

Courts Administration Authority

Financial report
for the year ended
30 June 2018



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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 2018.

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 2018, 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 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- Disaggregated Disclosures – Expenses and Income for the year ended 30 June 2018
- Disaggregated Disclosures – Assets and Liabilities as at 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2018
- a Statement of Administered Financial Position as at 30 June 2018
- a Statement of Administered Changes in Equity for the year ended 30 June 2018
- a Statement of Administered Cash Flows for the year ended 30 June 2018
- 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 the 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 entity'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

- 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

19 September 2018

**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 2018 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: 14/9/18

**Courts Administration Authority
2017-18 Financial Statements**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$'000	2017 \$'000
Expenses			
Employee benefits expenses	3	55,030	51,576
Supplies and services	5	33,549	32,125
Depreciation and amortisation expense	6	6,443	6,596
Borrowing costs	7	553	636
Net loss from disposal of non-current assets	9	32	44
Other expenses	8	369	1,219
Total Expenses		95,976	92,196
Income			
Fees and charges	10	3,505	3,057
Sale of goods and services	11	1,267	1,373
Total Income		4,772	4,430
Net cost of providing services		91,204	87,766
Revenues from/payments to SA Government			
Revenues from SA Government	12	81,434	85,533
Net Result		(9,770)	(2,233)
Other Comprehensive Income			
<i>Item that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus		(1,491)	-
Total other comprehensive income		(1,491)	-
Total comprehensive result		(11,261)	(2,233)

The net result and total comprehensive result are attributable to the SA Government as owner

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

**Courts Administration Authority
2017-18 Financial Statements**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Note	2018 \$'000	2017 \$'000
CURRENT ASSETS			
Cash and cash equivalents	13	49,219	58,143
Receivables	14	1,794	1,578
Total Current Assets		51,013	59,721
NON-CURRENT ASSETS			
Property, plant and equipment	16, 18	190,224	193,891
Intangible assets	17, 18	1,496	141
Total Non-Current Assets		191,720	194,032
Total Assets		242,733	253,753
CURRENT LIABILITIES			
Payables	20	4,525	3,185
Financial liabilities	24	1,609	1,521
Employee benefits	21	5,525	5,261
Provisions	22	563	681
Other liabilities	23	413	439
Total Current Liabilities		12,635	11,087
NON-CURRENT LIABILITIES			
Payables	20	967	899
Financial liabilities	24	7,417	9,026
Employee benefits	21	10,591	9,780
Provisions	22	899	1,476
Total Non-Current Liabilities		19,874	21,181
Total Liabilities		32,509	32,268
NET ASSETS		210,224	221,485
EQUITY			
Contributed capital		3,140	3,140
Retained earnings		86,180	95,950
Asset Revaluation Surplus		120,904	122,395
TOTAL EQUITY		210,224	221,485

The Total Equity is attributable to the SA Government as owner

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

Unrecognised contractual commitments 25

Contingent assets and liabilities 26

**Courts Administration Authority
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	Contributed Capital \$'000	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 30 June 2015		3,140	132,437	91,433	227,010
Changes in accounting policy	31	-	(10,042)	4,584	(5,458)
Restated balance at 30 June 2015		3,140	122,395	96,017	221,552
Net result for 2015 - 2016		-	-	1,786	1,786
Balance at 30 June 2016		3,140	122,395	97,803	223,338
Changes in accounting policy	5,6	-	-	380	380
Restated balance at 30 June 2016		3,140	122,395	98,183	223,718
Net result for 2016 - 2017		-	-	(2,233)	(2,233)
Total comprehensive result for 2016-2017		-	-	(2,233)	(2,233)
Balance at 30 June 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	16	-	(1,491)	-	(1,491)
Total comprehensive result for 2017-18		-	(1,491)	(9,770)	(11,261)
Balance at 30 June 2018		3,140	120,904	86,180	210,224

All changes in equity are attributable to the SA Government as owner

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

**Courts Administration Authority
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$'000	2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Outflows			
Employee benefits payments		(53,971)	(52,043)
Payments for supplies and services		(36,189)	(35,741)
Payments for paid parental leave scheme		(72)	(80)
Borrowing costs		(553)	(636)
Other payments		(1,064)	(949)
Cash used in operations		(91,849)	(89,449)
Cash Inflows			
Fees and charges		4,966	4,645
GST recovered from the ATO		3,474	2,965
Receipts for paid parental leave scheme		88	76
Cash generated from operations		8,528	7,686
Cash Flows from SA Government			
Receipts from SA Government		81,434	85,533
Cash generated from SA Government		81,434	85,533
Net cash (used in)/provided by operating activities	28	(1,887)	3,770
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Outflows			
Purchase of intangibles		(1,390)	(44)
Purchase of property, plant and equipment		(4,126)	(2,424)
Cash used in investing activities		(5,516)	(2,468)
Cash Inflows			
Proceeds from the sale of land		-	84
Cash generated from investing activities		-	84
Net cash used in investing activities		(5,516)	(2,384)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Outflows			
Repayment of finance lease		(1,521)	(1,439)
Cash used in financing activities		(1,521)	(1,439)
Net cash used in financing activities		(1,521)	(1,439)
Net (decrease) in cash and cash equivalents		(8,924)	(53)
Cash and cash equivalents at the beginning of the financial year		58,143	58,196
Cash and cash equivalents at the end of the financial year	13	49,219	58,143

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

**Courts Administration Authority
2017-18 Financial Statements**

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**Courts Administration Authority
2017-18 Financial Statements**

1. BASIS OF FINANCIAL STATEMENTS

1.1 Reporting entity

The Courts Administration Authority (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 financial statements and accompanying notes include all the controlled activities of the Authority (refer to Note 2.2 Activities for details of the Authority's controlled activities).

The Authority does not control any other entity and has no interests in unconsolidated structured entities.

Transactions and balances relating to administered resources are not recognised as Authority's income, expenses, assets and liabilities. As administered items are significant in relation to the Authority's overall financial performance and position, they are disclosed in the administered financial statements which follow the controlled general purpose financial statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for the controlled items.

1.2 Statement of compliance

The financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are General Purpose Financial Statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The Authority has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Authority is a not-for-profit entity. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Authority for the period ended 30 June 2018.

1.3 Basis of preparation

The financial statements have been prepared based on a twelve-month 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 on a different basis.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

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.

Significant accounting policies are set out in the notes.

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1.4 Taxation

The Authority is not subject to income tax. The Authority is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

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 (ATO), 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.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. 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.

1.5 Comparative Information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where the Authority has applied an accounting policy retrospectively; retrospectively restated items in the financial statements; reclassified items in the financial statements, the comparative amounts have been adjusted to confirm to changes in presentation or classification in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial statements for the preceding period.

**Courts Administration Authority
2017-18 Financial Statements**

2. OBJECTIVES AND ACTIVITIES

2.1 Objectives

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 Authority is overseen by the Council and reports on behalf of the Council.

The Authority's principal objective is to provide quality administration to the Judiciary and to ensure an effective and accessible courts system.

The major priorities of the Authority and the Council 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.

The continued existence of the Authority is dependent on State Government policy and on continuing appropriations by Parliament in order to fund the Authority's net cost of providing services.

2.2 Activities

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

Activity 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.

Activity 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 activities.

The disaggregated disclosures schedules present expenses, income, assets and liabilities information attributable to each of the activities for the years ended 30 June 2018 and 30 June 2017.

