects.
2. The Special appropriation budget represents the annual warrant provided to cover judicial entitlements and non-judicial members of the Victorian Civil and Administrative Tribunal (VCAT). 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 CSV and other Government Departments. The material cause of the variance is an increase, post-Published budget, of \$4m in grants received by VCAT from Consumer Affairs Victoria and \$4m in inter-departmental funds being made available to CSV, primarily for the purchase of support services from 3rd parties for persons affected by court matters.
4. Depreciation and Amortisation expense is higher than the Published Budget due to the post-Published budget approval of funding by DTF for an increase in depreciation expense following the periodic statutory revaluation of CSV's Assets.
5. The interest expense variance materially relates to finance lease interest paid for the schedule of amortisation for County Court Public Private Partnership (PPP) contract. The interest expense has declined as the lease principal has reduced over the term of the contract.
6. Grants and other transfers represents payments to Court Network (a non-profit volunteer organisation) and providers of services for persons before court or their relatives. The variance is due to additional (funded) payments to 3rd parties for support services to those affected by court matters following finalisation of inter-departmental arrangements post-Published budget.
7. Changes in Physical Assets Revaluation Reserve: the implementation of VGV indexation post dates the Published budget.

11.2 BALANCE SHEET AS AT 30 JUNE 2018

	Variance note	Original budget 2018 \$'million	Actual 2018 \$'million	Variance \$'million
FINANCIAL ASSETS				
Cash and deposits	1	8.9	13.2	4.2
Receivables	2	110.3	97.2	(13.1)
Total financial assets		119.3	110.4	(8.9)
NON-FINANCIAL ASSETS				
Non-financial physical assets classified as held for sale		0.2	0.2	0.0
Property, plant and equipment	3	1,029.7	1,066.3	36.7
Intangible assets	4	10.4	17.6	7.2
Prepayments		1.7	2.4	0.6
Total non-financial assets		1,042.0	1,086.4	44.4
Total assets		1,161.2	1,196.7	35.5
LIABILITIES				
Payables	5	21.3	44.2	22.9
Borrowings	6	81.2	67.2	(13.9)
Provisions		76.9	79.6	2.6
Other Provisions		-	0.3	0.3
Total liabilities		179.4	191.4	11.9
Net assets		981.8	1,005.4	23.6
EQUITY				
Accumulated surplus/(deficit)		0.4	7.7	7.3
Contributed capital	7	798.5	747.5	(51.0)
Physical asset revaluation surplus	8	182.9	250.1	67.3
Net worth		981.8	1,005.4	23.6

Notes:

1. Cash and Deposits: the balance consists mainly of deposits held in Trust for third parties.
2. The receivables balance represents primarily the annual appropriation revenue drawdown from the State Administration Unit (SAU) for funding that is owed from the Victorian Government for output expenses recognised by CSV as they are incurred. The variance is due to revenue requirements being lower as rescheduling of initiatives and projects have taken place during the financial year.
3. The Property Plant and Equipment variance is materially due to the land revaluation (refer movement in revaluation reserve).
4. The increase in intangible assets is mainly driven by the funding agreements for a number of IT projects that post-date the Published budget. Projects include a new case management system for the Magistrates' and Children's Courts, Supreme Court Digital Strategy and VCAT E-lodgement.
5. Payables: additional accrual for expenditure due to last working day being 29 June 2018, salary and wages accruals including PAYG Tax and an increased level of expenditure due to project initiatives such as ERSC.
6. 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.
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 VGV land indexation adjustment post dates the Published budget.

11.3 CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Variance note	Original budget 2018 \$'million	Actual 2018 \$'million	Variance \$'million
CASH FLOWS FROM OPERATING ACTIVITIES				
RECEIPTS				
Receipts from Government	1	492.4	502.2	9.8
Receipts from other entities	2	16.6	23.0	6.4
Goods and services tax recovered from the ATO	3	–	19.4	19.4
Total receipts		509.0	544.5	35.5
PAYMENTS				
Payments to suppliers and employees		(445.7)	(441.8)	3.9
Payments of grants and other transfers	4	(2.2)	(5.9)	(3.7)
Capital assets charge payments		(39.1)	(39.1)	0.0
Interest and other costs of finance paid	5	(11.4)	(6.1)	5.4
Total payments		(498.4)	(492.8)	5.6
Net cash provided by/(used in) operating activities		10.6	51.7	41.1
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of non-financial assets	6	(67.4)	(74.0)	(6.6)
Proceed sales of non-financial assets		–	2.3	2.3
Net cash provided by/(used in) investing activities		(67.4)	(71.7)	(4.3)
CASH FLOWS FROM FINANCING ACTIVITIES				
Owner contributions by State Government	7	61.6	35.9	(25.7)
Repayment of borrowing and finance leases	8	(4.8)	(11.8)	(7.0)
Net cash provided by/(used in) financing activities		56.8	24.0	(32.7)
Net increase (decrease) in cash held		–	4.1	4.1
Cash and cash equivalents at the beginning of the financial year		8.9	9.1	0.1
Cash and cash equivalents at the end of the financial year		8.9	13.2	4.2

