

Courts Administration Authority

Financial report
for the year ended
30 June 2019



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To the Chair State Courts Administration Council

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 2019.

Opinion

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 2019, its financial performance and its cash flows for the year then ended in accordance with the 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 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- Disaggregated Disclosures – Expenses and Income for the year ended 30 June 2019
- Disaggregated Disclosures – Assets and Liabilities as at 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2019
- a Statement of Administered Financial Position as at 30 June 2019
- a Statement of Administered Cash Flows for the year ended 30 June 2019
- 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* have been met.

I believe that the audit evidence 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 the 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

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 and the State Courts Administration Council 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.



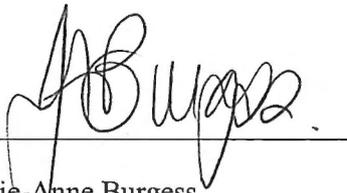
Andrew Richardson
Auditor-General
17 September 2019

**Courts Administration Authority
Certification of the Financial Statements**

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 at 30 June 2019 and the result of its operations and cash flows for the financial year.

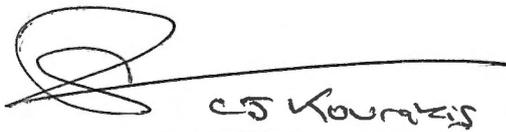
- internal controls employed by the Courts Administration Authority over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Julie-Anne Burgess
State Courts Administrator



Trevor Pearce
Chief Financial Officer



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

Date: 16 September 2019

Courts Administration Authority
Statement of Comprehensive Income

For the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Expenses			
Employee benefits expenses	2.3	58,373	55,030
Supplies and services	3.1	33,502	33,549
Depreciation and amortisation	3.2	6,238	6,443
Borrowing costs	3.3	465	553
Net loss from disposal of property, plant and equipment	3.4	2	32
Other expenses	3.5	15,507	369
Total Expenses		114,087	95,976
Income			
Fees and charges	4.2	3,104	3,505
Sale of goods and services	4.3	1,088	1,267
Grants	4.4	50	-
Total Income		4,242	4,772
Net cost of providing services		109,845	91,204
Revenues from/payments to SA Government			
Revenues from SA Government	4.1	126,042	81,434
Net Result		16,197	(9,770)
Other Comprehensive Income			
Item that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus		16,045	(1,491)
Total other comprehensive income		16,045	(1,491)
Total comprehensive result		32,242	(11,261)

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
2018-19 Financial Statements**

**Courts Administration Authority
Statement of Financial Position**

As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Current assets			
Cash and cash equivalents	6.1	25,615	49,219
Receivables	6.2	6,418	1,794
Non-current assets classified as held for sale	5.3	2,406	-
Total current assets		34,439	51,013
Non-current assets			
Property, plant and equipment	5.1	231,211	190,224
Intangible assets	5.2	3,841	1,496
Total non-current assets		235,052	191,720
Total assets		269,491	242,733
Current liabilities			
Payables	7.1	7,050	4,525
Financial liabilities	7.3	-	1,609
Employee benefits	2.4	5,628	5,525
Provisions	7.2	517	563
Other liabilities	7.4	475	413
Total current liabilities		13,670	12,635
Non-current liabilities			
Payables	7.1	1,069	967
Financial liabilities	7.3	-	7,417
Employee benefits	2.4	11,662	10,591
Provisions	7.2	624	899
Total non-current liabilities		13,355	19,874
Total liabilities		27,025	32,509
Net Assets		242,466	210,224
Equity			
Contributed capital		3,140	3,140
Retained earnings		102,377	86,180
Asset Revaluation Surplus		136,949	120,904
Total equity		242,466	210,224

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

Courts Administration Authority
Statement of Changes in Equity
For the year ended 30 June 2019

Note	Contributed	Asset	Retained	Total
	Capital	Revaluation	Earnings	Equity
	\$'000	Surplus	\$'000	\$'000
		\$'000		
Balance at 1 July 2017	3,140	122,395	95,950	221,485
Net result for 2017 - 2018	-	-	(9,770)	(9,770)
Loss on revaluation of plant and equipment during 2017-18	5.1	(1,491)	-	(1,491)
Total comprehensive result for 2017-2018	-	(1,491)	(9,770)	(11,261)
Balance at 30 June 2018	3,140	120,904	86,180	210,224
Net result for 2018 - 2019	-	-	16,197	16,197
Gain on revaluation of building during 2018-19	-	16,045	-	16,045
Total comprehensive result for 2018-19	-	16,045	16,197	32,242
Balance at 30 June 2019	3,140	136,949	102,377	242,466

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

Courts Administration Authority
2018-19 Financial Statements

Courts Administration Authority

Statement of Cash Flows

For the year ended 30 June 2019

Note	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Outflows		
	(57,072)	(53,971)
	(41,931)	(36,189)
	(121)	(72)
	(465)	(553)
	(15,828)	(1,064)
	(115,417)	(91,849)
Cash Inflows		
	50	-
	4,231	4,966
	4,017	3,474
	109	88
	8,407	8,528
Cash Flows from SA Government		
	126,042	81,434
	126,042	81,434
	8.2	19,032
	19,032	(1,887)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Outflows		
	(2,375)	(1,390)
	(31,235)	(4,126)
	(33,610)	(5,516)
	(33,610)	(5,516)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Outflows		
	(9,026)	(1,521)
	(9,026)	(1,521)
	(9,026)	(1,521)
	(23,604)	(8,924)
	49,219	58,143
	6.1	25,615
	25,615	49,219

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 49.

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.

The 2018-19 financial statements of the Authority adopt *AASB 9 – Financial Instruments* and comply with the *Treasurer's Instructions (Accounting Policy Statements)* issued on 22 March 2019. 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.

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
2018-19 Financial Statements**

**Expenses and Income by Program
For the year ended 30 June 2019**

	Program 1		Program 2		Total	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses						
Employee benefits expenses	55,524	52,437	2,849	2,593	58,373	55,030
Supplies and services	32,927	32,950	575	599	33,502	33,549
Depreciation and amortisation expense	6,220	6,418	18	25	6,238	6,443
Borrowing costs	465	553	-	-	465	553
Net loss from disposal of non-current assets	2	32	-	-	2	32
Other expenses	15,479	362	28	7	15,507	369
Total expenses	110,617	92,752	3,470	3,224	114,087	95,976
Income						
Revenues from fees and charges	3,104	3,505	-	-	3,104	3,505
Sale of goods and services	1,088	1,267	-	-	1,088	1,267
Grants	50	-	-	-	50	-
Total income	4,242	4,772	-	-	4,242	4,772
Net cost of providing services	106,375	87,980	3,470	3,224	109,845	91,204
Revenues from SA Government						
Revenues from SA Government	122,063	78,540	3,979	2,894	126,042	81,434
Net Result	15,688	(9,440)	509	(330)	16,197	(9,770)