**Courts Administration Authority
2017-18 Financial Statements**

Expenses and Income by Activity						
For the year ended 30 June 2018						
	Activity 1		Activity 2		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Expenses						
Employee benefits expenses	52,437	49,020	2,593	2,556	55,030	51,576
Supplies and services	32,950	31,524	599	601	33,549	32,125
Depreciation and amortisation expense	6,418	6,556	25	40	6,443	6,596
Borrowing costs	553	636	-	-	553	636
Net loss from disposal of non-current assets	32	44	-	-	32	44
Other expenses	362	1,181	7	38	369	1,219
Total expenses	92,752	88,961	3,224	3,235	95,976	92,196
Income						
Revenues from fees and charges	3,505	3,057	-	-	3,505	3,057
Sale of goods and services	1,267	1,373	-	-	1,267	1,373
Total income	4,772	4,430	-	-	4,772	4,430
Net cost of providing services	87,980	84,531	3,224	3,235	91,204	87,766
Revenues from SA Government						
Revenues from SA Government	78,540	82,399	2,894	3,134	81,434	85,533
Net Result	(9,440)	(2,132)	(330)	(101)	(9,770)	(2,233)

**Courts Administration Authority
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Assets and Liabilities by Activity

As at 30 June 2018

	Activity 1		Activity 2		General/not attributable		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Assets								
Cash and cash equivalents	-	-	-	-	49,219	58,143	49,219	58,143
Receivables	1,794	1,578	-	-	-	-	1,794	1,578
Property, plant and equipment	185,295	188,849	4,929	5,042	-	-	190,224	193,891
Intangible assets	1,457	137	39	4	-	-	1,496	141
Total assets	188,546	190,564	4,968	5,046	49,219	58,143	242,733	253,753
Liabilities								
Payables	5,394	4,006	98	78	-	-	5,492	4,084
Financial liabilities	9,026	10,547	-	-	-	-	9,026	10,547
Employee benefits	15,357	14,296	759	745	-	-	16,116	15,041
Provisions	1,433	2,090	29	67	-	-	1,462	2,157
Other liabilities	413	439	-	-	-	-	413	439
Total liabilities	31,623	31,378	886	890	-	-	32,509	32,268

3. Employee Benefits

3.1 Employee Benefits Expenses

	2018 \$'000	2017 \$'000
Salaries and wages	40,812	39,323
Target Voluntary Separation Packages (refer below)	72	-
Long service leave	1,856	594
Annual leave	4,095	3,958
Skill and experience retention leave	302	261
Employment on-costs - superannuation*	5,158	4,875
Employment on-costs - payroll tax	2,601	2,440
Board and committee fees	18	20
Workers compensation	17	15
Other employee related expenses	99	90
Total employee benefits expenses	55,030	51,576

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

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3.2 Targeted Voluntary Separation Packages

The number of employees who received a TVSP during 2018 was 1 (2017 - nil).

	2018	2017
	\$'000	\$'000
Amount paid to separated employees:		
Target Voluntary Separation Packages	72	-
Leave paid to those employees	11	-
	83	-
Net cost to the Authority	83	-

3.3 Key Management Personnel

Key Management Personnel of the Authority include the membership of the State Courts Administration Council, the State Courts Administrator and members of the Authority's executive and senior management team who have responsibility for the strategic direction and management of the Authority.

	2018	2017
	\$'000	\$'000
Key Management Personnel Compensation*	3,865	3,812
Salaries and other short term employee benefits	3,865	3,812
Post-employment benefits	1,129	1,089
Other long-term employment benefits	-	219
	4,994	5,120
Total Key Management Personnel Compensation	4,994	5,120

*Key Management Personnel Compensation includes compensation of \$3.2m (2017: \$3.4m) to judicial officers, which is included in the Authority's Administered Statement.

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3.4 Remuneration of Employees

			2018	2017
The number of employees whose remuneration received or receivable falls within the following bands:				
\$ 147,000	to	\$ 149,000 *	-	1
\$ 149,001	to	\$ 159,000	2	2
\$ 169,001	to	\$ 179,000	-	3
\$ 179,001	to	\$ 189,000	3	1
\$ 189,001	to	\$ 199,000	1	1
\$ 199,001	to	\$ 209,000	-	1
\$ 219,001	to	\$ 229,000	2	2
\$ 239,001	to	\$ 249,000	1	-
\$ 249,001	to	\$ 259,000	1	1
\$ 269,001	to	\$ 279,000	-	1
\$ 309,001	to	\$ 319,000	1	-
Total			11	13

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2016-17.

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 \$2.3 million (\$2.5 million).

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4. Remuneration of board and committee members

Members of/assessors in the board and committees during the 2018 financial year were:

Administrative and Disciplinary Division of the District Court			
Mr	Alan Tregilgas (term ceased 31/08/17)	Mr	Kris Casey (term ceased 12/10/17)
Mr	Alan Tuckfield (term ceased 12/10/17)	Mr	Leroy Uren (term ceased 12/10/17)
Mr	Alistair Matheson (term ceased 12/10/17)	Mr	Marc Cheney (term ceased 12/10/17)
Mr	Andrew Clark (term ceased 12/10/17)	Ms	Marilyn Sheffield (term ceased 12/10/17)
Mr	Andrew Forrest (term ceased 12/10/17)	Mr	Mark David Woods (appointed 1/11/17)
Mr	Andrew Hill (appointed 1/11/17)	Mr	Mark Pittman (term ceased 26/4/18)
Ms	Ann Rungie (term ceased 31/08/17)	Mr	Mark Sanderson (appointed 1/11/17)
Mr	Anthony Toop (term ceased 12/10/17)	Mr	Martin Burns (term ceased 12/10/17)
Mr	Brenton Trenorden (term ceased 12/10/17)	Ms	Megan Tamlin (term ceased 12/10/17)
Mr	Caleb Robins (appointed 1/11/17)	Mr	Michael Pohl (term ceased 26/4/18)
Mr	Charles MacDonald (term ceased 12/10/17)	Mr	Michael Stuart Standish (appointed 1/11/17)
Mr	Christopher Short (appointed 1/11/17)	Ms	Michele Slatter (term ceased 12/10/17)
Mr	David Beattie (appointed 1/11/17)	Mr	Nathan Langley Fox (appointed 1/11/17)
Ms	Dianne Neale (term ceased 12/10/17)	Mr	Neil McLean (appointed 1/11/17)
Ms	Elaine Attwood (term ceased 26/4/18)	Mr	Nick Giannetta (term ceased 12/10/17)
Ms	Elizabeth Bachmann (term ceased 12/10/17)	Ms	Nola Beck (term ceased 12/10/17)
Ms	Faye Donaghy (term ceased 12/10/17)	Ms	Patricia Johnson (term ceased 12/10/17)
Ms	Fiona Webber (term ceased 12/10/17)	Ms	Penny Riggs (term ceased 12/10/17)
Mr	Gary Mason (term ceased 12/10/17)	Mr	Peter Kentish (term ceased 12/10/17)
Mr	Gary McDougall (term ceased 12/10/17)	Mr	Richard Retallick (term ceased 26/4/18)
Mr	Gary Palmer (term ceased 12/10/17)	Mr	Robert Ormston (term ceased 12/10/17)
Mr	Greg Sharp (term ceased 12/10/17)	Mr	Robin Matters (term ceased 12/10/17)
Mr	Harald Klavins (appointed 1/11/17)	Mr	Robin Turner (appointed 1/11/17)
Mr	Ian Butterworth (term ceased 12/10/17)	Mr	Rod Shogren (term ceased 31/08/17)
Ms	Jaene Piip (term ceased 12/10/17)	Ms	Roseanne Healy (term ceased 12/10/17)
Ms	Jean Hutchinson (appointed 1/11/17)	Ms	Samantha Ireland (term ceased 12/10/17)

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Administrative and Disciplinary Division of the District Court			
Mr	Jeffrey Stevens (term ceased 12/10/17)	Ms	Sarah Sheppard (term ceased 12/10/17)
Mr	John Adley (term ceased 12/10/17)	Mr	Stavros Georgiadis (term ceased 12/10/17)
Mr	John Furbank (term ceased 12/10/17)	Mr	Stephen Kemp (term ceased 12/10/17)
Mr	John Paholski (term ceased 12/10/17)	Mr	Stephen McDermot-Batt (term ceased 12/10/17)
Ms	Joy De Leo (term ceased 12/10/17)	Ms	Susan Visser (term ceased 12/10/17)
Ms	Judith Morris (term ceased 12/10/17)	Mr	Timothy O'Halloran (term ceased 26/4/18)
Ms	Karen Lehman (term ceased 12/10/17)	Ms	Valerie Timms (term ceased 12/10/17)
Ms	Kerry Reed (appointed 1/11/17)	Mr	Warren Hall (term ceased 12/10/17)
Ms	Kimberley Shorland (term ceased 12/10/17)	Mr	Wayne Chadwick (term ceased 12/10/17)
Mr	King William Magokin (appointed 1/11/17)	Mr	William Waterhouse (term ceased 12/10/17)

