

# Courts Administration Authority

Financial report  
for the year ended  
30 June 2020



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## To the Chair State Courts Administration Council

### Opinion

I have audited the financial report of the Courts Administration Authority for the financial year ended 30 June 2020.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Courts Administration Authority as at 30 June 2020, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2020
- a Statement of Administered Financial Position as at 30 June 2020
- a Statement of Administered Cash Flows for the year ended 30 June 2020
- notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Chair, State Courts Administration Council, State Courts Administrator and Chief Financial Officer.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Courts Administration Authority. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) have been met.

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

### **Responsibilities of the State Courts Administrator and the State Courts Administration Council for the financial report**

The State Courts Administrator is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

The members of the State Courts Administration Council are responsible for overseeing the Courts Administration Authority's financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 27 of the *Courts Administration Act 1993*, I have audited the financial report of the Courts Administration Authority for the financial year ended 30 June 2020.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

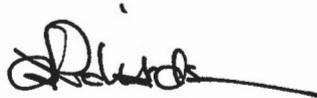
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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 Courts Administration Authority's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the State Courts Administrator
- 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.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the State Courts Administrator about, 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 the audit.



Andrew Richardson

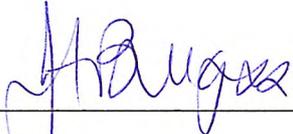
**Auditor-General**

18 September 2020

**Courts Administration Authority  
Certification of the Financial Statements  
For the year ended 30 June 2020**

We certify that the:

- financial statements of the Courts Administration Authority:
  - are in accordance with the accounts and records of the Authority; and
  - comply with relevant Treasurer's Instructions; and
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the Authority at the end of the financial year and the result of its operations and cash flows for the financial year.
  
- internal controls employed by the Courts Administration Authority over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



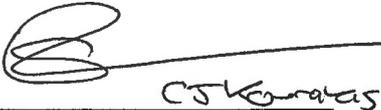
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Julie-Anne Burgess  
State Courts Administrator



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Trevor Pearce  
Chief Financial Officer



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The Honourable Christopher Kourakis  
Chief Justice of South Australia  
Chair State Courts Administration Council

Date: 15 September 2020

**Courts Administration Authority  
2019-20 Financial Statements**

**Courts Administration Authority  
Statement of Comprehensive Income**

*For the year ended 30 June 2020*

	Note	2020 \$'000	2019 \$'000
<b>Income</b>			
Revenues from SA Government	4.1	111,514	124,821
Fees and charges	4.2	2,652	3,104
Intra-government transfers	4.3	1,077	1,221
Other income	4.4	808	1,138
Resources received free of charge	4.5	148	-
<b>Total Income</b>		<b>116,199</b>	<b>130,284</b>
<b>Expenses</b>			
Employee benefits expenses	2.3	56,988	59,120
Supplies and services	3.1	26,786	33,502
Depreciation and amortisation	3.2	7,403	6,238
Interest	3.3	589	465
Net loss from disposal of property, plant and equipment	3.4	8	2
Other expenses	3.5	280	14,760
<b>Total Expenses</b>		<b>92,054</b>	<b>114,087</b>
<b>Net Result</b>		<b>24,145</b>	<b>16,197</b>
<b>Other Comprehensive Income</b>			
<b>Item that will not be reclassified to net result</b>			
Changes in property, plant and equipment asset revaluation surplus	5.2	67,107	16,045
<b>Total other comprehensive income</b>		<b>67,107</b>	<b>16,045</b>
<b>Total comprehensive result</b>		<b>91,252</b>	<b>32,242</b>

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

**Courts Administration Authority**  
2019-20 Financial Statements

**Courts Administration Authority**  
**Statement of Financial Position**

*For the year ended 30 June 2020*

	Note	2020 \$'000	2019 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	30,259	25,615
Receivables	6.2	1,901	6,418
Non-current assets classified as held for sale	5.5	2,406	2,406
<b>Total current assets</b>		<b>34,566</b>	34,439
<b>Non-current assets</b>			
Property, plant and equipment	5.1	340,539	231,211
Intangible assets	5.4	8,686	3,841
<b>Total non-current assets</b>		<b>349,225</b>	<b>235,052</b>
<b>Total assets</b>		<b>383,791</b>	<b>269,491</b>
<b>Current liabilities</b>			
Payables	7.1	5,603	7,050
Employee benefits liability	2.4	6,279	5,628
Financial liabilities	7.2	1,456	-
Provisions	7.3	556	517
Other liabilities	7.4	274	475
<b>Total current liabilities</b>		<b>14,168</b>	13,670
<b>Non-current liabilities</b>			
Payables	7.1	1,003	1,069
Employee benefits liability	2.4	10,821	11,662
Financial liabilities	7.2	23,280	-
Provisions	7.3	801	624
<b>Total non-current liabilities</b>		<b>35,905</b>	13,355
<b>Total liabilities</b>		<b>50,073</b>	27,025
<b>Net Assets</b>		<b>333,718</b>	242,466
<b>Equity</b>			
Contributed capital		3,140	3,140
Retained earnings		126,522	102,377
Asset Revaluation Surplus	8.1	204,056	136,949
<b>Total equity</b>		<b>333,718</b>	242,466

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

**Courts Administration Authority  
2019-20 Financial Statements**

**Courts Administration Authority  
Statement of Changes in Equity**

*For the year ended 30 June 2020*

	Note	Asset			Total Equity \$'000
		Contributed Capital \$'000	Revaluation Surplus \$'000	Retained Earnings \$'000	
<b>Balance at 1 July 2018</b>		<b>3,140</b>	<b>120,904</b>	<b>86,180</b>	<b>210,224</b>
Net result for 2018-19		-	-	16,197	<b>16,197</b>
Gain on revaluation of land and building in 2018-19	5.2	-	16,045	-	<b>16,045</b>
<b>Total comprehensive result for 2018-19</b>		<b>-</b>	<b>16,045</b>	<b>16,197</b>	<b>32,242</b>
<b>Balance at 30 June 2019</b>		<b>3,140</b>	<b>136,949</b>	<b>102,377</b>	<b>242,466</b>
Net result for 2019-20		-	-	24,145	<b>24,145</b>
Gain on revaluation of land and buildings in 2019-20	5.2	-	67,107	-	<b>67,107</b>
<b>Total comprehensive result for 2019-20</b>		<b>-</b>	<b>67,107</b>	<b>24,145</b>	<b>91,252</b>
<b>Balance at 30 June 2020</b>		<b>3,140</b>	<b>204,056</b>	<b>126,522</b>	<b>333,718</b>

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Courts Administration Authority  
2019-20 Financial Statements

**Courts Administration Authority  
Statement of Cash Flows**

*For the year ended 30 June 2020*

	Note	2020 \$'000	2019 \$'000
<b><u>Cash flows from operating activities</u></b>			
<b>Cash Inflows</b>			
Receipts from SA Government		111,514	124,821
Fees and charges		2,796	3,143
Intra-government transfers		1,077	1,221
GST recovered from the ATO		9,753	4,017
Other income		808	1,138
Receipts for paid parental leave scheme		83	109
<b>Cash generated from operations</b>		<b>126,031</b>	<b>134,449</b>
<b>Cash Outflows</b>			
Employee benefits payments		(57,178)	(57,072)
Payments for supplies and services		(32,213)	(41,931)
Interest paid		(589)	(465)
Payments for paid parental leave scheme		(87)	(121)
Other payments		(61)	(15,828)
<b>Cash used in operations</b>		<b>(90,128)</b>	<b>(115,417)</b>
<b>Net cash provided by operating activities</b>	8.2	<b>35,903</b>	<b>19,032</b>
<b><u>Cash flows from investing activities</u></b>			
<b>Cash Outflows</b>			
Purchase of property, plant and equipment		(25,004)	(31,235)
Purchase of intangibles		(4,942)	(2,375)
<b>Net cash used in investing activities</b>		<b>(29,946)</b>	<b>(33,610)</b>
<b><u>Cash flows from financing activities</u></b>			
<b>Cash outflows</b>			
Repayment of leases		(1,313)	(9,026)
<b>Net cash used in financing activities</b>		<b>(1,313)</b>	<b>(9,026)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,644</b>	<b>(23,604)</b>
Cash and cash equivalents at the beginning of the period		25,615	49,219
Cash and cash equivalents at the end of the period	6.1	<b>30,259</b>	<b>25,615</b>

The accompanying notes form part of these financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

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## 1. About the Courts Administration Authority

The Courts Administration Authority (the Authority), comprised of the State Courts Administration Council (Council), State Courts Administrator and the staff of the Council under the Courts Administration Act 1993, is the reporting entity.

The Authority is the mechanism via which the Council discharges its financial obligations. Therefore, all reporting is undertaken in the name of the Authority.

The Authority does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the Authority.

Administered financial statements relating to administered resources are presented separately as part of this report starting from page 46.

### 1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the Public Finance and Audit Act 1987;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the Public Finance and Audit Act 1987; and
- relevant Australian Accounting Standards.

For the 2019-20 financial statements the authority adopted AASB 15 – Revenue from Contracts with Customers, AASB 16 – Leases and AASB 1058 – Income of Not-for-Profit Entities. Further information is provided in note 9.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Authority has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

### 1.2. Objectives and programs

The Council was established by the Courts Administration Act 1993 (Act) as a statutory Authority independent of control by executive government. The Act confers on Council power to provide courts with the administrative facilities and services necessary for the proper administration of justice.

**Courts Administration Authority  
2019-20 Financial Statements**

The objectives of the Authority are to;

- provide administrative support to the courts of this state;
- foster an environment in which judicial officers, staff and volunteers can contribute to improved performance of the courts system;
- co-operate with other parts of the justice system to improve access to justice and the overall performance of the justice system;
- improve court facilities;
- keep up to date with technological and other developments and apply those that are appropriate to improve the performance of the courts system; and
- increase the community's understanding of the operations of the courts and provide new avenues for community comment on the operations of the courts and their registries.

