Annual Report 2019-20

Delivering Excellence in Court and Tribunal Administration



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Court Services Victoria acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples and Traditional Owners and Custodians of the land and waterways upon which our lives depend. Court Services Victoria acknowledges and pays respect to ancestors of this country, Elders, knowledge holders and leaders – past and present. Court Services Victoria extends that respect to all Aboriginal and Torres Strait Islander peoples.

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ENQUIRIES

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Children's Court of Victoria



County Court of Victoria



RESPONSIBLE BODY'S DECLARATION

In accordance with the Financial Management Act 1994 and the Court Services Victoria Act 2014, I am pleased to present the Court Services Victoria Annual Report for the year ending 30 June 2020.

Coroners Court of Victoria

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



MESSAGE FROM THE CHAIR

It is with pleasure that I present the sixth annual report of Court Services Victoria (CSV).

The Annual Report is being finalised and published later than usual as a result of the coronavirus (COVID-19) pandemic. While the pandemic's effects were only felt in the last four months of the reporting period, this report reflects the ongoing implications of the pandemic and CSV's response to it.

Coronavirus (COVID-19) profoundly impacted the operations of the Victorian courts and the Victorian Civil and Administrative Tribunal (VCAT). The speed with which we were able to meet this challenge was in part made possible by the improved governance and capability we had been developing before its onset.

Throughout 2019-20, CSV initiated many of the recommendations from Courts Council's Governance and Strategic Directions Review to strengthen governance and capability. CSV pursued opportunities to streamline service delivery, reduce duplication and implement service improvements to become more effective, efficient and improve financial sustainability. A key focus area in implementing service improvements has been in supporting the courts and VCAT with the rapid uptake of technology.

During the pandemic, measures to protect the health and wellbeing of staff and court and VCAT users, and to play our part in avoiding the spread of the virus in the community, were implemented as our highest priority and adapted with the developing public health advice. In addition, the courts and VCAT dramatically changed the way they operated during this time by moving from in-person to audio and video hearings, and digital document management. This enabled all jurisdictions to remain operational and continue

to deliver justice. Our use of technology was not new, but the pandemic required a rapid and effective transition to online digital hearings on an unprecedented scale. This was achieved at pace. Its delivery was remarkable, demonstrating the power of technology and how critical it is to enable innovation and to improve service delivery.

CSV currently supports seventy-five separate buildings in sixty-six locations across Victoria. Forty-one per cent of the buildings are over fifty years old and fifty per cent are single court rooms. Against that background, innovation and improved service delivery concepts have been used to frame the development of CSV's second Strategic Asset Plan (SAP2). SAP2 began development in 2018 and will be finalised in late 2021. It is a significant body of work providing a framework that will aid Courts Council and CSV in our endeavours to optimise our buildings for the use of technology, to simplify access to justice through integrated, user-centric solutions and to provide safer, suitable, people-centred venues. Notably, SAP2 will leverage lessons learned from how we supported the delivery of justice during coronavirus (COVID-19).

The courts and VCAT, whether the physical court or hearing room or the digital space, are important public venues. They are where justice is delivered; workplaces for judicial officers, staff, lawyers and others; and they embody community values about justice and access to it.

CSV has put this philosophy into practice in the new court complex being built in Bendigo. Building designs have been finalised and operational planning has begun. The future Bendigo Law Court will be a distinctive civic presence, with a design that is strongly informed by the cultural imagery and knowledge of the Dja Dja Wurrung, the Traditional Owners of the land on which Bendigo is built. The court also takes design inspiration from

the striking spires and towers of Bendigo's skyline, reflective of Bendigo's goldrush heritage.

The Bendigo Law Courts development is embedding technology in its design to simplify access to justice through integrated, user-centric solutions. The Case Management System Project is also on track to deliver a modern integrated system for the Magistrates' and Children's Courts, and it embraces a similar design intent. Both are focussed on delivering a better experience for those who use our services, and using technology to work better and smarter. CSV is building a modern system for administering justice.

Substantial work was also undertaken during the year to develop a new Strategic Plan for CSV. While not completed during the reporting period, the Strategic Plan was approved by Courts Council in September 2020. It sets out our commitment that the courts and VCAT, supported by CSV, will continue to deliver justice effectively and efficiently, and pursue innovative approaches to justice into the future, supported by collaborative leadership and excellence in court administration.

The plan connects the courts, VCAT and CSV though a Courts Group framework, while recognising and continuing to maintain the independence of each. It is in many ways an integrated strategic plan for Victoria's courts, tribunals and CSV. In the main, it was developed during the peak of the pandemic. It is informed by the effective collaboration of the Courts' Group and unity of purpose that was even more important during that time.

I'm pleased that this Annual Report is being published alongside the CSV Strategic Plan 2020–2025, as both set out a clear pathway for CSV over the coming months and years.

ACKNOWLEDGEMENTS

Our Chief Executive Officer, Louise Anderson, has provided outstanding support to Courts Council during the past year. She has demonstrated excellent leadership in her role as CEO.

In this most challenging of years, the CSV executive group and staff have demonstrated continued commitment and support to Victoria's courts, VCAT, the Judicial College and the Judicial Commission. I thank them for their extraordinary efforts and dedication in the past year.

I also extend my thanks to all Portfolio Committee members. Courts Council is extremely grateful for your contribution to the delivery of quality and accessible justice across our community.

I would also like to welcome to Courts Council, Judge Lisa Hannan and Judge John Cain, and thank outgoing members Judge Peter Lauritsen and Acting State Coroner Caitlin English for their commitment to our work. My thanks go to all Council members for their diligence, enthusiasm and foresight. It is my great pleasure to work with them.

O .

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



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Courts Services Victoria's Annual Report for 2019-20 is an integral part of our accountability to government, the Victorian Courts Group and the Victorian community. It sets out our achievements, performance information, strategic outlook, financial position, and provides information on our workforce and responsibilities as an employer.

CSV comprises more than 2,200 people within the Courts Group and the administrative and corporate centre, who together support the Victorian courts and VCAT to deliver justice to the Victorian community. Its ability to do this was tested significantly during the latter part of the reporting period with the declaration of a global pandemic in March 2020. There were challenges, many unprecedented, and important lessons learnt, but the strategic investments, strengthened governance and capability and confidence to be an agile service provider, positioned CSV well.

This Annual Report sets out how CSV is advancing to implement smarter, more efficient ways of working to improve the delivery of shared services. It emphasises our clear and overriding objective to support the independence of the courts and VCAT, through effective financial management, innovative use of technology, and forward-looking strategic leadership at all levels.

The financial year that has passed has confirmed the importance of leadership, of values and of culture. The Courts Executive was established during the reporting period and delivered effective and agile governance, coming to the fore during coronavirus (COVID-19). With my executive colleagues, we rapidly implemented technology across the Courts Group to support remote delivery of justice, and put in place wellbeing initiatives to support the health and productivity of an almost 100 per cent remote workforce. We swiftly transitioned to operate effectively in the pandemic.

It was also a year that put into sharp focus the need to develop true partnerships – whether working with government on how best to support the administration of justice in Victoria, or CSV and the jurisdictions coming together as the Courts Executive to demonstrate collective leadership in respect of strategic planning, reviewing service delivery, exchanging knowledge, and promoting sustainability of operations.

Over the reporting period I welcomed new members of the executive and farewelled others, and I thank all who supported the work of CSV throughout this time. The professionalism and 'can do' attitude of all executives, along with their capable and dedicated staff, places CSV in a strong position to continue to deliver value to the Courts Group over coming years.

This is only made stronger by considered and strategic stewardship of the Chief Justice, the Honourable Anne Ferguson, and Courts Council. I look forward to supporting Courts Council and leading CSV in 2021 to embed what we have learnt, and continue to build a safe, respectful and highly effective culture.

AndS

Louise Anderson
Chief Executive Officer

"THIS ANNUAL REPORT SETS
OUT HOW CSV IS ADVANCING TO
IMPLEMENT SMARTER, MORE
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OUR CLEAR AND OVERRIDING
OBJECTIVE TO SUPPORT THE
INDEPENDENCE OF THE COURTS
AND VCAT, THROUGH EFFECTIVE
FINANCIAL MANAGEMENT,
INNOVATIVE USE OF TECHNOLOGY,
AND FORWARD-LOOKING STRATEGIC
LEADERSHIP AT ALL LEVELS."

SECTION 1

GOVERNANCE AND ORGANISATIONAL STRUCTURE



ABOUT COURT SERVICES VICTORIA

Court Services Victoria (CSV) was established under the *Court Services Victoria Act (2014)* on 1 July 2014. The object of the CSV Act is to 'support judicial independence in the administration of justice in Victoria'. The function of CSV is to provide the administrative services and facilities necessary or desirable to support the jurisdictions.

Victoria's Supreme, County, Magistrates', Children's and Coroners courts, the Victorian Civil and Administrative Tribunal (VCAT), the Judicial College of Victoria (College) and the Judicial Commission of Victoria (Commission), and CSV are referred to in this Annual Report as the 'Courts Group'.

The Courts Group essentially constitutes the judicial branch of Victoria's system of democratic government. Courts Council is the governing body of CSV – it directs strategy, governance and risk management – and it is the foremost decision-making body of the Courts Group. With these arrangements in place, Victoria has a self-administered courts system.

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

The substantive work of the courts, VCAT, College, and Commission is available in the separate Annual Report of each entity.

ESTABLISHMENT AND MINISTERIAL POWERS

The Courts Council appoints the Chief Executive Officer CSV to lead the functions of CSV consistent with the governance, strategy, plans, procedures and policies of the Courts Council. The Chief Executive Officer 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 Chief Executive Officer CSV also has the rights, powers and authorities of a public service body head, on behalf of the Crown, for employees of CSV. The Chief Executive Officer CSV is the employer of all staff members within the Courts Group.

The Courts Council on the nomination of the relevant head of jurisdiction appoints Chief Executive Officers for each court and VCAT. Chief Executive Officers ensure that appropriate supports are provided to their jurisdictions and are responsible directly to their Head of Jurisdiction in relation to those operations.

The jurisdiction Chief Executive Officers exercise delegated authority necessary to assist the Head of Jurisdiction in the administration of the jurisdiction, and to support the effective and efficient operations of CSV.

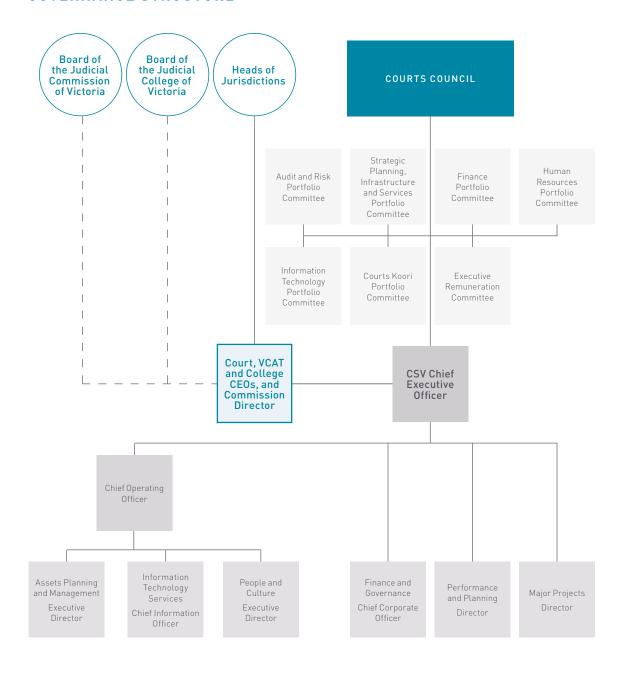
The Chief Executive Officer of the Judicial College and the Director of the Judicial Commission are appointed by the CSV Chief Executive Officer, pursuant to nomination by the respective Boards of the College and the Commission.

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

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

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

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 2020, 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 Chief Executive Officer.

To appoint the Chief Executive Officer for each jurisdiction on the recommendation of the relevant Head of Jurisdiction.

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



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

Her Honour Judge Lisa Hannan commenced in the role of Chief Magistrate on 17 November 2019, having served for eight years as a Magistrate and Coroner, and 13 years as a County Court Judge. His Honour Judge Peter Lauritsen was Chief Magistrate until 17 November 2019.



President, Victorian Civil and Administrative Tribunal

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



State Coroner, Coroners Court of Victoria

His Honour Judge John Cain was appointed as a Judge of the County Court of Victoria and State Coroner on 2 December 2019. Her Honour Coroner Caitlin English was Acting State Coroner from 16 April 2019 to 1 December 2019.



President of the Children's Court of Victoria

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



Independent Member

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

COMMITTEES

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

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

AUDIT AND RISK PORTFOLIO COMMITTEE

The Audit and Risk Portfolio Committee assists the Council to fulfil its governance responsibilities and obligations in relation to financial reporting and accuracy of the 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*, the members of the committee during the 2019-20 financial year were:

- Stewart Leslie Chair, Independent Member
- Dr Philip Williams Independent Member, Courts Council
- Justice Michael McDonald Supreme Court of Victoria
- Judge Philip Ginnane County Court of Victoria
- Magistrate Phillip Goldberg Magistrates' Court of Victoria
- ► Elizabeth Camilleri Independent Member
- Susan Friend Independent Member (Appointed August 2019)

COURTS KOORI PORTFOLIO COMMITTEE

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

EXECUTIVE REMUNERATION COMMITTEE

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

FINANCE PORTFOLIO COMMITTEE

The Finance Portfolio Committee supports and advises the Courts Council on issues affecting financial sustainability, strategy and performance, and to assist it in fulfilling its fiduciary responsibilities and obligations. It also advises Council on matters relating to the 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.

STRATEGIC PLANNING, INFRASTRUCTURE AND SERVICES PORTFOLIO COMMITTEE

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

SENIOR EXECUTIVE

COURT SERVICES VICTORIA CHIEF EXECUTIVE OFFICER

Louise Anderson is the CSV Chief Executive Officer, appointed by the Courts Council under section 22 of the *Court Services Victoria Act*.

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

OPERATIONAL DIVISIONS

CSV supports the operations of the courts, VCAT, the College and the Commission through:

- Facilitating the planning and provision of facilities and infrastructure through Asset Planning and Management
- Compliance and best practice in Finance and Governance
- Innovative and effective technology through Information Technology Services
- Delivery of Major Projects
- Workforce engagement and support through People and Culture
- Strategic planning and integration through Performance and Planning

The Senior Executives, as at 30 June 2020, who have a leadership role in respect of the delivery of these services are:



Justin BreeChief Information Officer



Michael CarrollDirector Major Projects



Fiona Chamberlain
Chief Operating Officer (see note 1)



Salvatore CostanzoChief Finance Officer



Marion van Rooden Chief Corporate Officer

Voula HaigActing Executive Director People and Culture (see note 2)

Bill O'ConnorDirector Performance and Planning (see note 3)

Notes

- Fiona Chamberlain commenced as Chief Operating Officer on 2 December 2019.
 Marlene Morison was the Executive Director Asset Planning and Management to 27 September 2019.
- $2. \ \ \text{Alicia Goddard was the Executive Director of People and Culture to 31 January 2020}.$
- 3. Bill O'Connor commenced as Director Performance and Planning on 27 September 2019.

JURISDICTION CHIEF EXECUTIVE OFFICERS

Each of the CEOs oversees the administration of their jurisdiction and provides support to their Head of Jurisdiction.

They come together with the CSV CEO and senior executives as the Courts Executive, to focus collaboratively on the delivery of strategy, quality administration, and continuous improvement.

The Chief Executive Officers, as at 30 June 2020, are listed below.



Matt Hall Supreme Court of Victoria



Daniel CaporaleCounty Court of Victoria (see note 1)



Elissa Scott
Acting Chief Executive Officer Magistrates'
Court of Victoria (see note 2)



Simon McDonald Children's Court of Victoria



Carolyn GaleCoroners Court of Victoria



Mary AmiridisVictorian Civil and Administrative Tribunal



Samantha BurchellJudicial College of Victoria

Alexis EddyDirector Judicial Commission of Victoria (see note 3)

Notes:

- Fiona Chamberlain was Chief Executive Officer County Court of Victoria, until 29 November 2019.
 Bradley Medcroft was Acting Chief Executive Officer County Court of Victoria from 2 December 2019 to 28 February 2020.
- 2. Andrew Tenni was Chief Executive Officer, Magistrates' Court of Victoria, until 21 February 2020.
- 3. Jacqueline Harrop was the Acting Director of the Judicial Commission of Victoria until 16 October 2019.



YEAR IN REVIEW

CSV is charged with the delivery of efficient and effective corporate services to the Courts Group. It discharges this accountability through:

- An engaged and productive workforce
- An ethical, healthy and safe workplace
- ▶ Good governance following the requirements of the Victorian Public Sector
- Sound financial management and future sustainability
- User focussed and innovative information technology systems
- Provision of key infrastructure for the delivery of justice

During 2019-20, CSV continued to operate consistently with the CSV Corporate Plan 2018-2022. This 'Year in review' section details performance highlights of each operational area within CSV's corporate centre against the four strategic priorities of the CSV Corporate Plan. Achievements against performance measures are reported under Output Performance.

The strategic priorities are:

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

RESPONSE TO CORONAVIRUS (COVID-19)

On 11 March 2020, the World Health Organisation declared the SARS-CoV2 Virus (COVID-19) a global pandemic, with countries around the world declaring a range of lockdowns and public health measures to protect populations. As part of these measures, the Victorian Government declared a State of Emergency and announced restrictions that included closure of non-essential businesses and the advice for employees to work from home from 25 March 2020.

The Courts Group have a clear and important responsibility to administer justice fairly, transparently, impartially and with integrity. In doing so they play a key role in promoting the safety and security of Victorian communities and contribute to our social cohesiveness and economic prosperity. Since early 2020, Australia has been affected by one of the greatest social and economic disruptions in modern history. Coronavirus (COVID-19) has rapidly swept across the globe, placing pressure on government services, constraining the movement of people and goods, and having a major economic impact.

The coronavirus (COVID-19) crisis has significantly impacted on the operations and throughput of the courts. The Courts Group moved quickly to leverage investments previously made in our modernisation, and rapidly transitioned to remote operations facilitated through technology. CSV made swift, but well considered, changes to practice, procedure and operating models to ensure that justice continued to be delivered in the coronavirus (COVID-19) environment. CSV's response efforts focussed on:

- ensuring court user, judicial officer and staff safety
- continuing to hear priority matters
- using technology to enable remote hearings
- engaging with court users and the justice sector.

All courts and VCAT remained open, and measures were introduced to reduce the movement of people to and from court venues, decreasing the need for physical attendances and minimising transportation of prisoners. The courts and VCAT conducted hearings remotely wherever possible, using video and/or telephone conferencing technology. Only matters of urgency or priority were conducted onsite,

and only where there was no reasonable alternative.

An extensive range of hygiene and physical distancing measures were put in place across CSV locations to protect the health of court users, judicial officers and staff, including:

- increased general and 'deep' cleaning
- installation of hand sanitisers
- physical distancing and hygiene signage and decals
- provision of face masks
- installation of hygiene screens
- implementation of a QR code visitor registration system.

CSV also undertook detailed spatial assessments across the courts to inform physical distance planning in anticipation of a return to higher levels of in-person appearances.

CSV worked quickly to ensure all staff and contractors had access to the right information and support programs. Additional IT hardware and software was deployed to enable staff to work remotely, or if in person, appropriately distanced.

The Courts Group made rapid, but well considered, changes to practice, procedure and operating models to ensure that justice continued to be delivered in the coronavirus (COVID-19) environment. Technology was a key enabler for the Courts Group response to coronavirus (COVID-19). Technology enabled adaption of courts and tribunal processes, and for judicial officers and staff to do their work in changing circumstances.

The response to coronavirus (COVID-19) has been led by Courts Council, with day to day operational direction being guided by the CSV Emergency Management Team (EMT), comprised of all Courts Group CEOs, and chaired by the CSV CEO.

CSV's EMT first met on 28 February 2020 to commence consideration of necessary actions, and to initiate the detailed planning required for a whole Courts Group response to the pandemic. The EMT will continue to provide this leadership throughout the duration of the pandemic.

JUDICIAL INDEPENDENCE

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

CSV's purpose is to 'support judicial independence in the administration of justice in Victoria' by providing expert and administrative support to the Courts Group. This support includes financial and asset management, human resources, procurement, information and communication technology, and some professional services.

In line with the strategic imperatives of Courts Council, services are provided by CSV in ways that enable an independent, sustainable, joined-up Courts Group that promotes delivery integration around court users, promotes collaboration to improve quality and economy, and reduces duplication, fragmentation and waste across Courts Group.

Administrative services provision is largely centralised in the Courts Group within CSV, to achieve an efficient and accessible array of administrative and professional capabilities in order to satisfy the needs of the jurisdictions. These services also exist to lesser extents within each jurisdiction, based on the unique needs of each entity, and there is workable distinction between the administrative activities of jurisdictions and CSV (so as to avoid duplication). Increasingly, in addition to engaging CSV's administrative services, jurisdictions draw on CSV for specialist expertise and to provide surge capacity (i.e. additional administrative support during the coronavirus (COVID-19) pandemic).

GOVERNANCE AND STRATEGIC DIRECTIONS REVIEW

In early 2019, Courts Council conducted a Governance and Strategic Directions Review which resulted in a number of agreements including to:

- develop a suite of strategic direction to replace the current strategic plan
- drive corporate service delivery reform
- review the Portfolio Committee structure.

