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To the Chair, State Courts Administration Council Courts Administration Authority

Opinion

I have audited the financial report of the Courts Administration Authority for the financial year ended 30 June 2023.

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 2023, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The consolidated financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2023
- a Statement of Administered Financial Position as at 30 June 2023
- a Statement of Administered Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair, State Courts Administration Council, State Courts Administrator and Executive Director Corporate Services and Chief Financial Officer.

Basis for opinion

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

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

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

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

In preparing the financial report, the State Courts Administrator is responsible for assessing the Courts Administration Authority's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The State Courts Administrator is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 27 of the *Courts Administration Act 1993*, I have audited the financial report of the Courts Administration Authority for the financial year ended 30 June 2023.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Courts Administration Authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the State Courts Administrator
- conclude on the appropriateness of the State Courts Administrator's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

14 September 2023

**Courts Administration Authority
2022-23 Financial Statements**

**Courts Administration Authority
Statement of Comprehensive Income**
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
Revenues from SA Government	2.1	93,843	96,632
Fees and charges	2.2	3,299	3,040
SA Government grants, subsidies and transfers	2.3	127	1,432
Sales of goods and services	2.4	317	303
Resources received free of charge	2.5	606	591
Other income	2.6	700	560
Total Income		98,892	102,558
Expenses			
Employee benefits expenses	3.3	55,272	56,344
Supplies and services	4.1	26,964	27,367
Depreciation and amortisation	4.2	11,731	11,212
Borrowing costs	4.3	502	500
Net loss from disposal of property, plant and equipment	4.4	6	12
Other expenses	4.5	276	241
Total expenses		94,751	95,676
Net result and total comprehensive income		4,141	6,882

The accompanying notes form part of these financial statements.

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

**Courts Administration Authority
2022-23 Financial Statements**

**Courts Administration Authority
Statement of Financial Position**

as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	6.1	57,276	52,343
Receivables	6.2	1,751	2,352
Non-current assets classified as held for sale	5.6	2,406	2,406
Total current assets		61,433	57,101
Non-current assets			
Property, plant and equipment	5.1	323,499	330,839
Intangible assets	5.5	14,330	13,503
Total non-current assets		337,829	344,342
Total assets		399,262	401,443
Current liabilities			
Payables	7.1	3,229	6,452
Employee benefits liability	3.4	4,883	4,953
Financial liabilities	7.2	1,775	1,603
Provisions	7.3	620	884
Other current liabilities	7.4	372	379
Total current liabilities		10,879	14,271
Non-current liabilities			
Payables	7.1	761	756
Employee benefits liability	3.4	7,639	7,859
Financial liabilities	7.2	21,470	21,495
Provisions	7.3	1,539	4,229
Total non-current liabilities		31,409	34,339
Total liabilities		42,288	48,610
Net assets		356,974	352,833
Equity			
Contributed capital		3,140	3,140
Retained earnings		149,778	145,637
Asset revaluation surplus	8.1	204,056	204,056
Total equity		356,974	352,833

The accompanying notes form part of these financial statements.

The total equity is attributable to the SA Government as owner.

**Courts Administration Authority
2022-23 Financial Statements**

**Courts Administration Authority
Statement of Changes in Equity**
for the year ended 30 June 2023

	Contributed Capital \$'000	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 July 2021	3,140	204,056	138,755	345,951
<u>Net result for 2021-22</u>	-	-	6,882	6,882
Total comprehensive result for 2021-22	-	-	6,882	6,882
Balance at 30 June 2022	3,140	204,056	145,637	352,833
<u>Net result for 2022-23</u>	-	-	4,141	4,141
Total comprehensive result for 2022-23	-	-	4,141	4,141
Balance at 30 June 2023	3,140	204,056	149,778	356,974

The accompanying notes form part of these financial statements.