In achieving its objectives, the Authority provides a range of services classified into the following programs:

- Program 1: Court and Tribunal Case Resolution Services - It consists of the resolution of criminal, civil, appellate, coronial and probate matters in the State's courts and tribunals.
- Program 2: Alternative Dispute Resolution Services - Services for resolving disputes between citizens, and disputes between citizens and the State; as well as the education, training, information and advice processes, which aim to prevent disputes.
- General/Not attributable: Certain items of the Authority are not allocated to programs.

The tables on the following pages presents expenses, income, assets and liabilities attributable to each program.

**Courts Administration Authority  
2019-20 Financial Statements**

**Expenses and Income by Program**

**For the year ended 30 June 2020**

	Program 1		Program 2		Total	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>						
Revenues from SA Government	107,362	122,063	4,152	3,979	111,514	124,821
Fees and charges	2,652	3,104	-	-	2,652	3,104
Intra-government transfers	896		182		1,077	1,221
Other income	808	1,138	-	-	808	1,138
Resources received free of charge	148	-	-	-	148	-
<b>Total income</b>	<b>111,866</b>	<b>126,305</b>	<b>4,333</b>	<b>3,979</b>	<b>116,199</b>	<b>130,284</b>
<b>Expenses</b>						
Employee benefits expenses	54,225	56,235	2,764	2,885	56,988	59,120
Supplies and services	26,278	32,927	508	575	26,786	33,502
Depreciation and amortisation expense	7,390	6,220	13	18	7,403	6,238
Interest	589	465	0	-	589	465
Net loss from disposal of property, plant and equipment	8	2	0	-	8	2
Other expenses	272	14,732	8	28	280	14,760
<b>Total expenses</b>	<b>88,761</b>	<b>110,581</b>	<b>3,293</b>	<b>3,506</b>	<b>92,054</b>	<b>114,087</b>
<b>Net Result</b>	<b>23,104</b>	<b>15,724</b>	<b>1,040</b>	<b>473</b>	<b>24,145</b>	<b>16,197</b>

**Courts Administration Authority  
2019-20 Financial Statements**

**Assets and Liabilities by Program  
As at 30 June 2020**

	Program 1		Program 2		General/not attributable		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>								
Cash and cash equivalents	-	-	-	-	30,259	25,615	30,259	25,615
Receivables	1,901	6,216	-	202	-	-	1,901	6,418
Non-current assets classified as held for sale	2,364	2,354	42	52	-	-	2,406	2,406
Property, plant and equipment	334,657	226,238	5,882	4,973	-	-	340,539	231,211
Intangible assets	8,536	3,758	150	83	-	-	8,686	3,841
<b>Total assets</b>	<b>347,458</b>	<b>238,566</b>	<b>6,074</b>	<b>5,310</b>	<b>30,259</b>	<b>25,615</b>	<b>383,791</b>	<b>269,491</b>
<b>Liabilities</b>								
Payables	6,481	8,096	125	23	-	-	6,606	8,119
Financial liabilities	24,736	-	-	-	-	-	24,736	-
Employee benefits liability	16,271	16,446	829	844	-	-	17,100	17,290
Provisions	1,318	1,141	39	-	-	-	1,357	1,141
Other liabilities	274	460	-	15	-	-	274	475
<b>Total liabilities</b>	<b>49,080</b>	<b>26,143</b>	<b>993</b>	<b>882</b>	<b>-</b>	<b>-</b>	<b>50,073</b>	<b>27,025</b>

### 1.3. Impact of COVID-19 pandemic on the Authority

The COVID-19 pandemic has impacted on the operations of the Authority and the impacts are included under the relevant disclosure notes. The key impacts in 2019-20 were:

- Establishment of a COVID-19 Response Team
- Reduced listings in the Magistrate Court and circuit arrangements either postponed or cancelled
- New jury trials in the District and Supreme Court were suspended
- Change in court practices to minimise exposure including the increased use of technology to undertake court hearings/essential meetings and changes in how court users lodge documents.

### 1.4. Budget performance

The budget performance table compares the Authority's outcomes against budget information presented to Parliament (2019-20 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets. The budget process is not subject to audit.

Statement of Comprehensive Income	Note	Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
<b>Income</b>				
Revenues from SA Government		109,489	111,514	2,025
Fees and charges		3,576	2,652	(924)
Intra-government transfers	(a)	-	1,077	1,077
Other income		744	808	64
Resources received free of charge		-	148	148
<b>Total Income</b>		<b>113,809</b>	<b>116,199</b>	<b>2,390</b>
<b>Expenses</b>				
Employee benefits expenses		56,639	56,988	349
Supplies and services		28,231	26,786	(1,445)
Depreciation and amortisation		6,024	7,403	1,379
Borrowing costs		-	589	589
Net loss from disposal of property, plant and equipment		-	8	8
Other expenses		1,322	280	(1,042)
<b>Total Expenses</b>		<b>92,216</b>	<b>92,054</b>	<b>(162)</b>
<b>Net Result</b>		<b>21,593</b>	<b>24,145</b>	<b>2,552</b>

**Courts Administration Authority  
2019-20 Financial Statements**

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses or because of the nature of the line item variance.

- a) Intra-government transfers relate to recoveries from the Department of Treasury and Finance for TVSPs that were originally unbudgeted for.

Investing expenditure summary	Note	Original budget	Actual	Variance
		2020	2020	
		\$'000	\$'000	\$'000
Total new projects		-	519	519
Total existing projects		25,862	25,118	(744)
Total annual programs		2,177	2,529	352
<b>Total investing expenditure</b>		<b>28,039</b>	<b>28,166</b>	<b>127</b>

### 1.5. Significant transactions with government related entities

Significant transactions with the SA Government are identifiable throughout this financial report.

## 2. Board, committees and employees

### 2.1. Key management personnel

Key management personnel of the Authority include the Attorney-General, membership of the State Courts Administration Council, the State Courts Administrator and members of the Authority's executive team. Total compensation for key management personnel was \$5.0m in 2019-20 and \$4.9m in 2018-19.

The compensation disclosed in this note excludes salaries and other benefits the Attorney-General receives. The Attorney-General's remuneration and allowances are set by the Parliamentary Remuneration Act 1990 and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the Parliamentary Remuneration Act 1990.

	2020	2019
<b>Key Management Personnel Compensation</b>	<b>\$'000</b>	<b>\$'000</b>
Salaries and other short term employee benefits	3,844	3,742
Post-employment benefits	1,187	1,157
Other long-term employment benefits	18	6
Termination Benefits	-	38
<b>Total Key Management Personnel Compensation</b>	<b>5,049</b>	<b>4,943</b>

Key Management Personnel Compensation includes compensation of \$3.5m (2019: \$3.4m) to judicial officers, which is included in the Authority's Administered Statement.

#### *Transactions with key management personnel and other related parties*

All Authority transactions with government related entities during 2020 were minor commercial or ordinary intragovernmental operational transactions. Refer to Note 1.5. There were no significant transactions with government related entities. There were no transactions with key management personnel and other related parties in 2019-20.

## 2.2. Board and committee members

Members during the 2020 financial year were:

### **State Courts Administration Council**

Chief Justice	Christopher Kourakis *
Chief Judge	Michael Evans *
Chief Magistrate	Mary-Louise Hribal *
Justice	Timothy Stanley *
Judge	Wayne Chivell*
Supervising Regional Manager - Magistrate	Brett Dixon *

### **Administrative and Disciplinary Division of the District Court**

Alan Matthews	Kelly Matthews
Allan Andersen	Kerry Reed
Andrew Clark	Kym Magokin
Andrew Hill	Manual Pipinias
Arthur Bunney	Mark Stevens
Bruce Parker	Mark Sanderson
Caleb Robins	Mark Woods
Christopher Short	Michael Bonaccurso
Clive Smith	Michael Horner
Darryn Aldous	Michael Rice
David Beattie	Michael Stuart Standish
David Bell	Nathan Robins
David Christian	Nathan Langley Fox
David Roberts	Neil McLean
David Roe	Nicholas Bell
Garry Minuzzo	Patrick Innes
Garth Palmer	Paul Szumski
George Kamencak	Peter Panagaris
Gregory Davis	Peter Rea
Harald Klavins	Peter Timms
Jean Hutchinson	Richard Hoffman
John Iwanus	Robin Turner
Joseph Bagnara	Thomas Tirrell
Karen Von Einem	Tracey Loftes

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**Training Centre Review Board**

Barry Jennings *	Katrina Dee *
Branka King	Nikki Kelly (formerly Lamshed)
Christopher Boltje	Sarah Macdonald * (appointed 28/5/20)
Craig Wolfe * (appointed 2/7/19)	Sharon McKell * (appointed 14/7/19)
Dale Agius *	Shona Reid (term expired 7/8/19)
Darryn Keneally	Simon Watkins * (term expired 6/4/20)
David Branson (term expired 7/8/19)	Stephen Windle (resigned 6/4/20)
Ester Huxtable	Suraya Naidoo
Eugene Warrior (appointed 8/8/19)	Tamara Brooks * (appointed 17/11/19)
Fiona Curnow *	Tiffany Downing
Jasmine Tonkin *	Timothy Curtis * (appointed 2/7/19)
Katherine Hawkins (resigned 4/2/20)	

\*In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

The District Court and Youth Court judges are presiding officers of the boards. Various Acts confer a jurisdiction upon the District Court in its Administrative and Disciplinary Division and the Youth Court in the Training Centre Review Board. The District Court Act 1991 and Young Offenders Act 1993 specify the proceedings process when the matters are referred to the boards for hearing. The Police Disciplinary Tribunal and the Protective Security Officers Disciplinary Tribunal are constituted of a magistrate under the Police Complaints and Disciplinary Act 2016 and do not have any other members.