To support the achievement of these agreements, CSV Senior Executives and jurisdiction CEOs established the Courts Executive – which, amongst other things, focusses on corporate services reform strategy necessary to improve the delivery of corporate services and remove duplication for each of the four high priority corporate services – Asset Planning and Management, People and Culture, Finance, and Information Technology Services.

Significant steps have been taken to deliver against these agreements, including:

The establishment of Practice Leadership Groups (PLG) for human resources, information technology, and asset and facilities management to solve common problems, reduce duplication of effort across the Courts Group, increase professional capability and achieve integration of administrative services delivery. The PLGs have so far proven effective for managing corporate support to courts through the pandemic. For example, the HR PLG enabled the rapid development and implementation of measures through the pandemic to keep people safe and well in their workplaces – in the office and at home – and help them adapt to changed living conditions.

- Supporting jurisdictions with the rapid uptake of digital technology during coronavirus (COVID-19) including:
 - » Set-up Microsoft TEAMS for all courts and VCAT.
 - » Deployed at-scale teleconferencing, working at home, and audio/video conferencing solutions.
 - » Integrated audio/video conferencing solution (WebEx) with Corrections.
- Restructuring the Finance Team, which involved the appointment of a Director of Finance and the creation of four functions each led by a manager with clear accountabilities to the Chief Finance Officer.
- ► Restructure of Asset Planning and Management into the Built Environment Division including:
 - » Establishment of the Design and Sustainable Planning team which provides jurisdictions with a resource to assist in problem definition and development of capital works solutions and business cases.
 - » Implementation of the Courts Asset Information Management System (CAIMS) which enhances the ability to track and manage responses to maintenance requests, and plan preventative maintenance of court buildings.

CSV STRATEGIC PLAN 2020 - 2025

Courts Council approved a new three-year Strategic Plan on 24 September 2020 which provides an overview of CSV, identifies its operating environment and establishes priorities with actions. The draft plan was developed through a consultative process by the Courts Executive.

While not approved until outside the current reporting period, substantial work was undertaken to consult with key stakeholders on the draft plan during 2019-20.

The key priorities and action included in the CSV Strategic Plan 2020 – 2025 will form the basis of reporting in the CSV Annual Report 2020-2021.

SUPPORT THE ADMINISTRATION OF JUSTICE

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

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

PEOPLE AND CULTURE

People and Culture provides strategic and innovative solutions to deliver on workforce development and reform, workplace culture, and the operational management of people across CSV. The team promotes best practice and continuous improvement in people management with effective service delivery enabled through responsive relationships and collaborative solutions.

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

HEALTH, SAFETY AND WELLBEING

CSV is committed to ensuring all its employees remain safe and healthy at work, and promotes a positive preventative safety culture across all jurisdictions. It continues to develop wholistic strategies and initiatives to improve the health safety and wellbeing of employees and to ensure access to information. The organisation engages and consults with court users to work together to create an understanding of the changing nature of the environment and to implement systems and create workplaces that minimise risks to health and safety.

During 2019-20, CSV promoted several healthy workplace initiatives, conducted awareness programs and provided targeted and strategic occupational health and safety (OH&S) professional development activities.

Each jurisdiction continued to implement their own tailored health, safety and wellbeing initiatives in conjunction with CSV-wide initiatives. The organisation enhanced its wellbeing offerings significantly during 2019-20 in order to support its staff during the coronavirus (COVID-19) pandemic. Key initiatives introduced include regular communications; health and wellbeing webinars; mindfulness sessions; a dedicated People and Wellbeing Hub on the intranet; and pulse check surveys.

CSV completed a two-year initiative to provide vicarious trauma professional development workshops. The workshops included Introduction to Vicarious Trauma and Self-Care; Vicarious Trauma and Self-Care for Advanced Practitioners; Vicarious Trauma and Self-Care for Leaders; and Vicarious Trauma and Self-Care for Koori staff. Future professional development to include the continued building of capability is being considered based on the evaluation of the two-year program.

To further strengthen CSV's health and safety governance, the Workplace Health and Safety Sub-Committee (WHSS) was established during 2019-20. As a sub-committee of the Audit and Risk Portfolio Committee, the WHSS is responsible for strategic oversight and monitoring the implementation and maintenance of a co-ordinated, collaborative and systematic approach to workplace health and safety across CSV. The remit of the WHSS involves close collaboration with the Human Resources Portfolio Committee to ensure its activities reflect workplace strategy and objectives.

The inaugural meeting of the WHSS was held on 12 October 2019 where committee members were inducted and terms of reference endorsed.

CSV continued its annual program to offer influenza vaccinations to the judiciary and employees. During the 2019-20 financial year, there was an increase of 11.6% of judicial officers and employees taking the opportunity to have an influenza vaccination provided by CSV.

During 2019-20, a project to develop ergonomic videos to assist staff to effectively set up their workstation to minimise the risk of musculoskeletal injury was completed. These videos were particularly useful when staff were required to relocate and work remotely due to the coronavirus (COVID-19) pandemic.

ABORIGINAL JUSTICE AGREEMENT 4

During 2019-20, CSV continued to implement initiatives funded through the Aboriginal Justice Agreement 4, including these significant developments across courts and VCAT:

- Employment of a Koori Family Engagement Officer at the Coroners Court to case manage Koori coronial cases to better assist and improve the experience of Koori families and ensure culturally appropriate practices.
- Strengthen service levels and ensure the unmet demands of Koories accessing the Koori VOCAT List.
- Recruitment of two Koori Engagement Officers and an Administration Support Officer at VCAT, along with the launch of a Koori Hearing room at Oakleigh.
- Expansion of County Koori Court to Warrnambool and Geelong, and the Magistrates' Koori Court in Dandenong and Heidelberg, including a Koori Engagement Officer for the Grampians region.

KOORI PROGRAMS AND INITIATIVES

The Koori Programs and Initiatives team maintains organisational focus on contemporary approaches responding to all Koori matters across courts and VCAT, Koories accessing and using the criminal and civil court system, CSV Koori Staff and the Koori community. The centralised role and function of the unit provides a central point of contact for external stakeholders, Koori community and community organisations. Collaborating across the jurisdictions, the Koori Programs and Initiatives team is responsible for coordinating the strategic development and delivery of Victoria's Koori justice policies and programs.

CSV SELF-DETERMINATION PLAN

Consultation was conducted to draft a CSV Self-determination Plan, which has encouraged and supported Victorian courts and VCAT to establish plans to build culturally aware and inclusive court environments for Koori Staff, Koori agencies and the Koori community across Victoria, replacing the Koori Inclusion Action Plan (2016-2019).

The CSV Self-determination Plan aims to address the over-representation of Koories in the criminal justice system and to improve access to civil justice by building cultural awareness and cultural competency. The Plan's objectives also include the development of greater respect and understanding of cultural values, traditions and customs which underpin the essence of our Koori workforce and the Koori community who access CSV services.

KOORI EMPLOYMENT PLAN

CSV is committed to attracting, developing and retaining Koori talent. In line with the Victorian Government's Barring Djinang Aboriginal Employment Strategy, CSV led the review and development of the 2020-2024 Koori Employment Plan pledging to work towards a three per cent Koori employment rate across the organisation.

In June 2020, 54 staff identified as Aboriginal and/or Torres Strait Islander, representing a 2.09 per cent Koori employment rate across CSV. This percentage excludes Elders and Respected Persons (ERPs), as ERPs are casual CSV employees and not counted in the full-time equivalent figures which build the basis for employment rate calculations. If ERPs were included in the Koori employment figures, the CSV rate would rise to over five per cent. The ERPs play a vital role across all Koori programs, most importantly through their role and participation in the Koori Courts.

Building on the previous Koori Employment Plan (2016-2019), the renewed plan outlines these focus areas that have been developed through direct Koori staff feedback and extensive consultations:

- Koori attraction and recruitment
- Progressive career experiences
- Cultural safety
- Support for Koori Staff
- Central oversight and governance

KOORI SPECIFIC TRAINING

CSV places a strong focus on delivering culturally appropriate and wellbeing-based programs for the Koori workforce. In 2020, the Koori Programs and Initiatives team established a culturally specific support program for all Koori Staff and ERPs which encompasses cultural debriefing.

KOORI CULTURAL AWARENESS TRAINING

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

A program of cultural awareness training was designed and delivered to staff and those engaging directly with the Koori community, with nine sessions delivered in 2019-20. The Koori Employment Plan highlights that the participation in cultural awareness training is low. In response to this, work is being undertaken to implement a cultural component into the CSV Induction program.

ABORIGINAL JUSTICE FORUM RESPONSIBILITIES

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

CSV is represented by judicial officers from the County, Magistrates' and Children's Courts. The Koori Programs and Initiatives team undertakes statewide coordination for the jurisdictions in response to requests from the Aboriginal Justice Forum.

VICTORIAN GOVERNMENT REPORTING SERVICE

The Victorian Government Reporting Service (VGRS) supports the courts, particularly for criminal trials, by ensuring that the court and the involved parties have timely access to an accurate record of court proceedings. During 2019-20, the VGRS continued to manage a significant demand

for recording and transcript services, with approximately 25,758 matters dealt with. Nearly half, 12,738 of these matters were transcribed for the courts and court users. The remaining 13,020 matters were only recorded as there was no requirement for a produced transcript.

The VGRS also had to adapt to recording and transcribing matters utilising different technologies in response to the coronavirus (COVID-19) pandemic and matters being heard remotely, managing approximately 513 video conferencing matters.

COURT SECURITY MODEL

Court Security Officers (CSOs) continue to play an integral role in the safety and security of the court environment through their presence and management of entry points to court venues: detecting and eliminating prohibited and offensive weapons from entering courts venues; de-escalation of incidents; and escorting of vulnerable family violence applicants to vehicles.

The development of a CSV Security Framework, Standards, and a suite of policies and procedures help to further strengthen the security environment. These foundational security documents:

- align with relevant international and Australian industry standards
- conform with relevant Victorian and Commonwealth legislation and regulations
- reflect best practice protocols recommended by bodies such as the Victorian Auditor-General's Office, the Victorian Ombudsman and the Victorian Commissioner for Privacy and Data Protection and
- align with the Australian Government's Protective Security Policy Framework.

The CSV Security Framework promotes operational and policy consistency across jurisdictions and sites, as well as a robust security culture across CSV to ensure the safety and security of CSV's people, information and assets. The Security Standards are

aligned with the Framework to outline best practice requirements for the provision of operational, physical and electronic security systems at all CSV facilities. The policies and procedures contain high-level principles and requirements and set the directional tone of security practice in CSV.

A comprehensive security assessment has commenced to determine the level of adherence of each site against the new Standards. The outcome of the security assessment will be used to prioritise security works across the state.

This effort is reinforced by a program to replace obsolete and outdated security entrance equipment. A thorough review of equipment at every security entrance across the state was undertaken to understand the type and model of equipment in each location as well as the maintenance history to inform the replacement program.

2019-20 VICTORIAN FIRE SEASON

The CSV EMT was convened on 25 November 2019 in response to the Code Red bushfires declaration to ensure that the Courts Group were prepared for and briefed on impacts associated with the bushfires. With a role in monitoring and coordination across CSV, the Security and Emergency Management Group (SEMG) provided:

- direct support to the Courts Group with Emergency Management Plans
- participated in State Emergency Management Team Planning/Preparedness meetings
- lead the Sub-Planning Team, preparing two reports daily on the fires and the possible issues to support the jurisdictions with the planning and preparedness to respond to the fires, heat and smoke alerts.

To embed the processes and responsibilities as prescribed in CSV Bushfire and Code Red Preparedness Policy, SEMG also facilitated delivery of the Australasian Inter-Service Incident Management System (AIIMS) training for the CSV EMT.

RESPONSIBLE MANAGEMENT AND ACCOUNTABILITY

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

INTEGRITY FRAMEWORK

Since Courts Council's approval of CSV's inaugural Integrity Framework in May 2018, CSV has strengthened and made internal fraud and corruption control systems more transparent under the *Integrity At Work* program.

Integrity At Work enhances CSV's many prevention, detection and response mechanisms, resulting in the development of the Integrity Framework Action (Control) Plan for 2018-19. The Control Plan also guided CSV's activities in 2019-20, supporting jurisdictional enhancements to robust integrity systems and contributing to communication on ethical and professional practises for staff.

Key achievements in 2019-20 include:

- Completing CSV's first jurisdiction wide fraud and corruption risk assessment, raising the profile of jurisdictional and business level accountabilities for key integrity risks now embedded in operational risk registers.
- Completing the first biennial review of the Integrity Framework, ensuring workforce accessibility and organisational readiness to respond to the changing Australian Standard for Fraud and Corruption Control scheduled for 2020-21.

DATA AND REPORTING

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

CSV responded to 115 ad hoc requests for data, as well as coordinating the delivery of significant datasets to the Productivity Commission for the annual Report on Government Services, the Sentencing Advisory Council and the Australian Bureau of Statistics.

RISK AND AUDIT

CSV's Risk, Audit and Insurance function supports the Courts Council to execute its responsibilities to direct the management of CSV risk, supporting the organisation to achieve its objectives. It also manages the delivery of the internal audit program, and assists jurisdictions with the identification and management of risk, building a culture where risk management is embedded in our day to day activities. Building a positive risk culture, one that is shared and well understood across CSV, is integral to effective risk identification and management.

Key achievements for 2019-20 include:

- ► Completing the transition to a new internal audit services provider.
- ▶ Facilitating the 2019-20 internal audit program, which included review of CSV's Asset Management Accountability Framework; CSV's management of Audit Actions; Procurement Compliance; and CSV's compliance with the Standing Directions of the Minister for Finance.

- Identifying and managing key organisational risks most likely to impact achievement of CSV's strategic objectives.
- ▶ Conducted a review of CSV's Risk Management Policy and Risk Management Framework to ensure regulatory and best practice requirements are met, applying the international risk management standard.
- Conducted a risk assessment of arrangements implemented during the coronavirus (COVID-19) pandemic to ensure continuation of critical services for CSV.

FINANCE SERVICES

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

Key achievements of Finance Services during 2019-20 include:

- Approval of the 2019-20 budget within legislative timeframes.
- Unqualified financial audit reports for CSV and the Commission for the year ending 30 June 2020.
- Compliance with applicable finance Standing
 Directions as issued by the Assistant Treasurer.
- Implementation of a revised team structure to better align the work of finance services with the needs of the courts and VCAT.

PROCUREMENT

The Procurement group supports jurisdictions and CSV to purchase assets, goods and services, construction works and services consistent with legislation and Government Supply Policy.

During 2019-20, the Procurement group has continued to progress the multi-year Procurement Improvement Program, including:

- Commenced development of a Social Procurement Strategy.
- Continued e-Sourcing technology project to deliver a streamlined, efficient and fully enabled source to contract system.
- Commenced development of an enhanced governance and policy framework designed to establish an efficient and streamlined procurement function.
- Progressed development of a training and development program.

LEGAL AND GOVERNANCE

The Legal and Governance team provides a broad range of corporate in-house legal services to CSV, Victoria's courts and VCAT, as well as the Judicial College and Judicial Commission. The team supports CSV in fulfilling its statutory and compliance obligations, and in relation to internal governance.

COURTS ASSET INFORMATION MANAGEMENT SYSTEM

During 2019-20, CSV implemented the Courts Asset Information Management System (CAIMS). CAIMS is a cloud-based central asset management tool which provides CSV with better lifecycle management including streamlining the process for reactive, preventative and strategic asset maintenance.

CAIMS also includes a contractor management tool which enables CSV to centrally capture contractor compliances including insurances, OHS inductions and other legal obligations. It also allows CSV to issue broadcast communications and instructions from within the tool, including material related to coronavirus (COVID-19).

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK

CSV is required to comply with the Victorian Government Asset Management Accountability Framework (AMAF). CSV embeds the principles of AMAF in the whole of its lifecycle asset management system.

In 2019-20, CSV conducted an Asset Management System maturity assessment of its asset portfolio using the AMAF requirements as a benchmark. The results of the assessment show that CSV has made significant progress across almost all of the AMAF requirements during the past twelve months.

CSV has in place a roadmap of activities for 2020-21 which will continue to drive benefits across the organisation as it continues to embed an Asset Management culture across the organisation.

EXCELLENCE IN COURT, TRIBUNAL AND JUDICIAL SUPPORT SERVICES

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

CASE MANAGEMENT SYSTEM PROJECT

The 2017-18 State Budget provided CSV with \$89.2 million for a modern case management system for the Magistrates' Court and Children's Court. This was part of the whole of government response to the Royal Commission into Family Violence.

The project has made significant progress with Journal Technologies appointed as CSV's technology partner in July 2019.

The initial focus has been on designing and configuring the first two major stages of the project – civil and child protection. A number of early solution elements such as court orders have been built, with successful demonstrations of the 'proof of concept' being made to court staff.

More than 25 million court records have been validated and successfully migrated from the old court management system, Courtlink, to the new platform, while current interactions with external stakeholders have been mapped to inform future process design.

In response to the coronavirus (COVID-19) pandemic, the Magistrates' Court requested the delivery of key elements including electronic document exchange, online payments and automated notifications be brought forward to the second quarter of the 2020-21.

The pandemic has not impacted the delivery schedule, and the project is on target to be completed by 2022.

SAFE, SECURE AND SUSTAINABLE COURTS AND TRIBUNALS

During 2019-20, CSV continued to deliver a program of planned asset upgrade works focussed on improving safety, security and sustainability of court assets across Victoria. This included essential service maintenance works to court fire suppression systems, upgrades and maintenance to building heating and cooling systems, upgrades to security systems, and replacement of furniture and furnishings.

As part of its obligations under the Victorian Government Asset Management Accountability Framework, CSV has developed a rolling 4-year plan of asset maintenance, upgrades and renewals across the portfolio. This allows CSV to apply a medium and long-term strategic lens to its asset portfolio, and plan budgets accordingly.

DESIGN AND DEVELOPMENT OF SPECIALIST COURT FACILITIES

The CSV Infrastructure Operations and Delivery unit undertook capital works to deliver a range of projects aimed at supporting the rollout of specialist court facilities including:

- ▶ Completion of works to support the recommendations from the Royal Commission into Family Violence, including accommodation for staff and support agencies, creating safe waiting areas, interview rooms, discrete entries and separate pathways. In 2019-20, CSV completed projects at Shepparton, Ballarat and Moorabbin, and commenced construction at Frankston and Heidelberg.
- Works to support Youth Justice Reforms in the Children's Court including construction of additional courtrooms and associated public spaces in the Melbourne CBD, and

commencement of development of a Children's Court facility in Dandenong.

- Completed works to support specialist Koori Family Violence services at Mildura.
- Commenced development of a premises for the Drug Court in Dandenong.
- ▶ Delivered the first of three community-based venues for VCAT, including the tribunal's first Koori hearing room.

BENDIGO LAW COURT DEVELOPMENT

The delivery of a future court that places the needs of Bendigo's court users at the centre of its operations is well advanced. Building designs have been finalised and operational planning has commenced.

The future Bendigo Law Court will be a distinctive civic presence, with a design that is strongly informed by the cultural imagery and knowledge of the Dja Dja Wurrung, Bendigo's Traditional Owners. The court also takes design inspiration from the striking spires and towers of Bendigo's skyline, as well as more modest expressions of Bendigo's built architectural heritage.

The future court is designed for zero net carbon emissions and will be digitally enabled to ensure those who work in court can make the best use of current and future technological innovations.

An important aim for CSV is to design the court with, rather than for its users. A user-centred design approach was used to engage 145 stakeholders to June 2020 in progressively developing, testing and enhancing the building design. Those who contributed to this process included judicial officers and staff of the five jurisdictions that will operate in the future Bendigo court, as well as external agencies and community organisations.

The final round of engagements was successfully delivered online in response to the coronavirus (COVID-19) pandemic, including via a virtual reality walk-through approach to courtroom prototyping.

Development of the future court's service model, which will define the range of services offered, who will deliver them, and the key activities and processes, commenced in May 2020. This work is vital to ensuring the court operates efficiently and that the intended benefits of the development to the community and those who work in court are realised.

A tender for the early works (site preparation and basement excavation) was released in June 2020 and preparation for the main works (building construction) tender completed. The development is on schedule for completion in December 2022.

STRATEGIC ASSET PLAN

CSV is finalising its next generation Strategic Asset Plan to assist jurisdictions to respond to the increasing pressure on their facilities and provide analysis to enable them to plan for future infrastructure needs.

When complete, the Strategic Asset Plan will provide a statewide asset strategy that identifies options for future court service delivery models, sector-wide demand modelling and multi-jurisdictional sharing of functions and assets across the central business district, metropolitan and regional courts.

Given the potential impact of the coronavirus (COVID-19) pandemic on court assets, the plan will also provide an initial analysis and consider how the pandemic might impact long term planning for court assets.

PROPERTY TRANSACTIONS

A lease and fit out for the community-based VCAT venue at Oakleigh was completed. New sites for Bundoora and Frankston where secured, and fit out was commenced at both venues. The project aims to relocate VCAT hearings to support the expansion of family violence programs at Moorabbin, Frankston and Heidelberg Courts.

A lease for a new site for the Dandenong Drug Court was secured, and fit out was commenced.

DESIGN AND SUSTAINABLE PLANNING

CSV established the Design and Sustainable Planning unit in 2019-20. The unit includes architects, planners and sustainability experts that are critical to conceptualise new or improved assets. They develop the court usage benchmarking, needs analysis, project brief, architectural concept and preliminary project costing.