Assets and Liabilities by Program
As at 30 June 2019

	Program 1		Program 2		General/not attributable		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Cash and cash equivalents	-	-	-	-	25,615	49,219	25,615	49,219
Receivables	6,216	1,794	202	-	-	-	6,418	1,794
Non-current assets classified as held for sale	2,354	-	52	-	-	-	2,406	-
Property, plant and equipment	226,238	185,295	4,973	4,929	-	-	231,211	190,224
Intangible assets	3,758	1,457	83	39	-	-	3,841	1,496
Total assets	238,566	188,546	5,310	4,968	25,615	49,219	269,491	242,733
Liabilities								
Payables	8,096	5,394	23	98	-	-	8,119	5,492
Financial liabilities	-	9,026	-	-	-	-	-	9,026
Employee benefits	16,446	15,357	844	759	-	-	17,290	16,116
Provisions	1,141	1,433	-	29	-	-	1,141	1,462
Other liabilities	460	413	15	-	-	-	475	413
Total liabilities	26,143	31,623	882	886	-	-	27,025	32,509

**Courts Administration Authority
2018-19 Financial Statements**

1.3. Budget performance

The budget performance table compares the Authority's outcomes against budget information presented to Parliament (2018-19 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.

Statement of Comprehensive Income	Note	Original budget 2019 \$'000	Actual 2019 \$'000	Variance \$'000
Expenses				
Employee benefits expenses		57,365	58,373	1,008
Supplies and services		35,050	33,502	(1,548)
Depreciation and amortisation expense		8,008	6,238	(1,770)
Borrowing costs		465	465	-
Net loss from disposal of property, plant and equipment		-	2	2
Other expenses	a	1,332	15,507	14,175
Total Expenses		102,220	114,087	11,867
Income				
Revenues from fees and charges		3,363	3,104	(259)
Sale of goods and services	b	770	1,088	318
Grants		-	50	50
Total Income		4,133	4,242	109
Net cost of providing services		98,087	109,845	11,758
Revenues from SA Government				
Revenues from SA Government	c	92,441	126,042	33,601
Net Result		(5,646)	16,197	21,843
Other Comprehensive Income				
<i>Item that will not be reclassified to net result</i>				
Changes in property, plant and equipment asset revaluation surplus		-	16,045	16,045
Total other comprehensive income		-	16,045	16,045
Total comprehensive result		(5,646)	32,242	37,888

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.

- a) Other expenses expenditure was higher than the original budget due mainly to exercising the purchase option available in the lease of the Sir Samuel Way building. The decision was made to exercise the purchase option in the lease earlier than the expiration of the original lease term and transfer the ownership to the Authority for site value at the end of the lease term as stated per the lease agreement.
- b) Revenue from sale of goods and services was higher than the original budget due mainly to expenditure recouplements for services provided to the Fines Enforcement Recovery Unit of the Attorney-General's Department which were not budgeted for.

- c) Revenues from SA Government was higher than the original budget due mainly to the provision of funds to finance the early purchase of the Sir Samuel Way land and building.

Investing expenditure summary	Note	Original budget	Actual	Variance
		2019 \$'000	2019 \$'000	\$'000
Total new projects	d	-	21,600	21,600
Total existing projects	e	17,394	9,833	(7,561)
Total annual programs	f	2,823	4,499	1,676
Total investing expenditure		20,217	35,932	15,715

- d) Total new project for the purchase of the Sir Samuel Way building was not in the original budget.
- e) Total existing projects were lower than provided for in the original budget due to delays encountered in the Electronic Court Management System and the Higher Court Redevelopment projects.
- f) Total annual programs were higher than the original budget due mainly to the reclassification of building projects which were originally budgeted under supplies and services in the Statement of Comprehensive Income.

1.4. Significant transactions with government related entities

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

The Authority occupied the Sir Samuel Way building under a 40 year non-cancellable finance lease with Funds SA, which was to expire in 2023. The Authority exercised the purchase option within the lease on 25 June 2019. The Authority paid a lease termination expense which is related to contingent rental forgone by Funds SA and the remaining financial lease liability. Refer to summary below.

	\$'000	Note Reference
Land (site value)	21,600	5.1
Lease termination expense	14,513	3.5
Repayment of financial lease liability	7,417	7.3
GST	4,352	6.2
Total	47,882	

The Authority received appropriations for the land, lease termination expense and repayment of financial lease liability. GST and the repayment of remaining finance lease liability was funded through the Accrual Appropriation Excess Funds Account and the GST is recoverable from the Australian Taxation Office.

As a result of the above transaction, the building under finance lease was revalued to fair value and transferred to building and improvements. Refer to note 5.1.

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 \$4.9m in 2018-19 and \$5.0m in 2017-18.

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.

	2019	2018
	\$'000	\$'000
Key Management Personnel Compensation*		
Salaries and other short term employee benefits	3,742	3,865
Post-employment benefits	1,157	1,129
Other long-term employment benefits	6	-
Termination Benefits	38	-
Total Key Management Personnel Compensation	4,943	4,994

*Key Management Personnel Compensation includes compensation of \$3.4m (2018: \$3.2m) 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 2019 were minor commercial or intragovernmental operational transactions. There were no significant transactions with government related entities. There were no transactions with key management personnel and other related parties in 2018-19.

2.2. Board and committee members

Members during the 2019 financial year were:

State Courts Administration Council

Chief Justice	Christopher Kourakis *
Chief Judge	Michael Evans *
Chief Magistrate	Mary-Louise Hribal *
Deputy Chief Magistrate	Dr Andrew Cannon (retired 6/7/18) *
Justice	Timothy Stanley *
Judge	Wayne Chivell *
Supervising Regional Manager - Magistrate	Brett Dixon (appointed 8/7/18) *

Administrative and Disciplinary Division of the District Court

Alan Matthews (appointed 10/12/18)	Kelly Matthews (appointed 13/12/18)
Allan Andersen (appointed 10/12/18)	Kerry Reed
Andrew Clark (appointed 10/12/18)	Kym Magokin
Andrew Hill	Manual Pipinias (appointed 10/12/18)
Arthur Bunney (appointed 10/12/18)	Mark Stevens (appointed 10/12/18)
Bruce Parker (appointed 10/12/18)	Mark Sanderson
Caleb Robins	Mark Woods
Christopher Short	Michael Bonaccorso (appointed 10/12/18)
Clive Smith (appointed 10/12/18)	Michael Horner (appointed 10/12/18)
Darryn Aldous (appointed 10/12/18)	Michael Rice (appointed 10/12/18)
David Beattie	Michael Stuart Standish
David Bell (appointed 13/12/18)	Nathan Robins (appointed 13/12/18)
David Christian (appointed 10/12/18)	Nathan Langley Fox
David Roberts (appointed 10/12/18)	Neil McLean
David Roe (appointed 10/12/18)	Nicholas Bell (appointed 13/12/18)
Garry Minuzzo (appointed 10/12/18)	Patrick Innes (appointed 10/12/18)
Garth Palmer (appointed 10/12/18)	Paul Szumski (appointed 13/12/18)
George Kamencak (appointed 10/12/18)	Peter Panagaris (appointed 10/12/18)
Gregory Davis (appointed 10/12/18)	Peter Rea (appointed 10/12/18)
Harald Klavins	Peter Timms (appointed 10/12/18)
Jean Hutchinson	Richard Hoffman (appointed 10/12/18)
John Iwanus (appointed 10/12/18)	Robin Turner
Joseph Bagnara (appointed 10/12/18)	Thomas Tirrell (appointed 10/12/18)
Karen Von Einem (appointed 10/12/18)	Tracey Loftes (appointed 13/12/18)