***Board and committee remuneration***

	2020	2019
<b>The number of members whose remuneration received or receivable falls within the following bands</b>		
\$0 - \$19,999	4	3
\$20,000 - \$39,999	1	-
<b>Total number of members</b>	<b>5</b>	<b>3</b>

The total remuneration received or receivable by members was \$38,000 (\$15,000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax. In 2019-20, a Board member was back paid for four previous years.

### 2.3. Employee benefits expenses

	2020	2019
	\$'000	\$'000
Salaries and wages	41,809	42,042
Targeted Voluntary Separation Packages	1,053	1,202
Long service leave	694	2,375
Annual leave	4,370	4,311
Skill and experience retention leave	289	290
Employment on-costs - superannuation*	5,120	5,314
Employment on-costs - payroll tax	2,614	2,722
Board and committee expenses	40	16
Workers compensation	919	764
Other employee related expenses	80	84
<b>Total employee benefits expenses</b>	<b>56,988</b>	<b>59,120</b>

Members of the Judiciary are not employees of the Authority. Salaries and other expenditure in relation to the Judiciary are reported in the administered financial statements.

#### *\* Employment on-costs - superannuation*

The superannuation employment on-cost charge represents the Authority's contributions to superannuation plans in respect of current services of current employees.

#### *Executive remuneration*

	2020	2019
	No	No
The number of employees whose remuneration received or receivable falls within the following bands:		
\$151,001 to \$154,000 *	N/A	1
\$154,001 to \$174,000	2	3
\$174,001 to \$194,000	1	2
\$194,001 to \$214,000	1	2
\$214,001 to \$234,000	3	2
\$234,001 to \$254,000	1	-
\$254,001 to \$274,000	1	1
\$314,001 to \$334,000	1	1
<b>Total</b>	<b>10</b>	<b>12</b>

\* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2018-19.

The total remuneration received by these employees for the year was \$2.2 million (\$2.4 million).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

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***Targeted voluntary separation packages***

The number of employees who received a TVSP during the reporting period was 15 (17).

	2020	2019
	\$'000	\$'000
Amount paid to separated employees:		
Targeted Voluntary Separation Packages	1,053	1,202
Leave paid to those employees	317	241
Recovery from the Department of Treasury and Finance	(1,067)	(1,221)
<b>Net cost to the Authority</b>	<b>303</b>	<b>222</b>

Recovery from the Department of Treasury and Finance includes payroll tax on the TVSP.

**2.4. Employee benefits liability**

	2020	2019
	\$'000	\$'000
Current:		
Accrued salaries and wages	1,318	878
Annual leave	3,513	3,286
Long service leave	1,130	1,147
Skills and experience retention leave	318	317
<b>Total current employee benefits liability</b>	<b>6,279</b>	<b>5,628</b>
Non-Current:		
Long service leave	10,821	11,662
<b>Total non-current employee benefits liability</b>	<b>10,821</b>	<b>11,662</b>
<b>Total employee benefits liability</b>	<b>17,100</b>	<b>17,290</b>

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

***Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave***

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

***Long service leave***

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 11.1.

### 3. Expenses

Employee benefits expenses are disclosed in note 2.3.

#### 3.1. Supplies and services

	2020	2019
	\$'000	\$'000
Accommodation and services	5,172	7,093
Finance lease contingent rents	-	4,749
Circuit and travel expenses	953	1,096
Computing and communications	6,389	6,499
Consultancy, contractors and temp staff	1,418	1,409
Legal cost	78	109
Court expenses	1,731	2,057
Short term leases	111	-
Operating leases	-	196
Staff development and training	369	505
Minor works, maintenance and equipment	3,942	3,309
Coronial charges	551	502
Jurors' expenses	1,135	1,737
Sheriff's Officer payments	576	778
Library expenses	1,365	1,304
Office expenses	681	675
Other administration expenses	2,315	1,484
<b>Total supplies and services</b>	<b>26,786</b>	<b>33,502</b>

#### *Accommodation and services*

Part of the Authority's accommodation is provided by the Department of Planning, Transport and Infrastructure under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. A MoAA does not meet the definition of a lease as set out in AASB 16.

#### *Other administration expenses*

In prior years, expenses associated with motor vehicle leasing have been classified as operating lease payments. Further details about this re-classification is set out in note 9.1.

#### *Consultants*

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	2020		2019	
	No	\$'000	No	\$'000
Below \$10,000	-	-	3	14
Above \$10,000	3	107	7	254
<b>Total</b>	<b>3</b>	<b>107</b>	<b>10</b>	<b>268</b>

### 3.2. Depreciation and amortisation

	2020	2019
	\$'000	\$'000
Buildings and Improvements	4,795	4,307
Right-of-use buildings	1,610	-
Computing and plant & equipment	615	637
Library Collection	197	187
Intangible assets	97	30
Right-of-use vehicles	89	-
Leasehold improvements	-	247
Building under Finance lease	-	830
<b>Total depreciation and amortisation</b>	<b>7,403</b>	<b>6,238</b>

All non-current assets, with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

#### *Useful Life*

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Buildings and improvements	1-59
Computing and plant and equipment	3-25
Library collection	25
Intangibles	4-20

#### *Review of accounting estimates*

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

### 3.3. Interest

	2020	2019
	\$'000	\$'000
Interest expense on lease liabilities	589	-
Finance lease costs	-	465
<b>Total borrowing costs</b>	<b>589</b>	<b>465</b>

### 3.4. Net loss from disposal of property, plant and equipment

	2020	2019
	\$'000	\$'000
<b>Plant and Equipment</b>		
Carrying amount of assets disposed	8	2
<b>Total net loss from disposal of property, plant and equipment</b>	<b>8</b>	<b>2</b>

### 3.5. Other expenses

	2020	2019
	\$'000	\$'000
Lease Termination	-	14,513
Audit fees	230	247
Losses of public money	50	-
<b>Total other expenses</b>	<b>280</b>	<b>14,760</b>

#### *Lease termination*

Lease termination expense paid to Funds SA by the Authority is related to contingent rental forgone by Funds SA from exercising the purchase option available in the finance lease of the Sir Samuel Way building.

#### *Audit fees*

Audit fees paid / payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act were \$148 000 (\$126 000). No other services were provided by the Auditor-General's Department.

#### *Losses of public money*

The Authority lost amounts totalling \$50 000 in 2019-20 due to the fraudulent alteration of an Authority cheque.

## 4. Income

### 4.1. Appropriation

	2020	2019
	\$'000	\$'000
<b>Revenues from SA Government</b>		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	109,489	92,441
Appropriations under other Acts	2,025	32,380
<b>Total revenues from SA Government</b>	<b>111,514</b>	<b>124,821</b>

Appropriations are recognised on receipt.

The total appropriations consist of \$82.4m (\$86.9m) for operational funding and \$29.1m (\$39.1m) for capital projects.

### 4.2. Fees and charges

	2020	2019
	\$'000	\$'000
Sheriff's officer fees	1,448	1,880
Library levy	818	791
Other regulatory fees	386	433
<b>Total Revenues from Fees and Charges</b>	<b>2,652</b>	<b>3,104</b>

### 4.3. Intra-government transfers

	2020	2019
	\$'000	\$'000
Recovery from the Department of Treasury and Finance for TVSPs	1,067	1,221
Other intra-government transfers	10	-
<b>Total intra-government transfers</b>	<b>1,077</b>	<b>1,221</b>

Intra-government transfers are recognised as income on receipt.

### 4.4. Other income

	2020	2019
	\$'000	\$'000
Sale of electronic information	290	289
Rent recoveries	378	387
Recoup of services	94	412
Grants	46	50
<b>Total other income</b>	<b>808</b>	<b>1,138</b>

All revenue from other income is recognised from contracts with customers.

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4.5. Resources received free of charge

	2020	2019
	\$'000	\$'000
Goods received free of charge	148	-
<b>Total resources received free of charge</b>	<b>148</b>	<b>-</b>

The Authority received twelve battery energy storage systems from the Department of Trade and Investment during 2019-20. These are being used across multiple sites.

## 5. Non-financial assets

### 5.1. Property, plant and equipment by asset class

Property, plant and equipment comprises owned and right-of-use (leased) tangible assets that do not meet the definition of investment property.

	2020	2019
	\$'000	\$'000
<b><u>Land and buildings</u></b>		
Land at fair value	96,998	82,064
Buildings at fair value	209,385	150,028
Accumulated depreciation at the end of the period	-	(20,636)
<b>Total land and buildings</b>	<b>306,383</b>	<b>211,456</b>
<b><u>Capital work in progress</u></b>		
Building Capital work in progress	526	12,161
<b>Total capital work in progress</b>	<b>526</b>	<b>12,161</b>
<b><u>Leasehold improvements</u></b>		
Leasehold improvements at cost (deemed fair value)	1,646	1,646
Accumulated depreciation at the end of the period	(1,646)	(1,646)
<b>Total leasehold improvements</b>	<b>-</b>	<b>-</b>
<b><u>Right-of-use buildings</u></b>		
Right-of-use buildings at cost	25,843	-
Accumulated depreciation at the end of the period - ROU buildings	(1,610)	-
<b>Total right-of-use plant and equipment</b>	<b>24,233</b>	<b>-</b>
<b><u>Right-of-use vehicles</u></b>		
Right-of-use vehicles at cost	194	-
Accumulated depreciation at the end of the period - ROU vehicles	(78)	-
<b>Total right-of-use plant and equipment</b>	<b>116</b>	<b>-</b>
<b><u>Computing and plant &amp; equipment</u></b>		
Computing and plant & equipment (deemed fair value)	9,948	9,140
Accumulated depreciation at the end of the period	(5,323)	(6,154)
<b>Total plant and equipment</b>	<b>4,625</b>	<b>2,986</b>
<b><u>Library collection</u></b>		
Library collection at fair value/cost	4,932	4,682
Accumulated depreciation at the end of the period	(384)	(187)
<b>Total library collection</b>	<b>4,548</b>	<b>4,495</b>
<b><u>Works of art and collections</u></b>		
Works of art and collections at fair value	108	113
<b>Total works of art and collections</b>	<b>108</b>	<b>113</b>
<b>Total property, plant and equipment</b>	<b>340,539</b>	<b>231,211</b>

## 5.2. Property, plant and equipment owned by the Authority

Property, plant and equipment owned by the Authority with a value equal to or in excess of \$5 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Authority is recorded at fair value. Detail about the Authority's approach to fair value is set out in note 11.2.