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

**Courts Administration Authority
2022-23 Financial Statements**

**Courts Administration Authority
Statement of Cash Flows**
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<u>Cash flows from operating activities</u>			
<u>Cash inflows</u>			
Appropriation received from SA Government		93,843	96,632
Fees and charges		3,152	3,254
SA Government grants, subsidies and transfers		127	1,492
GST recovered from the ATO		2,826	2,940
Other receipts		1,017	863
Receipts for paid parental leave scheme		99	104
Cash generated from operations		101,064	105,285
<u>Cash outflows</u>			
Employee benefits payments		(58,599)	(59,563)
Payments for supplies and services		(30,057)	(31,404)
Borrowing costs		(502)	(500)
Payments for paid parental leave scheme		(98)	(113)
Other payments		(255)	(277)
Cash used in operations		(89,511)	(91,857)
Net cash provided by operating activities	8.2	11,553	13,428
<u>Cash flows from investing activities</u>			
<u>Cash outflows</u>			
Purchase of property, plant and equipment		(3,261)	(1,566)
Purchase of intangible assets		(1,653)	(2,729)
Net cash used in investing activities		(4,914)	(4,295)
<u>Cash flows from financing activities</u>			
<u>Cash outflows</u>			
Repayment of principal portion of lease liabilities		(1,706)	(1,557)
Net cash used in financing activities		(1,706)	(1,557)
Net increase in cash and cash equivalents		4,933	7,576
Cash and cash equivalents at the beginning of the period		52,343	44,767
Cash and cash equivalents at the end of the period	6.1	57,276	52,343

The accompanying notes form part of these financial statements.

**Courts Administration Authority
2022-23 Financial Statements**

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**Courts Administration Authority
2022-23 Financial Statements**

1. About the Courts Administration Authority

The Courts Administration Authority (Authority) is established pursuant to the *Courts Administration Act 1993* (Act). The Authority comprises the State Courts Administration Council (Council), which is established by the Act, the State Courts Administrator and the staff of the Council. The Authority provides the administrative facilities and services required by the participating courts for the proper administration of justice.

The Authority does not control any other entities and has no interests in unconsolidated structured entities. The financial statements and accompanying notes report the financial activities controlled by the Authority.

The Authority administers certain items, including the collection of fees and the payment of judicial benefits on behalf of the State, and monies paid by parties in connection with matters that are before the courts. These activities are reported separately in the administered financial statements that commence at page 42 of this document.

1.1. Basis of preparation

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

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

For the purposes of preparing the financial statements the Authority is a not-for-profit entity. The financial statements are prepared based on a 12-month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Income, expenses and assets are recognised net of the amount of goods and services tax (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.

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

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

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

**Courts Administration Authority
2022-23 Financial Statements**

1.2. Objectives and programs

The Council is established by the Act as a statutory authority independent of control by executive government. The Act confers on Council power to provide courts with the administrative facilities and services necessary for the proper administration of justice.

The objectives of the Authority are to:

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

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

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

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

**Courts Administration Authority
2022-23 Financial Statements**

Expenses and Income by Program
for the year ended 30 June 2023

	Case Resolution		Alternative Dispute Resolution		Total	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Revenues from SA Government	90,927	93,776	2,916	2,856	93,843	96,632
Fees and charges	3,299	3,040	-	-	3,299	3,040
SA Government grants, subsidies and transfers	127	1,432	-	-	127	1,432
Sales of goods and services	317	303	-	-	317	303
Resources received free of charge	606	576	-	15	606	591
Other income	700	560	-	-	700	560
Total income	95,976	99,687	2,916	2,871	98,892	102,558
Expenses						
Employee benefits expenses	52,982	53,946	2,290	2,398	55,272	56,344
Supplies and services	26,416	26,922	548	445	26,964	27,367
Depreciation and amortisation	11,691	11,181	40	31	11,731	11,212
Borrowing costs	502	500	-	-	502	500
Net loss from disposal of property, plant and equipment	6	12	-	-	6	12
Other expenses	267	234	9	7	276	241
Total expenses	91,864	92,795	2,887	2,881	94,751	95,676
Net result	4,112	6,892	29	(10)	4,141	6,882