Training Centre Review Board			
Mr	Barry Jennings *	Mr	Gregory Forrest * (appointed 12/3/18)
Ms	Branka King	Ms	Jasmine Tonkin *
Ms	Carolyn Schild (appointed 12/3/18)	Ms	Katrina Dee *
Mr	Christopher Boltje	Ms	Narelle Jayne Kameniar (appointed 12/3/18)
Mr	Dale Agius *	Mr	Philip Fagan-Schmidt *
Mr	Darryn Keneally	Ms	Shona Reid
Mr	David Branson	Mr	Stephen Paul Windle (appointed 12/3/18)
Mr	Douglas Barr * (term ceased 31/03/18)	Mr	Stuart McLean * (term ceased 11/03/18)
Ms	Ester Huxtable	Ms	Tiffany Downing
Ms	Fiona Curnow *		

State Courts Administration Council			
Chief Justice	Christopher Kourakis *	Justice	Timothy Stanley *
Chief Judge	Michael Evans *	Judge	Wayne Chivell *
Chief Magistrate	Mary-Louise Hribal *	Deputy Chief Magistrate	Dr Andrew Cannon *

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

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

	2018	2017
\$0 - \$9,999	6	6
Total number of members	6	6

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of these benefits. The total remuneration received/receivable by members was \$20,000 (\$17,000).

On 4 July 2017, the panel members of the Equal Opportunity Act 1984 have been transferred to the South Australian Employment Tribunal.

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 Proceedings) Act 198 and do not have any other members.

5. Supplies and Services

	2018	2017
	\$'000	\$'000
Accommodation and services	10,516	9,673
Finance lease contingent rents	4,596	4,468
Circuit and Travel expenses	1,092	1,191
Computing and communications	5,750	5,536
Consultancy, contractors and temp staff	2,006	1,915
Legal cost	85	357
Court expenses	1,329	1,283
Operating leases	204	189
Staff development and training	708	524
Equipment purchases and repairs	435	378
Coronial Charges	474	423
Jurors' expenses	2,106	2,215
Sheriff's Officer Payments	947	860
Other administration expenses *	3,301	3,113
Total supplies and services	33,549	32,125

The total supplies and services amount disclosed includes GST amounts not recoverable from the Australian Taxation Office due to the Authority not holding a tax invoice or payments relating to third party arrangements.

* The Authority changed the accounting policy to expense text books and loose leaf items of the Library Collection. These items of \$761 000 and \$751 000 were derecognised and restated as other administration expenses in 2017 and 2016 respectively (refer to note 6 and 31).

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5.1 Operating Leases

Operating lease payments are recognised on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of benefits derived from the use of the leased assets. There is no incentive arrangement in the leases.

5.2 Consultants

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

	2018		2017	
	No	\$'000	No	\$'000
Below \$10 000	3	8	4	16
Above \$10 000	5	196	5	121
Total paid/payable to consultants engaged:	8	204	9	137

6. Depreciation and Amortisation Expense

	2018	2017
	\$'000	\$'000
Buildings and Improvements	4,364	4,240
Computing and office furniture & equipment	701	776
Library collection *	268	259
Leasehold improvements	245	424
Building under Finance lease	830	830
Intangible assets	35	67
Total depreciation and amortisation	6,443	6,596

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 and works of art 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.

6.1 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
Building under finance lease	Life of lease
Leasehold improvements	Life of lease
Computing and office furniture and equipment	3 - 25
Library Collection-Bound Volumes	25
Intangibles	4 - 7

The useful lives of intangible assets are assessed to be either finite or indefinite. The Authority only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

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6.2 Change in Depreciation due to Change in Accounting Policy

* The Authority has changed its accounting policy to expense text books and loose leaf items of the Library Collection. Depreciation of \$1.28 million and \$1.13million on these items was retrospectively transferred to retained earnings at 30 June 2017 and 2016 respectively (refer to note 5 and 31).

6.3 Revision 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 useful 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, which is a change in accounting estimate.

During the year, the Authority reassessed and updated the useful lives of some computing equipment. The impact to the amount of depreciation calculated on these assets in the 2017-18 financial year and future year is immaterial.

7. Borrowing Costs

	2018	2017
	\$'000	\$'000
Interest paid/payable on long-term borrowings		
Finance lease costs	553	636
Total borrowing costs	553	636

The Authority occupies the Sir Samuel Way building under a 40 year non-cancellable finance lease with Funds SA, which expires in 2023. The nominal interest rate on the lease was at 5.65% (2017 - 5.64%). Refer to Note 24 Finance Lease Liabilities / Commitments.

8. Other Expenses

	2018	2017
	\$'000	\$'000
Other expenses		
Workers compensation #	(267)	1,046
Additional compensation	403	-
Audit fees*	233	172
Bad/Doubtful debts	-	1
Total other expenses	369	1,219

Decrease in Worker compensation expenses from last year is due to revaluation and reduction in related liability during 2017-18 (refer to Note 22 Provisions).

*Audit fees include fees paid to both the Auditor-General's Department and to internal auditors.

Fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$ 139 000 (2017: \$141 000). No other services were provided by the Auditor-General's Department.

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9. Net loss from disposal of non-current assets

	2018	2017
	\$'000	\$'000
Land		
Proceeds from sale of land	-	84
Less: Carrying value of land disposed	-	128
Net loss from disposal of Land	-	44
Plant and Equipment		
Carrying value of other assets disposed	32	-
Net loss from disposal of Plant and Equipment	32	-
Total loss from disposal of non-current assets	32	44

Net losses on disposal of are recognised at the date control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time.

Land was sold by and sales proceeds receipted from the Department of Planning, Transport and Infrastructure during 2016-17.

10. Revenues from Fees and Charges

	2018	2017
	\$'000	\$'000
Sheriff's officer fees	2,312	1,929
Other regulatory fees	1,193	1,128
Total Revenues from Fees and Charges	3,505	3,057

Revenues from fees and charges are derived from the provision of goods and services to other SA Government agencies and to the public. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

11. Sale of Goods and Services

	2018	2017
	\$'000	\$'000
Sale of electronic information	282	286
Rent recoveries	458	485
Recoup of services and others	527	602
Total sales of goods and services	1,267	1,373

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

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12. Revenues from SA Government

	2018 \$'000	2017 \$'000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	81,089	85,533
Transfers from contingency provisions	345	-
Total revenues from SA Government	81,434	85,533

Appropriations are recognised on receipt. There is no payment to the SA Government.

Total revenues from Government consist of \$75.0 million (\$81.2 million) for operational funding and \$6.4 million (\$4.3 million) for capital projects. For details on the expenditure associated with the operational funding and capital funding received refer Note 3 Employee Benefits to Note 8 Other Expenses. There were no material variations between the amount appropriated and the expenditure associated with this appropriation.

13. Cash and Cash Equivalents

	2018 \$'000	2017 \$'000
Deposits with the Treasurer	49,189	58,114
Cash on hand	30	29
Total cash and cash equivalents	49,219	58,143

Cash is measured at nominal amounts

Deposits with the Treasurer

The Authority has two deposit accounts with the Treasurer, a general operating account and an Accrual Appropriation Excess Funds Account of \$39.5 million (2017 \$52.7 million). 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.

14. Receivables

	2018 \$'000	2017 \$'000
Current		
Receivables	176	174
Accrued revenue	306	84
GST input tax recoverable	637	599
Prepayments	675	721
Total current receivables	1,794	1,578

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14.1 Movement in the allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (i.e. calculated on past experience and current and expected changes in client credit rating) that a receivable is impaired. There has been no movement during 2018 and 2017.

14.2 Interest rate and credit risk

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 or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non interest-bearing.

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. 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.

Refer to Note 30 Financial Risk Management and Financial Instrument for further information on risk management.

15. Non-Current Assets

15.1 Revaluation

All non-current tangible assets are valued at fair value; and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

Every three years, the Authority revalues its land, buildings and improvements internally with the exception of the Authority's finance lease relating to the Sir Samuel Way building, via internal estimates based on indices or recent transactions. A valuation appraisal by an independent Certified Practising Valuer is performed at least every six 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.

Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value. Refer to Note 16 Property, Plant and Equipment.

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.

Upon disposal or de-recognition, any revaluation surplus relating to that asset is transferred to retained earnings.

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16. Property, Plant and Equipment

	2018 \$'000	2017 \$'000
Land and buildings		
Land at fair value	62,074	62,074
Buildings and improvements at fair value	130,622	128,858
Accumulated depreciation at the end of the period	(16,917)	(12,553)
Total land and buildings	175,779	178,379
Assets under finance lease		
Buildings and improvements at net present value	33,191	33,191
Accumulated amortisation at the end of the period	(29,042)	(28,213)
Total assets under finance lease	4,149	4,978
Leasehold improvements		
Leasehold improvements at cost (deemed fair value)	4,763	4,763
Accumulated depreciation at the end of the period	(3,578)	(3,332)
Total leasehold improvements	1,185	1,431
Computing and office furniture & equipment		
Plant and equipment at cost (deemed fair value)	9,124	10,471
Accumulated depreciation at the end of the period	(6,992)	(7,737)
Total plant and equipment	2,132	2,734
Capital work in progress		
Building Capital work in progress	2,429	279
Total capital work in progress	2,429	279
Library Collection		
Library collection at fair value/cost	4,437	6,486
Accumulated depreciation at the end of the period	-	(509)
Total library collection	4,437	5,977
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	190,224	193,891

16.1 Acquisition and Recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value allowing for accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recorded at the value recorded by the transferor prior to the restructure.

All non-current tangible assets with a value equal to or in excess of \$5,000 are capitalised. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

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16.2 Valuation of Land and Buildings

The valuation of land and buildings were performed by an independent Certified Practising Valuer from Liquid Pacific Pty Ltd as at 30 June 2014. Change in market indices since 30 June 2014 to 30 June 18 has been provided by the valuer to assess the impact upon fair values.

The valuer arrived at the fair value of unrestricted land 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.

The valuer used depreciated replacement cost for buildings, due to there not being an active market. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature and restricted use of the assets, their size, condition and location.

The valuation used estimates about construction materials that would be required to replace the buildings, 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.

Internal review has indicated that there were no material movements in fair values during 2017-18.

16.3 Carrying amount of computing and office furniture and equipment

All items of computing and office furniture and equipment had a 'fair value at the time of acquisition that was less than \$1 million' and have not been revalued in accordance with APF III *Asset Accounting Framework*. The carrying value of these items are deemed to approximate fair value.

These assets are classified at level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the assets condition and remaining useful life.

16.4 Carrying amount of Library Collection

The Authority has conducted an internal review of the Library Collection and has voluntarily changed the accounting policy to expense text books and loose leaf. These items have been de-recognised retrospectively since the earliest practicable period in 2015.

The remaining item, 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. The Authority will no longer revalue the Library Collection.

16.5 Impairment

There were no indications of material impairment of property, and plant and equipment assets at 30 June 2018.

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17. Intangible Assets

	2018	2017
	\$'000	\$'000
<hr/>		
Computer software		
Internally developed computer software	7,688	7,688
Accumulated amortisation	(7,688)	(7,688)
Total internally generated computer software	-	-
<hr/>		
Others		
Other computer software and licences	630	604
Accumulated amortisation	(539)	(525)
Total other computer software and licences	91	79
<hr/>		
Intangible work in progress *	1,405	62
Total intangible work in progress	1,405	62
<hr/>		
Total intangible assets	1,496	141

* The Intangible work in progress relates to the Authority's Electronic Court Management System.

An intangible asset is an identifiable non-monetary asset without physical substance and is measured at cost and are tested for indications of impairment at each reporting date. The majority of intangible assets of the Authority is software. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The Authority only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets are reviewed on an annual basis.

The acquisition of or internal development of 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.

Subsequent expenditure on intangible assets has not been capitalised. This is because the Authority has been unable to attribute this expenditure to the intangible asset rather than to the Authority as a whole.

17.1 Impairment

There were no indications of impairment of intangible assets at 30 June 2018.

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18. Reconciliation of Non-Current Assets

The following table shows the movement of Non-Current Assets during 2017-18

	<i>Land</i> \$'000	<i>Buildings & improvements</i> \$'000	<i>Building under lease</i> \$'000	<i>Buildings - leasehold improvements</i> \$'000	Total land & buildings \$'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 office furniture & equipment</i> \$'000	<i>Library collections</i> \$'000	<i>Works of art & collections</i> \$'000	<i>Capital work in progress</i> \$'000	Total Property, Plant & Equipment \$'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

	<i>Other Computer Software & licence</i> \$'000	<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

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The following table shows the movement of Non-Current Assets during 2016-17

	<i>Land</i> \$'000	<i>Buildings & improvements</i> \$'000	<i>Building under finance lease</i> \$'000	<i>Buildings - leasehold improvements</i> \$'000	Total land & buildings \$'000
Carrying amount at the beginning of the period	62,202	119,637	5,808	1,458	189,105
Additions	-	908	-	397	1,305
Disposals	(128)	-	-	-	(128)
Depreciation & amortisation	-	(4,240)	(830)	(424)	(5,494)
Carrying amount at the end of the period	62,074	116,305	4,978	1,431	184,788

	<i>Computing and office furniture & equipment</i> \$'000	<i>Library collections</i> \$'000	<i>Works of art & collections</i> \$'000	<i>Capital work in progress</i> \$'000	Total Property, Plant & Equipment \$'000
Carrying amount at the beginning of the period	2,470	6,001	107	-	197,683
Additions	1,040	235	6	279	2,865
Disposals	-	-	-	-	(128)
Depreciation & amortisation	(776)	(259)	-	-	(6,529)
Carrying amount at the end of the period	2,734	5,977	113	279	193,891

	<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	146	-	146
Additions	-	62	62
Depreciation & amortisation	(67)	-	(67)
Carrying amount at the end of the period	79	62	141

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19. Fair Value Measurement

AASB 13 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.

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 valuation processes and fair value changes are reviewed by the Authority at each reporting date. In determining fair value, the Authority has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

The Authority's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the Authority did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer Note16 Property, Plant and Equipment for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

19.1 Fair Value Hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The Authority categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement as follows:

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19.2 Fair Value Measurements at 30 June 2018

Recurring fair value measurements	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Buildings	16	2,039	111,666	113,705
Land	16	62,074	-	62,074
Assets under finance lease	16	-	4,149	4,149
Leasehold improvements	16	-	1,185	1,185
Computing/Office furniture & equipment	16	-	2,132	2,132
Library Collections	16	-	4,437	4,437
Works of art and collections	16	-	113	113
Total recurring fair value measurements		64,113	123,682	187,795
Total		64,113	123,682	187,795

19.3 Fair Value Measurements at 30 June 2017

Recurring fair value measurements	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Buildings	16	2,183	114,122	116,305
Land	16	62,074	-	62,074
Assets under finance lease	16	-	4,978	4,978
Leasehold improvements	16	-	1,431	1,431
Computing/Office furniture & equipment	16	-	2,734	2,734
Library Collections	16	-	5,977	5,977
Works of art and collections	16	-	113	113
Total recurring fair value measurements		64,257	129,355	193,612
Total		64,257	129,355	193,612

The Authority's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Valuation techniques and inputs used to derive level 2 and 3 fair values are at Note 16 Property, Plant and Equipment.