### *Impairment*

Property, plant and equipment owned by the Authority has not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity and are subject to regular revaluation.

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*Reconciliation 2019-20*

	<i>Land</i>	<i>Buildings &amp; improvements</i>	<i>Computing and plant &amp; equipment</i>	<i>Library collections</i>	<i>Works of art &amp; collections</i>	<i>Capital work in progress</i>	<i>Total</i>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	<b>82,064</b>	<b>129,392</b>	<b>2,986</b>	<b>4,495</b>	<b>113</b>	<b>12,161</b>	<b>231,211</b>
Additions	-	20,883	1,680	250	-	525	<b>23,338</b>
Disposals	-	-	(3)	-	(5)	-	<b>(8)</b>
Revaluation increment	14,934	52,173	-	-	-	-	<b>67,107</b>
Transfers between asset classes	-	11,731	429	-	-	(12,160)	-
Depreciation & amortisation	-	(4,794)	(615)	(197)	-	-	<b>(5,606)</b>
Donated assets	-	-	148	-	-	-	<b>148</b>
<b>Carrying amount at the end of the period</b>	<b>96,998</b>	<b>209,385</b>	<b>4,625</b>	<b>4,548</b>	<b>108</b>	<b>526</b>	<b>316,190</b>

*Reconciliation 2018-19*

	<i>Land</i>	<i>Buildings &amp; improvements</i>	<i>Assets under finance lease</i>	<i>Leasehold improvements</i>	<i>Computing and plant &amp; equipment</i>	<i>Library collections</i>	<i>Works of art &amp; collections</i>	<i>Capital work in progress</i>	<i>Total</i>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	<b>62,074</b>	<b>113,705</b>	<b>4,149</b>	<b>1,185</b>	<b>2,132</b>	<b>4,437</b>	<b>113</b>	<b>2,429</b>	<b>190,224</b>
Additions	21,600	416	-	72	938	245	-	10,287	<b>33,558</b>
Disposals	-	-	-	-	(2)	-	-	-	<b>(2)</b>
Revaluation increment	-	-	16,045	-	-	-	-	-	<b>16,045</b>
Transfers between asset classes	-	20,374	(19,364)	(1,010)	555	-	-	(555)	-
Assets reclassified to assets held for sale	(1,610)	(796)	-	-	-	-	-	-	<b>(2,406)</b>
Depreciation & amortisation	-	(4,307)	(830)	(247)	(637)	(187)	-	-	<b>(6,208)</b>
<b>Carrying amount at the end of the period</b>	<b>82,064</b>	<b>129,392</b>	<b>-</b>	<b>-</b>	<b>2,986</b>	<b>4,495</b>	<b>113</b>	<b>12,161</b>	<b>231,211</b>

### 5.3. Property, plant and equipment leased by the Authority

Property, plant and equipment leased by the Authority is recorded at cost. Additions to leased property, plant and equipment during 2019-20 were \$65,000.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets.

The Authority has a limited number of leases:

- A Public Private Partnership arrangement with Plenary Justice Pty Ltd to provide infrastructure facilities, accommodation and services for four regional court premises. The lease term is for 25 years with a five year option to extend the lease.
- 21 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range up to 3 years (60,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The Authority's maturity analysis of its lease liabilities is disclosed in note 11.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 3. Cash outflows related to leases are disclosed in note 8.2.

#### *Impairment*

Property, plant and equipment leased by the Authority has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

### 5.4. Intangible assets

	2020	2019
	\$'000	\$'000
<b>Computer software</b>		
Internally developed computer software	-	7,688
Accumulated amortisation	-	(7,688)
<b>Total internally generated computer software</b>	<b>-</b>	<b>-</b>
<b>Others</b>		
Other computer software and licences	<b>9,254</b>	532
Accumulated amortisation	<b>(568)</b>	(471)
<b>Total other computer software and licences</b>	<b>8,686</b>	61
Intangible work in progress	-	3,780
<b>Total intangible work in progress</b>	<b>-</b>	<b>3,780</b>
<b>Total intangible assets</b>	<b>8,686</b>	<b>3,841</b>

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

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The acquisition of internal development computer software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$5 000.

The computer software and licenses relates to the Electronic Court Management System with a remaining useful life of 20 years.

***Reconciliation 2019-20***

	<i>Other computer software &amp; licence \$'000</i>	<i>Intangible capital work in progress \$'000</i>	<b>Total Intangible Assets \$'000</b>
<b>Carrying amount at the beginning of the period</b>	<b>61</b>	<b>3,780</b>	<b>3,841</b>
Additions	-	5,038	<b>5,038</b>
Transfer	8,722	(8,722)	-
Depreciation & amortisation	(97)	-	<b>(97)</b>
Other movements	-	(96)	<b>(96)</b>
<b>Carrying amount at the end of the period</b>	<b>8,686</b>	<b>-</b>	<b>8,686</b>

***Reconciliation 2018-19***

	<i>Other computer software &amp; licences \$'000</i>	<i>Intangible work in progress \$'000</i>	<b>Total intangible assets \$'000</b>
<b>Carrying amount at the beginning of the period</b>	<b>91</b>	<b>1,405</b>	<b>1,496</b>
Additions	-	2,375	<b>2,375</b>
Depreciation & amortisation	(30)	-	<b>(30)</b>
<b>Carrying amount at the end of the period</b>	<b>61</b>	<b>3,780</b>	<b>3,841</b>

**5.5. Non-current assets classified as held for sale**

	<b>2020 \$'000</b>	2019 \$'000
Land	<b>1,610</b>	1,610
Building and improvement	<b>796</b>	796
<b>Total non-current assets classified as held for sale</b>	<b>2,406</b>	2,406

As a result of the continuing measures within the Authority to reduce locations over time in response to changing environments and pressures, the Holden Hill courthouse and land have been declared surplus during 2019. It is anticipated that the land and building will be sold in next financial year. This land and building are being disposed under the requirements of Premier and Cabinet Circular PC114 Government Real Property Management. The Authority has measured the land and building held for sale at carrying value because the assets' carrying value is less than the fair value less costs to sell.

## 6. Financial assets

### 6.1. Cash and cash equivalents

	2020	2019
	\$'000	\$'000
Deposits with the Treasurer	29,244	25,516
Accrual Appropriation Excess Funds	1,004	74
Cash on hand	11	25
<b>Total cash and cash equivalents</b>	<b>30,259</b>	<b>25,615</b>

#### *Deposits with the Treasurer*

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

Although the Authority controls the money reported above in the Accrual Appropriation Excess Funds account, its use must be approved by the Treasurer. The Authority does not earn interest on its deposits with the Treasurer.

### 6.2. Receivables

	2020	2019
	\$'000	\$'000
<b>Current</b>		
<b>Trade receivables</b>		
From government entities	13	174
From non-government entities	125	160
<b>Total trade receivables</b>	<b>138</b>	<b>334</b>
Accrued revenue	92	137
GST input tax recoverable	619	5,306
Prepayments	1,052	641
<b>Total current receivables</b>	<b>1,901</b>	<b>6,418</b>

Trade receivables arise in the normal course of selling goods and services to other government agencies and to the public. Trade receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Other than as recognised in the allowance for impairment loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to note 11.3 for further information on risk management.

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The net amount of GST payable to the ATO is included as part of receivables.

No impairment loss on receivables arising from contracts with customers is expected.

## 7. Liabilities

Employee benefits liabilities are disclosed in note 2.4.

### 7.1. Payables

	2020	2019
	\$'000	\$'000
<b>Current:</b>		
Creditors	248	244
Accrued expenses	2,984	2,672
Accrued capital expenditure	1,450	3,301
Employment on-costs	921	829
Paid Parental Leave Scheme payable	-	4
<b>Total current payables</b>	<b>5,603</b>	<b>7,050</b>
<b>Non-Current:</b>		
Employment on-costs	1,003	1,069
<b>Total non-current payables</b>	<b>1,003</b>	<b>1,069</b>
<b>Total Payables</b>	<b>6,606</b>	<b>8,119</b>

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

#### *Employment on-costs*

Employment on-costs include payroll tax, ReturntoWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged.

The Authority contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to superannuation schemes.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2019 rate (41%) to 42% and the average factor for the calculation of employer superannuation on-costs remains the same at the 2019 rate of 9.8%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$12,000.

#### *Paid parental leave scheme*

Paid Parental Leave Scheme payable represents amounts which the Authority has received from the Commonwealth Government to forward onto eligible employees via the Authority's standard payroll processes. That is, the Authority is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

## 7.2. Financial liabilities

	Note	2020 \$'000	2019 \$'000
Current lease liabilities	5.3	1,456	-
Non-current lease liabilities	5.3	23,280	-
<b>Total lease liability</b>		<b>24,736</b>	<b>-</b>

The Authority measures financial liabilities at amortised cost.