Notes:

1. Receipts from Government: the higher than published budget result is due to post-Published budget releases of funding held by DTF pending agreement on detail implementation plans and to 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: CSV had budgeted for no net movement as this item does not impact CSV's funding base.
4. Payments of grants and other transfers: the finalisation of inter-governmental funding arrangements (see note 4 above) resulted in additional funds being available to purchase support services from third parties for persons affected by court matters.
5. Interest and other costs of finance paid—the variance materially relates to the finance lease interest paid for the schedule of amortisation for County Court Public Private Partnership (PPP) contract. The interest expense has declined as the lease principal has reduced over the term of the contract.
6. Purchases of non-financial assets: the higher than budgeted movement is due to the implementation post-dating the Published budget of an internally funded capital works program to meet urgent infrastructure needs.
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 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 2018

	Physical asset revaluation surplus \$'million	Accumulated surplus/ (deficit) \$'million	Contributions by owner \$'million	Total \$'million
ORIGINAL BUDGET				
Opening balance	186.8	2.4	712.0	901.2
Net result for the year	–	–	–	–
Other comprehensive income for the year	–	–	–	–
Transactions with owners in their capacity as owners	–	–	61.6	61.6
Balance at 30 June 2018	186.8	2.4	773.6	962.8
STATEMENT OF CHANGES IN EQUITY				
Opening balance	186.8	1.2	711.7	899.7
Net result for the year	–	6.5	–	6.5
Other comprehensive income for the year	63.4	–	–	63.4
Transactions with owners in their capacity as owners	–	–	35.9	35.9
Balance at 30 June 2018	250.1	7.7	747.5	1005.4
VARIANCE TO BUDGET				
Opening balance	–	(1.2)	(0.3)	(1.5)
Net result for the year	–	6.5	–	6.5
Other comprehensive income for the year	63.4	–	–	63.4
Transactions with owners in their capacity as owners	–	–	(25.7)	(25.7)
	63.4	5.3	(26.1)	42.6

11.5 ADMINISTERED ITEMS

	Variance note	Original budget 2018 \$'million	Actual 2018 \$'million	Variance \$'million
ADMINISTERED INCOME FROM TRANSACTIONS				
Special appropriations applied	1	41.0	43.0	2.0
Fines	2	21.0	16.8	(4.2)
Sales of goods and services (including fees)	3	57.1	62.1	5.1
Other income		–	2.4	2.4
Total administered income from transactions		119.0	124.4	5.3
ADMINISTERED EXPENSES FROM TRANSACTIONS				
Payments into the Consolidated Fund	4	78.0	83.7	5.7
Criminal injuries compensation	5	31.8	42.6	10.8
Other expenses	6	9.2	2.2	(7.0)
Total administered expenses from transactions		119.0	128.4	9.4
TOTAL ADMINISTERED NET RESULT FROM TRANSACTIONS (NET OPERATING BALANCE)		–	(4.1)	(4.1)
		–	–	–
Total administered comprehensive result		0	(4.1)	(4.1)
ADMINISTERED FINANCIAL ASSETS				
Cash and deposits		9.1	7.0	(2.1)
Receivables		3.4	3.7	0.2
Total administered financial assets		12.5	10.7	(1.8)
ADMINISTERED LIABILITIES				
Creditors and accruals		–	0.9	0.9
Payable		9.1	9.4	0.3
Provisions		2.5	3.3	0.8
Total administered liabilities		11.6	13.6	2.0
Total administered net assets		0.9	(2.9)	(3.8)

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 taken by the Courts now being administered by Fines Victoria.
3. Sales of goods and services represents fees revenue earned through the provision of courts for the hearing of civil matters.
4. 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.
5. Criminal injuries compensation represents the payment of awards to victims of crime.
6. Other expenses captures payments to providers of goods and services to victims of crime as determined by VOCAT.

GLOSSARY

CEO	Chief Executive Officer
College	Judicial College of Victoria
Commission	Judicial Commission of Victoria
Court CEOs	The CEOs of the jurisdictions (Victorian courts and VCAT)
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
CSV	Court Services Victoria
DTF	Department of Treasury and Finance
FOI	Freedom of information
FTE	Full-time equivalent
HR	Human resources
IT	Information technology
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 six divisions within CSV
MOU	Memorandum of Understanding
OH&S	Occupational health and safety
VCAT	Victorian Civil and Administrative Tribunal
VGRS	Victorian Government Reporting Service
VPS	Victorian Public Service

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COURT SERVICES VICTORIA

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