During 2018 and 2017, the Authority had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

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19.4 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 and office furniture & 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
Transfer in from WIP	279	-	-	-	-	-	279
Disposal	-	-	-	(32)	-	-	(32)
<u>Total (loss) for the period recognised in net result:</u>							
Depreciation	(4,220)	(829)	(246)	(701)	(268)	-	(6,264)
<u>Total (loss) for the period in other comprehensive income:</u>							
Revaluation decrement	-	-	-	-	(1,491)	-	(1,491)
Closing balance at the end of the period	111,666	4,149	1,185	2,132	4,437	113	123,682

19.5 Reconciliation of Level 3 Recurring Fair Value Measurements As At 30 June 2017

	Buildings \$'000	Asset under finance lease \$'000	Leasehold improvements \$'000	Computing and office furniture & equipment \$'000	Library Collections \$'000	Works of art and collections \$'000	Total \$'000
Opening balance at the beginning of the period	117,308	5,808	1,458	2,470	6,001	107	133,152
Acquisitions	908	-	397	1,040	235	6	2,586
<u>Total (loss) for the period recognised in net result:</u>							
Depreciation	(4,094)	(830)	(424)	(776)	(259)	-	(6,383)
Closing balance at the end of the period	114,122	4,978	1,431	2,734	5,977	113	129,355

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20. Payables

	2018 \$'000	2017 \$'000
Current:		
Creditors	35	102
Accrued expenses	2,944	1,771
Accrued capital expenditure	720	565
Employment on-costs [^]	810	747
Paid Parental Leave Scheme payable	16	-
Total current payables	4,525	3,185
Non-Current:		
Employment on-costs	967	899
Total non-current payables	967	899
Total Payables	5,492	4,084

[^]Employment on-costs include payroll tax, WorkCover levies and superannuation contributions. 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 balance date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2017 rate of 40% to 41% and the average factor for the calculation of employer superannuation cost on-cost has changed from the 2017 rate of 10.1% to 9.9%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$2 000. Refer to Note 21 Employee Benefits - Liability.

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.

20.1 Interest rate and credit risk

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Creditors are normally settled within 30 days from the date the invoice is first received. Employment on-costs are settled when the respective employee benefits that they relate to is discharged. All payables are non interest-bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

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21. Employee Benefits

	2018	2017
	\$'000	\$'000
Current:		
Accrued salaries and wages	861	837
Annual leave	3,188	2,886
Long service leave	1,134	1,209
Skills and experience retention leave	342	329
Total current employee benefits	5,525	5,261
Non-Current:		
Long service leave	10,591	9,780
Total non-current employee benefits	10,591	9,780
Total employee benefits	16,116	15,041

Employee benefits accrue for employees 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.

21.1 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 reporting date.

The annual leave liability and the SERL liability 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.

21.2 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.

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.

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 remain the same at 2.5% as 2017.

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The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$217 000 and employee benefits expense of \$237 000. The impact on future periods is impracticable to measure 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 salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and retention 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.

22. Provisions

	2018	2017
	\$'000	\$'000
Current:		
Workers compensation	546	681
Additional compensation	17	-
Total current provisions	563	681
Non-Current:		
Workers compensation	513	1,476
Additional compensation	386	-
Total non-current provisions	899	1,476
Total provisions	1,462	2,157

22.1 Movement in Provisions

Workers compensation:

Carrying amount at the beginning of the period	2,157	1,875
Reductions arising from payments/other sacrifice of future economic benefits	(818)	(741)
(Reductions)/increase resulting from re-measurement or settlement without cost	(929)	166
Increase in provisions	649	857
Carrying amount at the end of the period	1,059	2,157

Additional compensation:

Carrying amount at the beginning of the period	-	-
Increase in provisions	403	-
Carrying amount at the end of the period	403	-

A liability has been reported to reflect unsettled workers compensation and additional compensation claims. The compensation provision is based on actuarial assessment of the outstanding liability as at 30 June 2018 provided by a consulting actuary engaged through the Office for the Public Sector (a division of the Department of the Premier and Cabinet). The provision is for the estimated cost of ongoing payments to employees as required under current legislation and enterprise bargaining agreements.

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

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23. Other Liabilities

	2018 \$'000	2017 \$'000
Current		
Unearned revenue	308	339
Unclaimed money	105	100
Total other liabilities	413	439

24. Financial Lease Liabilities/ Commitments

	2018 \$'000	2017 \$'000
Finance lease commitments		
Future minimum lease payments under finance lease of the Sir Samuel Way Building to Funds SA, expiring in 2023, together with the present value of net minimum lease payments are as follows:		
Within one year	2,074	2,074
Later than one year but not longer than five years	8,298	8,298
Later than five years	-	2,074
Total minimum lease payments	10,372	12,446
Less: Future finance charges	1,346	1,899
Total finance lease commitments - non-cancellable	9,026	10,547

Present value of finance leases payable as follows:

Within one year	1,609	1,521
Later than one year but not longer than five years	7,417	7,013
Later than five years	-	2,013
Total present value of minimum lease payments	9,026	10,547

Included in the financial statements as:

Current financial liabilities	1,609	1,521
Non-Current financial liabilities	7,417	9,026
Total present value of minimum lease payments	9,026	10,547

The weighted average interest rate implicit in the lease is 5.65% (5.64%)

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	4,596
Later than one year but not longer than five years	18,997	18,386
Later than five years	-	4,597
Total contingent rentals commitment	23,746	27,579

Finance leases, which transfer to the Authority substantially all the risks and benefits/rewards incidental to ownership of the leased assets, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments.

Minimum lease payments are allocated, between interest expense/borrowing costs and reduction of the lease liability, to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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Where there is no reasonable assurance that the Authority will obtain ownership of the capitalised asset at the end of the lease term, the asset is amortised over the shorter of the lease term and its useful life.

The Authority is responsible for all maintenance costs and paid a contingent rental (refer Note 5 Supplies and Services) which will increase each year by the amount obtained by applying the rate of CPI increase in the previous year to the combined total of the previous year's rental and finance lease repayments.

Contingent liability – Restorative repair work

The Authority is responsible for repair and maintenance of the Sir Samuel Way Building and is required to ensure that it is in good tenable condition at the end of the lease term. It is presently estimated that restorative repair work for the building will cost in excess of \$10 million, which is a contingent liability of the Authority. The Authority has an option to purchase the building and the land at the end of the lease term. If that option is exercised the contingent liability will be reduced.

25. Unrecognised Contractual Commitments

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

Unrecognised contractual commitments are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO). If GST is not payable to, or recoverable from, the ATO the commitments and contingencies are disclosed on a gross basis.

	2018	2017
	\$'000	\$'000
Capital commitments		
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	1,398	1,090
Later than one year but not longer than five years	891	2,146
Total capital commitments	2,289	3,236

The Authority's capital commitments are mainly for the Electronic Court Management System of \$2.2m (same in 2017) and building restoration which is undertaken through the Department of Planning, Transport and Infrastructure.

	2018	2017
	\$'000	\$'000
Expenditure commitments		
Within one year	5,483	4,323
Later than one year but not longer than five years	10,617	12,427
Later than five years	19,475	21,871
Total other commitments	35,575	38,621

The Authority's expenditure commitments is mainly in relation to a Public Private Partnership arrangement via SA Police for regional court premises of \$32.4m (2017: \$34.5m). Other expenditure commitments are related to operating expenses.

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	2018	2017
	\$'000	\$'000
Operating lease commitments as lessee		
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	737	760
Later than one year but not longer than five years	483	514
Total operating lease commitments - all non-cancellable	1,220	1,274

The Authority's operating lease commitments as lessee with Fleet SA via LeasePlan for vehicles is \$1.1m (2017: \$1.2m).

	2018	2017
	\$'000	\$'000
Operating lease commitments as lessor		
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	26	148
Later than one year but not longer than five years	-	17
Total operating lease commitments - all non-cancellable	26	165

26. 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.

With the exception of the possible restorative repair work (refer to Note 24 Finance Lease Liabilities/Commitments), the Authority has no other material contingent assets or liabilities as at 30 June 2018 (2017 Nil).

27. Related Party Transactions

27.1 Significant Transactions with Government Related Entities

All Authority transactions with government related entities during the 2018 period were minor commercial or intragovernmental operational transactions. There were no significant transactions with government related entities.

27.2 Transactions with Key Management Personnel and other Related Parties

Compensation of Key Management Personnel is disclosed as Note 3.3 Key Management Personnel.

There have been no material transactions with Key Management Personnel.

All contractual arrangements entered into by the Authority with related entities were conducted on an arm's length basis.