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Training Centre Review Board

Barry Jennings *	Katherine Hawkins (appointed 6/12/18)
Branka King	Katrina Dee *
Carolyn Schild (appointment rescinded 12/10/18)	Lisa Smith (appointed 6/12/18, resigned 8/3/19)
Christopher Boltje	Narelle Kameniar (appointment rescinded 12/10/18)
Dale Agius *	Nikki Lamshed (appointed 6/12/18)
Darryn Keneally	Philip Fagan-Schmidt * (resigned 7/6/18)
David Branson	Shona Reid
Ester Huxtable	Simon Watkins * (appointed 6/12/18)
Fiona Curnow *	Stephen Windle
Gregory Forrest * (resigned 15/5/19)	Suraya Naidoo (appointed 6/12/18)
Jacqueline Taylor (appointed 6/12/18, resigned 13/5/19)	Tiffany Downing
Jasmine Tonkin *	

*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

	2019	2018
\$0 - \$9,999	3	6
Total number of members	3	6

The total remuneration received or receivable by members was \$16 000 (\$17 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

2.3. Employee benefits expenses

	2019 \$'000	2018 \$'000
Salaries and wages	42,042	40,812
Targeted Voluntary Separation Packages	1,202	72
Long service leave	2,375	1,856
Annual leave	4,311	4,095
Skill and experience retention leave	290	302
Employment on-costs - superannuation*	5,314	5,158
Employment on-costs - payroll tax	2,722	2,601
Board and committee fees	16	18
Workers compensation levy	17	17
Other employee related expenses	84	99
Total employee benefits expenses	58,373	55,030

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

The number of employees whose remuneration received or receivable falls within the following bands:

\$151,001 to \$171,000	4	2
\$171,001 to \$191,000	2	3
\$191,001 to \$211,000	2	1
\$211,001 to \$231,000	2	2
\$231,001 to \$251,000	-	1
\$251,001 to \$271,000	1	1
\$311,001 to \$331,000	1	1
Total	12	11

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. The total remuneration received by these employees for the year was \$2.4 million (\$2.3 million).

Targeted voluntary separation packages

The number of employees who received a TVSP during the reporting period was 17 (1).

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	2019 \$'000	2018 \$'000
Amount paid to separated employees:		
Targeted Voluntary Separation Packages	1,202	72
Leave paid to those employees	241	11
Recovery from the Department of Treasury and Finance	(1,221)	-
Net cost to the Authority	222	83

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

2.4. Employee benefits liability

	2019 \$'000	2018 \$'000
Current:		
Accrued salaries and wages	878	861
Annual leave	3,286	3,188
Long service leave	1,147	1,134
Skills and experience retention leave	317	342
Total current employee benefits	5,628	5,525
Non-Current:		
Long service leave	11,662	10,591
Total non-current employee benefits	11,662	10,591
Total employee benefits	17,290	16,116

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

	2019	2018
	\$'000	\$'000
Accommodation and services	10,081	10,516
Finance lease contingent rents	4,749	4,596
Circuit and Travel expenses	1,096	1,092
Computing and communications	6,499	5,780
Consultancy, contractors and temp staff	1,409	1,378
Legal cost	109	85
Court expenses	2,057	2,021
Operating leases *	196	204
Staff development and training	505	665
Equipment purchases and repairs	321	435
Coronial Charges	502	474
Jurors' expenses	1,737	2,106
Sheriff's Officer Payments	778	947
Library expenses	1,304	1,271
Office expenses	675	722
Other administration expenses	1,484	1,257
Total supplies and services	33,502	33,549

* Operating lease payments consist of the minimum lease payments only.

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:

	2019		2018	
	No	\$'000	No	\$'000
Below \$10 000	3	14	3	8
Above \$10 000	7	254	5	196
Total	10	268	8	204

3.2. Depreciation and amortisation

	2019	2018
	\$'000	\$'000
Buildings and Improvements	4,307	4,364
Computing and office furniture & equipment	637	701
Library Collection	187	268
Leasehold improvements	247	245
Building under Finance lease	830	830
Intangible assets	30	35
Total depreciation and amortisation	6,238	6,443

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

Land, works of art and non-current assets held for sale are not depreciated. The Authority does not depreciate the works of art because it believes that works of art do not diminish in value over time.

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.

Useful Life

Depreciation/amortisation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful life (years)
Buildings and improvements	5-54
Leasehold improvements	Life of lease
Computing and plant and equipment	3-25
Library collection – bound volume	25
Intangibles	4-10

The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

During the year, the Authority reassessed the useful lives of the building improvements and computer equipment, resulting in a net increase in the estimated useful life. As a result the 2018-19 and future depreciation expense will decrease by \$63,000.

3.3. Borrowing costs

	2019	2018
	\$'000	\$'000
Finance lease costs	465	553
Total borrowing costs	465	553

The Authority does not capitalise borrowing costs.

The Authority occupied the Sir Samuel Way building under a 40 year non-cancellable finance lease with Funds SA, which was to expire in 2023. The nominal interest rate on the lease was at 5.15% (2018 - 5.65%). The Authority exercised the purchase option available in the finance lease on 25 June 2019. Refer to note 1.4.

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

	2019	2018
	\$'000	\$'000
Plant and Equipment		
Total proceeds from disposal	-	-
Less total carrying amount of assets disposed	2	32
Total net loss from disposal of plant and equipment	2	32

3.5. Other expenses

	2019	2018
	\$'000	\$'000
Lease Termination [^]	14,513	-
Workers compensation	747	136
Audit fees*	247	233
Total other expenses	15,507	369

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. Refer to note 1.4.

Audit fees *

Audit fees paid / payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act were \$126 000 (\$139 000). No other services were provided by the Auditor-General's Department.

4. Income

4.1. Revenues from SA Government

	2019 \$'000	2018 \$'000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	124,821	81,089
Transfers from contingency provisions	1,221	345
Total revenues from SA Government	126,042	81,434

Appropriations are recognised on receipt.

Total revenues from Government consist of \$86.9m (\$75.0m) for operational funding and \$39.1m (\$6.4m) for capital projects. The original amount appropriated to the Authority under the annual *Appropriation Act* was not varied. Included in the capital projects funding is the purchase of the Sir Samuel Way land (\$21.6m) from Funds SA.