## 7.3. Provisions

	2020 \$'000	2019 \$'000
Current workers compensation	556	517
Non-current workers compensation	801	624
<b>Total provisions</b>	<b>1,357</b>	<b>1,141</b>

### *Movement in provisions*

	2020 \$'000
<b>Carrying amount at the beginning of the period</b>	<b>1,141</b>
Additional provisions recognised	615
Reductions arising from payments/other sacrifice of future economic benefits	(590)
Increase resulting from re-measurement or settlement without cost	191
<b>Carrying amount at the end of the period</b>	<b>1,357</b>

A provision has been reported to reflect unsettled workers compensation and additional compensation for certain work related injuries or illnesses claims. The compensation provisions are based on an actuarial assessment of the outstanding liability as at 30 June 2020 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The Authority is responsible for the payment of workers compensation claims.

## 7.4. Other Liabilities

	2020 \$'000	2019 \$'000
<b>Current</b>		
Unearned revenue	164	368
Unclaimed money	110	107
<b>Total other liabilities</b>	<b>274</b>	<b>475</b>

## 8. Other disclosures

### 8.1. Equity

The asset revaluation surplus is used to record increments and decrements in the fair value of property and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

### 8.2. Cash flow

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

	2020	2019
	\$'000	\$'000
Buildings	1,339	-
Vehicles	88	-
<b>Total cash outflow for leases</b>	<b>1,427</b>	<b>-</b>

#### *Reconciliation of net result to cash flows from operating activities*

	2020	2019
	\$'000	\$'000
<b>Reconciliation of Cash and cash equivalents at the end of the reporting period:</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	30,259	25,615
<b>Balance as per the Statement of Cash Flows</b>	<b>30,259</b>	<b>25,615</b>

#### **Reconciliation of net cash provided by operating activities to net cost of providing services:**

Net cash provided by/(used in) operating activities	35,903	19,032
<b><u>Add/Less non cash items</u></b>		
Depreciation and amortisation expense of non-current assets	(7,403)	(6,238)
Net loss from disposal of property, plant and equipment	(8)	(2)
Resources received free of charge	148	-

#### **Movements in Assets/Liabilities**

(Decrease)/Increase in receivables	(4,332)	4,366
(Increase) in payables	(338)	(46)
Decrease/(Increase) in Employee Benefits Liability	190	(1,174)
(Increase)/Decrease in Provisions	(216)	321
Decrease/(increase) in Other Liabilities	201	(62)
<b>Net result</b>	<b>24,145</b>	<b>16,197</b>

## 9. Changes in accounting policy

### 9.1. AASB 16 Leases

AASB 16 sets out a comprehensive model for lessee accounting that addresses recognition, measurement, presentation and disclosure of leases. Lessor accounting is largely unchanged. AASB 16 Leases replaces AASB 117 Leases and related interpretations.

The adoption of AASB 16 Leases from 1 July 2019 resulted adjustments to the amounts recognised from a lessee perspective in the financial statements:

- AASB 117 Leases only required the recognition of an asset and lease liability in relation to finance leases. AASB 16 Leases applies a comprehensive model to all leases. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position
- AASB 117 Leases resulted in operating lease payments being recognised as an expense under Supplies and Services. AASB 16 Leases largely replaces this with depreciation expenses that represents the use of the right-of-use asset and borrowing costs that represent the cost associated with financing the right-of-use asset.

#### *Impact on retained earnings*

The total impact on the Authority's retained earnings as at 1 July 2019 is as follows:

<i>Operating</i>	\$'000
<b>Closing retained earnings 30 June 2019 – AASB 117</b>	<b>125,096</b>
<b><u>Assets</u></b>	
Property, Plant and Equipment	25,462
<b><u>Liabilities</u></b>	
Financial liabilities	(25,462)
<b>Opening retained earnings 1 July 2019 – AASB16</b>	<b>125,096</b>
 <i>Administered</i>	
	\$'000
<b>Closing retained earnings 30 June 2019 – AASB 117</b>	<b>7,968</b>
<b><u>Assets</u></b>	
Property, Plant and Equipment	760
<b><u>Liabilities</u></b>	
Financial liabilities	(760)
<b>Opening retained earnings 1 July 2019 – AASB16</b>	<b>7,968</b>

The Authority disclosed in its 2018-19 financial report total undiscounted operating lease commitments of \$292,000 (Administered - \$1.0 million) under AASB 117.

The Authority has three residential leases. These leases meet the definition of short term leases under AASB 16. Accordingly, the 2018-19 undiscounted operating lease commitments should have been disclosed as \$212,000 under AASB 117. There is no material difference between the revised operating lease commitments when discounted and the financial liabilities recognised as at 1 July 2019.

Commitments related to residential leases are included in Note 10.1.

The misclassification did not impact on the Statement of Comprehensive Income or the Statement of Financial Position in prior years. This misclassification impacted items within the supplies and

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services expenses line. Note 3.1 applies the correct classification for both the current and comparative years.

The Authority recognised \$30.4 million of commitments in 2019 with Plenary Justice for accommodation and services for four regional court premises. In 2020, this has been recognised as a lease liability. Refer to note 7.2.

### ***Accounting policies on transition***

AASB 16 sets out accounting policies on transition in its transitional provisions. The *Treasurer's Instructions (Accounting Policy Statements)* requires certain choices in those transitional provisions to be taken. The Authority has adopted the following accounting policies:

- to apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard was recognised at 1 July 2019. Comparatives have not been restated.
- at 1 July 2019 AASB 16 was applied only to contracts that were previously identified as containing a lease under AASB 117 and related interpretations.
- the initial measurement of lease liability was the present value of the remaining leases payments discounted using the relevant incremental borrowing published by the Department of Treasury and Finance rate as at 1 July 2019 based on the SA Government's cost of borrowing. The average weighted incremental borrowing rate for this purpose was 2.36% (Administered - 1.59%).
- the initial measurement of right-of-use assets has been calculated as an amount equal to the lease liability on transition adjusted for prepaid or accrued lease payments and lease incentive liabilities.
- the initial measurement of lease liabilities and right-of-use assets excludes all leases that ended by 30 June 2020, except for vehicles leased from SAFA.

### ***Ongoing accounting policies***

The *Treasurer's Instructions (Accounting Policy Statements)* specify required accounting policies for public authorities in applying AASB 16. These requirements are reflected in the Authority's accounting policies as follows:

- AASB 16 is not applied to leases of intangible assets.
- right-of-use assets and lease liabilities are not recognised for leases of low value assets, being assets which have a value of \$15 000 or less, nor short-term leases, being those with a lease term of 12 months or less.
- the Authority, in the capacity of a lessee, does not include non-lease components in lease amounts.
- right-of-use assets are not measured at fair value on initial recognition for leases that have significantly below-market terms and conditions principally to enable the public authority to further its objectives.
- right-of-use assets are subsequently measured applying a cost model.
- Significant accounting policies relate to the application of AASB 16 are disclosed under relevant notes and are referenced at note 5.3.

## 9.2. AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 supersedes AASB 111 Construction contracts, AASB 118 Revenue and related Interpretations and applies to all revenue arising from contracts with customers.

### *Impact on retained earnings*

There is no impact on the Authority's retained earnings as the Authority does not have any contract assets or contract liabilities resulting from AASB 15 as at 1 July 2019.

### *Accounting policies on transition*

The Authority has adopted AASB 15 on 1 July 2019. The Treasurer's Instructions (Accounting Policy Statements) require certain choices in those transitional provisions to be taken. The Authority has on transition:

- not adopted the completed contract expedient, and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former revenue and income accounting standards
- elected not to restate retrospectively contracts for modifications that occurred before 1 July 2019. Such contract modifications were minor so this is expected to have little impact on the financial statements.

Impacts on the financial statements are explained below together with impacts from adoption of AASB 1058 Income of Not-for-Profit Entities.

### *Ongoing accounting policies*

The Treasurer's Instructions (Accounting Policy Statements) specify requirements for public authorities in applying AASB 15. These requirements are reflected in the Authority's accounting policies as follows:

- AASB 15 is applied to a portfolio contracts with similar characteristics.
- there is no adjustment to the promised amount of consideration for the effects of a significant financing component if the period between the transfer of goods/services and the payment date is one year or less.
- the incremental costs of obtaining a contract are expensed when incurred when the amortisation period of the asset that the Authority would have recognised is one year or less.
- for measuring progress towards satisfaction of performance obligations when the output method is applied, revenue is recognised in the amount to which there is a right to invoice corresponding directly to the value to the customers of the Authority's performance completed to date.

Significant accounting policies relate to the application of AASB 15 are disclosed under relevant notes.

### 9.3. AASB 1058 Income of Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities establishes new income recognition requirements for not-for-profit entities. Its requirements apply where the consideration to acquire an asset, including cash, is significantly less than fair value principally to the entity to further its objectives. AASB 1058 also contains requirements for the receipt of volunteer services. AASB 1058 supersedes income recognition requirements in AASB 1004 Contributions, AASB 118 Revenue and AASB 111 Construction Contracts. However, elements of AASB 1004 remain in place, primarily in relation to restructures of administrative arrangements and other contributions and distributions by owners.

#### *Accounting policies on transition*

On transition, there was no impact on retained earnings.

### 9.4. Effects on financial statements from AASB 15 and AASB 1058

There was nil impact on the Authority's financial statements for the year ending 30 June 2020. The majority of the Authority's income is from appropriations from SA Government.