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28. Cash Flow Reconciliation

	2018	2017
	\$'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	49,219	58,143
Balance as per the Statement of Cash Flows	49,219	58,143
Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash (used in)/provided by operating activities	(1,887)	3,770
<u>Less</u> Revenues from SA Government	(81,434)	(85,533)
Add/Less non cash items		
Depreciation/Amortisation	(6,443)	(6,596)
Loss from disposal of assets	(32)	(44)
Movements in Assets/Liabilities		
Increase/(Decrease) in Receivables	199	(254)
(Increase)/Decrease in Employee Benefits	(1,075)	472
(Increase)/Decrease in Payables	(1,253)	653
Decrease/(increase) in Provisions	695	(282)
Decrease in Other Liabilities	26	48
Net Cost of providing Services	(91,204)	(87,766)

29. Budgetary Reporting

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2017-18 *Budget Paper 4*). Budget information has been included for the Statement of Comprehensive Income and for Investment Expenditure. Budget information has not been included for the Statement of Financial Position or Statement of Cash Flows as the information in these statements are not budgeted for on the same basis and/or determined in a different manner to financial statement information. These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes. The budget process is not subject to audit.

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Statement of Comprehensive Income	Note	Original budget 2018 \$'000	Actual 2018 \$'000	Variance \$'000
Expenses				
Employee benefits expenses		54,064	55,030	966
Supplies and services		32,862	33,549	687
Depreciation and amortisation expense		7,965	6,443	(1,522)
Borrowing costs		553	553	-
Net loss from disposal of non-current assets		-	32	32
Other expenses		1,294	369	(925)
Total Expenses		96,738	95,976	(762)
Income				
Revenues from fees and charges		3,250	3,505	255
Sale of goods and services	a	960	1,267	307
Total Income		4,210	4,772	562
Net cost of providing services		92,528	91,204	(1,324)
Revenues from SA Government				
Revenues from SA Government	b	94,066	81,434	(12,632)
Net Result		1,538	(9,770)	(11,308)
Other Comprehensive Income				
<i>Item that will not be reclassified to net result</i>				
Changes in property, plant and equipment asset revaluation surplus		-	(1,491)	(1,491)
Total other comprehensive income		-	(1,491)	(1,491)
Total comprehensive result		1,538	(11,261)	(12,799)

The following are brief explanations of variances between original budget and actual amounts. 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) Revenue from fees and charges were higher than the original budget mainly due to higher than expected Sheriff's Officer fees for serving civil processes.
- b) Revenues from SA Government were lower than the original budget mainly due to funding adjustment as a result of revised budget profiling for the Higher Court Redevelopment project and Electronic Court Management System to later periods.

Investing expenditure summary	Note	Original budget 2018 \$'000	Actual 2018 \$'000	Variance \$'000
Total existing projects	c	20,525	3,781	(16,744)
Total annual programs		2,755	1,875	(880)
Total investing expenditure		23,280	5,656	(17,624)

- c) Total existing projects investing expenditure was lower than the original budget due to delay in the Electronic Court Management System and Higher Court Redevelopment Project.

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30. Financial Risk Management and Financial Instrument

30.1 Financial Risk Management

Risk management is managed by the Authority's corporate services section and divisional 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.

30.2 Liquidity Risk

The Authority is funded principally from appropriations by 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 Note 20 Payables and Note 24 Financial Lease Liabilities/ Commitments for further information.

30.3 Credit and Market Risk

The Authority has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

The Authority does not trade in foreign currency, enter into transactions for speculative purposes, nor for hedging. The Authority does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the Government's risk management strategy articulated in TI 23 *Management of Foreign Currency Exposures*.

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

Refer to note 13 Cash and Cash Equivalents and note 14 Receivables for further information.

Exposure to interest rate risk may arise through its borrowings from Funds SA. There is no material movement in interest rates on the borrowing. There is no exposure to foreign currency or other price risks.

There have been no changes in risk exposures since the last reporting period.

30.4 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 assets, financial liability and equity instrument are disclosed in the respective financial asset/financial liability note.

The carrying amounts of each of the following categories of financial assets and liabilities: receivables; and financial liabilities measured at cost are detailed below:

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.

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- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short term nature of these. Refer to Note 14 Receivables, and Note 20 Payables.
- Financial liabilities are initially recognised at fair value, plus any transaction cost directly attributable to the finance lease liabilities, then subsequently held at amortised cost. The fair value of the finance lease liabilities approximates the carrying amount, as the impact of discounting is not significant. Refer to Note 24 Financial Lease Liabilities/ Commitments.

Category of financial asset and financial liability	Notes	2018 Carrying amount/Fair value (\$'000)	2018 contractual maturities			
			Current	Within 1 year	1-5 years (\$'000)	5+ years (\$'000)
Financial assets						
Cash and cash equivalents						
Cash and cash equivalents	13	49,219	49,219	-	-	-
Loans and receivables						
Receivables (1) (2)	14	482	482	-	-	-
Total financial assets		49,701	49,701	-	-	-
Financial liabilities						
Financial liabilities at cost						
Payables (1)	20	3,527	3,527	-	-	-
Financial lease liability	24	9,026	-	1,609	7,417	-
Total financial liabilities		12,553	3,527	1,609	7,417	-

Category of financial asset and financial liability	Notes	2017 Carrying amount/Fair value (\$'000)	2017 contractual maturities			
			Current	Within 1 year (\$'000)	1-5 years (\$'000)	5+ years (\$'000)
Financial assets						
Cash and cash equivalents						
Cash and cash equivalents	13	58,143	58,143	-	-	-
Loans and receivables						
Receivables (1) (2)	14	258	258	-	-	-
Total financial assets		58,401	58,401	-	-	-
Financial liabilities						
Financial liabilities at cost						
Payables (1)	20	2,264	2,264	-	-	-
Financial lease liability	24	10,547	-	1,521	7,013	2,013
Total financial liabilities		12,811	2,264	1,521	7,013	2,013

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (eg Commonwealth, State and Local Govt 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).

(2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in Note 14 Receivables as trade and other receivables in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

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31. Impact of Change in Accounting Policy and Standards and Statements Not Yet Implemented

Changes in Accounting Policy

Effective 1 July 2017, the Authority has changed the accounting policy to expense text books and loose leaf items of the Library Collection. These items are either of annual subscription basis or immaterial in the purchase costs. The change in the policy is a result of internal process improvement and to enable relevant items are capitalized. The Authority has voluntarily changed the policy retrospectively from the earliest practicable period. The impact to Retained Earnings and Asset Revaluation Surplus is disclosed in the Statement of Changes in Equity. The Authority has not provided three Statements of Financial Position for the change in policy as the material retrospective adjustment is of the period prior to 2016.

Accounting Standards

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Authority for the period ended 30 June 2018. The Authority has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Authority.

AASB 9 *Financial Instruments* applies to reporting periods commencing after 1 January 2018. The application date for the Authority is 1 July 2018. The Authority has assessed the accounting standard and there will be minimal accounting impact.

AASB 15 *Revenue from Contracts with Customers* will replace the existing AASB 118 *Revenue* and applies to reporting periods beginning on or after 1 January 2019. AASB 15 *Revenue from Contracts with Customers* introduces a five step process for revenue recognition with the core principle being to recognise revenue 'when control of a good or service transfers to a customer'. This is effectively when performance obligations have been met, rather than the former model of 'where the risk and rewards of ownership reside'. AASB 15 *Revenue from Contracts with Customers* will generally result in increased disclosures. The changes in revenue recognition requirements may result in changes to the timing and amount of revenue from sales of the Authority's goods and services. Some revenue may need to be deferred to a later reporting period to the extent that the Authority has received cash but has not yet met the associated performance obligations.

AASB 1058 *Income of Not-for-Profit Entities* will replace a number of income recognition requirements under AASB 1004 *Contributions* and applies to reporting periods beginning on or after 1 January 2019. The timing of income recognition depends on whether a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. Where there is no liability to be recognised under another standard, or the liability is less than the fair value of the asset received then revenue is recognised.

The Authority has not yet quantified the impact of applying AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* and the resulting impact on the statement of comprehensive income.

AASB 16 *Leases* will apply for the first time to our 30 June 2020 financial report. This standard will require us to recognize all leased items in the statement of financial position as assets to represent the value of what we lease, and liabilities to represent expected future lease payments. Depending on what lease arrangements we have entered into at

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the time, this could see significant assets and liabilities being recognized and, over the lease term, amortised.