**Courts Administration Authority
2022-23 Financial Statements**

Assets and liabilities by Program
for the year ended 30 June 2023

	Case Resolution		Alternative Dispute Resolution		General/not attributable		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000			\$'000	\$'000
Assets								
Cash and cash equivalents	-	-	-	-	57,276	52,343	57,276	52,343
Receivables	1,751	2,352	-	-	-	-	1,751	2,352
Non-current assets classified as held for sale	2,398	2,370	8	36	-	-	2,406	2,406
Property, plant and equipment	322,389	329,910	1,110	929	-	-	323,499	330,839
Intangible assets	14,281	13,465	49	38	-	-	14,330	13,503
Total assets	340,819	348,097	1,167	1,003	57,276	52,343	399,262	401,443
Liabilities								
Payables	3,909	7,064	81	144	-	-	3,990	7,208
Financial liabilities	23,245	23,098	-	-	-	-	23,245	23,098
Employee benefits liability	12,003	12,267	519	545	-	-	12,522	12,812
Provisions	2,092	4,895	67	218	-	-	2,159	5,113
Other liabilities	360	368	12	11	-	-	372	379
Total liabilities	41,609	47,692	679	918	-	-	42,288	48,610

**Courts Administration Authority
2022-23 Financial Statements**

1.3. Impact of COVID-19 pandemic on the Authority

The COVID-19 pandemic has impacted on the operations of the Authority and the impacts are included under the relevant disclosure notes. The key impacts in 2022-23 were:

- Continuation of a COVID-19 Response Team;
- Change in court practices to minimise exposure including the increased use of technology to undertake court hearings/essential meetings and changes in how court users lodge documents; and
- Courts continued to operate during the pandemic within SA Health guidelines.

1.4. Budget performance

The budget performance table compares the Authority's outcomes against budget information presented to Parliament (2022-23 Budget Paper 4). Appropriation reflects appropriation issued to special deposit accounts [and deposit accounts] controlled by the Authority. The budget amounts have not been adjusted to reflect revised budgets.

Statement of Comprehensive Income

	Note	Original budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
<u>Income</u>				
Revenues from SA Government		93,709	93,843	134
Fees and charges		3,765	3,299	(466)
SA Government grants, subsidies and transfers		-	127	127
Sales of goods and services		803	317	(486)
Resources received free of charge		-	606	606
Other income		-	700	700
Total Income		98,277	98,892	615
<u>Expenses</u>				
Employee benefits expenses		55,993	55,272	(721)
Supplies and services		25,985	26,964	979
Depreciation and amortisation		10,654	11,731	1,077
Borrowing costs		488	502	14
Net loss from disposal of property, plant and equipment		-	6	6
Intra-government transfers		28	-	(28)
Other expenses		1,470	276	(1,194)
Total Expenses		94,618	94,751	133
Net result		3,659	4,141	482

**Courts Administration Authority
2022-23 Financial Statements**

Investing expenditure summary

	Note	Original budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
Total existing projects	(a)	2,485	2,301	(184)
Total annual programs		2,488	1,189	(1,299)
Total investing expenditure		4,973	3,490	(1,483)

- (a) The variation between Actual Expenditure and Original Budget relates to timing of expenditure on the Sir Samuel Way Façade project. The Authority will apply to the Department of Treasury and Finance to carryover unspent project funds to be used in 2023-24.

1.5. Significant transactions with government related entities

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

**Courts Administration Authority
2022-23 Financial Statements**

2. Income

2.1. Revenues from SA Government

	2023 \$'000	2022 \$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	93,709	96,599
Appropriation from Governor's Appropriation Fund	134	33
Total Revenues from SA Government	93,843	96,632

Appropriations are recognised as income on receipt.

Appropriations pursuant to the *Appropriation Act 2022* consists of \$88.8 million (\$88.1 million) for operational funding and \$4.9 million (\$8.5 million) for capital projects.

2.2. Fees and charges

	2023 \$'000	2022 \$'000
Sheriff's officer fees	1,842	1,605
Library levy	951	910
Other regulatory fees	506	525
Total fees and charges	3,299	3,040

The Authority charges regulatory fees pursuant to the relevant Acts and Regulations.