### 9.5. Presentation of Financial Statements

Treasurer's Instructions (Accounting Policy Statements) issued on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by the Authority involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the Authority. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

## 10. Outlook

### 10.1. Unrecognised contractual commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

#### *Capital commitments*

	2020	2019
	\$'000	\$'000
Within one year	960	23,704
Later than one year but not longer than five years	-	943
<b>Total capital commitments</b>	<b>960</b>	<b>24,647</b>

The Authority's capital commitment is for the Electronic Court Management System.

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***Expenditure commitments***

	2020	2019
	\$'000	\$'000
Within one year	1,833	3,628
Later than one year but not longer than five years	958	8,062
Later than five years	-	20,881
<b>Total expenditure commitments</b>	<b>2,791</b>	<b>32,571</b>

The Authority's expenditure commitments are for:

- Intervention programs with not-for-profit organisations
- Mainframe services agreement with DXC Technologies
- Cleaning, hygiene and linen services contract with Academy Services

***Operating lease commitments***

	2020	2019
	\$'000	\$'000
<b><u>Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:</u></b>		
Within one year	-	188
Later than one year but not longer than five years	-	104
<b>Total operating lease commitments</b>	<b>-</b>	<b>292</b>
Representing:		
Cancellable operating leases	-	-
Non-cancellable operating leases	-	292
<b>Total operating lease commitments</b>	<b>-</b>	<b>292</b>

Operating lease commitments is provided for the comparative year only as AASB 16 *Leases* does not distinguish between operating and finance leases for the lessee. The comparative amount does not include commitments for residential leases. This has been reclassified and included under expenditure commitments. For more detail about the reclassification, refer to note 9.1.

***Operating lease commitments as lessor***

	2020	2019
	\$'000	\$'000
Commitments in relation to accommodation operating leases contracted for at the reporting date		
Within one year	280	365
Later than one year but not longer than five years	466	757
<b>Total operating lease commitments as lessor</b>	<b>746</b>	<b>1,122</b>

## 10.2. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The Authority is not aware of any contingent assets/liabilities.

## 10.3. Impact of standards not yet effective

The Authority has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective.

### *AASB 1059 Service Concession Arrangements: Grantors*

AASB 1059 prescribes the accounting for certain arrangements in which an operator provides public services on behalf of a public sector grantor involving a service concession arrangement. This standard applies to reporting periods beginning on or after 1 January 2020. The Authority has assessed its arrangements where operators provide services and has concluded that none of these will be within the scope of AASB 1059.

## 10.4. COVID-19 pandemic outlook for the Authority

The COVID-19 pandemic will have minimal impact on the operations of the Authority in 2020-21. Further outbreaks and subsequent restrictions may lead to impacts as listed in Note 1.3.

## 10.5. Events after the reporting period

There were no events occurring after the balance date.

## 11. Measurement and risk

### 11.1. Long service leave liability – measurement

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities across government.

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has decreased from 2019 (1.25%) to 2020 (0.75%).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance has decreased the salary inflation rate from 2019 (4.00%) to 2.50% for long service leave liability. The decrease on salary inflation rate results in a decrease in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability and expense of \$991,000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The Authority has used the average leave pattern history of previous years to allocate the current and non-current liability.

### 11.2. Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

#### *Initial recognition*

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

#### *Revaluation*

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation. Refer to commentary under land and buildings for details of the 2019-20 revaluation.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million or the estimated useful life is greater than three years.

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Revaluation of land and buildings is undertaken on a regular cycle every 6 years. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

***Fair value hierarchy***

The Authority classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market and are derived from unobservable inputs.

The Authority's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

During 2020 and 2019, the Authority had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

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***Fair value classification – non-financial assets at 30 June 2020***

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b><u>Recurring fair value measurements</u></b>				
Land	5.1	96,998	-	96,998
Buildings	5.1	1,091	208,294	209,385
Computing and plant & equipment	5.1	-	4,625	4,625
Library collections	5.1	-	4,548	4,548
Works of art and collections	5.1	-	108	108
<b>Total recurring fair value measurements</b>		<b>98,089</b>	<b>217,575</b>	<b>315,664</b>
<b><u>Non-recurring fair value measurements</u></b>				
Land held for sale	5.5	1,610	-	1,610
Building held for sale	5.5	-	796	796
<b>Total non-recurring fair value measurements</b>		<b>1,610</b>	<b>796</b>	<b>2,406</b>
<b>Total</b>		<b>99,699</b>	<b>218,371</b>	<b>318,070</b>

***Fair value classification – non-financial assets at 30 June 2019***

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b><u>Recurring fair value measurements</u></b>				
Land	5.1	82,064	-	82,064
Buildings	5.1	1,893	127,499	129,392
Computing/Plant & equipment	5.1	-	2,986	2,986
Library Collections	5.1	-	4,495	4,495
Works of art and collections	5.1	-	113	113
<b>Total recurring fair value measurements</b>		<b>83,957</b>	<b>135,093</b>	<b>219,050</b>
<b><u>Non-recurring fair value measurements</u></b>				
Land held for sale	5.5	1,610	-	1,610
Building held for sale	5.5	-	796	796
<b>Total non-recurring fair value measurements</b>		<b>1,610</b>	<b>796</b>	<b>2,406</b>
<b>Total</b>		<b>85,567</b>	<b>135,889</b>	<b>221,456</b>

***Land and buildings***

An independent valuation of land and buildings owned by the Authority was performed in July 2020 by a Certified Practising Valuer from Liquid Pacific Pty Ltd, as at 30 June 2020.

Fair value of land has been determined using the market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land such as size and location. For land classified as restricted in the valuation was determined using adjustments to reflect the restriction i.e. heritage.

The fair value of buildings was determined using current replacement cost, because Authority buildings were either unique in nature as not be represented in the market place, or limited evidence in markets existed to establish a market value. The current replacement cost considered the need for ongoing provision of government services, specialised nature and restricted use of the assets, their size, condition and location.

The valuation used estimates about construction materials that would be required to replace the buildings. The information about current construction costs were derived from subscriber databases, published industry materials and the estimated useful life of the building.

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***Computing and plant and equipment***

All items of computer and plant and equipment owned by the Authority had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life that less than three years. Computing and plant and equipment has not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

***Library collection***

Bound volumes was internally revalued at 30 June 2018 to fair value based upon the written down cost. The Authority has determined that subsequent acquisitions are measured at historical cost which approximates fair value.

***Reconciliation of level 3 recurring fair value measurements as at 30 June 2020***

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

**Reconciliation of Level 3 recurring fair value measurements at 30 June 2020**

	Buildings \$'000	Computing plant & equipment \$'000	Library Collections \$'000	Works of art and collections \$'000	Total \$'000
<b>Opening balance at the beginning of the period</b>	<b>128,295</b>	<b>2,986</b>	<b>4,495</b>	<b>113</b>	<b>135,889</b>
Acquisitions	20,883	1,680	250	-	22,813
Capitalised subsequent expenditure	11,731	429	-	-	12,160
Transfer into level 3 *	1,680	-	-	-	1,680
Disposal	-	(3)	-	(5)	(8)
Donated assets	-	148	-	-	148
<u>(Losses) for the period recognised in net result:</u>					
Depreciation	(4,692)	(615)	(197)	-	(5,504)
<u>Gain for the period recognised in net result:</u>					
Revaluation increment	51,193	-	-	-	51,193
<b>Carrying amount at the end of the period</b>	<b>209,090</b>	<b>4,625</b>	<b>4,548</b>	<b>108</b>	<b>218,371</b>

\* The Authority's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. In 2020, one building was transferred from level 2 (market value basis) to level 3 (existing use basis) due to the redevelopment of the building.

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***Reconciliation of level 3 recurring fair value measurements as at 30 June 2019***

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

**Reconciliation of Level 3 recurring fair value measurements at 30 June 2019**

	Buildings \$'000	Asset under finance lease \$'000	Leasehold improvements \$'000	Computing plant & equipment \$'000	Library Collections \$'000	Works of art and collections \$'000	Total \$'000
<b>Opening balance at the beginning of the period</b>	111,666	4,149	1,185	2,132	4,437	113	123,682
Acquisitions	416	-	72	938	245	-	1,671
Transfer from WIP	-	-	-	555	-	-	555
Transfer between asset classes	20,374	(19,364)	(1,010)	-	-	-	-
Disposal	-	-	-	(2)	-	-	(2)
<b><u>(Losses) for the period recognised in net result:</u></b>							
Depreciation	(4,161)	(830)	(247)	(637)	(187)	-	(6,062)
<b><u>Gain for the period recognised in net result:</u></b>							
Revaluation increment	-	16,045	-	-	-	-	16,045
<b>Carrying amount at the end of the period</b>	<b>128,295</b>	<b>-</b>	<b>-</b>	<b>2,986</b>	<b>4,495</b>	<b>113</b>	<b>135,889</b>

## 11.3. Financial Instruments

### *Financial risk management*

Risk management is managed by the Authority's corporate services section. Authority risk management policies are in accordance with the Risk Management Policy Statement issued by the Premier and Treasurer and the principles established in the Australian Standard Risk Management Principles and Guidelines.

The Authority's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

### *Liquidity risk*

The Authority is funded principally by appropriations from the SA Government. The Authority works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to notes 7.1 and 7.2 for further information.

### *Credit risk*

No collateral is held as security and no credit enhancements relate to financial assets held by the Authority.

### *Impairment of financial assets*

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The Authority uses an allowance matrix for receivables aged 60 days and under to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances. For receivables aged over 60 days, the expected credit loss is measured on a case by case basis.

To measure the expected credit losses, receivables are grouped based on the days past due. When estimating expected credit loss, the Authority considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Authority's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Authority is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off.

The exposure to credit risk and expected credit loss for non-government debtors in the operating financial statements is immaterial. The following table provides information about the exposure to credit risk and expected credit loss for non-government debtors in the administered financial statements.