32. Events after the Reporting Period

There were no events occurring after the balance date.

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33. Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty / transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Note		SA Government		Non-SA Government		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
	EXPENSES						
3	Employee benefits expenses	2,618	2,455	52,412	49,121	55,030	51,576
5	Supplies and Services						
	Accommodation and services	4,848	4,653	5,668	5,020	10,516	9,673
	Finance lease contingent rents	4,596	4,468	-	-	4,596	4,468
	Circuit and Travel expenses	-	-	1,092	1,191	1,092	1,191
	Computing and communications	1,074	1,067	4,676	4,469	5,750	5,536
	Consultancy, contractors and temp staff	37	37	1,969	1,878	2,006	1,915
	Legal cost	74	35	11	322	85	357
	Court expenses	299	180	1,030	1,103	1,329	1,283
	Operating leases	195	178	9	11	204	189
	Staff development and training	9	1	699	523	708	524
	Equipment purchases and repairs	-	-	435	378	435	378
	Coronial Charges	-	-	474	423	474	423
	Jurors' expenses	-	-	2,106	2,215	2,106	2,215
	Sheriff Officer Payments	-	-	947	860	947	860
	Other administration expenses	441	395	2,860	2,718	3,301	3,113
6	Depreciation and amortisation expense	-	-	6,443	6,596	6,443	6,596
7	Borrowing costs	553	636	-	-	553	636
8	Other expenses						
	Workers compensation	-	-	(267)	1,046	(267)	1,046
	Additional compensation	-	-	403	-	403	-
	Audit fees	139	141	94	31	233	172
	Doubtful debts	-	-	-	1	-	1
	TOTAL EXPENSES	14,883	14,246	81,061	77,906	95,944	92,152

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Note		SA Government		Non-SA Government		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
	INCOME						
10	Revenues from fees and charges	394	336	3,111	2,721	3,505	3,057
11	Sales of goods and services						
	Sale of electronic information	-	-	282	286	282	286
	Recoup of services and others	451	516	76	86	527	602
	Rent recoveries	273	270	185	215	458	485
12	Revenues from SA Government	81,434	85,533	-	-	81,434	85,533
	TOTAL INCOME	82,552	86,655	3,654	3,308	86,206	89,963
	FINANCIAL ASSETS						
13	Cash and cash equivalents	49,189	58,114	30	29	49,219	58,143
14	Receivables						
	Receivables	-	23	176	151	176	174
	Accrued revenues	175	79	131	5	306	84
	GST input tax recoverable	-	-	637	599	637	599
	Prepayments	-	-	675	721	675	721
	TOTAL FINANCIAL ASSETS	49,364	58,216	1,649	1,505	51,013	59,721
	FINANCIAL LIABILITIES						
20	Payables						
	Creditors	-	-	35	102	35	102
	Accrued expenses	1,930	1,232	1,734	1,104	3,664	2,336
	Employment on-costs	844	782	933	864	1,777	1,646
	Paid Parental Leave Scheme payable	-	-	16	-	16	-
24	Financial liabilities						
	Finance lease liabilities	9,026	10,547	-	-	9,026	10,547
23	Other liabilities	114	109	299	330	413	439
	TOTAL FINANCIAL LIABILITIES	11,914	12,670	3,017	2,400	14,931	15,070

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**STATEMENT OF ADMINISTERED COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$'000	2017 \$'000
Administered Expenses			
Judicial benefits expenses	A3	42,149	39,328
Payments to Fines Enforcement Recovery Unit		727	1,034
Payments to Consolidated Account		20,987	22,478
Other expenses		494	841
Total Administered Expenses		64,357	63,681
Administered Income			
Revenues from SA Government		42,149	39,328
Court fees		19,557	19,228
Transfer receipts from trust accounts		-	1,861
Transcript fees		1,428	1,455
Fines Enforcement Recovery Unit Income		727	1,034
Other income		496	775
Total Administered Income		64,357	63,681
Net and total comprehensive result		-	-

Net and total comprehensive result are attributable to 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 2018**

	Note	2018 \$'000	2017 \$'000
Administered Current Assets			
Cash and cash equivalents	A4	38,275	47,072
Receivables	A5	5,382	5,107
Total current assets		43,657	52,179
Administered Current Liabilities			
Payables	A6	3,303	3,468
Judicial benefits	A7	4,199	4,362
Other liabilities	A8	31,172	40,761
Total current liabilities		38,674	48,591
Administered Non-Current Liabilities			
Payables	A6	1,658	1,459
Judicial benefits	A7	11,293	10,097
Total non-current liabilities		12,951	11,556
Total liabilities		51,625	60,147
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.

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

	Note	Retained Earnings \$'000
Balance at 30 June 2016		(7,968)
Net result for 2016-17		-
Total comprehensive result for 2016-17		-
Balance at 30 June 2017		(7,968)
Net result for 2017-18		-
Total comprehensive result for 2017-18		-
Balance at 30 June 2018		(7,968)

All changes in equity 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 CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018	2017
CASH FLOWS FROM ADMINISTERED ACTIVITIES		\$'000	\$'000
Cash outflows			
Judicial benefits		(40,977)	(39,171)
Payments to consolidated account		(21,033)	(22,075)
Payments from trust accounts		(28,260)	(30,989)
Payments to Fines Enforcement Recovery Unit		(818)	(1,037)
Other payments		(748)	(863)
Total cash outflows		(91,836)	(94,135)
Cash inflows			
Receipts from SA Government		41,659	41,438
Receipts into trust accounts		18,821	26,473
Court fees		19,837	19,257
Transcript fees		1,437	1,451
Fines Enforcement Recovery Unit receipts		727	1,034
GST recovered from the ATO		83	45
Other receipts		475	854
Total cash inflows		83,039	90,552
Net cash (used in) administered activities	A9	(8,797)	(3,583)
Net (decrease) in cash and cash equivalents		(8,797)	(3,583)
Cash and cash equivalents at the beginning of the financial year		47,072	50,655
Cash and cash equivalents at the end of the financial year	A4	38,275	47,072

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

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Notes to Administered Items

Administered items

- A1. Basis of Preparation and Accounting Policies
- A2. Objectives/Activities of the Authority's Administered Items
- A3. Judicial Benefits Expenses
- A4. Administered Cash and Cash Equivalents
- A5. Administered Receivables
- A6. Administered Payables
- A7. Judicial Benefits
- A8. Administered Other Liabilities
- A9. Administered Cash Flow Reconciliation
- A10. Administered Budgetary Reporting
- A11. Administered Transactions with SA Government

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A1. Basis for Preparation and Accounting Policies

The policies of the Authority outlined in the operating statement apply equally to the Administered items.

A2. Objective and Administered Activities of the Authority

The objectives of the Authority outlined in Note 2 for operating items apply equally to the 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 lodgement 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.
- Fines Enforcement Recovery Unit income – The Authority collects fines and Victims of Crime Levy at a court registry. Monies are recognised at the time cash is received and paid into the Attorney-General's Department.
- 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. These transactions were previously reported in a separate Trust Fund note and are now reported as Administered items and on cash basis. During 2016-17, \$1.8million was returned to the Consolidated Account via Administered revenue from prior years' collections.
- 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.