This team's key value is in their technical expertise and deep knowledge of court operations and functionality, and this experience is being used to develop a Courts Design Guide. Part of their role is to ensure compliance with the *Climate Change Act* which requires all government entities to reach Zero Net Emissions by 2050, as well as yearly compliance reporting against overall emissions.

LEARNING AND DEVELOPMENT

During 2019-20, CSV's learning team continued to deliver a calendar of online and face to face learning to support broad capability development. Throughout the first half of the year, programs focussed on leadership and management; individual development through emotional intelligence and self-leadership; diversity; wellbeing; and written and verbal communication skills.

The annual CSV mentoring program continued with 20 mentees being matched with a senior mentor from across the jurisdictions. The mentoring

pairs were provided with ongoing support throughout the year, enabling deep targeted capability development.

With the advent of the coronavirus (COVID-19) pandemic, learning and development efforts were refocussed to support virtual and online delivery. Programs delivered virtually covered key technical skills and performance management. Ergonomic micro-learns and vicarious trauma modules were also reengineered, enabling them to be hosted in CSV's performance and learning management system.

The total number of completions for capability building programs throughout the 2019-20 year was 6,445 for online modules; 1,436 for face to face programs; and 103 for programs delivered via a virtual platform.

INFORMATION TECHNOLOGY

In 2019-20, there was an increased focus on enhancing technology across the courts and VCAT, and providing improved technology solutions and IT services to staff and judicial officers.

In the first half of the year, work commenced drafting a digital strategy with involvement across the Courts Group, to understand their future technology requirements and operational models.

With the onset of the coronavirus (COVID-19) pandemic, there was significant and immediate requirement for technology solutions to assist the courts and VCAT to be more mobile and work remotely effectively. This included the implementation of several significant initiatives:

- ▶ A digital device solution enabling staff to use their personal computing hardware to access critical work applications.
- A cloud-based telephony contact centre application.
- Two video conferencing solutions which have ensured business continuity for remote access to justice.

- The introduction of an electronic signature solution allowing internal and external parties to apply a legally valid signature in a wholly electronic and secure environment.
- An internal helpdesk to support users in adopting and becoming familiar with the newly available technology.

TECHNOLOGY INDEPENDENCE FOR COURT SERVICES VICTORIA

Work to transition the County Court to the Cenitex Government Shared Platform (GSP) was completed during 2019-20. The GSP delivers a significant technology upgrade with the adoption of Windows 10 and Microsoft's Office365 suite of cloud-enabled applications.

The completion of this activity before the onset of the coronavirus (COVID-19) pandemic enabled staff to more easily adapt to working remotely and in a more collaborative manner. The integration with the Cenitex GSP has ensured that CSV has been able to be more agile in adopting the new technology for the mobility of staff and remote working.

IN-COURT TECHNOLOGY

Throughout 2019-20, there has been a significant technology uplift of audio-visual technology across courtrooms within several jurisdictions.

The third phase of the County Court enhancements progressed with 28 courtrooms upgraded, including the deployment of touchscreens in witness boxes to enable evidence annotation and improved higher resolution of playback and presentation content. The upgrades also provided new functionality with the court now able to live stream matters.

In-court technology upgrades were also rolled out in the Coroners Court, providing additional video conferencing functionality, and the network was also upgraded to enhance the video conferencing capabilities. Audio-visual technology upgrades are continuing in several of the regional Magistrates' Courts sites.

OUTPUT PERFORMANCE

The CSV operational and budgetary objectives and performance are aligned with the jurisdictions' performance. The Victorian Budget 2019-20 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 2019-20.

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

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

INTERNATIONAL FRAMEWORK FOR COURT EXCELLENCE

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

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

PERFORMANCE AGAINST MEASURES

TABLE 1: COURTS OUTPUT – PERFORMANCE AGAINST MEASURES 2019-20

Performance measures	Unit of	2019-20	2019-20	Performance
Terror marice measures	measure	estimate	actual	variation (%)
Quantity				
Average cost per case – Civil matters disposed				
in the Supreme Court	dollars	2,770	2,927	5.74
The 2019-20 outcome deviates from the estimate primarily due to the response to COVID-19, the number of finalisations was less than origin technology to support the Court's operations during COVID-19 resoutcome. In addition, the Court's heritage assets were revalued rest	ginally forecast. T Julting in increase	his, in conjunction of the conjunction of the conjustion of the co	on with an incre is reflected in th	ase in investment
Average cost per case – Civil matters disposed				
in the County Court	dollars	7,371	7,250	-1.6
Average cost per case – Civil matters disposed in the Magistrates' Court	dollars	916	997	8.8
The 2019-20 outcome deviates from the estimate primarily due to the response to COVID-19, the number of finalisations was less than origin technology to support the Court's operations during COVID-19 rescase outcome.	ginally forecast. T	his, in conjuncti	on with an incre	ase in investment
Average cost per case – Family Division matters disposed in the Children's Court	dollars	1.290	1,353	4.88
Average cost per case – Civil matters disposed in		,	,	
Victorian Civil and Administrative Tribunal	dollars	872	1,049	20.0
The 2019-20 outcome deviates from the estimate primarily due to the in response to COVID-19, the number of finalisations was less than on in technology to support the Court's operations during COVID-19 resoutcome.	riginally forecast	t. This, in conjund	ction with an inc	rease in investment
Average cost per case – Coronial matters				
disposed in the Coroners Court	dollars	4,291	3,882	-9.5
The 2019-20 outcome deviates from the estimate due to the Court's a reduce the cost per case outcome accordingly.	ability to increase	e the number of t	inalised cases f	or the year and
Average cost per case – Criminal matters		10.110	/5500	0.0
disposed in the Supreme Court	dollars	48,149	47,722	-0.9
Average cost per case – Criminal matters disposed in the County Court	dollars	17,479	22,550	29.0
The 2019-20 outcome deviates from the estimate primarily due to the response to COVID-19, the number of finalisations was less than origin technology to support the Court's operations during COVID-19 resoutcome. In addition, the Court's assets were revalued resulting in a	e impact of coron ginally forecast. T culting in increase	avirus. Due to ch his, in conjunction ad overall costs,	nanges in the Co on with an incre	ourt's operations in ase in investment
Average cost per case – Criminal matters				
disposed in the Magistrates' Court	dollars	1,134	1,585	39.8
The 2019-20 outcome deviates from the estimate primarily due to the response to COVID-19, the number of finalisations was less than origin technology to support the Court's operations during COVID-19 rescase outcome.	ginally forecast. T	his, in conjuncti	on with an incre	ase in investment
Average cost per case – Criminal matters				
disposed in the Children's Court	dollars	1,015	1,425	40.39
The 2019-20 outcome deviates from the estimate primarily due to the response to COVID-19, the number of finalisations was less than origin technology to support the Court's operations during COVID-19 resease outcome.	ginally forecast. T	his, in conjuncti	on with an incre	ase in investment
Quantity				
Case clearance rate ¹ –			100.9	
Civil matters disposed			(28,608/	
in the Supreme Court	per cent	100	28,358)	0.9

Performance measures	Unit of	2019-20	2019-20	Performance
	measure	estimate	actual	variation (%)
Case clearance rate –			89.1	
Civil matters disposed		100	(5,770 /	10.0
n the County Court	per cent	100	6,476)	-10.9
The 2019-20 outcome deviates from the estimate due to a significa compared to the 2018-19.	ant increase in Com	mon Law initiati	ons (approxima)	tely 16 per cent)
Case clearance rate –			80.2	
Civil matters disposed			(55,373 /	
n the Magistrates' Court	per cent	100	69,081)	-19.8
The 2019-20 outcome deviates from the estimate primarily due to a significant number of cases adjourned due to the need to comply the number of people in court buildings. This has resulted in a dec	y with the public hea	alth measures o		
Case clearance rate –			87.7	
Family Division matters disposed			(19,754 /	
n the Children's Court	per cent	100	22,531)	-12.3
The 2019-20 outcome deviates from the estimate primarily due to in response to COVID-19, the number of finalisations was less that hearing cases.				
			94.8	
Case clearance rate –			(76,245/	
Civil matters disposed in VCAT	per cent	100	80,423)	-5.2
The 2019-20 outcome deviates from the estimate primarily due to with a significant number of cases unable to be heard.	the impact of coron	avirus. The Trib	unal's operation	ns were impacted
Case clearance rate –			93.0	
Coronial matters disposed			(6,841/	
n the Coroners Court	per cent	100	7,323)	-6.6
the 2019-20 outcome deviates from the estimate. Although the campacted by a rising number of new cases.	se clearance rate ir	ncreased in 2019	-20 compared to	o 2018-19, it was
Case clearance rate –			79.9	
Family violence intervention orders disposed			(34,801/	
n the Magistrates' and Children's Courts	per cent	100	43,566)	-20.1
The 2019-20 outcome deviates from the estimate primarily due to Children's Courts were impacted due to the need to comply with the number of people in court buildings. This resulted in a decrease in clearance rate was lower than forecast, the Courts have prioritise protection via an interim intervention order or warrant.	he public health me n finalisations. How	easures of physic ever, it is import	cal distancing ar ant to note that	nd reducing the while the case
Case clearance rate –			104.4	
Criminal matters disposed			(588/	
n the Supreme Court	per cent	100	563)	4.4
Case clearance rate –			108.2	
Criminal matters disposed			(4,351/	
n the County Court	per cent	100	4,020)	8.2
he 2019-20 outcome deviates from the estimate primarily due to esponse to COVID-19 resulted in the adjournment of jury trials, a nd a reduction in the number of initiations from the Magistrates' riginally forecast.	prioritisation of sor	me classes of m	atters (Pleas an	d Appeals),
Case clearance rate –			81.6	
Criminal matters disposed			(117,704/	
in the Magistrates' Court	per cent	100	144,314)	-18.4
The 2019-20 outcome deviates from the estimate primarily due to a significant number of cases adjourned due to the need to comply the number of people in court buildings. This has resulted in a dectase clearance rate was lower than forecast, the Court prioritised including variations and revocations, pleas of guilty in the summa with in a timely manner.	y with the public hea crease in finalisation I hearing custodial i	alth measures o ns. However, it is matters via audi	f physical distar s important to n o-visual link for	ncing and reducing ote that while the bail applications,
			7.0	
Case clearance rate –			7 9	

The 2019-20 outcome deviates from the estimate primarily due to the impact of coronavirus. Due to changes in the Court's operations in response to COVID-19, the number of finalisations was less than originally forecast as a result of adjournments and delays in hearing cases. In addition, there was an increase in initiations in 2019-20.

per cent

Criminal matters disposed in the Children's Court

(10,097/

12,781)

100

-21.0

Performance measures	Unit of measure	2019-20 estimate	2019-20 actual	Performance variation (%)
Quality				
Court file integrity in the Supreme Court – availability, accuracy and completeness	per cent	90	91	1.1
Court file integrity in the County Court – availability, accuracy and completeness	per cent	90	89	-1.1
Court file integrity in the Magistrates' Court – availability, accuracy and completeness	per cent	90	90	0.0
Court file integrity in the Children's Court –				
availability, accuracy and completeness Court file integrity in the Coroners Court –	per cent	90	89	-1.1
availability, accuracy and completeness Court file integrity in VCAT – availability,	per cent	90	86	-4.4
accuracy and completeness	per cent	90	87	3.0
Timeliness				
On time case processing – Civil matters resolved or otherwise finalised within	norcont	90	86	-4.4
established timeframes in the Supreme Court	per cent	70	00	-4.4
On time case processing – Civil matters resolved or otherwise finalised within established timeframes in the County Court	per cent	90	88.5	-1.7
On time case processing – Civil matters resolved or otherwise finalised within established timeframes in the Magistrates' Court		80	85.1	
The 2019-20 outcome deviates from the estimate due to prioritisation				ic with the majority
of matters finalised relating to family violence and personal safety.				
On time case processing – Family Division matters resolved or otherwise finalised within established timeframes in the Children's Court	per cent	90	89.13	-1.0
On time case processing – Civil matters resolved or otherwise finalised within				
established timeframes in VCAT	per cent	90	95	5.0
The 2019-20 outcome deviates from the estimate due principally to Civil Claims List. The improvement to on-time case processing is ty				k mediations in the
On time case processing – Coronial matters resolved or otherwise finalised within				
established timeframes in the Coroners Court	per cent	80	82	2.2
On time case processing – Criminal matters resolved or otherwise finalised within				
established timeframes in the Supreme Court	per cent	85	73	-14.1
The 2019-20 outcome deviates from the estimate due to the Trial Di major Hazelwood fire trials including multiple accused and a highe of Appeal, time to finalisation has increased as a result of a sharp is conviction appeals.	r than usual numl	ber of complex Co	ommonwealth c	ases. In the Court
On time case processing – Criminal matters resolved or otherwise finalised within				
established timeframes in the County Court	per cent	90	82.3	-8.6

The 2019-20 outcome deviates from the estimate primarily due to the impact of coronavirus. Changes in the Court's operations in response to COVID-19 contributed to an increase in time to trial. In addition, there was a decrease in number of Appeal matters heard (26 per cent compared to 2018-19) – Appeals, being shorter in duration, have typically driven up timeliness results and the sizeable drop has affected the result. This resulted in on-time case processing being lower than originally forecast.

Performance measures	Unit of measure	2019-20 estimate	2019-20 actual	Performance variation (%)
On time case processing – Criminal matters resolved or otherwise finalised within established timeframes in the		0.5	FO 4	48.5
Magistrates' Court	per cent	85	70.1	-17.5
The 2019-20 outcome deviates from the estimate due to an overall in observation, including as a result of counting rule changes.	ncrease in the pro	pportion of comp	lex matters repr	resented in the
On time case processing – Criminal matters resolved or otherwise finalised within		0.0	00.4	0.4
established timeframes in the Children's Court	per cent	90	90.1	0.1
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	88.9	-1.2
	per cent	70	00.7	1.2
Cost				
Total output cost	\$ million	666.7	673.8	1.1

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

FINANCIAL SUMMARY AND REVIEW

The budget outcomes provide a comparison between the actual financial statements of 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.

FIVE-YEAR FINANCIAL SUMMARY

TABLE 2: FIVE-YEAR FINANCIAL SUMMARY

	2019-20 \$'000	2018-19 \$'000	2017-18 \$'000	2016-17 \$'000	2015-16 \$'000
Revenue from Government	647,903	586,423	521,896	457,763	432,701
Total income from transactions	673,520	614,588	546,574	490,874	457,819
Total expenses from transactions ¹	669,003	612,360	540,393	493,412	458,291
Net result from transactions – surplus/(deficit) ¹	4,517	2,228	6,182	(2,539)	(472)
Comprehensive result ¹	44,337	49,258	69,838	5,577	178,347
Net cash flow from operating activities	52,948	74,563	51,693	31,646	25,957
Total assets ¹	1,328,449	1,128,001	1,196,741	1,086,817	1,064,833
Total liabilities	286,581	199,630	191,357	187,139	190,256

Note

1. 2018-19 restated

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 2019-20 CSV's net result from transactions was a surplus of \$4.5 million that comprises a total income of \$673.5 million¹ and expenditure of \$669.0 million.
- ▶ CSV's net assets of \$1.042 billion comprises total assets of \$1.329 billion and liabilities of \$0.287 billion. Further details are provided in the balance sheet in the financial statements.

Note:

1. This figure relates to actual revenue.

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 *Court Services Victoria Act*.

The CSV budget breakdown for the purposes of corporate functions, the jurisdictions, the College, and the Commission is shown in Table 3, 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 and Shared Support Services, the jurisdictions, the College, and the Commission are based on an historical allocations profile adjusted for savings, indexation and new funding.

TABLE 3: COURT SERVICES VICTORIA'S BUDGET ALLOCATION BY JURISDICTION

By business area	2019-20 Published budget \$m	2019-20 Revised budget \$m
Supreme Court of Victoria	84.0	90.0
County Court of Victoria	104.6	111.8
Magistrates' Court of Victoria	217.4	229.6
Victorian Civil & Administrative Tribunal	54.4	66.7
Children's Court of Victoria	28.1	31.7
Coroners Court of Victoria	19.5	23.1
Judicial College of Victoria	3.9	4.4
Judicial Commission of Victoria	1.4	3.3
Jurisdiction Services	72.0	79.3
Shared Support Services	81.3	51.1
Total Court Services Victoria	666.7	691.1

Notes:

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

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

CSV has provided assistance to certain companies and organisations. Financial assistance provided in 2019-20 is detailed below.

TABLE 4: GRANT AND OTHER TRANSFER PAYMENTS

Organisation	Nature of grant and other transfer payment	Expenditure (excluding GST) \$
Corrections Victoria	2019-20 Drug Court Funding Contribution	400,000
McAuley Community Services for Women	Support for Women and Children	455,737
Department of Health and Human Services	Targeted Womens Correctional Response Program	86,167
Department of Health and Human Services	Alcohol and Other Drug Treatment Services for Participants of the Court Integrated Services Program (CISP)	3,666,650
Department of Health and Human Services	WAYYS Emergency Housing Support	388,370
Department of Health and Human Services	Forensic Mental Health Implementation Plan	160,400
Court Network	Court Services Network Agreement	1,080,000
The Allanah & Madeline Foundation	2019-20 Grant Contribution	250,000
Supreme Court Law Library	2019-20 Grant Contribution	944,381
Australian Bureau of Statistics	National Criminal Courts Statistics Unit Inter-Governmental Agreement	81,037
Judicial College of Victoria	2019-20 Output Appropriation Funding	4,887,852
Judicial Commission of Victoria	2019-20 Output Appropriation Funding	3,058,493
Total		15,459,087

WORKFORCE DATA



Coroners Court of Victoria

orian Institute of Forensic

WORKFORCE DATA

The People and Culture division monitors CSV statewide 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 2019 AND JUNE 2020

	30 June 2019							
	All emplo	yees		Ongoing		Fixed ter		
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	
Demographic data								
Women	1,507	1,394	994	254	1,152.1	259	241.9	
Men	658	646.6	488	29	507.7	141	138.9	
Self-described	2	2	2	0	2	0	0	
Age								
Under 25	219	213.2	171	2	172.3	46	40.9	
25-34	788	757.9	519	61	554.7	208	203.2	
35-44	451	408.7	286	103	350.1	62	58.6	
45-54	355	330.5	243	65	286.2	47	44.3	
55-64	276	258.9	203	44	231.9	29	27	
Over 64	78	73.4	62	8	66.6	8	6.8	
Classification data								
VPS 1	2	2	0	0	0	2	2	
VPS 2	361	338.2	232	45	262.7	84	75.5	
VPS 3	470	450.4	243	46	272.7	181	177.7	
VPS 4	344	321.3	230	57	267.6	57	53.7	
VPS 5	224	215	153	26	171.5	45	43.5	
VPS 6	147	141.6	110	12	117.9	25	23.7	
Allied Health 3	2	1.1	0	2	1.1	0	0	
Trainee Registrar	219	216.6	214	5	216.6	0	0	
Deputy Registrar	49	42.9	37	12	42.9	0	0	
Registrar Grade 3	199	176.6	146	50	174.9	3	1.7	
Registrar Grade 4	44	40.4	36	8	40.4	0	0	
Registrar Grade 5	52	48	42	10	48	0	0	
Registrar Grade 6	17	17	17	0	17	0	0	
Solicitor Grade 3	1	0.8	0	1	0.8	0	0	
Total	2,131	2,011.9	1,460	274	1,634.1	397	377.8	
STS	21	15.8	10	8	12.8	3	3	
Executive Officer 1	1	1	1	0	1	0	0	
Executive Officer 2	7	6.9	6	1	6.9	0	0	
Executive Officer 3	7	7	7	0	7	0	0	
Total senior	36	30.7	24	9	27.7	3	3	
employees								
Total employees	2,167	2,042.6	1,484	283	1,661.8	400	380.8	

	30 June 2020						
	All emplo	yees		Ongoing		Fixed ter	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Demographic data							
Gender							
Women	1,664	1,535.9	1,114	272	1,285.4	278	250.5
Men	704	678.5	507	33	527.5	164	151
Self-described	2	1.9	1	1	1.9	0	0
Age							
Under 25	233	229.7	192	2	193	39	36.7
25-34	848	817.8	567	64	606.5	217	211.3
35-44	509	462.8	327	113	398.4	69	64.4
45-54	380	351.4	261	68	304	51	47.4
55-64	302	277.6	215	47	245.9	40	31.7
Over 64	98	77	60	12	67	26	10
Classification data							
VPS 1	2	2	0	0	0	2	2
VPS 2	347	322.8	231	54	265.8	62	57
VPS 3	504	482.7	273	46	302	185	180.7
VPS 4	373	349	261	61	300.3	51	48.7
VPS 5	289	253.9	163	33	187.2	93	66.7
VPS 6	184	178	128	13	136.2	43	41.8
Allied Health 3	2	1.1	0	2	1.1	0	0
Trainee Registrar	252	248.3	243	9	248.3	0	0
Deputy Registrar	50	46.1	41	9	46.1	0	0
Registrar Grade 3	216	194	161	53	193.2	2	0.8
Registrar Grade 4	43	40.3	36	7	40.3	0	0
Registrar Grade 5	50	45.7	38	12	45.7	0	0
Registrar Grade 6	17	17	17	0	17	0	0
Solicitor Grade 3	1	1	1	0	1	0	0
Total	2,330	2,181.9	1,593	299	1,784.2	438	397.7
STS	22	16.8	12	6	13	4	3.8
Executive Officer 1	1	1	1	0	1	0	0
Executive Officer 2	6	5.6	5	1	5.6	0	0
Executive Officer 3	11	11	11	0	11	0	0
Total senior							
employees	40	34.4	29	7	30.6	4	3.8
Total employees	2,370	2,216.3	1,622	306	1,814.8	442	401.5

Notes:

- 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.
- The above figures include all employees defined as CSV staff in section 3 of the CSV; the CSV Chief Executive Officer; a Court Chief Executive Officer; a person employed under section 36; a judicial employee.
- 3. The above figures do not include the Chief Executive Officer of the College; staff employed under section 16 [2] of the Judicial College of Victoria Act 2001; the Director of the Commission or staff of the Commission under the Judicial Commission of Victoria Act 2016, as the College and the Commission are separate reporting entities.
- 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.