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	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
Current (not past due)	27	2.2	1
1 – 30 days past due	69	4.0	3
31 – 60 days past due	37	5.6	2
61 – 90 days past due	2	N/A	0
More than 90 days past due	234	N/A	111
<b>Loss allowance</b>	<b>369</b>		<b>117</b>

Loss rates are based on actual history of credit loss.

Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

Receivables are written off when there is no reasonable expectation of recovery.

Receivables with a contractual amount of \$167,000 written off during the year are still subject to enforcement activity.

The Authority considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

***Market risk***

The Authority manages its risk as per the government's risk management strategy articulated in TI 23 Management of Foreign Currency Exposures.

The Authority established a SAFA foreign exchange facility and entered into a foreign exchange contract for \$1.7 million on 30 June 2020. This relates to electronic court management system milestone payments and estimated licensing cost. As the movement in exchange rate was immaterial as at 30 June 2020, the Authority has not recognised any changes in the fair value of the contract.

The Authority does not trade in foreign currency, nor enter into transactions for speculative purposes.

***Categorisation of financial instruments***

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 and financial liability are disclosed in the respective financial asset / financial liability note.

***Classification of financial instruments***

The Authority measures all financial instruments at amortised cost.

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Category of financial asset and financial liability	Notes	2020 contractual maturities				
		2020 Carrying amount/Fair value (\$'000)	Current	Within 1 year (\$'000)	1-5 years (\$'000)	5+ years (\$'000)
<b>Financial assets</b>						
<b>Cash and cash equivalents</b>						
Cash and cash equivalents	6.1	30,259	30,259	n/a	n/a	n/a
<b>Financial assets at amortised cost</b>						
Receivables	6.2	217	217	n/a	n/a	n/a
<b>Total financial assets</b>		<b>30,476</b>	<b>30,476</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
<b>Financial liabilities at amortised cost</b>						
Payables	7.1	4,272	4,272	-	-	-
Lease liabilities	7.2	24,736	-	1,456	5,907	17,373
<b>Total financial liabilities</b>		<b>29,008</b>	<b>4,272</b>	<b>1,456</b>	<b>5,907</b>	<b>17,373</b>

Category of financial asset and financial liability	Notes	2019 contractual maturities				
		2019 Carrying amount/Fair value (\$'000)	Current	Within 1 year (\$'000)	1-5 years (\$'000)	5+ years (\$'000)
<b>Financial assets</b>						
<b>Cash and cash equivalents</b>						
Cash and cash equivalents	6.1	25,615	25,615	-	-	-
<b>Financial assets at amortised cost</b>						
Receivables	6.2	297	297	-	-	-
<b>Total financial assets</b>		<b>25,912</b>	<b>25,912</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
<b>Financial liabilities at amortised cost</b>						
Payables	7.1	5,835	5,835	-	-	-
<b>Total financial liabilities</b>		<b>5,835</b>	<b>5,835</b>	<b>-</b>	<b>-</b>	<b>-</b>

### ***Receivables and payables***

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore, in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.2.

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**Statement of Administered Comprehensive Income**

*for the Year ended 30 June 2020*

	Note	2020 \$'000	2019 \$'000
<b>Administered Income</b>			
Appropriation from SA Government		42,804	43,551
Court fees		20,573	20,686
Transcript fees		1,041	1,405
Fines Enforcement Recovery Unit Income		9	52
Gain from disposal of right-of-use vehicles		3	-
Other revenues		411	521
<b>Total Administered Income</b>		<b>64,841</b>	<b>66,215</b>
<b>Administered Expenses</b>			
Judicial benefits expenses	A4	42,113	43,551
Leases expenses		171	-
Payments to Fines Enforcement Recovery Unit		9	52
Payments to Consolidated Account		21,451	22,054
Depreciation and amortisation		509	-
Interest cost on lease liabilities		14	-
Other expenses		574	558
<b>Total Administered Expenses</b>		<b>64,841</b>	<b>66,215</b>
<b>Net and total comprehensive result</b>		<b>-</b>	<b>-</b>

**Net and total comprehensive result are attributable to the SA Government as owner**

The above statement should be read in conjunction with the accompanying notes.

Administered unrecognized contractual commitments A13

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**Statement of Administered Financial Position**

*as at 30 June 2020*

	Note	2020 \$'000	2019 \$'000
<b>Administered Current Assets</b>			
Cash and cash equivalents	A7	90,782	45,651
Receivables	A8	4,948	5,903
<b>Total current assets</b>		<b>95,730</b>	<b>51,554</b>
<b>Administered Non-Current Assets</b>			
Property, plant and equipment	A6	696	-
<b>Total non-current assets</b>		<b>696</b>	<b>-</b>
<b>Total Assets</b>		<b>96,426</b>	<b>51,554</b>
<b>Administered Current Liabilities</b>			
Payables	A9	3,176	3,245
Lease liabilities	A10	417	-
Judicial benefits liability	A5	5,063	4,053
Other liabilities	A11	84,189	38,572
<b>Total current liabilities</b>		<b>92,845</b>	<b>45,870</b>
<b>Administered Non-Current Liabilities</b>			
Payables	A9	1,443	1,714
Lease liabilities	A10	283	-
Judicial benefits liability	A5	9,823	11,938
<b>Total non-current liabilities</b>		<b>11,549</b>	<b>13,652</b>
<b>Total liabilities</b>		<b>104,394</b>	<b>59,522</b>
<b>Net Assets</b>		<b>(7,968)</b>	<b>(7,968)</b>
<b>Administered Equity</b>			
Accumulated deficit		(7,968)	(7,968)
<b>Total administered equity</b>		<b>(7,968)</b>	<b>(7,968)</b>

**Total administered equity is attributable to the SA Government as owner**

The above statement should be read in conjunction with the accompanying notes.

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**Statement of Administered Cash Flows**

*For the year ended 30 June 2020*

	Note	2020	2019
<b>Cash flows from Administered activities</b>		<b>\$'000</b>	<b>\$'000</b>
<b>Cash inflows</b>			
Receipts from SA Government		43,513	43,031
Receipts into trust accounts		89,003	42,075
Court fees		20,620	20,584
Transcript fees		1,040	1,424
Fines Enforcement Recovery Unit receipts		9	52
GST recovered from the ATO		64	64
Other receipts		445	706
<b>Total cash inflows</b>		<b>154,694</b>	<b>107,936</b>
<b>Cash outflows</b>			
Judicial benefits		(43,237)	(43,068)
Payments to consolidated account		(21,772)	(22,184)
Payments from trust accounts		(43,393)	(34,830)
Payments to Fines Enforcement Recovery Unit		(12)	(50)
Interest on borrowing		(14)	-
Other payments		(634)	(428)
<b>Total cash outflows</b>		<b>(109,062)</b>	<b>(100,560)</b>
<b>Net operating cash provided by Administered activities</b>	A12	<b>45,632</b>	<b>7,376</b>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Repayment of leases		(501)	-
<b>Net cash (used in) financing activities</b>		<b>(501)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>45,131</b>	<b>7,376</b>
Cash and cash equivalents at the beginning of the financial year		45,651	38,275
<b>Cash and cash equivalents at the end of the financial year</b>	A7	<b>90,782</b>	<b>45,651</b>

The above statement should be read in conjunction with the accompanying notes.

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**Notes to Administered Items**

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**Note A1 Basis of preparation and accounting policies**

The basis of preparation for the administered financial statements is the same as the basis outlined in note 1.1. The Authority applies the accounting policies to the administered financial statements that are set out in the notes to the Authority's financial statements.

**Note A2 Objectives/activities of the Authority's administered items**

The activities the Authority administers are mainly comprised of the following transactions:

- Court fees and transcripts fees – The Authority processes revenue from fees charged under regulations to various Acts. Examples of these fees include lodgment fees in the various jurisdictions and sale of evidence/transcript. This revenue is directly credited to the Consolidated Account. Court fees and transcript fees are recognised upon delivery of the service.
- Other income includes recovery from other SA Government agencies for witness fees paid when the witness fee expense is incurred.
- Judicial expenses – The Authority makes payments pursuant to the *Remuneration Act 1990* for the judiciary. These expenses include judicial salaries and associated on-costs (superannuation and payroll tax), judicial vehicle expenses and related Fringe Benefits Tax.
- The Authority receives monies into trust accounts on behalf of parties involved in court matters and makes payments to parties as determined by the court. The monies are held in deposits with the Treasurer and an external bank.
- The activities used by the Authority for budgeting and reporting purposes are mainly from one activity named as Court and Tribunal Case Resolution Services. It consists of the resolution of criminal, civil, appellate, coronial and probate matters in the State's courts and tribunals.

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**Note A3 Administered Budget Performance**

The budget performance table compares the Authority's outcomes against the administered budget information presented to Parliament (2019-20 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Original Note budget	Actual	Variance
	2020	2020	
<b>Statement of Administered Comprehensive Income</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Administered Income</b>			
Appropriation from SA Government	44,767	42,804	(1,963)
Court fees	21,108	20,573	(535)
Transcript fees	1,418	1,041	(377)
Fines Enforcement Recovery Unit Income	-	9	9
Gain from disposal of right-of-use vehicles	-	3	3
Other Revenues	1,083	411	(672)
<b>Total Administered Income</b>	<b>68,376</b>	<b>64,841</b>	<b>(3,535)</b>
<b>Administered Expenses</b>			
Judicial benefits expenses	A4 44,767	42,113	(2,654)
Leases expenses	-	171	171
Payments to Fines Enforcement Recovery Unit	-	9	9
Payments to Consolidated Account	22,526	21,451	(1,075)
Depreciation and amortisation	-	509	509
Interest cost on lease liabilities	-	14	14
Other expenses	1,083	574	(509)
<b>Total Administered Expenses</b>	<b>68,376</b>	<b>64,841</b>	<b>(3,535)</b>
<b>Net and total comprehensive result</b>	<b>-</b>	<b>-</b>	<b>-</b>

There was no variance that exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

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**Note A4 Judicial Benefits Expenses**

	2020 \$'000	2019 \$'000
Salaries and wages	29,077	28,278
Long service leave	913	2,727
Annual leave	2,514	2,119
Employment on-costs - superannuation*	6,367	6,361
Employment on-costs - payroll tax	2,016	2,054
Other judicial related expenses	1,226	2,012
<b>Total Judicial benefits expenses</b>	<b>42,113</b>	<b>43,551</b>

**\* Employment on-costs - superannuation**

The superannuation employment on-cost charge represents the Authority's contributions to superannuation plans in respect of current services of current judicial officers.