4.2. Fees and charges

	2019 \$'000	2018 \$'000
Sheriff's officer fees	1,880	2,312
Other regulatory fees	1,224	1,193
Total Revenues from Fees and Charges	3,104	3,505

4.3. Sales of goods and services

	2019 \$'000	2018 \$'000
Sale of electronic information	289	282
Rent recoveries	387	458
Recoup of services	412	527
Total sales of goods and services	1,088	1,267

Revenues from sales of goods and services are derived from the provision of goods and recouping the cost of services provided to other SA government agencies and to the public.

4.4. Grants

	2019 \$'000	2018 \$'000
Commonwealth grant - Family Relationship Services Programme	50	-
Total grants	50	-

5. Non-financial assets

5.1. Property, plant and equipment

	2019 \$'000	2018 \$'000
Land and buildings		
Land at fair value	82,064	62,074
Buildings at fair value	150,028	130,622
Accumulated depreciation at the end of the period	(20,636)	(16,917)
Total land and buildings	211,456	175,779
Assets under finance lease		
Buildings and improvements at net present value	-	33,191
Accumulated amortisation at the end of the period	-	(29,042)
Total assets under finance lease	-	4,149
Leasehold improvements		
Leasehold improvements at cost (deemed fair value)	1,646	4,763
Accumulated depreciation at the end of the period	(1,646)	(3,578)
Total leasehold improvements	-	1,185
Computing and plant & equipment		
Computing and plant & equipment (deemed fair value)	9,140	9,124
Accumulated depreciation at the end of the period	(6,154)	(6,992)
Total plant and equipment	2,986	2,132
Capital work in progress		
Building Capital work in progress	12,161	2,429
Total capital work in progress	12,161	2,429
Library Collection		
Library collection at fair value/cost	4,682	4,437
Accumulated depreciation at the end of the period	(187)	-
Total library collection	4,495	4,437
Works of art and collections		
Works of art and collections at fair value	113	113
Total works of art and collections	113	113
Total property, plant and equipment	231,211	190,224

Property, plant and equipment with a value equal to or in excess of \$5 000 is capitalised, otherwise the cost of acquisition is expensed.

Property, plant and equipment is recorded at fair value. Detail about the Authority's approach to fair value is set out in note 11.2.

The Authority purchased the Sir Samuel Way Building in 2018-19. It has been revalued as at 30 June 2019 to reflect its transfer from being a leased building to an owned building as a result of the decision to exercise the option to purchase the building. The purchase decision extends the CAA's interest in the building – which previously would have ended at the end of the lease arrangement. The Valuer-General's value has been used as an interim fair value, with a full revaluation of all CAA's land and buildings to be undertaken in 2019-20.

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Impairment

There were no indications of material impairment of land and building improvement at 30 June 2019.

Reconciliation 2018-19

	<i>Land \$'000</i>	<i>Buildings & improvements \$'000</i>	<i>Building under finance lease \$'000</i>	<i>Buildings - leasehold improvements \$'000</i>	<i>Total land & buildings \$'000</i>
Carrying amount at the beginning of the period	62,074	113,705	4,149	1,185	181,113
Additions	21,600	416	-	72	22,088
Disposals	-	-	-	-	-
Revaluation increment	-	-	16,045	-	16,045
Transfers between asset classes	-	20,374	(19,364)	(1,010)	-
Assets reclassified to assets held for sale	(1,610)	(796)	-	-	(2,406)
Depreciation & amortisation	-	(4,307)	(830)	(247)	(5,384)
Carrying amount at the end of the period	82,064	129,392	-	-	211,456

	<i>Computing and plant & equipment \$'000</i>	<i>Library collections \$'000</i>	<i>Works of art & collections \$'000</i>	<i>Capital work in progress \$'000</i>	<i>Total Property, Plant & Equipment \$'000</i>
Carrying amount at the beginning of the period	2,132	4,437	113	2,429	190,224
Additions	938	245	-	10,287	33,558
Disposals	(2)	-	-	-	(2)
Revaluation increment	-	-	-	-	16,045
Transfers between asset classes	555	-	-	(555)	-
Assets reclassified to assets held for sale	-	-	-	-	(2,406)
Depreciation & amortisation	(637)	(187)	-	-	(6,208)
Carrying amount at the end of the period	2,986	4,495	113	12,161	231,211

The Authority purchased the Sir Samuel Way Building in 2018-19. Refer to Note 1.4.

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Reconciliation 2017-18

	<i>Land</i> \$'000	<i>Buildings & improvements</i> \$'000	<i>Building under finance lease</i> \$'000	<i>Buildings - leasehold improve- ments</i> \$'000	<i>Total land & buildings</i> \$'000
Carrying amount at the beginning of the period	62,074	116,305	4,978	1,431	184,788
Additions	-	1,485	-	-	1,485
Disposals	-	-	-	-	-
Transfers	-	279	-	-	279
Revaluation decrement	-	-	-	-	-
Depreciation & amortisation	-	(4,364)	(829)	(246)	(5,439)
Carrying amount at the end of the period	62,074	113,705	4,149	1,185	181,113

	<i>Computing and plant & equipment</i> \$'000	<i>Library collections</i> \$'000	<i>Works of art & collections</i> \$'000	<i>Capital work in progress</i> \$'000	<i>Total Property, Plant & Equipment</i> \$'000
Carrying amount at the beginning of the period	2,734	5,977	113	279	193,891
Additions	131	219	-	2,429	4,264
Disposals	(32)	-	-	-	(32)
Transfers	-	-	-	(279)	-
Revaluation decrement	-	(1,491)	-	-	(1,491)
Depreciation & amortisation	(701)	(268)	-	-	(6,408)
Carrying amount at the end of the period	2,132	4,437	113	2,429	190,224

5.2. Intangible assets

	2019	2018
	\$'000	\$'000
Computer software		
Internally developed computer software	7,688	7,688
Accumulated amortisation	(7,688)	(7,688)
Total internally generated computer software	-	-
Others		
Other computer software and licences	532	630
Accumulated amortisation	(471)	(539)
Total other computer software and licences	61	91
Intangible work in progress *	3,780	1,405
Total intangible work in progress	3,780	1,405
Total intangible assets	3,841	1,496

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.

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 intangible work in progress relates to the Authority's Electronic Court Management System.

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Reconciliation 2018-19

	<i>Other Computer Software & licence</i>	<i>Intangible Capital work in progress</i> \$'000	Total Intangible Assets \$'000
Carrying amount at the beginning of the period	91	1,405	1,496
Additions	-	2,375	2,375
Depreciation & amortisation	(30)	-	(30)
Carrying amount at the end of the period	61	3,780	3,841

Reconciliation 2017-18

	<i>Other Computer Software & licence</i>	<i>Intangible Capital work in progress</i> \$'000	Total Intangible Assets \$'000
Carrying amount at the beginning of the period	79	62	141
Additions	47	1,343	1,390
Depreciation & amortisation	(35)	-	(35)
Carrying amount at the end of the period	91	1,405	1,496

5.3. Non-current assets classified as held for sale

	2019 \$'000	2018 \$'000
Land	1,610	-
Building and improvement	796	-
Total non-current assets classified as held for sale	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. The Authority has measured the land and buildings 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

	2019	2018
	\$'000	\$'000
Deposits with the Treasurer	25,590	49,189
Cash on hand	25	30
Total cash and cash equivalents	25,615	49,219

Deposits with the Treasurer

The Authority has two deposit accounts with the Treasurer:

- a general operating account; and
- an Accrual Appropriation Excess Funds Account.