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 2004. 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 2020

	Al	u	Wor	nen	Men		Men Self-described	
Class	Number	Variance	Number	Variance	Number	Variance	Number	Variance
EO-1	1	0	1	0	0	0	0	0
E0-2	6	-1	3	0	3	-1	0	0
E0-3	11	+4	7	+2	4	+2	0	0
Total	18	+3	11	+2	7	+1	0	0

Note:

'Variance' refers to the variation in number between the current and previous reporting periods.

The number of executives in the Report of Operations is based on the number of executive positions that are occupied at the end of the financial year. Note 9.3 in the Financial Statements lists the actual number of executive officers and the total remuneration paid to executive officers over the course of the reporting period. Note 9.3 does not include the CSV Chief Executive Officer (Accountable Officer), the Chief Executive Officer of the College, or the Director of the 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.

TABLE 7: RECONCILIATION OF EXECUTIVE NUMBERS

Item	2019	2020
Executives (as listed in Financial Statement)	19	22
Accountable Officer	2	1
Less Separations	(6)	(5)
Total executive numbers at 30 June	15	18

Note:

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

The following table discloses the annualised total salary for senior employees of 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	2	5
\$180,000-\$199,999	7	4
\$200,000-\$219,999	1	4
\$220,000-\$239,999	1	93
\$240,000-\$259,999	24	0
\$260,000-\$279,999	0	0
\$280,000-\$499,999	3	0
Total	17	22

Notes:

- The contracted remuneration of executives and payments to senior staff is the total salary amount, excluding superannuation (company and employee), and vehicle leasing arrangements as at the last full pay period in June of the reporting period.
- 2. This table does not include the CSV Chief Executive Officer (Accountable Officer), the Chief Executive Officer of the College, or the Director of Commission as the College and the Commission are separate reporting entities.
- 3. There are seven employees employed on a part-time basis: 2 at 0.1 FTE rate, 4 at 0.2 FTE rate, and 1 at 0.8 FTE rate.
- 4. There is one executive employed on a part-time basis at a 0.6 FTE rate.

EMPLOYMENT AND CONDUCT PRINCIPLES

CSV continued 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.

CSV is committed to applying merit and equity principles when appointing staff. Selection processes ensure applicants are assessed without discrimination on the basis of the key selection criteria and key accountabilities. Training is provided to hiring managers and selection and recruitment processes are continuously improved to ensure fair and equitable processes. Employees have been correctly classified in workforce data collections.

PERFORMANCE AGAINST OH&S MEASURES

There were 18 standard WorkSafe claims lodged during 2019-20, compared with 17 claims for the previous financial year. The number of claims exceeding 13 weeks of paid compensation reduced from five to three during 2019-20, with CSV being able to offer suitable and sustainable duties across all jurisdictions. There was a continued focus on supporting staff who lodge a claim.

During 2019-20, there was a total of 251 reported incidents compared to 164 in 2018-19. The number of incidents reported by CSV staff was 183 and a further 68 incidents were lodged by court users. The increase in the number of reported incidents can in part be attributed to the Victorian bushfires and the coronavirus (COVID-19) pandemic, when

staff were encouraged to report any incidents, including potential incidents and near misses, to inform a proactive approach to health, safety and risk management.

The increase in reporting of incidents generally demonstrates the increasing awareness of the importance of reporting hazards, near misses and incidents, including those related to the environment. CSV will continue to promote the importance of reporting health and safety issues, risks and hazards to assist in minimising the risks to staff and court users. The raising and reporting of issues is an effective method of capturing data to identify future risks to enable a proactive approach to health and safety.

TABLE 9: PERFORMANCE AGAINST OH&S MEASURES

Measure	KPI	2017-18	2018-19	2019-20
Incidents	Number of incidents ¹	159	164	251
	Rate per 100 FTE ²	7.2	6.7	6.4
	Number of incidents requiring first aid and/or further medical treatment	96	87	119
Claims ³	Number of standard claims	16	17	18
	Rate per 100 FTE	0.7204	0.69901	0.68702
	Number of lost time claims	6	6	8
	Rate per 100 FTE	0.27015	0.24671	0.30534
	Number of claims exceeding 13 weeks	1	5	3
	Rate per 100 FTE	0.04502	0.20559	0.1145
Fatalities ³	Fatality claims	1	0	0
Claims costs ³	Average cost per standard claim ⁴	\$115,217	\$92,654	\$66,415
Return to work	Percentage claims with RTW plan >30 days	100%	100%	100%
Management commitment	Evidence of OH&S policy statement, OH&S objectives, regular reporting to senior management of OH&S, and OH&S plans (signed by Chief Executive Officer or equivalent)	Completed	Completed	Completed
	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	Number of Improvement Notices issued across CSV by WorkSafe Inspector	1	6	2

Notes:

- 1. Includes staff and court users.
- 2. FTE is based on number of staff incidents only.
- 3. WorkSafe Victoria data for 2019-20 was received on 8 September 2020.
- 4. The average claim costs reported each financial year is subject to change as costs vary over time to incorporate payments made to date and estimated future payments.

REGULAR INTERNAL AUDITS CONDUCTED AND ISSUES IDENTIFIED AND ACTIONED DURING 2019-20

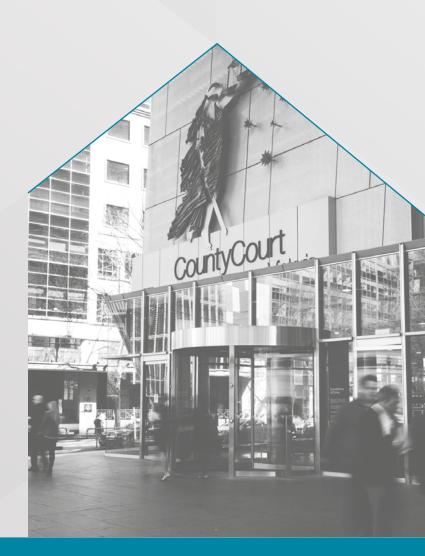
- CSV and the jurisdictions continued to monitor and undertake workplace inspections to identify physical, psychological and environmental risks, and implement changes to address risks.
- ▶ All Provisional Improvement Notices and WorkSafe notices were 100% actioned during 2019-20.
- ▶ Extensive coronavirus (COVID-19) risk assessments and audits were conducted during the second half of the financial year to ensure safety for those essential staff who were permitted to attend workplaces, and to prepare for a return of staff working remotely when restrictions are lifted.
- Risks when working from home were continually monitored and staff consulted on control measures and supports to minimise risks and improve health and wellbeing.

MANAGERS, HEALTH AND SAFETY REPRESENTATIVES AND OTHER STAFF TRAINED DURING 2019-20

- CSV managers and staff are encouraged to undertake professional development opportunities including those relating to health, safety and wellbeing.
- Health and Safety Representatives were encouraged to undertake the initial five-day training and refresher training to better equipment them to undertake their roles.
- A range of mental health and wellbeing programs were developed to support managers and assist staff working remotely as a result of the coronavirus (COVID-19) pandemic. This included sessions on leading in anxious times for managers; taking care of mental health and wellbeing for both managers and staff; and mindfulness.
- Other key initiatives included:
 - » the provision of vicarious trauma professional development workshops
 - » development of ergonomic videos
 - » superannuation presentations and the opportunity for staff to have a 1:1 session
 - » activities for Women's Health Week Men's Health Week; and RUOK? Day.

SECTION 4

OTHER DISCLOSURES



LOCAL JOBS FIRST

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

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

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

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

PROJECTS COMMENCED -LOCAL JOBS FIRST STANDARD

During 2019-20, CSV commenced nine Local Jobs First standard projects totalling \$26.02 million. Of those projects, one was located in regional Victoria, with an average commitment of 80 per cent of local content, and seven in metropolitan Melbourne, with an average commitment of 85 per cent local content. One project commenced that occurred statewide, with an average commitment of 100 per cent local content. The Major Project Skills Guarantee applied to this project.

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

- An average of 86 per cent of local content commitment was made.
- ▶ A total of 109.34 jobs (annualised employee equivalent (AEE)) were committed, including the creation of 12 new jobs and the retention of 97.34 existing jobs (AEE).
- ▶ A total of 12.02 positions for apprentices, traineeships, and cadets.

PROJECTS COMPLETED LOCAL JOBS FIRST STANDARD

During 2019-20, CSV completed two Local Jobs First standard projects, totalling \$4.04 million. Of those projects, one was located in regional Victoria. No completed projects occurred statewide. The Major Project Skills Guarantee did not apply to these projects.

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

- An average of 92 per cent of local content commitment was made.
- ▶ A total of 8.69 (AEE) positions were committed, including the creation of 2.77 jobs and the retention of 5.92 existing jobs (AEE).
- No new apprenticeships, traineeships and cadets were created, however 3 existing apprenticeships, traineeships were retained.

PROJECTS COMMENCED -LOCAL JOBS FIRST STRATEGIC

During 2019-20, CSV did not commence any Local Jobs First Strategic projects.

PROJECTS COMPLETED -LOCAL JOBS FIRST STRATEGIC

During 2019-20, CSV did not complete any Local Jobs First Strategic projects.

REPORTING REQUIREMENTS - ALL PROJECTS

During 2019-20, there were ten small-to-medium sized businesses that prepared a Local Industry Development Plan for contracts successfully appointed as Principal Contractor.

During 2019-20, 41 small-to-medium sized businesses were engaged through the supply chain on these projects.

REPORTING REQUIREMENTS - GRANTS

There were no grants during 2019-20 which entailed a conversation with the Industry Capability Network (Victoria) Ltd.

COMPLIANCE WITH BUILDING ACT 1993

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 Community Safety. Many CSV facilities also include custody suites which are managed by Victoria Police and/or Corrections Victoria.

NEW AND EXISTING BUILDING STANDARDS

During 2019-20, CSV conducted 121 major works projects (valued over \$50,000) in court locations across Victoria. All new work, and redevelopment of existing properties, is carried out to conform to current Building Regulations and the provisions of the Building Act.

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

MAINTENANCE OF 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. The implementation of the Courts Asset Information Management System and development of a four-year plan of asset maintenance, upgrades and renewals will enable CSV to deliver strong outcomes in this area into the future.

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 for each facility.

In 2019-20, any identified and prioritised non-compliances were scheduled to be undertaken as part of the upgrade works across all facilities.

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

Occupational health and safety, functionality for service delivery and upkeep of plant and equipment are key priorities for the allocation of funding for maintenance. All legislative requirements for asbestos inspections and monitoring have been met and coordinated to the satisfaction of the Victorian Asbestos Eradication Agency.

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

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

As part of the audit of Government buildings for risks associated with the presence of Aluminium Composite Panel cladding it was identified that cladding at the Melbourne Children's Court should be replaced. CSV is currently working with Cladding Safety Victoria to deliver this work, with the cladding to be replaced by 30 June 2021

GOVERNMENT ADVERTISING EXPENDITURE

CSV did not conduct any advertising campaign in the financial year 2019-20.

COMPLIANCE WITH THE DATAVIC ACCESS POLICY

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

STATEMENT OF COMPETITIVE NEUTRALITY POLICY

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

CSV is working towards developing a documented approach to competitive neutrality in accordance with Victoria's Competitive Neutrality Policy.

COMPLIANCE WITH THE PUBLIC INTEREST DISCLOSURES ACT

The Public Interest Disclosures Act 2012 (formerly known as the Protected Disclosure Act 2012) encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Public Interest Disclosures Act provides certain protection to people who make disclosures in accordance with the 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 improper conduct including corrupt conduct, dishonest performance of public functions, 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 IBAC Website

FURTHER INFORMATION

Further Information about what constitutes improper 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 Public Interest Disclosures Policy. To request a copy of the Policy, please contact feedback@courts.vic.gov.au.

COMPLIANCE WITH THE CARERS RECOGNITION ACT 2012

CSV has taken all practical measures to comply with its obligations under the *Carers Recognition Act 2012* by providing all new employees with information about 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 considers the care relationship principles when setting policies and developing programs. A number of CSV people management policies, resources and programs reflect the guiding principles of the Carers Recognition Act. In particular during 2019-20, several new initiatives were introduced in order to support employees with caring responsibilities during the coronavirus (COVID-19) pandemic. This included extended provisions of the Employee Assistance Program, additional leave provisions, Frequently Asked Questions guidance, and targeted supports for working parents.

CONSULTANCY EXPENDITURE

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

In 2019-20, there were 28 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2019-20 in relation to these consultancies is \$4.55 million (excluding GST).

TABLE 10: CONSULTANCIES VALUED AT \$10,000 OR GREATER

		Total approved project fee	Expenditure	Future expenditure
Consultant	Purpose of consultancy	\$ (excl. GST)	\$ (excl. GST)	\$ (excl. GST)
4C Management Solutions Pty Ltd	Court Services Victoria Fleet Management Review	\$24,360.00	\$24,360.00	0
Atlin Pty Ltd	Organisational Change Support Services	\$5,676,480.00	\$1,574,900.95	\$4,101,579.05
Brendan Devine	GIPS and SCV Services Integration	\$72,000.00	\$18,000.00	\$54,000.00
Clear Horizon Consulting Pty Ltd	Evaluation of Mildura FVIO Breaches Pilot Project	\$107,759.09	\$10,616.00	\$97,143.09
Connley Walker Pty Ltd	Court Services Victoria Security Framework, Baseline Security Standards and Physical Security Plans	\$78,400.00	\$78,400.00	0
DB Moore Conflict Management	Advice on Neighbourhood Justice Centre Community Peacemaking Project	\$22,000.00	\$20,000.00	\$2,000.00
Deloitte Risk Advisory Pty Limited	Fraud and Corruption Risk Assessment	\$113,348.00	\$45,903.28	\$67,444.72
Deloitte Touche Tohmatsu	Future Directions for Courts Family Violence Reform	\$135,787.30	\$135,787.30	0
FBG Group Pty Ltd	Coroner Court Supervision Program Development	\$31,500.00	\$15,650.00	\$15,850.00
Grosvenor Management Consulting Pty Ltd	Court Services Victoria Governance and Strategic Directions Review	\$218,191.82	\$25,000.00	\$193,191.82
Grosvenor Management Consulting Pty Ltd	Developing Court Services Victoria Future Directions and Strategic Plan	\$120,000.00	\$42,500.00	\$77,500.00
Hassell Limited	Development of Court Services Victoria Victoria- wide Strategic Asset Plan	\$568,995.37	\$568,995.37	0
Jacobs Group Australia Pty Ltd	Comprehensive assessment of Security technology and systems across Victorian Courts and Tribunals	\$299,411.00	\$30,668.00	\$216,302.00
Monash University	Evaluation of Fast Tracking Initiative	\$181,108.00	\$181,108.00	0
Nous Group Pty Ltd	SCV Reimagining Registry Services Review	\$328,636.36	\$60,000.00	\$268,636.36
Nous Group Pty Ltd	Development of a Positive Workplace Behaviours Framework for the			
	Coroners Court	\$64,310.00	\$64,310.00	0

Consultant	Purpose of consultancy	Total approved project fee \$ (excl. GST)	Expenditure \$ (excl. GST)	Future expenditure \$ (excl. GST)
Nous Group Pty Ltd	Advice of MCV Family Violence Client Experience Strategy	\$181,818.18	\$181,818.18	0
Nous Group Pty Ltd	Evaluation of LGBTI Practitioners Trial	\$121,000.00	\$120,557.00	0
Price Waterhouse Coopers	Evaluation of Remote Hearing Trial	\$88,439.00	\$88,439.00	0
Project Squared Pty Ltd	Court Services Victoria Emergency COVID-19 Program Management Services	\$360,000.00	\$360,000.00	0
Project Willoughby	Court Services Victoria – AMAF Implementation Support and SAMP Review	\$39,500.00	\$37,916.00	\$1,584.00
Protiviti	Review of Contract Management Practices	\$65,800.00	\$65,800.00	0
RMIT University	Provision of the Human Centred Design Reform Project	\$636,363.55	\$357,954.48	\$278,409.07
RMIT University	PIP – FVPPU – ICCM Program Design	\$124,590.00	\$124,590.00	0
RPS AAP Consulting Pty Ltd	Project Management Support Services – 223 William Street Recovery Project	\$45,454.55	\$44,160.00	\$1,294.55
Swinburne University of Technology	Evaluation of MCV Family Violence Reform	\$614,101.82	\$122,820.00	\$491,281.82
Treehaus	Community Based Venues Project – Evaluation Framework Development and	400 (50 00	\$40.45 7.40	444,000,04
Versa Agency	Implementation Consultancy work for Stage 2 build of Children's Court website development project	\$33,650.00 \$175,612.80	\$18,657.19 \$127,718.40	\$14,992.81 \$47,894.40
Consultancy above \$10,000	N/A	\$10,528,616.84		\$5,929,103.69

DETAILS OF CONSULTANCIES VALUED UNDER \$10,000

In 2019-20, there was one consultancy engaged where the total fee payable to the individual consultancy was less than \$10,000. Risk Logic Pty Ltd was engaged to review CSV's Pandemic Plan at a total cost of \$4,310 (excl. GST).

DISCLOSURE OF MAJOR CONTRACTS

CSV entered into three contracts greater than \$10 million in the year ended 30 June 2020.

TABLE 11: CONTRACTS GREATER THAN \$10 MILLION

Company	Descriptions	Start date	End date	Contract value \$ (excl. GST)
John Wardle Pty Ltd	Consultant overseeing Bendigo Law Court Project	8/11/2019	31/12/2023	\$10,095,265
Uniting Victoria and Tasmania Ltd	FVR – Court mandated counselling – Men's Behaviour Program	1/01/2020	30/06/2023	\$12,674,581
Family Life Ltd	FVR – Court mandated counselling	1/01/2020	30/06/2023	\$12,272,276

INFORMATION AND COMMUNICATION TECHNOLOGY EXPENDITURE

For the 2019-20 reporting period, CSV had a total ICT expenditure of \$79 million, with the details shown below.

TABLE 12: 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)	ICT expenditure	expenditure	
(Total)	(Total = Operational exp	enditure and cap	ital expenditure)
42,583	36,442	30,005	6,437

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

During 2019-20, CSV received 53 Freedom of Information (FOI) requests. Of these requests, 27 were requests for personal documents and 26 were non-personal requests.

CSV made 15 FOI decisions during the 12 months ending 30 June 2020. All 15 decisions were made within the statutory time period as required under section 21 of the *Freedom of Information Act 1982 (FOI Act)*.

Of the remaining 38 requests, 31 were for documents excluded from the FOI process, two were invalid requests, one was withdrawn by the applicant and four are still being processed.

During 2019-20, four requests were subject to review by the Office of the Victorian Information Commissioner (OVIC). OVIC affirmed CSV's decision in three matters. One review is pending. One complaint was received and dismissed by OVIC.

TABLE 13: FREEDOM OF INFORMATION OUTCOMES

Freedom of Information Outcomes	Number of requests
Court documents excluded from the FOI Act or documents that are publicly available or available to the public for a fee (sections 14(1)(a) and 14(1)(b) of the FOI Act)	31
Invalid requests - total	2
Valid requests (application fee paid or waived) – total	20
▶ Access granted in full	0
Access granted in part	5
▶ Access denied	3
No document exists/no document located	1
▶ Transferred to another agency	0
Refused without identifying documents	6
▶ Not processed	0
Not proceeded with	0
▶ Withdrawn	1
▶ In process	4
Total requests received	53

COURT DOCUMENTS

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

MAKING A REQUEST

Access to documents available under FOI may be obtained by making a written request to CSV FOI, in accordance with section 17 of the FOI Act. 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 on at www.ovic.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.ovic.gov.au. CSV's Part 2 Information Statement can be found on our website.

COURT SERVICES VICTORIA FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

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



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

8 December 2020

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 2019-20 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
- 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 2019-20 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.

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SECTION 5

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020



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HOW THIS REPORT IS STRUCTURED

Court Services Victoria (CSV) has presented its audited general purpose financial statements for the financial year ended 30 June 2020 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
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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
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5. Key assets available to support output delivery

- 5.1 Property, plant and equipment
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6. Other assets and liabilities

- 6.1 Receivables
- 6.2 Payables

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- 7.1 Lease liabilities (CSV as lessee)
- 7.2 Cash flow information and balances
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8. Risks, contingencies and valuation judgements

- 8.1 Financial instruments specific disclosures
- 8.2 Contingent assets and contingent liabilities
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- 9.1 Other economic flows included in net result
- 9.2 Ex-gratia expenses
- 9.3 Responsible persons
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- 9.8 Other accounting policies
- 9.9 Change in accounting policies
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10. Correction of a prior period error

- 10.1 Impact of correction of an error on the comprehensive operating statement
- 10.2 Impact of correction of an error on the balance sheet

11. Glossary of technical terms and style conventions

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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 Assistant Treasurer 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 2020 and financial position of Court Services Victoria at 30 June 2020.