**Courts Administration Authority
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A3. Judicial Benefits Expenses

	2018	2017
	\$'000	\$'000
Salaries and wages	27,135	25,934
Long service leave	2,150	1,230
Annual leave	2,387	2,330
Employment on-costs - superannuation*	6,483	6,021
Employment on-costs - payroll tax	1,989	1,856
Other judicial related expenses	2,005	1,957
Total Judicial benefits expenses	42,149	39,328

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

A3.1 Remuneration of Judiciary

	2018	2017		2018	2017
The number of judicial officers whose remuneration received or receivable falls within the following bands:					
\$149001 to \$159000	1	-	\$389001 to \$399000	2	1
\$179001 to \$189000	1	2	\$399001 to \$409000	1	-
\$189001 to \$199000	-	1	\$409001 to \$419000	1	-
\$199001 to \$209000	1	-	\$419001 to \$429000	-	2
\$209001 to \$219000	-	2	\$439001 to \$449000	-	1
\$219001 to \$229000	1	-	\$449001 to \$459000	-	1
\$229001 to \$239000	2	-	\$459001 to \$469000	1	-
\$239001 to \$249000	1	-	\$489001 to \$499000	-	1
\$259001 to \$269000	1	1	\$499001 to \$509000	-	7
\$279001 to \$289000	-	1	\$509001 to \$519000	-	14
\$289001 to \$299000	2	1	\$519001 to \$529000	20	2
\$299001 to \$309000	-	1	\$529001 to \$539000	4	-
\$309001 to \$319000	-	1	\$539001 to \$549000	1	-
\$319001 to \$329000	1	-	\$559001 to \$569000	-	1
\$329001 to \$339000	3	5	\$569001 to \$579000	-	9
\$339001 to \$349000	3	12	\$579001 to \$589000	1	1
\$349001 to \$359000	12	7	\$589001 to \$599000	11	-
\$359001 to \$369000	8	5	\$629001 to \$639000	-	1
\$369001 to \$379000	6	3	\$639001 to \$649000	-	1
\$379001 to \$389000	4	4	\$659001 to \$669000	1	-
Total number of judicial officers	90	88			

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

Remuneration of judicial officers reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice and fringe benefits and any fringe benefit tax paid/payable in respect of those benefits. The total remuneration received by these judicial officers for the year was \$38.6 million (\$37.2 million).

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A4. Administered Cash and Equivalents

	2018	2017
	\$'000	\$'000
Deposits with the Treasurer	37,621	46,713
Deposit at bank	654	359
Total Administered cash and cash equivalents	38,275	47,072

Cash is measured at nominal amounts.

Carrying amount of Administered cash and cash equivalents represents fair value.

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 which earns interest and are payable to external parties.

Deposit at bank

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

A5. Administered Receivables

	2018	2017
	\$'000	\$'000
Current		
Debtors	704	1,107
Allowance for doubtful debts	(236)	(347)
Accrued revenue	4,914	4,338
GST input tax recoverable	-	9
Total current Administered receivables	5,382	5,107

A5.1 Movement in the Allowance for Doubtful Debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired.

An allowance for impairment loss has been recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence exists.

Carrying amount at the beginning of the period	347	286
Increase in the allowance	-	61
Amounts written off	(110)	-
Decrease in allowance recognised in profit and loss	(1)	-
Carrying amount at the end of the period	236	347

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A5.2 Interest rate and credit risk

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.

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. 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.

A6. Administered Payables

	2018 \$'000	2017 \$'000
Current:		
Creditors	196	199
Accrued expenses	2,148	2,327
GST payable	8	-
Judicial benefits on-costs	951	942
Total current administered payables	3,303	3,468
Non-Current:		
Judicial benefits on-costs	1,658	1,459
Total non-current administered payables	1,658	1,459
Total Administered payables	4,961	4,927

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 has changed from the 2017 rate (40%) to 41% and the average factor for the calculation of employer superannuation cost on-cost has changed from the 2017 rate (10.1%) to 9.9%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$26 000. The impact on future years is impractical to estimate. Refer to Note A7 Judicial Benefits.

A6.1 Interest rate and credit risk

Payables 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.

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

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A7. Judicial Benefits

	2018	2017
	\$'000	\$'000
Current:		
Accrued salaries and wages	595	580
Annual leave	2,112	2,091
Long service leave	1,492	1,691
Total current judicial benefits	4,199	4,362
Non-Current:		
Long service leave	11,293	10,097
Total non-current judicial benefits	11,293	10,097
Total judicial benefits	15,492	14,459

A7.1 Salaries and Wages and Annual Leave

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.

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 in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

A7.2 Long Service Leave

AASB 119 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. 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 remains the same at 2.5% as 2017.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$122 000 and employee benefits expense of \$140 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The Authority has used the average leave pattern history of previous years to allocate the current and non-current liability. Refer to Note A6 Administered Payables.

A8. Administered Other Liabilities

	2018	2017
	\$'000	\$'000
Current		
Trust accounts	29,091	38,531
Unclaimed money	2,081	2,230
Total Administered other liabilities	31,172	40,761

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A9. Administered Cashflow Reconciliation

	2018	2017
	\$'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	38,275	47,072
Balance as per the Statement of Administered Cash Flows	38,275	47,072
Reconciliation of Net Cash provided by Administered Activities to total comprehensive result:		
Net cash (used in) provided by operating activities	(8,797)	(3,583)
Less: non cash item		
Doubtful debts and bad debts expenses	1	(66)
Movements in Administered Assets / Liabilities		
Increase/(Decrease) in Receivables	274	(2,136)
(Increase) in Judicial Entitlements	(1,033)	(160)
(Increase) in Payables	(34)	(337)
Decrease in Other liabilities	9,589	6,282
Total comprehensive result from Administered Activities	-	-

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A10. Administered Budgetary Reporting

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2017-18 *Budget Paper 4*). Budget information has been included for the Administered Statement of Comprehensive Income. Budget information has not been included for the Administered Statement of Financial Position or Administered Statement of Cash Flows as the information in these statements are not budgeted for on the same basis and/or determined in a different manner to financial statement information. These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes. The budget process is not subject to audit.

	Original budget	Actual	Variance
	2018	2018	
<u>Statement of Administered Comprehensive Income</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Administered Expenses			
Judicial benefits expenses	40,948	42,149	1,201
Payments to Fines Enforcement Recovery Unit	-	727	727
Payments to Consolidated Account	19,792	20,987	1,195
Other expenses	1,031	494	(537)
Total Administered Expenses	61,771	64,357	2,586
Administered Income			
Revenues from SA Government	40,948	42,149	1,201
Court fees	18,463	19,557	1,094
Transcript fees	1,329	1,428	99
Fines Enforcement Recovery Unit Income	-	727	727
Other income	1,031	496	(535)
Total Administered Income	61,771	64,357	2,586
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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A11. Administered Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Note	SA Government		Non-SA Government		Total		
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	
ADMINISTERED EXPENSES							
A3	Judicial benefits expenses	1,989	1,856	40,160	37,472	42,149	39,328
	Administered expenses						
	Payments to Fines Enforcement Recovery Unit	727	1,034	-	-	727	1,034
	Payments to Consolidated Account	20,987	22,478	-	-	20,987	22,478
	Other expenses	-	21	494	820	494	841
	TOTAL ADMINISTERED EXPENSES	23,703	25,389	40,654	38,292	64,357	63,681
ADMINISTERED INCOME							
	Court fees	-	-	19,557	19,228	19,557	19,228
	Transfer receipts from Trust monies	-	-	-	1,861	-	1,861
	Transcript fees	-	-	1,428	1,455	1,428	1,455
	Fines Enforcement Recovery Unit Income	-	-	727	1,034	727	1,034
	Other income	496	754	-	21	496	775
	Revenues from SA Government	42,149	39,328	-	-	42,149	39,328
	TOTAL ADMINISTERED INCOME	42,645	40,082	21,712	23,599	64,357	63,681
ADMINISTERED FINANCIAL ASSETS							
A4	Administered cash and cash equivalents	37,621	46,713	654	359	38,275	47,072
A5	Administered Receivables						
	Receivables	45	337	423	423	468	760
	Accrued revenues	4,845	4,294	69	44	4,914	4,338
	GST input tax recoverable	-	-	-	9	-	9
	TOTAL ADMINISTERED FINANCIAL ASSETS	42,511	51,344	1,146	835	43,657	52,179
ADMINISTERED FINANCIAL LIABILITIES							
A6	Administered Payables						
	Creditors	-	-	196	199	196	199
	GST Payable	-	-	8	-	8	-
	Accrued expenses	2,138	2,278	10	49	2,148	2,327
	Employment on-costs	854	794	1,755	1,607	2,609	2,401
A8	Other Administered liabilities	-	-	31,172	40,761	31,172	40,761
	TOTAL ADMINISTERED FINANCIAL LIABILITIES	2,992	3,072	33,141	42,616	36,133	45,688