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

6.2. Receivables

	2019	2018
	\$'000	\$'000
Current		
Trade receivables		
From government entities	174	-
From non-government entities	160	176
Accrued revenue	137	306
GST input tax recoverable	5,306	637
Prepayments	641	675
Total	6,418	1,794

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

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.

7. Liabilities

Employee benefits liabilities are disclosed in note 2.4.

7.1. Payables

	2019	2018
	\$'000	\$'000
Current:		
Creditors	244	35
Accrued expenses	2,672	2,944
Accrued capital expenditure	3,301	720
Employment on-costs ^	829	810
Paid Parental Leave Scheme payable	4	16
Total current payables	7,050	4,525
Non-Current:		
Employment on-costs ^	1,069	967
Total non-current payables	1,069	967
Total Payables	8,119	5,492

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 makes contributions 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 remains the same at 2018 rate of 41% and the average factor for the calculation of employer superannuation cost on-costs has also changed from the 2018 rate (9.9%) to 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 a decrease in the employment on-cost of \$5 500.

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. Provisions

	2019	2018
	\$'000	\$'000
Current:		
Workers compensation	517	563
Total current provisions	517	563
Non-Current:		
Workers compensation	624	899
Total non-current provisions	624	899
Total provisions	1,141	1,462

Movement in provisions

	2019
	\$'000
Carrying amount at the beginning of the period	1,462
Reductions arising from payments/other sacrifice of future economic benefits	(1,034)
Increase resulting from re-measurement or settlement without cost	11
Increase in provisions	702
Carrying amount at the end of the period	1,141

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 2019 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.

7.3. Financial lease liability

	2019	2018
	\$'000	\$'000
Current financial lease liability	-	1,609
Non-current financial lease liability	-	7,417
Total financial lease liability	-	9,026

In 2018-19, the purchase option available in the finance lease was exercised prior to the lease expiring in June 2023. Refer to note 1.4.

7.4. Other Liabilities

	2019	2018
	\$'000	\$'000
Current		
Unearned revenue	368	308
Unclaimed money	107	105
Total other liabilities	475	413

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.

	2019	2018
	\$'000	\$'000
Reconciliation of Cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	25,615	49,219
Balance as per the Statement of Cash Flows	25,615	49,219
Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash provided by/(used in) operating activities	19,032	(1,887)
<u>Less</u> Revenues from SA Government	(126,042)	(81,434)
Add/Less non cash items		
Depreciation/Amortisation	(6,238)	(6,443)
Loss from disposal of assets	(2)	(32)
Movements in Assets/Liabilities		
Increase in Receivables	4,366	199
(Increase) in Employee Benefits	(1,174)	(1,075)
(Increase) in Payables	(46)	(1,253)
Decrease in Provisions	321	695
(Increase)/decrease in Other Liabilities	(62)	26
Net Cost of providing Services	(109,845)	(91,204)

9. Changes in accounting policy

9.1. Treasurer's Instructions (Accounting Policy Statements)

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are:

- removal of the additional requirement to report transactions with the SA Government.
- removal of the additional requirement to report a statement of equity for administered items.
- increasing the bands from \$10,000 to \$20,000 for employee and board member reporting.

These changes, however, do not impact on the amounts reported in the financial statements.

The Accounting Policy Statements also set out requirements in relation to Accounting Standards and Statements not yet effective. This is further discussed in note 10.3.

9.2. AASB 9 Financial instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in financial statements.

As part of the adoption of AASB 9, the Authority adopted consequential amendments to other accounting standards and the Treasurer's Instructions (Accounting Policy Statements) arising from the issue of AASB 9 as follows:

- *AASB 101 Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. In prior year, this information was presented as part of other expenses.
- *AASB 7 Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current year because the comparatives have not been restated.

In accordance with transitional provisions and the *Treasurer's Instructions (Accounting Policy Statements)*, *AASB 9 Financial Instruments* was adopted without restating comparative information for classification and measurement requirements. As adjustments relating to classification and measurement are recognised in retained earnings at 1 July 2018 was immaterial (\$6 000), no adjustment was made.

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The adoption of AASB 9 has not had a significant effect on the recognition, measurement or classification of financial liabilities.

Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' model. The following financial assets of the Authority are subject to AASB 9's new expected credit loss model:

- trade receivables from provision of goods and services

This model generally results in earlier recognition of credit losses than the previous one.

Trade receivables

New impairment requirements result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The Authority has adopted the simplified approach under AASB 9 Financial Instruments and measured lifetime expected credit losses on all trade receivables using a provision matrix approach as a practical expedient to measure the impairment provision for trade receivables equal to or less than 60 days. Trade receivables over 60 days are reviewed on a case by case basis for impairment.

There are no additional impairment provisions for State, Territory, or Commonwealth Government receivables due to the Government's high quality credit risk.

Trade and other receivables that were classified as loans and receivables under AASB 139 are now classified at amortised cost as they meet the appropriate criteria under AASB 9.

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

	2019	2018
	\$'000	\$'000
Capital expenditure contracted for at the reporting date but are not recognised as liabilities in the financial report, are payable as follows:		
Within one year	23,704	8,848
Later than one year but not longer than five years	943	22,896
Total capital commitments	24,647	31,744

The Authority's capital commitments are mainly for the Electronic Court Management System, Higher Courts Redevelopment project and building restoration which are undertaken through the Department of Planning, Transport and Infrastructure.

Expenditure commitments

	2019	2018
	\$'000	\$'000
Within one year	3,628	5,483
Later than one year but not longer than five years	8,062	10,617
Later than five years	20,881	19,475
Total other commitments	32,571	35,575

The Authority's expenditure commitments are mainly in relation to a Public Private Partnership arrangement via SA Police for regional court premises. Other expenditure commitments are related to operating expenses.

Operating lease commitments as lessee

	2019	2018
	\$'000	\$'000
Commitments in relation to equipment and accommodation operating leases contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:		
Within one year	188	184
Later than one year but not longer than five years	104	146
Total operating lease commitments - all non-cancellable	292	330

The Authority's operating lease commitments as lessee are with Fleet SA via LeasePlan for vehicles.