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 8 December 2020.

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

Melbourne 8 December 2020 Louise Anderson Chief Executive Officer Court Services Victoria

Melbourne 8 December 2020 Salvatore Costanzo Chief Finance Officer Court Services Victoria

Melbourne 8 December 2020

INDEPENDENT AUDITOR'S REPORT



Independent Auditor's Report

To the Courts Council of the Court Services Victoria

Opinion

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

- balance sheet as at 30 June 2020
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- declaration in the financial statements.

In my opinion the financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2020 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the Financial Management Act 1994 and applicable Australian Accounting Standards.

Basis for opinion

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

My independence is established by the Constitution Act 1975. My staff and I are independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

The Courts Council's for the financial report

The Courts Council is responsible for the preparation and fair presentation of the Authority's financial report in accordance with Australian Accounting Standards and the Financial responsibilities Management Act 1994, 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.

> 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.

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

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

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

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

MELBOURNE 10 December 2020 Janaka Kumara as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	2020 \$'000	2019 \$'000 ⁽ⁱ⁾
CONTINUING OPERATIONS			
Income from transactions			
Output appropriations	2.1	480,167	428,469
Special appropriations	2.1	167,736	157,954
Grants	2.4	25,617	28,164
Total income from transactions		673,520	614,588
EXPENSES FROM TRANSACTIONS			
Employee expenses and Judicial Officer remuneration	3.1.1	374,614	341,714
Depreciation and amortisation	5.1.1	72,923	62,109
Interest expense	7.1.2	4,807	4,983
Grants and other transfers	3.2	15,108	13,968
Capital asset charge	3.3	46,362	45,499
Supplies and services	3.4	155,189	144,086
Total expenses from transactions		669,003	612,360
Net result from transactions (net operating balance)		4,517	2,228
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net gain/(loss) on non-financial assets	9.1	346	468
Net gain/(loss) on financial instruments	9.1	190	381
Other gains/(losses) from other economic flows	9.1	(1,916)	(7,663)
Total other economic flows included in net result		(1,379)	(6,814)
Net result		3,138	(4,586)
OTHER ECONOMIC FLOWS – OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	5.1.3/8.3.2	44,337	53,844
Total other economic flows – other comprehensive income		44,337	53,844
Comprehensive result		47,475	49,258

⁽i) 2019 amounts have been restated as a result of a correction of an error (see Note 10)

The accompanying notes form part of these financial statements.

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BALANCE SHEET AS AT 30 JUNE 2020

	Note	2020 \$'000	Restated 2019 \$'000 ⁽ⁱ⁾	Restated 1 July 2018 \$'000 (i)
FINANCIAL ASSETS				
Cash and deposits	8.1.1	19,888	17,899	13,151
Receivables	6.1	134,706	99,925	97,199
Total financial assets		154,594	117,824	110,350
NON-FINANCIAL ASSETS				
Non-financial physical assets classified as held for sale		178	200	181
Property, plant and equipment	5.1	1,134,163	979,698	926,408
Intangible assets	5.2	31,622	24,393	17,591
Prepayments		7,892	5,887	2,370
Total non-financial assets		1,173,855	1,010,178	946,550
Total assets		1,328,449	1,128,001	1,056,900
LIABILITIES				
Payables	6.2	61,996	50,468	44,229
Borrowings	7.1	119,299	54,917	67,242
Provisions	3.1.2	105,123	93,903	79,569
Other Provisions		164	342	318
Total liabilities		286,581	199,630	191,358
Net assets		1,041,868	928,371	865,543
EQUITY				
Accumulated surplus/(deficit)		(30,117)	(33,255)	(28,669)
Contributed capital		827,120	761,099	747,530
Physical asset revaluation surplus		244,864	200,527	146,682
Net worth		1,041,868	928,371	865,543

⁽i) 2018 and 2019 amounts have been restated as a result of a correction of an error (see Note 10)

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

Court Services Victoria Annual Report

	Note	2020 \$'000	2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Government		602,737	590,385
Receipts from other entities		30,209	20,492
Goods and services tax recovered from the Australian Taxation Office		27,040	19,835
Total receipts		659,986	630,712
PAYMENTS			
Payments to suppliers, employees and Judicial Officers		(547,266)	(498,346)
Payments of grants and other transfers		(7,602)	(7,321)
Capital assets charge payments		(46,362)	(45,499)
Interest and other costs of finance paid		(4,807)	(4,983)
Total payments		(606,037)	(556,150)
Net cash flows from/(used in) operating activities	7.2.1	53,948	74,563
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of non-financial assets		(95,205)	(73,964)
Proceeds from sales of non-financial assets		2,569	2,904
Net cash flows from/(used in) investing activities		(92,636)	(71,060)
CASH FLOWS FROM FINANCING ACTIVITIES			
Owner contributions by State Government		66,021	13,569
Repayment of borrowings and principal portion of lease liabilities (2019: finance leases)		(25,344)	(12,324)
Net cash provided by/(used in) financing activities		40,677	1,245
Net increase (decrease) in cash held		1,989	4,747
Cash and cash equivalents at the beginning of the financial year		17,899	13,151
Cash and cash equivalents at the end of the financial year	8.1.1	19,888	17,899

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

2020	Note	Physical asset revaluation surplus \$'000	Accumulated surplus/ (deficit) \$'000	Contributed capital \$'000	Total \$'000
Balance as at 1 July 2019		200,527	(33,255)	761,099	928,372
Net result for the year			3,138		3,138
Other comprehensive income	5.1.3	44,337			44,337
Transactions with the State in its capacity as owners ⁽ⁱ⁾				66,021	66,021
Balance at 30 June 2020		244,864	(30,117)	827,120	1,041,868
2019	Note	Physical asset revaluation surplus \$'000	Accumulated surplus/ (deficit) \$'000	Contributed capital \$'000	Total \$'000
Balance as at 1 July 2018 (i)		250,137	7,717	747,530	1,005,384
Prior period adjustment	10	(103,455)	(36,386)		(139,841)
Restated Balance as at 1 July 2018 (i)		146,682	(28,669)	747,530	865,543
Net result for the year			(4,586)		(4,586)
Other comprehensive income	5.1.3	53,844			53,844
Transactions with the State in its capacity as owners				13,569	13,569
Balance at 30 June 2019		200,527	(33,255)	761,099	928,371

Note:

(i) Transfers with the State in its capacity as owner relates to asset additions funded from output initiatives and special appropriations. 2019 amounts have been restated as a result of a correction of an error (see Note 10)

The accompanying notes form part of these financial statements.

NOTE 1. ABOUT THIS REPORT

Court Services Victoria (CSV) was established on 1 July 2014 under the *Court Services Victoria Act 2014* as an independent statutory body to provide administrative services and facilities to support the Victorian courts and tribunals, the Judicial College of Victoria and the Judicial Commission of Victoria. CSV supports the performance of the judicial, quasijudicial 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).

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 committees 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.

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.

Financial Statements

Judgments, estimates and assumptions are required to be made about financial information being presented. Significant judgments made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgments are disclosed. Estimates and associated assumptions are based on professional judgment 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. Judgments 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 'Change in accounting policies'

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

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

COMPLIANCE INFORMATION

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

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

CSV has considered the impact of COVID-19 on its financial statements. There were no material financial impacts in the following assessed areas:

- ► Asset impairment/changes in assumptions for impairment testing (Note 8.3.2)
- ▶ Changes in Fair value of Assets. (Note 8.3.2)
- Increased costs and/or reduced demand requiring provisions for onerous contracts (nil effect)
- Changes in expected credit losses for loans and other financial assets (Note 8.1.3)
- ▶ Fee revenue (Note 4.3)
- Leases (Note 8.3.2)

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	2020 \$'000	2019 \$'000
Output appropriations	2.2	480,167	428,469
Special appropriations	2.2	167,736	157,954
Grants	2.4.1	25,617	28,164
Total income from transactions		673,520	614,588

Revenue and income that fund delivery of CSV's services are accounted for consistently with all the requirements of the relevant accounting standards disclosed in the following notes. All amounts of income over which CSV does not have control are disclosed as administered income (see note 4.3).

NOTE 2.2 APPROPRIATIONS

Once annual Parliamentary appropriations are applied by the Treasurer, they become controlled by CSV and are recognised as income when applied to the purposes defined under the relevant Appropriations Act. After considering the requirements of the new accounting standards and the relevant FRDs, CSV has concluded that parliamentary appropriations fall within the scope of AASB 1058 (see Note 9.9.3).

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, with the exception of long service leave and annual leave which includes income for unpaid leave on an accrual basis.

NOTE 2.3 SUMMARY OF COMPLIANCE WITH ANNUAL PARLIAMENTARY AND SPECIAL **APPROPRIATIONS**

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

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

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	Appropriation Act	tion Act					Financial N	danageme	Financial Management Act 1994		
		Advance							Total		
0202	Annual appropriation \$1000	from Treasurer \$'000	Section 28	Section 29	Section 31A \$1000	Section 32 \$1000	Section 34 ⁽¹⁾ \$'000	Section 35	Parliamentary authority	Appropriations applied (3)	Variance ⁽²⁾
Controlled											
Provision of outputs	405,029	10,559	0	71,566	1,986	5,549	5,549 (10,408)	0	484,281	480,167	4,114
Additions to net											
assets	79,266	382	0	0	[1,986]	24,034	24,034 (30,204)	0	71,495	64,155	7,340
	484,295	10,945	0	71,566	0	29,583	29,583 (40,612)	0	555,776	544,322	11,454
	Appropriation Act	tion Act					Financial N	danageme	Financial Management Act 1994		
		Advance							Total		
	Annual	from	Section	Section		Section Section		Section	Section Parliamentary	Appropriations	
2019	appropriation \$'000	Treasurer \$'000	\$.000	29 \$.000	31A \$'000	\$.000	34 ^{III} \$.000	\$,000	authority \$'000	applied (3)	Variance (2) \$'000
Controlled											
Provision of outputs	353,378	6,178	0	75,982	(2,803)	11,177	0	0	443,913	428,469	15,443
Additions											
to net assets	80,432	431	0	0	2,803	2,451	(50,128)	0	35,989	11,521	24,468
	433,811	609'9	0	75,982	0	13,628	(50,128)	0	479,902	439,990	39,911

The variance is primarily related to rescheduling committed projects for delivery in future years.

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. (1)

(2)

Owners contributions by State Government is appropriations applied for additions to net assets from annual parliamentary appropriations and special appropriations.

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

SUMMARY OF COMPLIANCE WITH SPECIAL APPROPRIATIONS

	Authority	Purpose: operating costs	2020 \$'000	2019 \$'000
1	Constitution Act 1975 (No. 8750/1975), s.82 (7)	Remuneration of Judges of the Supreme Court of Victoria and the Chief Justice	27,577	26,608
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	8,554	7,971
3	County Court Act 1958 (No. 6230/1958) s.10 (7)	Remuneration of Judges of the County Court of Victoria	37,233	37,169
4	Victims of Crime Assistance Act 1996 (No. 81/1996), s.69	Operating costs of the Victims of Crime Assistance Tribunal	3,554	3,384
5	Magistrates' Court Act 1989 (No. 51/1989), sch.1 Pt 1 cl.10	Remuneration of Magistrates of the Magistrates' Court of Victoria	69,315	63,332
6	Victorian Civil and Administrative Tribunal Act 53 of 1998 section 17AA	Remuneration of Members of the Victorian Civil and Administrative Tribunal	21,476	19,444
7	Juries Act 2000 (No. 53/2000), s.59	Compensation to jurors from the WorkCover Authority Fund under the Accident Compensation Act 1985	16	2
8	Constitution Act No. 8750 – Section 87AAT(5)	Judicial Commission Investigation Panel	10	46
			167,736	157,954
	Authority	Purpose: capital component	2020 \$'000	2019 \$'000
9	Constitution Act 1975 (No. 8750/1975), s.82 (7)	Remuneration of Judges of the Supreme Court of Victoria.	341	335
10	Constitution Act 1975 (No. 8750/1975), s.82 (7)	Remuneration of Judges of the Court of Appeals Supreme Court of Victoria	111	104
11	County Court Act 1958 (No. 6230/1958) s.10 (7)	Remuneration of Judges of the County Court of Victoria	531	569
12	Magistrates' Court Act 1989 (No. 51/1989), sch.1 Pt 1 cl.10	Remuneration of Magistrates of the Magistrates' Court of Victoria	716	855
13	Victorian Civil and Administrative Tribunal Act 53 of 1998 section 17AA	Remuneration of Members of the Victorian Civil and		
		Administrative Tribunal	167	184
			1,866	2,048
	Administered Special Appropriations Applied: Victims of Crime Assistance	Costs incurred by the Victims of Crime Assistance Tribunal and payments to		
	Act 1996 (No 81/1996), s.69	victims of crime	45,146	46,008
			45,146	46,008

NOTE 2.4 INCOME FROM TRANSACTIONS

2.4.1 GRANTS

	2020 \$'000	2019 \$'000
General government	25,238	27,693
Other specific purpose	379	471
Total grants	25,617	28,164

CSV has determined that all Grant Revenue is recognised as income in accordance with AASB 1058 as all Grants received are not enforceable and does not have sufficiently specific performance obligations to be accounted for as contracts with customers in accordance with AASB 15.

Previous accounting policy for 30 June 2019

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 \$73.0 million (2019: \$76.0 million).

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	2020 \$'000	2019 \$'000
Employee benefit and Judicial Officer remuneration expenses	3.1.1	374,614	341,714
Grants and other transfers — Judicial College and Judicial Commission	3.2	7,855	6,967
Other grants and other transfers	3.2	7,253	7,002
Capital asset charge	3.3	46,362	45,499
Supplies and services	3.4	155,189	144,086
Total expenses incurred in delivery of services		591,273	545,268

3.1.1 EMPLOYEE BENEFIT AND JUDICIAL OFFICER REMUNERATION EXPENSES IN THE COMPREHENSIVE OPERATING STATEMENT

	Notes	2020 \$'000	2019 \$'000
Defined contribution superannuation expense	3.1.3	22,865	20,535
Defined benefit superannuation expense	3.1.3	1,636	1,751
Termination benefits		433	440
Salaries and wages		294,198	265,086
Leave expenses (annual leave and long service leave)		32,192	31,731
Other on-costs (fringe benefits tax, payroll tax, training and WorkCover levy)		23,290	22,171
Total employee expenses and Judicial Officer remuneration		374,614	341,714

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

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. 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 or Judicial Officer 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. Termination benefits of judicial officers are recognised when the employment of a Judicial Officer is terminated. Benefits due more than 12 months after the end of the reporting period are discounted to present value.

3.1.2 EMPLOYEE BENEFITS AND JUDICIAL OFFICER REMUNERATION IN THE BALANCE SHEET

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

	2020 \$'000	2019 \$'000
Current provisions		
Annual leave		
Unconditional and expected to settle within 12 months	15,189	12,415
Unconditional and expected to settle after 12 months	3,940	2,234
Long service leave		
Unconditional and expected to settle within 12 months	5,147	4,811
Unconditional and expected to settle after 12 months	55,969	52,479
Provisions for on-costs		
Unconditional and expected to settle within 12 months	4,744	4,030
Unconditional and expected to settle after 12 months	7,677	6,964
Total current provisions for employee benefits and Judicial Officer remuneration	92,666	82,934
Non-current provisions		
Employee benefits and Judicial Officer remuneration	11,142	9,786
On-costs	1,315	1,183
Total non-current provisions for employee benefits and Judicial Officer remuneration	12,456	10,968
Total provisions for employee benefits and Judicial Officer remuneration	105,123	93,903

RECONCILIATION OF MOVEMENT IN ON-COST PROVISION

	2020 \$'000	2019 \$'000
Opening balance	12,177	10,493
Additional provisions recognised	4,935	5,484
Reductions arising from payments/other sacrifices of future economic benefits	(3,376)	(3,800)
Closing balance	13,736	12,177
Current	12,421	10,994
Non-current	1,315	1,183
Total	13,736	12,177

Wages and salaries, annual leave and sick leave:

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

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

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

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

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

3.1.3 SUPERANNUATION CONTRIBUTIONS

Employees and judicial officers of 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. Judicial Officer pension schemes are non-contributory.

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 and Judicial Officers in the comprehensive operating statement of CSV.

	Paid con for th	tribution e year	Contribution at yea	outstanding ar end
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Defined benefit plans:				
Emergency Services and State Super – revised and new	1,592	1,715	44	36
Defined contribution plans:				
VicSuper	13,297	12,670	381	292
Various other	8,921	7,395	267	179
Total	23,809	21,779	692	507

Note:

^{1.} The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

3.2 GRANTS AND OTHER TRANSFERS

Grant expenses represent contributions of 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.

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Grants and other transfers include payments to the Judicial College Victoria \$4.8m (2019: \$4.7m), and Judicial Commission Victoria \$3.1m (2019:\$2.3m).

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.

3.4 SUPPLIES AND SERVICES

	2020 \$'000	2019 \$'000
Accommodation and property services	30,940	26,939
Lease rental expenses – low value/short-term leases	825	12,340
Outsourced contracts	24,438	22,301
Contractors, professional services and consultants	37,764	28,150
Printing, stationery and other office expenses	12,040	12,882
Technology services	23,295	16,971
Juror payments	2,790	3,610
Repairs and maintenance	7,980	4,977
Deceased removals and transfer costs (Coroners Court)	5,015	4,260
Interpreter and translation services	3,366	3,448
Ex-gratia expenses	6	0
Other	6,730	8,209
Total supplies and services	155,189	144,086

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

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

LEASE RENTAL EXPENSES

- ▶ Until June 30 2019 are recognised on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.
- From 1 July 2019 are recognised on a straight-line basis only when:
 - » they are Short-term leases (lease term is less than 12 months); and
 - » they are Low-value leases (leases where the underlying asset's fair value, when new, regardless of the age of the asset being leased is no more than \$10,000).

Variable lease payments that are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index, or a rate and which are not, in substance fixed) such as those based on performance or usage of the underlying asset, are recognised in the Comprehensive Operating Statement (except for payments which has been included in the carrying amount of another asset) in the period in which the event or condition that triggers those payments occur.

Notes

- 1. CSV had short-term leases at Mildura and Heidelberg (\$0.1 Million)
- 2. CSV has low-value leases on numerous Multi-Function Devices (\$0.70 Million)

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 2020 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. The corporate support to the Courts and the Tribunal is reflected in the Courts' and Tribunal's total output costs.

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 2020

	Supreme Victo		County (Victo		Magistrat of Vic	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
INCOME FROM TRANSACTIONS						
Output appropriations (i)	60,132	58,635	76,784	68,356	176,115	153,726
Special appropriations (i)	36,143	34,580	37,228	37,169	61,075	55,904
Grants	0	0	0	0	4,374	8,164
Other income	0	0	0	0	0	0
Total income from transactions	96,275	93,215	114,013	105,525	241,564	217,793
EXPENSES FROM TRANSACTIONS						
Employee expenses and Judicial Officer remuneration	62,564	58,051	60,664	56,049	137,271	123,102
Depreciation and amortisation	11,102	6,570	17,428	18,461	26,925	22,539
Interest expense	130	61	3,608	4,832	808	117
Grants and other transfers	350	350	142	1	5,576	5,368
Capital asset charge (i)	10,291	10,789	6,895	7,849	15,808	14,353
Supplies and services	14,315	16,576	25,843	25,773	49,938	41,240
Total expenses from transactions	98,751	92,397	114,579	112,965	236,325	206,718
Net result from transactions (net operating balance)	(2,476)	818	(566)	(7,440)	5,239	11,076
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT						
Net gain/(loss) on non-financial assets	115	99	70	119	108	193
Net gain/(loss) on financial instruments	0	0	0	0	0	0
Other gains/(losses) from other economic flows	[447]	(1,850)	(384)	(1,576)	(666)	(2,622)
Total other economic flows included in net result	(332)	(1,751)	(314)	(1,457)	(558)	(2,429)
Net result from continuing operations	(2,808)	(933)	(880)	(8,897)	4,681	8,646
OTHER ECONOMIC FLOWS-OTHER COMPREHENSIVE INCOME						
ITEMS THAT WILL NOT BE RECLASSIFIED TO NET RESULT						
Changes in physical asset revaluation reserve (i)	14,950	8,218	13,383	16,040	11,021	21,213
Total other economic flows – other comprehensive income	14,950	8,218	13,383	16,040	11,021	21,213
Comprehensive result	12,142	7,285	12,503	7,143	15,702	29,859

2019 amounts have been restated as a result of a correction of an error (see Note 10).