**Judicial remuneration**

The table includes all judicial officers who received remuneration equal to or greater than the base executive remuneration level during the year.

	2020	2019		2020	2019
The number of judicial officers whose remuneration received or receivable falls within the following bands:					
\$154,001 to \$174,000	-	1	\$414,001 to \$434,000	2	2
\$174,001 to \$194,000	-	1	\$434,001 to \$454,000	3	1
\$194,001 to \$214,000	1	1	\$454,001 to \$474,000	1	2
\$214,001 to \$234,000	-	3	\$474,001 to \$494,000	1	-
\$234,001 to \$254,000	4	-	\$534,001 to \$554,000	14	20
\$254,001 to \$274,000	2	1	\$554,001 to \$574,000	7	2
\$274,001 to \$294,000	1	1	\$574,001 to \$594,000	2	-
\$294,001 to \$314,000	-	1	\$594,001 to \$614,000	-	11
\$314,001 to \$334,000	2	-	\$614,001 to \$634,000	9	1
\$334,001 to \$354,000	1	5	\$634,001 to \$654,000	1	-
\$354,001 to \$374,000	5	8	\$654,001 to \$674,000	1	-
\$374,001 to \$394,000	18	19	\$674,001 to \$694,000	-	1
\$394,001 to \$414,000	14	8	\$694,001 to \$714,000	1	-
<b>Total number of judicial officers</b>	<b>90</b>	<b>89</b>			

Remuneration of judicial officers reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice and fringe benefits and any fringe benefit tax paid/payable in respect of those benefits. The total remuneration received by these judicial officers for the year was \$40.8 million (\$39.6 million).

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**Note A5 Judicial Benefits Liability**

	2020 \$'000	2019 \$'000
<b>Current:</b>		
Accrued salaries and wages	826	584
Annual leave	2,408	1,887
Long service leave	1,829	1,582
<b>Total current judicial benefits liability</b>	<b>5,063</b>	<b>4,053</b>
<b>Non-Current:</b>		
Long service leave	9,823	11,938
<b>Total non-current judicial benefits liability</b>	<b>9,823</b>	<b>11,938</b>
<b>Total judicial benefits liability</b>	<b>14,886</b>	<b>15,991</b>

Judicial benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term judicial benefits are measured at present value and short-term judicial benefits are measured at nominal amounts.

***Salaries and Wages and Annual Leave***

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

***Long Service Leave***

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 11.1.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave. AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds is 0.75% (2019: 1.25%).

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability and expense of \$0.89m. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The Authority has used the average leave pattern history of previous years to allocate the current and non-current liability.

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**Note A6      Administered Property, plant and equipment**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Property, plant and equipment comprises of right-of-used vehicles leased with Fleet SA</b>		
Right-of-use vehicles at cost	1,094	-
Accumulated depreciation at the end of the period	(398)	-
<b>Total right-of-use vehicles</b>	<b>696</b>	<b>-</b>
<b>Total Property, plant and equipment</b>	<b>696</b>	<b>-</b>

Administered Property, plant and equipment are motor vehicles leased and recorded by the Authority at cost. Additions to leased motor vehicles during 2019-20 were \$503 000.

81 motor vehicle leases are with the South Australian Government Funding Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease term is 3 years (60 000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.

The lease liabilities related to the right-of-use assets and the maturity analysis of its lease liabilities is disclosed in note A10. Expenses related to leases, including depreciation and interest expenses, are disclosed in the statement of administered comprehensive income. Cash outflows related to leases are disclosed in the statement of administered cash flows.

**Impairment**

Administered Property, plant and equipment leased has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognized.

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**Note A7 Administered cash and cash equivalents**

	2020 \$'000	2019 \$'000
Deposits with the Treasurer	90,273	44,899
Deposit at bank	509	752
<b>Total Administered cash and cash equivalents</b>	<b>90,782</b>	<b>45,651</b>

***Deposits with the Treasurer***

The Authority has three deposits with the Treasurer: a general operating account for administered transactions which does not earn interest, and two special deposit accounts for trust monies payable to external parties, which earn interest.

***Deposit at bank***

The deposit at bank for trust monies earns interest and is payable to external parties.

**Note A8 Administered receivables**

	2020 \$'000	2019 \$'000
<b>Current</b>		
Debtors		
From government entities	127	143
From non-government entities	369	663
Less: impairment loss on receivables	(117)	(218)
Accrued revenue	4,553	5,315
GST input tax recoverable	5	-
Prepayment	11	-
<b>Total current Administered receivables</b>	<b>4,948</b>	<b>5,903</b>

Receivables are raised at the time service is provided only where it is probable that the revenues will be received. Receivables are to be settled within 30 days after the issue of an invoice. Accrued revenues are mainly statutory revenue from SA Government which do not have credit risk. Receivables and accrued revenues are non-interest-bearing.

***Allowance for impairment of receivables***

<b>Carrying amount at the beginning of the period</b>	<b>218</b>	236
Amounts written off	(167)	(48)
Amount recovered during the year	-	(20)
Increase in allowance recognised in profit and loss	66	50
<b>Carrying amount at the end of the period</b>	<b>117</b>	218

Collectability of receivables is reviewed on an ongoing basis. An allowance for impairment is raised when there is objective evidence that the Authority will not be able to collect the debt. Other than as recognised in the allowance for impairment loss, it is not anticipated that counterparties will fail

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to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

**Note A9 Administered payables**

	2020 \$'000	2019 \$'000
<b>Current:</b>		
Creditors	360	362
Accrued expenses	1,697	2,016
GST payable	-	6
Judicial benefits on-costs	1,119	861
<b>Total current administered payables</b>	<b>3,176</b>	<b>3,245</b>
<b>Non-Current:</b>		
Judicial benefits on-costs	1,443	1,714
<b>Total non-current administered payables</b>	<b>1,443</b>	<b>1,714</b>
<b>Total Administered payables</b>	<b>4,619</b>	<b>4,959</b>

Payables and accruals are measured at nominal amounts. Creditors and accrued expenses are mainly statutory payables (eg Commonwealth tax and Consolidated account) which has no credit risk. All payables are non-interest-bearing.

The net amount of GST recoverable from the ATO is included as part of payables.

***Judicial benefits on-costs***

Judicial benefits on-costs are settled when the respective judicial benefits that they relate to are discharged.

Judicial benefits on-costs include payroll tax and superannuation contributions.

The Authority contributes to several State Government managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at balance date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has increased from the 2019 rate of 41% to 42% and the average factor for the calculation of employer superannuation on-cost remains the same as the 2019 rate of 9.8%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$27 000. The impact on future years is impractical to estimate. Refer to Note A5 Judicial Benefits liability.

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**Note A10 Administered leases liability**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Leases liability</b>		
Current lease liability	417	-
Non Current lease liability	283	-
<b>Total lease liability</b>	<b>700</b>	<b>-</b>
Within one year	417	-
Later than one year but not longer than five years	283	-
<b>Total lease liability</b>	<b>700</b>	<b>-</b>

**Note A11 Administered other liabilities**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Trust accounts	81,209	36,336
Unclaimed money	2,980	2,236
<b>Total Administered other liabilities</b>	<b>84,189</b>	<b>38,572</b>

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**Note A12 Administered cash flow reconciliation**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of Cash and cash equivalents at the end of the reporting period:</b>		
Cash and cash equivalents disclosed in the Statement of Administered Financial Position	<b>90,782</b>	45,651
Balance as per the Statement of Administered Cash Flows	<b>90,782</b>	45,651
<b>Reconciliation of Net Operating Cash provided by Administered Activities to total comprehensive result:</b>		
Net cash provided by operating activities	45,632	7,376
<b>Less: non cash item</b>		
Impairment of receivables	(145)	(37)
Trust balances derecognised	(18)	-
Depreciation and amortisation	(509)	-
Gain from disposal of right-of-use vehicles	3	-
<b>Movements in Administered Assets / Liabilities</b>		
(Decrease)/Increase in Receivables	(809)	558
Decrease/(Increase) in Judicial Benefits Liability	1,105	(499)
Decrease in Payables	340	2
(Increase) in Other liabilities	(45,599)	(7,400)
<b>Total comprehensive result from Administered Activities</b>	<b>-</b>	<b>-</b>

**Note A13 Administered unrecognized contractual commitment**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating lease commitments</b>		
Commitments in relation to motor vehicles operating leases contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:		
Within one year	-	580
Later than one year but not longer than five years	-	423
<b>Total operating lease commitments - all non-cancellable</b>	<b>-</b>	<b>1,003</b>

The Authority has operating lease commitments with Fleet SA via LeasePlan in relation to vehicles used by members of the judiciary. With the change in accounting standard, the commitments are now reflected as lease liability. Refer to note A10.

**Note A14 Impact of standards not yet effective**

Refer to note 10.3 for the impact to the administered statement.