Operating lease commitments as lessor

	2019	2018
	\$'000	\$'000
Commitments in relation to accommodation operating leases contracted for at the reporting date but not recognised as receivable in the financial report, are receivable as follows:		
Within one year	365	26
Later than one year but not longer than five years	757	-
Total operating lease commitments - all non-cancellable	1,122	26

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Finance lease commitments

Future minimum lease payments under finance lease of the Sir Samuel Way Building to Funds SA, expiring in 2023 (and purchase option available in the lease was exercised in 2019), together with the present value of net minimum lease payments are as follows:

	2019	2018
	\$'000	\$'000
Within one year	-	2,074
Later than one year but not longer than five years	-	8,298
Total minimum lease payments	-	10,372
<i>Less: Future finance charges</i>	-	1,346
Total finance lease commitments - non-cancellable	-	9,026

Present value of finance leases payable as follows:

Within one year	-	1,609
Later than one year but not longer than five years	-	7,417
Total present value of minimum lease payments	-	9,026

	2019	2018
	\$'000	\$'000
Current financial lease liability	-	1,609
Non-current financial lease liability	-	7,417
Total financial lease liability	-	9,026

Contingent Rentals

The above finance lease comprises a base amount plus an incremental contingent rental. Contingent rentals are based on the CPI and other related indices. Commitments in relation to contingent rentals are payable as follows:

Within one year	-	4,749
Later than one year but not longer than five years	-	18,997
Total contingent rentals commitment	-	23,746

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 and statements not yet effective

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

Treasurer's Instructions (Accounting Policy Statements) 2019 issued by the Treasurer on 22 March 2019 are effective for the 2018-19 reporting period and are addressed below in relation to Standards not yet effective and in note 9.1. There are no Accounting Policy Statements that are not yet effective.

AASB 15 – Revenue from Contracts with Customers and AASB 1058 – Income of Not for Profit Entities

The Authority will adopt *AASB 15 – Revenue from Contracts with Customers* and *AASB 1058 – Income of Not for Profit Entities* from 1 July 2019.

Objective

AASB 15 introduces a 5-step approach to revenue recognition. The objective of AASB 15 is that recognition of revenue depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. It provides extensive guidance as to how to apply this revenue recognition approach to a range of scenarios. *AASB 15 – Revenue from Contracts* replaces *AASB 111 – Construction Contracts* and *AASB 118 – Revenue*.

AASB 1058 introduces consistent requirements for the accounting of non-reciprocal transactions by not-for-profit entities, in conjunction with AASB 15. These requirements closely reflect the economic reality of not-for-profit entity transactions that are not contracts with customers. AASB 1058 replaces parts of *AASB 1004 – Contributions*.

Impact on 2019-20 financial statements

Adopting AASB 15 and AASB 1058 is expected to have an immaterial impact on the timing of recognition of revenue by the Authority. Revenue recognition for grants (refer to note 4.4) is the only revenue that might be impacted. The estimated impact on the Statement of Comprehensive Income in 2019-20 of adopting AASB 15 and AASB 1058 is nil as no grant revenue is expected to be received in 2019-20.

Related accounting policies

The *Treasurer's Instructions (Accounting Policy Statements) 2019* sets out key requirements that the Authority must adopt for the transition to *AASB 15 – Revenue from Contracts with Customers* and *AASB 1058 – Income of Not for Profit Entities*. These requirements include that the Authority will:

- apply AASB 15 and AASB 1058 retrospectively. The cumulative effect of initially applying the Standards will be recognised at 1 July 2019. Comparatives will not be restated
- not apply the AASB 15 and the AASB 1058 completed contracts practical expedient.
- apply the AASB 15 practical expedient for all contract modifications that occur before the date of initial application.

The *Treasurer's Instructions (Accounting Policy Statements) 2019* also sets out requirements for on-going application. These requirements include that Authority will:

- apply, where permitted, the short-term licences recognition exemption.
- adopt \$15,000 as the threshold to determine whether a licence is a licence for which the transaction price is of low value and will apply the low value licence recognition exemption for all low value licences.
- not recognise volunteer services when the services would not have been purchased if they had not been donated.

AASB 16 – Leases

The Authority will adopt AASB 16 – Leases from 1 July 2019.

Objective

AASB 16 sets out a comprehensive model for lease accounting that addresses recognition, measurement, presentation and disclosure of leases. The outcome will be that lease information disclosed will give users of financial statements a basis to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. AASB 16 Leases replaces AASB 117 Leases and Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation, and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Impact on 2019-20 financial statements

The Authority has assessed the estimated impact on the Statement of Financial Position of adopting AASB 16 with the transition requirements mandated by the *Treasurer's Instructions (Accounting Policy Statements)*.

AASB 16 requires lessees to recognise assets and liabilities for all leases, not subject to a recognition exemption or scoped out of the application of AASB 16. 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 for the first time.

AASB 16 is expected to have a material impact on the Statement of Financial Position. The Authority has estimated the impact of this change and the results as at 1 July 2019.

The estimated impact is based on applying AASB 16's transition approach to those leases identified as leases by the Authority prior to 1 July 2019. The incremental borrowing rates applied to estimate the lease liability were SAFA's forecast interest rates for principal and interest loans to SA Government agencies.

The estimated impact is set out below.

Operating:

	as at 1 July 2019 \$'000
<hr/>	
Assets	
Right-of-use assets	25,462
Liabilities	
Lease liabilities	25,462
Net impact on equity	-

Administered:

	as at 1 July 2019 \$'000
<hr/>	
Assets	
Right-of-use assets	760
Liabilities	
Lease liabilities	760
Net impact on equity	-

AASB 16 will also impact on the Statement of Comprehensive Income. The operating lease expense previously included in supplies and services will mostly be replaced with:

- a depreciation expense 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.

The estimated impact on 2019-20 Statement of Comprehensive Income is set out below.

Operating:

	2020
	\$'000
Depreciation and amortisation	1,665
Supplies and services	(1,985)
Borrowing costs	583
Net impact on net cost of providing services	263

Administered:

	2020
	\$'000
Depreciation and amortisation	440
Judicial benefits expenses	(448)
Borrowing costs	12
Net impact on net cost of providing services	4

The leases to be recognised in the financial statements under AASB 16 relate to the Public Private Partnership arrangement via SA Police for regional court premises and to vehicles leased from Fleet SA.

The lease relating to regional court premises did not have an observable stand-alone price readily available to calculate the estimated impact. The Authority calculated the impact maximising the use of observable information.

Related accounting policies

The *Treasurer's Instructions (Accounting Policy Statements) 2019* sets out key requirements that the Authority must adopt for the Authority from *AASB 117 Leases to AASB 16 Leases*. These requirements include that the Authority will:

- apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard will be recognised at 1 July 2019. Comparatives will not be restated.
- only apply AASB 16 to contracts that were previously identified as containing a lease applying AASB 117 and related interpretations.
- not transition operating leases for which the lease term ends before 30 June 2020.

The *Treasurer's Instructions (Accounting Policy Statements) 2019* also sets out requirements for on-going application. These requirements include that Authority will:

- not apply AASB 16 to leases of intangible assets.
- adopt \$15,000 as the threshold to determine whether an underlying asset is a low value asset and must apply the low value asset recognition exemption to all low value assets.
- apply the short-term leases recognition exemption for all classes of underlying asset.
- separate non-lease components from lease components.

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- adopt the revaluation model, where permitted.
- where required, apply the relevant lessee's incremental borrowing rate published by the Department of Treasury and Finance.
- on initial recognition not record at fair-value leases that have significantly below-market terms and conditions principally to enable the Authority to further its objectives, unless they have already been recorded at fair-value prior to 1 July 2019.