Note:

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

Children's Victo		Coroners Victo		Victoriai Adminis Tribi	strative	Jurisd Serv		To	tal
2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
26,666	24,474	17,697	16,003	21,469	18,224	101,303	89,053	480,167	428,469
6,184	6,506	5,621	4,303	21,476	19,447	101,303	46	167,736	157,954
73	0,300	3,021	221	20,749	19,480	42	299	25,617	28,164
0	0	0	0	0	0	0	0	0	20,104
32,923	30,980	23,697	20,527	63,693	57,150	101,355	89,397	673,520	614,588
,				,	,	,	,		
21,044	19,010	13,851	11,738	50,722	46,843	28,498	26,920	374,614	341,714
2,735	1,811	109	45	5,663	715	8,962	11,968	72,923	62,109
38	15	6	5	192	40	26	(88)	4,807	4,983
268	316	0	0	0	0	8,772	7,933	15,108	13,968
2,334	2,340	143	79	1,210	450	9,681	9,639	46,362	45,499
6,812	6,574	9,358	8,585	7,830	8,393	41,094	36,947	155,189	144,086
33,230	30,066	23,468	20,453	65,617	56,441	97,033	93,320	669,003	612,360
(307)	914	229	74	(1,924)	708	4,322	(3,923)	4,517	2,228
3	26	9	(2)	19	12	22	21	346	468
5	20	7	(2)	17	12	22	21	340	400
0	0	0	0	0	0	190	381	190	381
[94]	(376)	(42)	(151)	(152)	(590)	(130)	(498)	(1,916)	[7,663]
(92)	(350)	(33)	(153)	(133)	(578)	83	(95)	(1,379)	(6,814)
(72)	(330)	(33)	(155)	(133)	(376)	03	(73)	(1,377)	(0,014)
(399)	564	196	(79)	(2,057)	131	4,405	(4,018)	3,138	(4,586)
2,341	2,483	0	0	0	0	2,642	5,891	44,337	53,844
,	•					,			
2,341	2,483	0	0	0	0	2,642	5,891	44,337	53,844
1,942	3,047	196	(79)	(2,057)	131	7,046	1,873	47,475	49,258

SCHEDULE B-CONTROLLED ASSETS AND LIABILITIES BY JURISDICTION FOR THE YEAR ENDED 30 JUNE 2020

	Suprem of Vic		County of Vic		Magistrat of Vic	tes' Court ttoria
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Financial assets	5,790	5,596	5,118	4,372	17,865	17,733
Non-financial assets (i)	260,552	239,533	174,565	174,258	400,247	318,658
Total assets	266,342	245,129	179,684	178,630	418,112	336,391
Liabilities	36,058	27,955	61,669	71,421	109,542	51,853
Total liabilities	36,058	27,955	61,669	71,421	109,542	51,853
Net assets	230,284	217,174	118,015	107,210	308,570	284,538

2019 amounts have been restated as a result of a correction of an error (see Note 10).

Note:

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

	Children's Court of Victoria				Victorian Civil & Administrative Tribunal		Jurisdiction Services		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
	389	363	2,036	1,895	7,491	4,777	115,904	83,086	154,594	117,824
	59,095	51,958	3,631	1,756	30,644	10,001	245,121	214,014	1,173,855	1,010,178
	59,484	52,321	5,667	3,651	38,135	14,779	361,025	297,100	1,328,449	1,128,001
	9,782	6,397	4,667	3,490	33,850	12,929	31,013	25,585	286,581	199,630
	9,782	6,397	4,667	3,490	33,850	12,929	31,013	25,585	286,581	199,630
	49,702	45,924	999	160	4,285	1,850	330,012	271,515	1,041,868	928,371

4.3 ADMINISTERED (NON-CONTROLLED) ITEMS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

Administered income includes taxes, fees and fines and Special Appropriations provided to fund payments for criminal injuries compensation.

Administered expenses include payments made on behalf of the State and payments into the consolidated fund. Administered assets include government income earned but yet to be collected. Administered liabilities include government expenses incurred but yet to be paid. Administered resources are accounted for on a cash basis except for Jurisdiction Services, the Supreme Court CITEC e-filing fees, Magistrates' Court revenue received from services provided to credit rating agencies,

and County Court administered revenue which is accounted for on an accrual basis using same accounting policies adopted for recognition of 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 Victo		County (Vict		
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	
Administered income from transactions					
Special appropriations applied	0	0	0	0	
Fines	0	280	(88)	(1,720)	
Sales of goods and services (including fees) (i)	24,699	22,585	10,150	10,408	
Other income	63	103	73	67	
Total administered income from transactions	24,763	22,967	10,136	8,755	
Administered expenses from transactions					
Payments into the Consolidated Fund (iii)	(24,715)	(22,875)	(10,063)	(8,689)	
Criminal injuries compensation (iii)	0	0	0	0	
Other expenses	0	0	(911)	2,164	
Total administered expenses from transactions	(24,715)	(22,875)	(10,974)	(6,524)	
Total administered net result from transactions (net operating balance)	48	92	(839)	2,231	
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	48	92	(839)	2,231	

Notes:

- (i) CSV has considered the impact of COVID-19 on Fees and has noted the potential for a reduction in Fees in 2020-21.
- (ii) Payments into the Consolidated Fund by Jurisdiction Services relates to fines and other income paid on behalf of the jurisdictions.
- (iii) Criminal injuries compensation payments are awarded by the Victims of Crime Assistance Tribunal and are funded from Special appropriations on determination of each case in accordance with Victims of Crime Assistance Act 1996 s.69.

Magistrates' Court of Victoria		Children's Court Victorian of Victoria Administ Tribui		strative	tive Services		Total		
2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
45,146	46,008	0	0	0	0	0	0	45,146	46,008
4,227	4,342	0	0	0	0	0	0	4,140	2,902
19,615	22,181	3	3	8,335	9,931	54	114	62,856	65,221
212	309	0	0	0	0	1,019	1,005	1,368	1,484
69,200	72,840	3	3	8,335	9,931	1,073	1,119	113,510	115,615
(23,913)	(26,617)	(3)	(3)	(8,335)	(9,931)	(152)	(2,857)	(67,181)	(70,971)
(44,028)	(46,208)	0	0	0	0	0	0	(44,028)	(46,208)
(18)	49	0	0	0	0	(894)	(1,099)	(1,823)	1,114
(67,959)	(72,776)	(3)	(3)	(8,335)	(9,931)	(1,046)	(3,956)	(113,032)	(116,065)
1,241	64	0	0	0	0	27	(2,837)	477	(450)
	_		_				_		
0	0	0	0	0	0	0	0	0	0
1,241	64	0	0	0	0	27	(2,837)	477	(450)

ADMINISTERED (NON-CONTROLLED) ITEMS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Suprem of Vic	e Court toria	_	y Court ctoria	_	tes' Court toria
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Administered financial assets						
Cash and deposits	182	99	2,557	2,777	3,215	2,889
Receivables	14	0	1,216	2,217	63	41
Total administered financial assets	196	99	3,773	4,994	3,278	2,930
Administered liabilities						
Creditors and accruals	0	(2)	0	0	(66)	0
Deposits payable	(35)	49	(1,652)	(1,872)	(4,899)	(4,573)
Provisions (i)	0	0	0	0	(2,400)	(3,500)
Total administered liabilities	(35)	47	(1,652)	(1,872)	(7,366)	(8,073)
Total administered net assets (liabilities)	161	145	2,121	3,123	(4,088)	(5,144)
Equity						
Contributed capital	(30)	(53)	(0)	(891)	3,511	5,207
Net worth	131	92	2,121	2,231	(577)	64

Note:

⁽i) Criminal injuries compensation payments that have been determined but not yet paid are recognised as a provision in the table above.

Children's Court of Victoria		Victorian Civil & Administrative Tribunal		Jurisdiction Services		Tot	al
2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
0	0	719	374	3,290	3,081	9,964	9,219
0	0	0	0	(4)	(7)	1,288	2,251
0	0	719	374	3,286	3,074	11,252	11,470
0	0	(515)	(319)	(213)	(493)	(795)	(814)
0	0	447	597	(3,084)	(2,999)	(9,223)	(8,798)
0	0	0	0	(0)	(1)	(2,400)	(3,501)
0	0	(68)	278	(3,297)	(3,493)	(12,418)	(13,114)
0	0	651	651	(11)	(419)	(1,166)	(1,643)
0	0	0	(651)	(1,837)	(2,418)	1,643	1,194
0	0	651	0	(1,849)	(2,837)	476	(450)

NOTE 5. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

INTRODUCTION

CSV controls infrastructure that is utilised in fulfilling its objectives and conducting activities. The 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 (i)

		arrying ount		Accumulated depreciation		rrying ount
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Land at fair value	464,958	412,632	0	0	464,958	412,632
Buildings at fair value	545,976	426,951	(41,829)	(1,647)	504,147	425,304
Leasehold buildings at fair value subject to finance lease	79,905	79,905	(48,680)	(32,166)	31,224	47,739
Leasehold improvements at fair value	26,673	15,476	(5,924)	(2,936)	20,750	12,540
Plant and equipment at fair value	6,174	5,934	(2,522)	(2,050)	3,652	3,884
Plant and equipment – Right-of Use (2019 Finance Leases)	14,212	13,941	(3,994)	(4,066)	10,218	9,875
Computer and telecommunications equipment at fair value	2/ 2/7	25,083	(17,304)	(10,228)	16,943	1/ 055
	34,247				·	14,855
Cultural assets at fair value	916	916	0	0	916	916
Assets under construction at cost	81,355	51,953	0	0	81,355	51,953
Total property, plant and equipment	1,254,416	1,032,791	(120,253)	(53,092)	1,134,163	979,698

2019 amounts have been restated as a result of a correction of an error (see Note 10).

Note:

(i) AASB 16 Leases has been applied for the first time since 1 July 2019.

The following tables are subsets of buildings, and plant and equipment by right-of-use assets.

5.1(A) TOTAL RIGHT-OF-USE ASSETS: BUILDINGS, PLANT, EQUIPMENT AND VEHICLES

	Gross carrying amount 2020	Accumulated depreciation 2020	Net carrying amount 2020
Buildings at fair value	169,631	(62,270)	107,361
Property, plant and equipment	14,212	(3,994)	10,218
Net carrying amount	183,842	(66,264)	117,579

	Buildings at fair value	Plant, equipment and vehicles at fair value
Opening balance 1 July 2019 [i]	128,164	9,875
Additions	9,300	5,161
Disposals		(2,253)
Depreciation	(30,104)	(2,388)
Transfer to disposal group held for sale		(178)
Closing balance at 30 June 2020	107,361	10,218

⁽i) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 along with the transfer from finance lease assets (recognised under AASB 117 at 30 June 2019) to right-of-use assets (recognised under AASB 16 at 1 July 2019).

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.

Right-of-use asset acquired by lessees (Under AASB 16 – Leases from 1 July 2019) – Initial measurement.

CSV recognised a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measure at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Subsequent measurement: property, plant and equipment (PPE) as well as right-of-use assets under leases 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, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category.

Right-of-use asset – subsequent measurement:CSV depreciates the ROU assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROU asset and the end of the lease term.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

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 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 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

	2020 \$'000	2019 \$'000
Buildings	26,196	28,139
Leasehold buildings at fair value as Right of Use Assets (2019 Finance Leases) (i)	29,740	17,621
Leasehold improvements at fair value	3,747	1,209
Plant and equipment at fair value	7,588	5,097
Plant and equipment under finance lease at fair value	2,388	2,428
Software	3,263	7,614
Total property, plant and equipment	72,923	62,109

2019 amounts have been restated as a result of a correction of an error (see Note 10).

(i) \$16.515m (\$17.621m 2019) relates to assets contracted under the public private partnership (PPP)

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 30
Leasehold improvements	2 to 37
Right of Use buildings	1 to 14
Plant and equipment	1 to 10
Computer and telecommunication equipment	1 to 10
Intangible assets	3 to 7
Antique furniture and artefacts	75 to 95

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

Right-of use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where CSV obtains ownership of the underlying asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

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

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

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

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

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

5.1.2 CARRYING VALUES BY 'PURPOSE' GROUPS

	Public safety a	nd environment
	2020 \$'000	2019 \$'000
Crown land at fair value ⁽ⁱ⁾	464,958	412,632
Buildings at fair value (i)	504,147	425,304
Leasehold buildings at fair value as Right of Use Assets (2019 Finance Leases) (iii)	31,224	47,739
Leasehold improvements at fair value (ii)	20,750	12,540
Plant and equipment at fair value (iii)	3,652	3,884
Plant and equipment under finance lease at fair value (iii)	10,218	9,875
Computer and telecommunications equipment at fair value (iii)	16,943	14,855
Cultural assets at fair value (i)	916	916
Assets under construction at cost	81,355	51,953
Total property, plant and equipment	1,134,163	979,699

2019 amounts have been restated as a result of a correction of an error (see Note 10).

Notes:

- (i) An independent revaluation of CSV land, buildings and cultural assets was performed by the Valuer-General of Victoria as at 30 June 2016.
 - A Managerial Revaluation of Land was undertaken in 2019/20 in accordance with FRD 103 H A Managerial Revaluation of Buildings was undertaken in 2018/19 in accordance with FRD 103 H
- (ii) Fair value of finance leasehold buildings and improvements is depreciated 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

2020	Specialised land at fair value \$'000	Specialised buildings at fair value \$'000	Buildings leasehold at fair value \$'000	Leasehold improvements at fair value \$'000	
Opening balance (Restated)	412,632	425,303	47,739	12,540	
Recognition of right-of-use assets on initial application of AASB 16 (i)	0	80,425	0	0	
Adjusted balance at 1 July 2019 (iii)	412,632	505,729	47,739	12,540	
Additions		9,300	0	0	
Disposals	0	0	0	0	
Depreciation	0	(40,182)	(16,515)	(2,987)	
Revaluation of property	44,337	0	0	0	
Transfer between asset classes	0	0	0	0	
Transfer to disposal group held for sale	0	0	0	0	
Transfer in/out of assets under construction	7,989	29,299	0	11,197	
constituction	464,958	504,146	31,224	20,750	

2019	Specialised land at fair value \$'000	Specialised buildings at fair value \$'000	Buildings leasehold at fair value \$'000	Leasehold improvements at fair value \$'000	
Opening balance	4 000	4 000	4 000	Ψ 505	
(Restated)	412,632	401,670	49,320	4,031	
Additions	0	0	0	0	
Disposals	0	0	0	0	
Depreciation	0	(28,138)	(17,621)	(1,209)	
Revaluation of					
property	0	37,804	16,040	0	
Transfer between					
asset classes	0	0	0	0	
Transfer to					
disposal group held for sale	0	0	0	0	
Transfer in/out	· ·	· ·	· ·	C	
of assets under					
construction	0	13,968	0	9,719	
Closing balance	412,632	425,304	47,739	12,540	

2018 and 2019 amounts have been restated as a result of a correction of an error (see Note 10).

⁽i) Recognition of right-of-use assets on initial application of AASB 16 balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 relating to operating leases.

⁽ii) The adjusted balance relates to amounts transferred from finance lease assets (recognised under AASB 117 at 30 June 2019) to ROU assets (recognised under AASB 16 at 1 July 2019).

Plant and equipment at	Computer and communication	Leased plant and equipment	Cultural assets at	Assets under construction	
fair value	equipment	at fair value	fair value	at cost	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
3,884	14,855	9,875	916	51,953	979,698
0	0	0	0	0	80,425
3,884	14,855	9,875	916	51,953	1,060,123
0	0	5,161	0	88,069	102,530
0	0	(2,253)	0		(2,253)
(473)	(7,116)	(2,388)	0	0	(69,660)
0	0	0	0	0	44,337
0	0	0	0	(738)	(738)
0	0	(178)	0	0	(178)
241	9,204	0	0	(57,929)	(0)
241 3,652	9,204 16,943	10,218	916	(57,929) 81,355	(0) 1,134,163
3,652 Plant and equipment at fair value	Computer and communication equipment	10,218 Leased plant and equipment at fair value	916 Cultural assets at fair value	Assets under construction at cost	1,134,163 Total
3,652 Plant and equipment at fair value	Computer and communication equipment	10,218 Leased plant and equipment at fair value	916 Cultural assets at fair value	Assets under construction at cost	1,134,163 Total
Plant and equipment at fair value	Computer and communication equipment \$'000	10,218 Leased plant and equipment at fair value \$'000	916 Cultural assets at fair value \$'000	Assets under construction at cost \$'000	1,134,163 Total \$'000
Plant and equipment at fair value \$'000	Computer and communication equipment \$'000	Leased plant and equipment at fair value \$'000	Cultural assets at fair value \$'000	Assets under construction at cost \$'000	1,134,163 Total \$'000
Plant and equipment at fair value \$'000	Computer and communication equipment \$'000	Leased plant and equipment at fair value \$'000	916 Cultural assets at fair value \$'000 916	Assets under construction at cost \$'000	1,134,163 Total \$'000 926,408 59,975
Plant and equipment at fair value \$'000	Computer and communication equipment \$'000	Leased plant and equipment at fair value \$'000 9,490 5,262 (2,249)	Cultural assets at fair value \$'000	Assets under construction at cost \$'000 32,812 54,689	1,134,163 Total \$'000 926,408 59,975 (2,255)
Plant and equipment at fair value \$'000 3,316 24 (6) (548)	Computer and communication equipment \$'000 12,222 0 0 (4,550)	Leased plant and equipment at fair value \$'000 9,490 5,262 (2,249) (2,428)	Cultural assets at fair value \$'000 916 0 0	Assets under construction at cost \$'000 32,812 54,689 0	1,134,163 Total \$'000 926,408 59,975 (2,255) (54,494)
3,652 Plant and equipment at fair value \$'000 3,316 24 (6) (548)	Computer and communication equipment \$'000 12,222 0 0 (4,550)	10,218 Leased plant and equipment at fair value \$'0000 9,490 5,262 (2,249) (2,428)	916 Cultural assets at fair value \$'000 916 0 0	81,355 Assets under construction at cost \$'000 32,812 54,689 0 0	7otal \$'000 926,408 59,975 (2,255) (54,494) 53,844
3,652 Plant and equipment at fair value \$'000 3,316 24 (6) (548) 0	Computer and communication equipment \$'000 12,222 0 0 (4,550) 0	10,218 Leased plant and equipment at fair value \$'0000 9,490 5,262 (2,249) (2,428) 0	916 Cultural assets at fair value \$'000 916 0 0 0	81,355 Assets under construction at cost \$'000 32,812 54,689 0 0 (3,581)	Total \$'000 926,408 59,975 (2,255) (54,494) 53,844 (3,581)

9,875

916

51,953

979,698

3,884

14,855

5.2 INTANGIBLE ASSETS

5.2.1 INTANGIBLE ASSETS - EXCLUDING CASE MANAGEMENT SYSTEM (CMS)

	Computer	software
	2020 \$'000	2019 \$'000
Gross carrying amount		
Opening balance	55,334	45,981
Additions	11,710	0
Additions to/transfers from work in progress	(7,338)	5,772
Transfer between asset classes	738	3,581
Gross value at the end of the financial year	60,443	55,334
Accumulated amortisation and impairment		
Opening balance	(38,474)	(31,003)
Amortisation (i)	(3,121)	(7,472)
Closing balance	(41,595)	(38,474)
Net book value at the end of the financial year	18,848	16,859

5.2.2 INTANGIBLE ASSETS - CMS

	Computer	software
	2020 \$'000	2019 \$'000
Gross carrying amount		
Opening balance	999	999
Accumulated amortisation and impairment		
Opening balance	(445)	(303)
Amortisation (i)	(143)	(143)
Closing balance	(588)	(445)
Net book value at the end of the financial year	411	554

5.2.3 INTANGIBLE ASSETS - CMS (WIP)

	Computer	software
	2020 \$'000	2019 \$'000
Gross carrying amount		
Opening balance	6,980	1,916
Additions to work in progress	5,383	5,064
Gross value at the end of the financial year	12,363	6,980
Total intangible assets	31,622	24,393

Note:

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

INITIAL RECOGNITION

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

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

- a. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b. an intention to complete the intangible asset and use or sell it;
- c. the ability to use or sell the intangible asset;
- d. the intangible asset will generate probable future economic benefits:
- e. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- f. 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 (2019: 3 and 7 years).

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a straight-line basis over their useful lives. The amortisation period is 3 to 5 years (2019: 3 and 5 years).

IMPAIRMENT OF INTANGIBLE ASSETS

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

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

NOTE 6. OTHER ASSETS AND LIABILITIES

INTRODUCTION

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

STRUCTURE

- 6.1 Receivables
- **6.2** Payables

6.1 RECEIVABLES

	2020 \$'000	2019 \$'000
Current receivables		
Contractual		
Other receivables	6,046	10,600
Allowance for impairment losses of contractual receivables	(56)	(246)
	5,991	10,354
Statutory		
Amounts owing from Victorian Government	122,345	83,555
GST input tax credit recoverable	6,370	6,016
	128,715	89,571
Total receivables	134,706	99,925
Represented by:		
Current receivables	132,096	98,029
Non-current receivables	2,609	1,896

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

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

6.1.1 AGEING ANALYSIS OF CONTRACTUAL FINANCIAL ASSETS

No interest is charged for the first 30 days from the invoice date. The average credit period for sales of goods/services and other receivables is 30 days. There are no material financial assets that are individually determined to be impaired. Currently, 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

	2020 \$'000	2019 \$'000
Current payables		
Contractual		
Trade creditors and other payables	32,142	33,146
Unearned revenue	58	0
Accrued capital works	13,338	5,921
Salaries and wages	11,730	7,512
	57,268	46,579
Statutory		
Payroll tax	1,351	1,259
Fringe benefits tax	768	733
Amounts payable to the Judicial College of Victoria	2,186	1,646
Amounts payable to the Judicial Commission of Victoria	423	250
	4,728	3,888
Total payables	61,996	50,468
Represented by:		
Current payables	61,913	50,397
Non-current payables	83	71

Payables consist of:

- contractual payables, totalling \$57.27 million (2019: \$46.58 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 \$4.7 million (2019: \$3.89 million) that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

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

NOTE 7. FINANCING OUR OPERATIONS

INTRODUCTION

This section provides information on the sources of finance utilised by CSV during its operations, along with interest expenses (the cost of borrowings) and other information related to the financing of activities.