10.4. 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 2018 (2.50%) to 2019 (1.25%).

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 net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability and expense of \$1.08m. 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 actuarial assessment performed by the Department of Treasury and Finance left the same salary inflation rate at 4% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation 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.

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 2019 and 2018, 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.

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

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Buildings	5.1	1,893	127,499	129,392
Land	5.1	82,064	-	82,064
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
Total recurring fair value measurements		83,957	135,093	219,050
Non-recurring fair value measurements				
Land held for sale (note 5.3)		1,610	-	1,610
Building held for sale (note 5.3)		-	796	796
Total non-recurring fair value measurements		1,610	796	2,406
Total		85,567	135,889	221,456

Fair value classification – non-financial assets at 30 June 2018

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Buildings	5.1	2,039	111,666	113,705
Land	5.1	62,074	-	62,074
Assets under finance lease	5.1	-	4,149	4,149
Leasehold improvements	5.1	-	1,185	1,185
Computing/Plant & equipment	5.1	-	2,132	2,132
Library Collections	5.1	-	4,437	4,437
Works of art and collections	5.1	-	113	113
Total recurring fair value measurements		64,113	123,682	187,795
Total		64,113	123,682	187,795

Land and buildings

An independent valuation of land and buildings was performed in July 2014 by a Certified Practising Valuer from Liquid Pacific Pty Ltd, as at 30 June 2014. Change in market indices since 30 June 2014 has been provided by the valuer to assess the impact upon fair values as at 30 June 2018.

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 use, was determined using adjustments to reflect the restriction. The 2018-19 interim valuation approach to the Sir Samuel Way land and buildings is described in Note 5.1.

The fair value of buildings was determined using current replacement cost, due to there not being an active market. 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.

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

Computer and plant and equipment

All items of computer and plant and equipment had a fair value at the time of acquisition less than \$1.5 million and they have 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 2019

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

	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
Opening balance at the beginning of the period	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)
<u>(Losses) for the period recognised in net result:</u>							
Depreciation	(4,161)	(830)	(247)	(637)	(187)	-	(6,062)
<u>Gain for the period recognised in net result:</u>							
Revaluation increment	-	16,045	-	-	-	-	16,045
Carrying amount at the end of the period	128,295	-	-	2,986	4,495	113	135,889

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

Reconciliation of level 3 recurring fair value measurements as at 30 June 2018

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

	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
Opening balance at the beginning of the period	114,122	4,978	1,431	2,734	5,977	113	129,355
Acquisitions	1,485	-	-	131	219	-	1,835
Transfers from WIP	279	-	-	-	-	-	279
Disposal	-	-	-	(32)	-	-	(32)
<u>(Losses) for the period recognised in net result:</u>							
Depreciation	(4,220)	(829)	(246)	(701)	(268)	-	(6,264)
Total gains recognised in net result	111,666	4,149	1,185	2,132	5,928	113	125,173
<u>(Losses) for the period recognised in net result:</u>							
Revaluation (decrement)	-	-	-	-	(1,491)	-	(1,491)
Carrying amount at the end of the period	111,666	4,149	1,185	2,132	4,437	113	123,682

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 following table provides information about the exposure to credit risk and expected credit loss for non-government debtors in the Administered Statement.

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
Current (not past due)	144	2.2	3
1 – 30 days past due	57	4.0	3
31 – 60 days past due	42	5.6	2
61 – 90 days past due	26	N/A	0
More than 90 days past due	395	N/A	210
Loss allowance	664		218

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 \$48,000 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.

In the comparative period, the impairment of receivables was assessed based on the incurred loss model. The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

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 25 June 2019. 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 2019, 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 applicable until 30 June 2018 under AASB 139 Financial Instruments: Recognition and Measurement

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Receivables
- Financial liabilities measured at cost.

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The Authority does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable.

- The carrying value less impairment provisions of receivables is a reasonable approximation of their fair values due to the short-term nature of these (refer to notes 6.2).

Classification applicable from 1 July 2018 under AASB 9 Financial Instruments

On initial recognition, a financial asset is classified as measured at amortised cost. A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

The Authority measures all financial instruments at amortised cost.

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

Category of financial asset and financial liability	Notes	2018 Carrying amount/Fair value (\$'000)	2018 contractual maturities			
			Current	Within 1 year (\$'000)	1-5 years (\$'000)	5+ years (\$'000)
Financial assets						
Cash and cash equivalents						
Cash and cash equivalents	6.1	49,219	49,219	-	-	-
Receivables	6.2	482	482	-	-	-
Total financial assets		49,701	49,701	-	-	-
Financial liabilities						
Financial liabilities at amortised cost						
Payables	7.1	3,527	3,527	-	-	-
Financial lease liability	7.3	9,026	-	1,609	7,417	-
Total financial liabilities		12,553	3,527	1,609	7,417	-

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 (not materially different from amortised 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 2019

	Note	2019 \$'000	2018 \$'000
Administered Expenses			
Judicial benefits expenses	A4	43,551	42,149
Payments to Fines Enforcement Recovery Unit		52	727
Payments to Consolidated Account		22,054	20,987
Other expenses		558	494
Total Administered Expenses		66,215	64,357
Administered Income			
Revenues from SA Government		43,551	42,149
Court fees		20,686	19,557
Transcript fees		1,405	1,428
Fines Enforcement Recovery Unit Income		52	727
Other income		521	496
Total Administered Income		66,215	64,357
Net and total comprehensive result		-	-

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.

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Statement of Administered Financial Position

as at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Administered Current Assets			
Cash and cash equivalents	A6	45,651	38,275
Receivables	A7	5,903	5,382
Total current assets		51,554	43,657
Administered Current Liabilities			
Payables	A8	3,245	3,303
Judicial benefits	A5	4,053	4,199
Other liabilities	A9	38,572	31,172
Total current liabilities		45,870	38,674
Administered Non-Current Liabilities			
Payables	A8	1,714	1,658
Judicial benefits	A5	11,938	11,293
Total non-current liabilities		13,652	12,951
Total liabilities		59,522	51,625
Net Assets		(7,968)	(7,968)
Administered Equity			
Accumulated deficit		(7,968)	(7,968)
Total administered equity		(7,968)	(7,968)

Total administered equity is attributable to the SA Government as owner

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

Administered unrecognised contractual commitments A11

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Statement of Administered Cash Flows

For the year ended 30 June 2019

	Note	2019	2018
CASH FLOWS FROM ADMINISTERED ACTIVITIES		\$'000	\$'000
Cash outflows			
Judicial benefits		(43,068)	(40,977)
Payments to consolidated account		(22,184)	(21,033)
Payments from trust accounts		(34,830)	(28,260)
Payments to Fines Enforcement Recovery Unit		(50)	(818)
Other payments		(428)	(748)
Total cash outflows		(100,560)	(91,836)
Cash inflows			
Receipts from SA Government		43,031	41,659
Receipts into trust accounts		42,075	18,821
Court fees		20,584	19,837
Transcript fees		1,424	1,437
Fines Enforcement Recovery Unit receipts		52	727
GST recovered from the ATO		64	83
Other receipts		706	475
Total cash inflows		107,936	83,039
Net cash provided by/(used in) administered activities	A10	7,376	(8,797)
Net increase/(decrease) in cash and cash equivalents		7,376	(8,797)
Cash and cash equivalents at the beginning of the financial year		38,275	47,072
Cash and cash equivalents at the end of the financial year	A6	45,651	38,275