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

Borrowings refer to interest bearing liabilities mainly raised through lease liabilities. Borrowings are classified as financial instruments, and interest bearing liabilities are classified at amortised cost unless CSV elects to irrevocably designate them at fair value through the profit and loss at initial recognition.

The election depends on the nature and purpose of the interest-bearing liabilities.

STRUCTURE

- 7.1 Lease Liabilities (CSV as lessee)
- 7.2 Cash flow information and balances
- 7.3 Trust account balances
- 7.4 Commitments for expenditure

7.1 LEASE LIABILITIES (CSV AS LESSEE)

Interest bearing lease liabilities	Minimum future lease payments ⁽ⁱ⁾		Present value of minimum lease payments	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Commissioned PPP related finance lease liabilities payable (prior period finance lease)				
Not longer than 1 year	17,580	17,633	15,400	14,107
Longer than 1 year and not longer than 5 years	15,999	33,579	15,302	30,701
Longer than 5 years				
Other finance lease liabilities payable (prior period finance lease) (iii)				
Not longer than 1 year	18,399	4,638	17,209	4,394
Longer than 1 year and not longer than 5 years	38,943	5,877	36,232	5,715
Longer than 5 years	36,747		35,156	
Minimum future lease payments	127,668	61,728	119,299	54,917
Less future finance charges	(8,369)	(6,810)		
Present value of minimum lease payments	119,299	54,917	119,299	54,917
Included in the financial statements as:				
Current borrowings lease liabilities			32,609	18,501
Non-current borrowings lease liabilities			86,690	36,417
Total lease liabilities			119,299	54,917

⁽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 are disclosed in Note 7.1.2 These are secured by the Assets leased. Leases liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

7.1.1 LEASES

CSV's leases comprise various properties and motor vehicles. Majority of CSV's leases are property leases which were treated and disclosed as operating leases under the previous lease standard AASB 117 and are now recognised under AASB 16.

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

CSV's property lease terms includes the term stated in the contract adjusted for any option periods (i.e., extension options, holdover terms, etc.) if the options are reasonably certain of being exercised.

CSV's lease payments for its property leases comprise the fixed lease payments and periodic fixed % increases, market rent reviews on exercise of renewal terms and adjustments to lease payments to reflect changes in CPI.

During the current and prior year there were no defaults or breaches of any of CSV's leases.

Right-of-use assets are presented in note 5.1(a).

7.1.2 RIGHT-OF-USE ASSETS - AMOUNTS RECOGNISED IN THE COMPREHENSIVE OPERATING STATEMENT

The following amounts are recognised in the Comprehensive Operating Statement relating to leases.

	2020 \$'000
Interest expense on lease liabilities (i)	4,807
Total amount recognised in the comprehensive operating statement	4,807

(i) Of the balance in 'interest on leases liabilities', \$3.527m related to assets contracted under the PPP arrangements.

7.1.3 TOTAL CASH OUTFLOWS FOR LEASES

The following amounts are recognised in the Statement of Cash Flows for the year ending 30 June 2020 relating to leases.

	2020 \$'000
Total cash outflow	30,151

7.1.4 LEASE POLICY

For any new contracts entered into on or after 1 July 2019, CSV considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition CSV assesses whether the contract meets three key evaluations:

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to CSV and for which the supplier does not have substantive substitution rights;
- Whether CSV has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and CSV has the right to direct the use of the identified asset throughout the period of use; and
- Whether CSV has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

SEPARATION OF LEASE AND NON-LEASE COMPONENTS

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

RECOGNITION AND MEASUREMENT OF LEASES AS A LESSEE (UNDER **AASB 16 FROM 1 JULY 2019)**

A) LEASE LIABILITY -INITIAL MEASUREMENT

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or CSV's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value quarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

B) LEASE LIABILITY -SUBSEQUENT MEASUREMENT

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

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

C) SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS

CSV has elected to account for short-term leases and leases of low-value assets using practical expedients. Instead of recognising a right-of-use asset and liability, the payments in relation to these are recognised as an expense in the Operating Statement on a straight-line basis over the lease term.

D) PRESENTATION OF RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

CSV presents in the balance sheet right-of-use assets as 'buildings at fair value' and 'property plant equipment'. Lease liabilities are presented as 'borrowings' in the balance sheet.

E) RECOGNITION AND MEASUREMENT OF LEASES (UNDER AASB 117 UNTIL 30 JUNE 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

CSV determined whether an arrangement was or contained a lease based on the substance of the arrangement and required an assessment of whether fulfilment of the arrangement is dependent on the use of the specific asset(s); and the arrangement conveyed a right to use the asset(s).

Leases of property, plant and equipment where CSV as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. Finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the consolidated comprehensive operating statement.

Assets held under other leases were classified as operating leases and were not recognised in CSV's balance sheet. Operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

F) COMMISSIONED PUBLIC PRIVATE PARTNERSHIP

The State, through CSV, entered into a 20-year PPP with the Liberty Group Consortium Pty Ltd in June 2002 for the design, construction and maintenance of the County Court. Under the agreement, the portion of the payments to The Liberty Group Pty Ltd that relates to CSV's right-of-use assets are accounted for as Lease Liabilities. In addition, until the end of this PPP arrangement, CSV pays The Liberty Group Consortium Pty Ltd for the ongoing operation and maintenance of the Court (refer to the 'public private partnerships' component of Note 7.4, Commitments for expenditure).

Prior to 2019-20, CSV accounted for the component of periodic payments related to the design and construction or upgrading of the County Courts as a finance lease in accordance with AASB 1008 Leases which was superseded by AASB 117 Leases ("AASB 117") and are now recognised under AASB 16. The remaining component relating to the ongoing operations and maintenance of the County Courts is accounted for as operating expenses as they are incurred in the Comprehensive Operating Statement.

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 unpresented cheques at reporting date. At 30 June 2020, cash at bank included the amount of a notional shortfall for the payment of unpresented cheques of \$0.72 million in CSV Expenditure Account (2019: \$2.78 million) and \$0.27 million in the Juror Payments Account (2019: \$0.26 million).

For cash flow statement presentation purposes, cash and cash equivalents comprise the cash balance and funds held in trust, \$19.89 million (2019 \$17.90 million) details of which can be found at Note 8.1.1.

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

	2020 \$'000	2019 \$'000
Net result for the period	3,138	(4,586)
Non-cash movements		
(Gain)/loss on sale or disposal of non-current assets	(346)	(468)
Depreciation and amortisation of non-current assets	72,923	62,109
Allowance for doubtful debts and bad debts	(190)	(381)
Movements in net assets and liabilities		
Decrease/(increase) in receivables	(34,903)	(346)
Decrease/(increase) in prepayments	(2,005)	(3,517)
Increase/(decrease) in payables	4,112	7,418
Increase/(decrease) in provisions	11,220	14,334
Net cash from/(used in) operating activities	53,948	74,563

²⁰¹⁹ amounts have been restated as a result of a correction of an error (see Note 10)

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-Jul-19 \$'000	Total receipts \$'000	Total payments \$'000	
Cash and cash equivalents and investments				
CONTROLLED TRUSTS				
Treasury Trust Fund				
Financial Management Act 1994 (No. 18/1994), Part 4				
Working account for CSV	12,661	491	1,829	
Vehicle Lease Trust Account				
Financial Management Act 1994 (No. 18/1994), Part 4				
Working account for the sale of VicFleet motor vehicles	113	405	441	
Victorian Civil and Administrative Tribunal Trust Account				
Financial Management Act 1994 (No. 18/1994), Part 4				
 Working account for the Owners Corporation, Domestic Building and Residential Tenancies disputes. 	2,949	20,749	19,284	
Inter-Departmental Transfer Fund	5,206	4,377	4,223	
Total controlled trusts	20,930	26,021	25,776	

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

		, , , , , , , , , , , , , , , , , , ,	
	Opening balance as at 1-Jul-19 \$'000	Total receipts \$'000	Total payments \$'000
ADMINISTERED TRUSTS			
Courtlink Trust Account			
Financial Management Act 1994 (No. 18/1994), Part 4			
▶ Working account for the Magistrates' Courts court orders (i	187	9,138	9,823
Suspense Account			
Financial Management Act 1994 (No. 18/1994), Part 4			
Working account for CSV	588	0	(17)
Public Service Commuter Club			
Financial Management Act 1994 (No. 18/1994), Part 4			
▶ Working account for the Public Service Commuter Club (iii	(401)	1,011	894
Revenue Suspense			
Financial Management Act 1994 (No. 18/1994), Part 4			
 Working account for the allocation of revenue 	0	8	0
Treasury Trust Fund			
Financial Management Act 1994 (No. 18/1994), Part 4			
Working account for CSV	2,400	4	(67)
Security Account			
Financial Management Act 1994 (No. 18/1994), Part 4			
▶ Holds monies as security for good behaviour	160	10	0
Victorian Civil and Administrative Tribunal Trust Account			
Financial Management Act 1994 (No. 18/1994), Part 4			
 Working account for the Owners Corporation, Domestic Building and Residential Tenancies disputes 	233	133	(195)
Total administered trusts	3,168	10,304	10,439

Notes:

⁽i) The Trust fund deficit is due to administrative issues between CSV and Fines Victoria who collect monies on CSV's behalf. These issues are being discussed with Fines Victoria and are expected to be resolved in the 2020-21 financial year.

⁽ii) The Commuter Club is in deficit because yearly tickets are purchased in advance and reimbursed over the course of 12 months.

Closing balance as at 30-Jun-20 \$'000	Opening balance as at 1-Jul-18 \$'000	Total receipts \$'000	Total payments \$'000	Closing balance as at 30-Jun-19 \$'000
11,323	10,403	2,888	629	12,661
77	49	590	526	113
4,414	2,547	19,480	19,077	2,949
5,361	1,556	5,797	2,147	5,206
21,175	14,554	28,755	22,379	20,930
Olasian balanca sa	On anima halamas	Total	Total	Clasia a balansa
Closing balance as at 30-Jun-20 \$'000	Opening balance as at 1-Jul-18 \$'000	Total receipts \$'000	payments \$'000	Closing balance as at 30-Jun-19 \$'000
[498]	11	11,605	11,428	187
, ,		,	,	
605	466	27	(96)	588
			(, ,	
(284)	(372)	985	1,014	(401)
8	0	0	0	0
2,470	1,743	11	(645)	2,400
170	127	34	0	160
562	(75)	(11)	(319)	233
3,034	1,899	12,651	11,382	3,168

THIRD PARTY FUNDS UNDER MANAGEMENT

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

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

	2020 \$'000	2019 \$'000
COURTS		
Bail Monies	5,947	5,265
Assets under management by the Senior Master of the Supreme Court (Funds in Court) ^[i]	1,962,872	2,024,471
	1,968,819	2,029,736

⁽i) Further information about Funds in Court can be found at https://fundsincourt.vic.gov.au/

7.4 COMMITMENTS FOR EXPENDITURE

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

7.4.1 TOTAL COMMITMENTS PAYABLE

Nominal amounts: 2020	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Public private partnership – operation and maintenance commitments (7.1.4.f)	13,948	14,259	0	28,207
Capital expenditure commitments payable	6,488	12,308	0	18,797
Operating commitments payable	28,065	45,336	11,067	84,467
Other commitments payable	80	73	0	153
Total commitments (inclusive of GST)	48,581	71,975	11,067	131,622
Less GST recoverable	4,416	6,543	1,006	11,966
Total commitments (exclusive of GST)	44,164	65,432	10,060	119,657

Nominal amounts: 2019	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Public private partnership-operation and	Ψ 000	Ψ 000	Ψ 000	Ψ 000
maintenance commitments	13,948	28,207	0	42,155
Capital expenditure commitments payable	3,659	17,848	0	21,507
Operating commitments payable	19,363	45,564	13,085	78,011
Accommodation lease commitments payable	10,299	20,874	25,044	56,217
Other commitments payable	368	153	0	521
Total commitments (inclusive of GST)	47,637	112,645	38,129	198,411
Less GST recoverable	4,331	10,240	3,466	18,037
Total commitments (exclusive of GST)	43,306	102,405	34,662	180,374

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.

Guarantees issues on behalf of CSV are financial instruments because, although authorised under statute, terms and conditions for each financial guarantee may vary and are subject to an agreement.

FINANCIAL ASSETS AT AMORTISED COST

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

- the assets are held by CSV to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

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

CSV recognises the following assets in this category:

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

CATEGORIES OF FINANCIAL ASSETS PREVIOUSLY UNDER AASB 139

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

CSV has no financial assets classified as "available for sale financial assets" or "held to maturity investments" or "at fair value through profit and loss".

Loans and receivables

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

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

FINANCIAL LIABILITIES AT FAIR VALUE

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

DERECOGNITION OF FINANCIAL ASSETS

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

- the rights to receive cash flows from the asset have expired; or
- 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:
- has transferred substantially all the risks and rewards of the asset; or
- has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where 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.

DERECOGNITION OF FINANCIAL LIABILITIES

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

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

RECLASSIFICATION OF FINANCIAL INSTRUMENTS

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

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

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

8.1.1 FINANCIAL INSTRUMENTS: CATEGORISATION

	Category	2020 \$'000	2019 \$'000
CONTRACTUAL FINANCIAL ASSETS			
Cash and deposits/(overdrawn)	Cash and deposits	(1,288)	(3,031)
Funds held in Trust		21,176	20,930
Total contractual cash and deposits		19,888	17,899
Receivable	Financial assets at		
Other receivables	amortised cost	5,991	10,354
Total contractual financial assets		25,879	28,252
CONTRACTUAL FINANCIAL LIABILITIES			
Payable			
Trade creditors and other payables		32,142	33,146
Accrued capital works	Financial liabilities	13,338	5,921
Salary and wages	at amortised cost	11,730	7,512
Borrowings			
PPP related Right of Use lease liabilities		30,701	44,808
Non-PPP related Right of Use lease liabilities		88,521	10,109
Total contractual financial liabilities		176,432	101,497

8.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category

	2020 Total expense \$'000	2019 Total expense \$'000
FINANCIAL LIABILITIES AT AMORTISED COST		
Contractual financial liabilities under the PPP arrangement for the County Court Facility	(4,515)	(4,753)
Contractual financial liabilities for VicFleet	(293)	(231)
	(4,809)	(4,983)

8.1.3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES



As a whole, 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 of impairment for 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 2020 CSV's contractual financial assets are neither past due nor impaired.

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

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

There has been no material change to CSV's credit risk profile in 2019-20.

CREDIT QUALITY OF FINANCIAL ASSETS

2020	Financial institution (triple-A credit rating) \$'000	Government agencies (triple-A credit rating) \$'000	Government agencies (triple-B credit rating) \$'000	Other (min triple-B credit rating) \$'000	Total \$'000
FINANCIAL ASSETS					
Financial assets with loss allowance measured at 12-month expected credit loss					
Cash and deposits	(1,288)	21,176	0	0	19,888
Statutory receivables (with no impairment loss recognised)	0	128,715	0	0	128,715
Financial assets with loss allowance measured at lifetime expected credit loss:					
Contractual receivables applying the simplified approach for impairment	0	3,272	134	2,640	6,046
Total financial assets	(1,288)	153,163	134	2,640	154,649

2019	Financial institution (triple-A credit rating) \$'000	Government agencies (triple-A credit rating) \$'000	Government agencies (triple-B credit rating) \$'000	Other (min triple-B credit rating) \$'000	Total \$'000
FINANCIAL ASSETS					
Financial assets with loss allowance measured at 12-month expected credit loss					
Cash and deposits	(3,031)	20,930	0	0	17,898
Statutory receivables (with no impairment loss recognised)	0	89,571	0	0	89,571
Financial assets with loss allowance measured at lifetime expected credit loss:					
Contractual receivables applying the simplified approach for impairment	0	10,189	216	195	10,600
Total financial assets	(3,031)	120,690	216	195	118,069

IMPAIRMENT OF FINANCIAL ASSETS UNDER AASB 9

CSV records an allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include CSV's contractual receivables, statutory receivables and its investment in debt instruments.

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

CONTRACTUAL RECEIVABLES AT AMORTISED COST

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

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

30 June 2020	Current 1% \$'000	Less than 1 month 1% \$'000	1-3 months 1% \$'000	3 months -1 year 1% \$'000	1–5 years 1% \$'000	Total \$'000
Expected loss rate						
Gross carrying amount of contractual receivables	3,242	216	243	1,627	717	6,046
Loss allowance	19	2	2	22	10	55

30 June 2019	Current 0% \$'000	Less than 1 month 0% \$'000	1-3 months 0% \$'000	3 months -1 year 6% \$'000	1–5 years 11% \$'000	Total \$'000
Expected loss rate						
Gross carrying amount of contractual receivables	3,925	1,983	758	3,715	219	10,600
Loss allowance	0	0	0	223	23	246

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

	2020 \$'000	2019 \$'000
Balance at beginning of the year	(246)	(627)
Opening retained earnings adjustment on adoption of AASB 9	0	0
Opening Loss Allowance	(246)	(627)
Increase in provision recognised in the net result		
Reversal of unused provision recognised in the net result	191	381
Balance at end of the year	(55)	(246)

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

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

STATUTORY RECEIVABLES AT AMORTISED COST

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

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

FINANCIAL INSTRUMENTS: LIQUIDITY RISK

Liquidity risk arises from being unable to meet financial obligations as they fall due. 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 and the amounts related to financial quarantees. CSV manages its liquidity risk by:

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

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

8.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

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

QUANTIFIABLE CONTINGENT LIABILITIES (ARISING FROM OUTSIDE OF GOVERNMENT)

CONTINGENT LIABILITIES

Contingent liabilities are:

possible obligations that arise from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

- present obligations that arise from past events but are not recognised because:
 - » it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - » the amount of the obligations cannot be measured with sufficient reliability.

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

	2020 \$'000	2019 \$'000
CONTINGENT LIABILITIES		
Liabilities pending the outcome of legal action	595	250
Remediation of combustible aluminium composite panels	1,500	7,020
Make good requirements under leases of premises	3,915	3,353
Total contingent liabilities	6,010	10,623

CSV has received information from Department of Environment, Land, Water and Planning (DELWP) regarding the risk arising from the use of combustible aluminium composite panels in seven CSV owned buildings. During 2019-20 audits of these building determined that the majority were of low risk and removed from the program for rectification. The current estimated cost of remediation (\$1.5m), which is based on that information, may increase or decrease as the nature and extent of remediation is determined. CSV expects funding will be provided to meet the cost of remediation. This funding has not been reflected in the estimated cost of remediation.

CSV's 'make good' obligations under leases of premises comprise:

i. The removal of leasehold improvements and the return of the premises to a "warm shell" state which might require the installation of new carpet, repair of ceilings and reinstating air-conditioner. CSV has recognised a make good provision of \$0.16 million (2019: \$0.34 million) on the Balance Sheet in respect of these costs.

ii. The repair of any damage (other than damage attributed to fair wear and tear) and the removal of any chattels and other loose items from the tenancy. These obligations will only be confirmed on termination of the lease and following negotiations with the lessor. The quantified contingent liability of \$3.90 million (2019: \$3.35 million) is the estimated maximum amount CSV might incur in meeting those obligations.

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

NON-QUANTIFIABLE CONTINGENT LIABILITIES

CSV has no non-quantifiable contingent liabilities arising at this time from:

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

8.3 FAIR VALUE DETERMINATION

SIGNIFICANT JUDGEMENT: FAIR VALUE MEASUREMENTS OF ASSETS AND LIABILITIES

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of 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 reconciliation of the movements in fair values from the beginning of the year to the end; and
 - » details of significant unobservable inputs used in the fair value determination.

8.3.1 FAIR VALUE DETERMINATION OF FINANCIAL ASSETS AND LIABILITIES

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

CSV currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2019-20 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 2020. 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.

There are uncertainties inherent in the land and building indices in the COVID-19 environment. They are however the best available indicator of the change in value in CSV assets at June 30, 2020. Whilst it is difficult to estimate with a degree of certainty the resulting impact (financial and operational) the pandemic will have on CSV, its operations, its future results and financial position, CSV does not expect pandemic to have a material impact on the CSV's future results and financial position. As required by FRD 103H, CSV will be undertaking its 5-yearly independent valuation of non-financial physical assets during 2020-21 which will assist in the identification of any impacts on CSV's future results and financial position.

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

The 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 using the market approach adjusted for CSO effective 30 June 2016.

In accordance with FRD 103H, 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 2019-20 (as at 30 June 2020). Since the last managerial revaluation, the review indicates that during the year ended 30 June 2020:

- ▶ The movement in the fair value of specialised buildings is not material and therefore no adjustment to the assets carrying value is required.
- ▶ The movement in the fair value of specialised land is material and therefore an adjustment to the assets carrying value is required. An increase in the physical assets revaluation surplus of \$44.3 million has therefore been recognised.

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. In light of the COVID-19 Pandemic CSV reviewed its leases and determined that no rent relief has been received or is expected.

Heritage assets: CSV holds heritage assets with a carrying value of \$104.7 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.

There were no changes in valuation techniques throughout the period to 30 June 2020.

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 Ex-gratia expenses
- 9.3 Responsible persons
- 9.4 Remuneration of executives
- 9.5 Key management personnel
- **9.6** Remuneration of auditors
- 9.7 Subsequent events
- 9.8 Other accounting policies
- 9.9 Change in accounting policies
- **9.10** 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.