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

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Notes to Administered Items

- A1. *Basis of Preparation and Accounting Policies***
- A2. *Objectives/Activities of the Authority's Administered Items***
- A3. *Administered Budget Performance***
- A4. *Judicial Benefits Expenses***
- A5. *Judicial Benefits Liability***
- A6. *Administered Cash and Cash Equivalents***
- A7. *Administered Receivables***
- A8. *Administered Payables***
- A9. *Administered Other Liabilities***
- A10. *Administered Cash Flow Reconciliation***
- A11. *Administered Unrecognised Contractual Commitment***
- A12. *Impact of standards and statements not yet effective***

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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 are recognised at the time cash is received due to the uncertainty of amounts to be collected. 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 (2018-19 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 budget 2019 \$'000	Actual 2019 \$'000	Variance \$'000
Statement of Administered Comprehensive Income			
Administered Expenses			
Judicial benefits expenses	43,101	43,551	450
Payments to Fines Enforcement Recovery Unit	-	52	52
Payments to Consolidated Account	21,441	22,054	613
Other expenses	1,057	558	(499)
Total Administered Expenses	65,599	66,215	616
Administered Income			
Revenues from SA Government	43,101	43,551	450
Court fees	20,090	20,686	596
Transcript fees	1,351	1,405	54
Fines Enforcement Recovery Unit Income	-	52	52
Other income	1,057	521	(536)
Total Administered Income	65,599	66,215	616
Net and total comprehensive result	-	-	-

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

	2019 \$'000	2018 \$'000
Salaries and wages	28,278	27,135
Long service leave	2,727	2,150
Annual leave	2,119	2,387
Employment on-costs - superannuation*	6,361	6,483
Employment on-costs - payroll tax	2,054	1,989
Other judicial related expenses	2,012	2,005
Total Judicial benefits expenses	43,551	42,149

*** 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.

	2019	2018		2019	2018
The number of judicial officers whose remuneration received or receivable falls within the following bands:					
\$151000 to \$171000	-	1	\$391001 to \$411000	12	3
\$171001 to \$191000	2	1	\$411001 to \$431000	2	1
\$191001 to \$211000	-	1	\$431001 to \$451000	1	-
\$211001 to \$231000	2	2	\$451001 to \$471000	2	1
\$231001 to \$251000	2	2	\$511001 to \$531000	-	21
\$251001 to \$271000	1	1	\$531001 to \$551000	19	4
\$271001 to \$291000	1	1	\$551001 to \$571000	3	-
\$291001 to \$311000	1	1	\$571001 to \$591000	-	9
\$311001 to \$331000	-	1	\$591001 to \$611000	1	3
\$331001 to \$351000	1	10	\$611001 to \$631000	11	-
\$351001 to \$371000	10	17	\$651001 to \$671000	-	1
\$371001 to \$391000	17	9	\$671001 to \$691000	1	-
Total number of judicial officers	89	90			

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 employees for the year was \$39.6 million (\$38.6 million).

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Note A5 Judicial Benefits Liability

	2019	2018
	\$'000	\$'000
Current:		
Accrued salaries and wages	584	595
Annual leave	1,887	2,112
Long service leave	1,582	1,492
Total current judicial benefits	4,053	4,199
Non-Current:		
Long service leave	11,938	11,293
Total non-current judicial benefits	11,938	11,293
Total judicial benefits	15,991	15,492

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 employee 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 1.25% (2018: 2.5%).

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability and expense of \$1.10m. 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 cash and cash equivalents

	2019	2018
	\$'000	\$'000
Deposits with the Treasurer	44,899	37,621
Deposit at bank	752	654
Total Administered cash and cash equivalents	45,651	38,275

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 A7 Administered receivables

	2019	2018
	\$'000	\$'000
Current		
Debtors		
From government entities	143	45
From non-government entities	663	659
Allowance for doubtful debts	(218)	(236)
Accrued revenue	5,315	4,914
Total current Administered receivables	5,903	5,382

Receivables are raised at the time service is provided only where it is probable that the revenue 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.

Impairment of receivables

Carrying amount at the beginning of the period	236	347
Amounts written off	(48)	(110)
Amount recovered during the year	(20)	-
Increase/(decrease) in allowance recognised in profit and loss	50	(1)
Carrying amount at the end of the period	218	236

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Authority will not be able to collect the debt.

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Other than as recognised in the allowance for doubtful debts, 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.

Note A8 Administered payables

	2019	2018
	\$'000	\$'000
Current:		
Creditors	362	196
Accrued expenses	2,016	2,148
GST payable	6	8
Judicial benefits on-costs	861	951
Total current administered payables	3,245	3,303
Non-Current:		
Judicial benefits on-costs	1,714	1,658
Total non-current administered payables	1,714	1,658
Total Administered payables	4,959	4,961

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 makes contributions 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 remains at the 2018 rate of 41% and the average factor for the calculation of employer superannuation cost on-cost has changed from the 2018 rate (9.9%) to 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 a decrease in the employment on-cost of \$2 000. The impact on future years is impractical to estimate. Refer to Note A5 Judicial Benefits liability.

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Note A9 Administered other liabilities

	2019	2018
	\$'000	\$'000
Current		
Trust accounts	36,336	29,091
Unclaimed money	2,236	2,081
Total Administered other liabilities	38,572	31,172

Note A10 Administered cash flow reconciliation

	2019	2018
	\$'000	\$'000
Reconciliation of Cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Administered Financial Position	45,651	38,275
Balance as per the Statement of Administered Cash Flows	45,651	38,275
Reconciliation of Net Cash provided by Administered Activities to total comprehensive result:		
Net cash provided by (used in) operating activities	7,376	(8,797)
Less: non cash item		
Doubtful debts and bad debts expenses	(37)	1
Movements in Administered Assets / Liabilities		
Increase in Receivables	558	274
(Increase) in Judicial Entitlements	(499)	(1,033)
Decrease/(Increase) in Payables	2	(34)
(Increase)/Decrease in Other liabilities	(7,400)	9,589
Total comprehensive result from Administered Activities	-	-

Note A11 Administered unrecognised contractual commitment

	2019	2018
	\$'000	\$'000
Operating lease commitments		
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	553
Later than one year but not longer than five years	423	337
Total operating lease commitments - all non-cancellable	1,003	890

The Authority has operating lease commitments with Fleet SA via LeasePlan in relation to vehicles used by members of the judiciary. The relevant commitments disclosed in the operating statement in the past has now been restated in the administered statement.

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Note A12 Impact of standards and statements not yet effective

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