		2020 \$'000	2019 \$'000
(a)	Net gain/(loss) on non-financial assets		
	Net gain/(loss) on disposal of property, plant and equipment	346	468
	Total net gain/(loss) on non-financial assets	346	468
(b)	Net gain/(loss) on financial instruments		
	Bad debts written off	190	381
	Total net gain/(loss) on financial instruments	190	381
(c)	Other gains/(losses) from other economic flows		
	Net gain/(loss) arising from revaluation of long service leave liability ⁽ⁱ⁾	(1,916)	(7,663)
	Total other gains/(losses) from other economic flows	(1,916)	(7,663)

⁽i) Revaluation of the long service leave liability includes wages inflation decrease from 4.33% (2019) to 4.25% (2020) and lower discount rate from 1.32% (2019) to 0.872% (2020) contributing to an increase to the present value of long service leave liabilities.

9.2 EX-GRATIA EXPENSES

	2020 \$'000	2019 \$'000
Compensation for breach of privacy	6	0
Total ex-gratia expenses [i]	6	0

⁽i) Expenditure for security upgrade on an individual's residence.

9.3 RESPONSIBLE PERSONS

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

NAMES

The persons who held the positions of Minister and Accountable Officer in CSV are as follows:

RESPONSIBLE MINISTER	PERIOD
Attorney-General, The Hon. Jill Hennessy MP	1 July 2019 to 30 June 2020
Acting Attorney-General, The Hon. Benjamin Carroll MP	1 July 2019 to 5 July 2019
Acting Attorney-General, The Hon. Gavin Jennings MP	6 July 2019 to 13 July 2019
Acting Attorney-General, The Hon. Benjamin Carroll MP	14 July 2019 to 20 July 2019
Acting Attorney-General, The Hon. Gavin Jennings MP	1 August 2019 to 10 August 2019
Acting Attorney-General, The Hon. Benjamin Carroll MP	20 December 2019 to 12 January 2020
ACCOUNTABLE OFFICER	PERIOD
Chief Executive Officer, Louise Anderson	1 July 2019 to 30 June 2020
Acting Chief Executive Officer, Fiona Chamberlain	3 July 2019 to 26 July 2019

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	1 July 2019 to 30 June 2020
The Honourable Chief Judge Peter Kidd	1 July 2019 to 30 June 2020
His Honour Chief Magistrate Peter Lauritsen	1 July 2019 to 16 November 2019
Her Honour Chief Magistrate Lisa Hannan	17 November 2019 to 30 June 2020
Her Honour Judge Amanda Chambers	1 July 2019 to 30 June 2020
Acting State Coroner Caitlin English	1 July 2019 to 30 November 2019
His Honour State Coroner Judge John Cain	1 December 2019 to 30 June 2020
The Honourable Justice Michelle Quigley	1 July 2019 to 30 June 2020
Dr Philip Williams AM	1 July 2019 to 30 June 2020

REMUNERATION: ACCOUNTABLE OFFICER

	2020 No.	2019 No.
\$20,000 - \$89,999	1	0
\$90,000 - \$99,999	0	1
\$220,000 - \$229,999	0	1
\$230,000 - \$239,999	0	1
\$240,000 - \$299,999	0	0
\$300,000 - \$349,999	0	0
\$350,000 - \$399,999	1	0
	2	3

Remuneration received or receivable by the independent member during the reporting period was in the range: \$20,000-\$29,999 (\$20,000-\$29,999 in 2018-19).

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.

9.4 REMUNERATION OF EXECUTIVES

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

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

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

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

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

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

REMUNERATION OF EXECUTIVE OFFICERS

	2020 \$'000	2019 \$'000
Short-term employee benefits	4,041	3,349
Post-employment benefits	353	288
Other long-term benefits	98	84
Termination benefits	333	116
Total remuneration	4,825	3,836
Total number of executives	22	19
Total annualised employee equivalents (i)	15.5	14.0

Note:

⁽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.

9.5 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

	2020 \$'000	2019 \$'000
Short-term employee benefits	413	529
Post-employment benefits	24	37
Other long-term benefits	10	12
Total remuneration	446	578

9.5.1 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.

During period 1 July 2019 to 30 June 2020, there were no related party transactions that involved key management personnel of CSV.

9.6 REMUNERATION OF AUDITORS

	2020 \$'000	2019 \$'000
VICTORIAN AUDITOR-GENERAL'S OFFICE		
Audit of the financial statements	215	205
Total remuneration of auditors	215	205

9.7 SUBSEQUENT EVENTS

Negotiations are underway to consider exercising the option to extend the G4S security contract for a further 2 years at an estimated cost of \$29 Million.

The COVID-19 pandemic created significant uncertainty up to October 27, 2020, when restrictions effectively eased. There is a possibility that restrictions may be re-introduced due to future outbreaks, which may in turn impact the future operations, financial results and financial position of CSV. However, as at the date of this report, CSV is not aware of any significant impact of the pandemic on the 30 June 2020 annual financial statements.

9.8 OTHER ACCOUNTING POLICIES

9.8.1 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.

9.9 CHANGE IN ACCOUNTING POLICIES

9.9.1 LEASES

This note explains the impact of the adoption of AASB 16 Leases on CSV's financial statements.

CSV has applied AASB 16 with a date of initial application of 1 July 2019.

CSV has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, CSV determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 determining whether an arrangement contains a lease. Under AASB 16, CSV assesses whether a contract is or contains a lease based on the definition of a lease as explained in Note 7.1.

On transition to AASB 16, CSV has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

Leases classified as operating leases under AASB 117

As a lessee, CSV previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to CSV. Under AASB 16, CSV recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low value leases.

On adoption of AASB 16, CSV recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using CSV's incremental borrowing rate as of 1 July 2019.

On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised on the balance sheet as at 30 June 2019.

CSV has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Adjusted the right-of-use assets by the amount of AASB 137 onerous contracts provision immediately before the date of initial application, as an alternative to an impairment review;
- Applied the exemption not to recognise rightof-use assets and liabilities for leases with less than 12 months of lease term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application and;
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

Impacts on financial statements

On transition to AASB 16, CSV recognised \$138.04 million of right-of-use assets (see Note 5.1(a)) and \$133.3 million of lease liabilities.

On adoption of AASB 16, CSV recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using CSV's incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

	1 July 2019 \$'000
Total operating lease commitments disclosed at 30 June 2019	56,217
Less: GST (not included in lease payments considered for lease liability under AASB 16)	(5,111)
Total operating lease commitments excluding GST	51,107
Add: Impact of assessing lease term considered reasonably certain renewal options under AASB 16	26,933
Add: Impact of assessing lease payments for determining lease liability under AASB 16	6,028
Less: Impact of payments for non-lease components not considered in measurement of lease liability	(342)
	83,726
Impact of discounting	(5,306)
Lease payments discounted using the incremental borrowing rate as at 1 July 2019	78,420
Add: Finance Lease Liabilities previously recognised separately at June 2019	54,917
Lease liabilities recognised as at 1 July 2019	133,337

9.9.3 REVENUE FROM CONTRACTS WITH CUSTOMERS/INCOME OF NOT-FOR-PROFIT ENTITIES

AASB 15 provides guidance under appendix F to assist not-for-profit ("NFP") entities to determine whether particular transactions or other events, or components thereof, are within scope. In particular, identifying a contract and identifying performance obligations. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction is recognised under AASB 1058.

After considering the requirements of AASB 15 and AASB 1058, CSV has determined that revenue from grants and parliamentary appropriations are not enforceable and do not have sufficiently specific performance obligations and are therefore recognised under AASB 1058.

9.9.4 SERVICE CONCESSION ARRANGEMENTS: GRANTORS

CSV has reviewed all of its arrangements to assess whether AASB 1059 applies and made the judgment that no arrangements are within the scope of AASB 1059 due to no operator providing public services or managing at least some of those services under its own direction.

9.10 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

Certain new and revised accounting standards have been issued but are not effective for the 2019-20 reporting period. These accounting standards have not been applied to the CSV Annual Financial Statements. CSV is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

► AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. CSV has not earlier adopted the Standard.

The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.

CSV is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

 AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or

after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 Classification of Liabilities as Current or Non-Current – Deferral of Effective Date with the intention to defer the application by 1 year to periods beginning on or after 1 January 2023. The Department will not early adopted the Standard.

CSV is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on CSV's reporting.

- ▶ AASB 17 Insurance Contracts.
- AASB 1060 General Purpose Financial Statements

 Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).
- ► AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business.
- ▶ AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework.
- ▶ AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform.
- ▶ AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.
- ▶ AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.

NOTE 10. CORRECTION OF A PRIOR PERIOD ERROR

CSV has identified one prior period error in relation to the depreciation of the County Court Public Private Partnership lease. In accordance with AASB 108 (Accounting Policies, Changes in Accounting Estimates and Errors), CSV is required to correct material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery. The error occurred before the earliest prior period presented, hence the opening balances of assets, liabilities and equity for 2019 have been restated. Sections 10.1 and 10.2 include the restated tables for the comprehensive operating statement and balance sheet respectively.

DEPRECIATION OF THE COUNTY COURT PUBLIC PRIVATE PARTNERSHIP (PPP) ASSET

Prior to 1 July 2019, the PPP was accounted for as a finance lease under AASB 117, and the underlying asset was depreciated over the useful life of the asset, estimated to be 43 years.

Under the requirements of AASB 117, the asset should have been depreciated over the shorter of the lease term (20 years) and the asset's useful life, as there was no reasonable certainty that CSV would obtain ownership of the leased asset at the end of the lease term.

This error had the effect of overstating the opening balance sheet balances at the beginning of the preceding period for: property, plant and equipment by \$139.8m; accumulated surplus/ (deficit) by \$36.3m; and physical asset revaluation reserve by \$103.4m. This error also had the effect of understating the comprehensive operating statement at the end of the preceding period for depreciation and amortisation by \$8.6m.

The impact of restatement on each of the affected financial statement line item for the prior periods is presented as follows:

10.1 IMPACT OF CORRECTION OF AN ERROR ON THE COMPREHENSIVE OPERATING STATEMENT

	For the period ended 30 June 2019 as previously presented. \$'000	Prior period adjustments PPP – County Court \$'000	For the period ended 30 June 2019 (Restated) \$'000
Expenses from transactions			
Depreciation and amortisation	53,488	8,621	62,109
Total expenses from transactions	53,488	8,621	62,109
Net result from transactions	40.040	0.404	0.000
(net operating balance)	10,849	8,621	2,228
Comprehensive result	57,880	8,621	49,258

10.2 IMPACT OF CORRECTION OF AN ERROR ON THE BALANCE SHEET

Assets	As at 30 June 2018 (as previously presented) \$'000	Prior period adjustments PPP - County Court \$'000	As at 1 July 2018 (restated) \$'000	As at 30 June 2019 (as previously presented) \$'000	Prior period adjustments PPP - County Court \$'000	As at 30 June 2019 (restated) \$'000
Financial assets						
Property, plant and equipment	1,066,249	(139,841)	926,408	1,128,160	(148,462)	979,698
Total non- financial assets	1,086,391	(139,841)	946,550	1,158,640	(148,462)	1,010,178
Total assets	1,196,741	(139,841)	1,056,900	1,276,833	(148,462)	1,128,001
Net assets	1,005,384	(139,841)	865,543	1,076,833	(148,462)	928,371
Equity						
Accumulated surplus/(deficit)	7,717	(36,386)	28,669	11,752	(45,007)	(33,255)
Physical asset revaluation						
surplus	250,137	(103,455)	146,682	303,982	(103,455)	200,527
Net worth	1,005,384	(139,841)	865,543	1,076,833	(148,462)	928,371

NOTE 11. GLOSSARY OF TECHNICAL TERMS AND STYLE CONVENTIONS

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

Effective interest method 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 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 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 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 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 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 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 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 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 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 are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

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

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

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

Produced assets 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 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 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 generally represent cost of goods sold and the day to day running costs, including maintenance costs, incurred in the normal operations of CSV.

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 2019-20 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.

BUDGETARY REPORTING (BR)

INTRODUCTION

In accordance with AASB 1055 Budgetary
Reporting, CSV provides comparisons between
the actual financial statements and the forecast
financial information (initial budget estimates)
published in Budget Paper No. 5 Statement of
Finances (BP5). The comparisons comprise the
comprehensive operating statement, balance
sheet, cash flow statement , statements of changes
in equity and administered item statements.

STRUCTURE

BR1 Comprehensive operating statement

BR2 Balance sheet

BR3 Cash flow statement

BR4 Statement of changes in equity

BR5 Administered items

BR1 COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Variance note	Budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
CONTINUING OPERATIONS				
INCOME FROM TRANSACTIONS				
Output appropriations		481.0	480.2	(0.9)
Special appropriations	1	183.0	167.7	(15.3)
Grants		24.9	25.6	0.8
Other income		0.0	0.0	0.0
Total income from transactions		688.9	673.5	(15.4)
EXPENSES FROM TRANSACTIONS				
Employee expenses	2	405.5	374.6	30.8
Depreciation and amortisation		69.7	72.9	(3.2)
Interest expense		8.3	4.8	3.5
Grants and other transfers		14.3	15.1	(0.8)
Capital asset charge		46.4	46.4	0.0
Supplies and services	3	145.3	155.2	(9.9)
Total expenses from transactions		689.3	669.0	20
Net result from transactions (net operating balance)		(0.4)	4.5	(5.0)
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT				
Net gain/(loss) on non-financial assets		0.0	0.3	(0.3)
Net gain/(loss) on financial instruments		0.0	0.2	(0.2)
Other gains/(losses) from other economic flows		0.0	(1.9)	1.9
Total other economic flows included in net result		0.0	(1.4)	1.4
Net result		(0.4)	3.1	(3.6)
OTHER ECONOMIC FLOWS-OTHER COMPREHENSIVE INCOME				
ITEMS THAT WILL NOT BE RECLASSIFIED TO NET RESULT				
Changes in physical asset revaluation reserve	4	0.0	44.3	(44.3)
Total other economic flows-other comprehensive income		0.0	44.3	(44.3)
Comprehensive result		(0.4)	47.5	(47.9)

Notes:

- The Special appropriations budget represents the annual warrant provided to cover judicial entitlements and non-judicial members in order to support the delivery of government initiatives. The variance represents undrawn revenue due to lower than planned expenditure.
- 2. The employee expenses variance represents lower than planned expenditure for judicial remuneration funded from special appropriations and employee remuneration funded from ouput appropriations.
- 3. The supplies and services variance represents increased expenditure predominately due to CSV's COVID19 business continuity response and other expenditure.
- 4. Revaluation of land in accordance with financial reporting directions.

BR2 BALANCE SHEET AS AT 30 JUNE 2020

	Variance note	Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
FINANCIAL ASSETS				
Cash and deposits		19.6	19.9	0.2
Receivables		103.7	134.7	31.0
Total financial assets		123.3	154.6	31.3
NON-FINANCIAL ASSETS				
Non-financial physical assets classified as held for sale		0.2	0.2	(0.0)
Property, plant and equipment	1	1269.7	1134.2	(135.5)
Intangible assets		28.4	31.6	3.2
Prepayments		5.9	7.9	2.0
Total non-financial assets		1304.2	1173.9	(130.3)
Total assets		1427.5	1328.4	(99.0)
LIABILITIES				
Payables		49.2	62.0	12.8
Borrowings		130.2	119.3	(10.9)
Provisions		94.9	105.1	10.2
Other provisions		0.0	0.2	0.2
Total liabilities		274.3	286.6	12.3
Net assets		1153.2	1041.9	(111.3)
EQUITY				
Accumulated surplus/(deficit)	2	14.3	(30.1)	(44.4)
Contributed capital		834.8	827.1	(7.6)
Physical asset revaluation surplus	3	304.1	244.9	(59.2)
Net worth		1153.2	1041.9	(111.3)

Notes:

- 1. Prior period error correcting the depreciation replacement cost for the County Court PPP.
- 2. Prior period error correcting accumulated depreciation relating to the depreciation replacement cost for the County Court PPP.
- 3. Prior period error reducing asset revaluation surplus relating to the County Court PPP.

BR3 CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Variance note	Budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
RECEIPTS				
Receipts from Government	1	658.7	602.7	(55.9)
Receipts from other entities		17.0	30.2	13.2
Goods and services tax recovered from the ATO		0.0	27.0	27.0
Total receipts		675.7	660.0	(15.7)
PAYMENTS				
Payments to suppliers and employees		(557.3)	(547.3)	10.1
Payments of grants and other transfers		(3.0)	(7.6)	(4.6)
Capital assets charge payments		(46.4)	(46.4)	0.0
Interest and other costs of finance paid		(8.6)	(4.8)	3.8
Total payments		(615.3)	(606.0)	9.3
Net cash provided by/(used in) operating activities		60.4	53.9	(6.4)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of non-financial assets		(115.3)	(95.2)	20.1
Proceed sales of non-financial assets		0.0	2.6	2.6
Net cash provided by/(used in) investing activities		(115.3)	(92.6)	22.6
CASH FLOWS FROM FINANCING ACTIVITIES				
Owner contributions by State Government		73.3	66.0	(7.3)
Repayment of borrowing and finance leases		(0.0)	0.0	0.0
Repayment of right of use leases		(18.4)	(25.3)	(6.9)
Net cash provided by/(used in) financing activities		73.3	40.7	(14.2)
Net increase (decrease) in cash held		18.4	2.0	(16.5)
Cash and cash equivalents at the beginning of the financial year		0.0	17.9	17.9
Cash and cash equivalents at the end of the financial year		0.0	19.9	19.9

Note:

^{1.} Receipts from Government are lower than the published budget due to appropriation re-phased into future years.

BR4 STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Physical asset revaluation surplus \$'000	Accumulated surplus/ (deficit) \$'000	Contributions by owner \$'000	Total \$'000
BUDGET				
Opening balance	200.5	(33.3)	761.1	928.4
Net result for the year	0.0	0.0	0.0	0.0
Other comprehensive income for the year	0.0	0.0	0.0	0.0
Transactions with owners in their capacity as owners	0.0	0.0	73.3	73.3
Closing balance	200.5	(33.3)	834.4	1001.7
STATEMENT OF CHANGES IN EQUITY				
Opening balance	200.5	(33.3)	761.1	928.4
Net result for the year	0.0	3.1	0.0	3.1
Other comprehensive income for the year	44.3	0.0	0.0	44.3
Transactions with owners in their capacity as owners	0.0	0.0	66.0	66.0
Closing balance	244.9	(30.1)	827.1	1041.9
VARIANCE TO BUDGET				
Opening balance	0.0	0.0	0.0	0.0
Net result for the year	0.0	3.1	0.0	3.1
Other comprehensive income for the year	44.3	0.0	0.0	44.3
Transactions with owners in				
their capacity as owners	0.0	0.0	(7.3)	(7.3)
	44.3	3.1	(7.3)	40.2

BR5 ADMINISTERED ITEMS

	Budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
ADMINISTERED INCOME FROM TRANSACTIONS			
Special appropriations applied	43.1	45.1	2.1
Fines	21.1	4.1	(16.9)
Sales of goods and services (including fees)	68.6	62.9	(5.7)
Other income	0.0	1.4	1.4
Total administered income from transactions	132.7	113.5	(19.2)
ADMINISTERED EXPENSES FROM TRANSACTIONS			
Payments into the consolidated fund	89.6	67.2	(22.4)
Criminal injuries compensation	33.4	44.0	10.6
Other expenses	9.7	1.8	(7.9)
Total administered expenses from transactions	132.7	113.0	(19.7)
TOTAL ADMINISTERED NET RESULT FROM TRANSACTIONS (NET OPERATING BALANCE)	0.0	0.5	0.5
Total administered comprehensive result	0.0	0.5	0.5
ADMINISTERED FINANCIAL ASSETS			
Cash and deposits	7.0	10.0	2.9
Receivables	3.5	1.3	[2.2]
Total administered financial assets	10.5	11.3	0.7
ADMINISTERED LIABILITIES			
Creditors and accruals	0.3	0.8	0.5
Payable	10.0	9.2	(0.8)
Provisions	3.3	2.4	(0.9)
Total administered liabilities	13.6	12.4	(1.2)
Total administered net assets	(3.1)	(1.2)	1.9

GLOSSARY

Term	Definition
AJA	Aboriginal Justice Agreement
AJF	Aboriginal Justice Forum
CAIMS	Courts Assist Information Management System
CEO	Chief Executive Officer
CMS	Case management system
College	Judicial College of Victoria
Commission	Judicial Commission of Victoria
Courts Council	The governing body of CSV, comprising the Heads of Jurisdiction and up to two non-judicial members appointed by the Heads of Jurisdiction
Courts Executive	Comprised of the CSV CEO and senior executives, CEOs of the courts, VCAT and the College, and Director of the Commission
Courts Group	The courts, VCAT, College and Commission
CS0	Court security officer
CSV	Court Services Victoria
DTF	Department of Treasury and Finance
EMT	Emergency Management Team
ERP	Elders and Respected Persons
FOI	Freedom of information
FTE	Full-time equivalent
ITS	Information Technology Services
Jurisdictions	Victorian courts and tribunal, which are the Supreme Court of Victoria, the County Court of Victoria, the Magistrates' Court of Victoria, the Children's Court of Victoria, the Coroners Court of Victoria and the Victorian Civil and Administrative Tribunal
OH&S	Occupational health and safety
STS	Senior Technical Specialist
VCAT	Victorian Civil and Administrative Tribunal
VGRS	Victorian Government Reporting Service
VPS	Victorian Public Service