2.3. SA Government grants, subsidies and transfers

	2023 \$'000	2022 \$'000
Recovery from the Department of Treasury and Finance for TVSPs	127	432
Other SA Government grants, subsidies and transfers	-	1,000
Total SA Government grants, subsidies and transfers	127	1,432

SA Government grants, subsidies and transfers are recognised as income on receipt.

2.4. Sales of goods and services

	2023 \$'000	2022 \$'000
Sale of electronic information	317	303
Total sales of goods and services	317	303

All revenue from the sales of goods and services is from contracts with customers.

**Courts Administration Authority
2022-23 Financial Statements**

2.5. Resources received free of charge

	2023	2022
	\$'000	\$'000
Resources received free of charge	606	591
Total resources received free of charge	606	591

The Authority has received computing and communication services from the Office of the Chief Information Officer, the digital government division of the Department of the Premier and Cabinet. These services are offset by a corresponding expense.

2.6. Other income

	2023	2022
	\$'000	\$'000
Rent recoveries	252	324
Recoup of services	448	95
Unrealised exchange gain from foreign currency deposit	-	141
Total other income	700	560

**Courts Administration Authority
2022-23 Financial Statements**

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the Authority include the Attorney-General, members of the State Courts Administration Council and the associate members of Council (identified at note 3.2 below), the State Courts Administrator and employees of the Authority that are members of the Executive Leadership Team.

The Attorney-General is included in key management personnel as Section 25 of the Act provides that the Authority prepare and submit annual budgets to the Attorney-General, who may approve a budget with or without modification and the Authority may only expend money provided for in a budget approved by the Attorney-General.

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

Total compensation comprises \$1.6 million (\$1.6 million) in respect of employees of the Authority, which is recognised in the Authority's Statement of Comprehensive Income, and \$3.6 million (\$3.9 million) in respect of judicial officers, which is recognised in the Statement of Administered Comprehensive Income.

	2023	2022
	\$'000	\$'000
Compensation		
Salaries and other short-term employee benefits	4,361	4,344
Post-employment benefits	885	950
Other long-term employment benefits	-	207
Total compensation	5,246	5,501

Transactions with key management personnel and other related parties

There were no transactions with key management personnel or other related parties.

All transactions with government related entities during 2022-23 were minor commercial or ordinary intra-governmental operational transactions.

**Courts Administration Authority
2022-23 Financial Statements**

3.2. Board and committee members

Members during the 2023 financial year were:

State Courts Administration Council

Chief Justice Christopher Kourakis*
Chief Judge Michael Evans*
Chief Magistrate Mary-Louise Hribal*

Associate Members:

Justice Timothy Stanley*
Judge Rauf Soulio*
Magistrate Brett Dixon*

Administrative and Disciplinary Division of the District Court

Andrew Hill
Bruce Parker
Christopher Short
Clive Smith
Garry Minuzzo
George Kamencak
Harald Klavins
Jean Hutchinson
Joseph Bagnara

Kerry Read (term completed 06/05/2023)
Manuel Pipinias
Mark Woods
Michael Bonaccorso
Michael Standish
Peter Panagaris
Peter Rea
Richard Hoffman (term completed 06/05/2023)

Training Centre Review Board

Judge – Penny Eldridge*
Andrew McCracken* (appointed 17/02/2023)
Barry Jennings*
Belinda Hemming (appointed 21/07/2022)
Branka King (reappointed 04/08/2022)
Christopher Boltje (reappointed 21/07/2022)
Craig Wolfe* (reappointed 21/07/2022)
Dale Agius* (term completed 07/08/2022)
Darryn Keneally
David Kyriacou* (reappointed 23/07/2022)
Ester Huxtable (reappointed 04/08/22)
Eugene Warrior (reappointed 08/08/2022)
Jasmine Tonkin* (reappointed 08/08/2022)

Karmen Conway* (term completed 22/07/22)
Kerry Beck* (appointed 21/07/2022)
Nikki Kelly (term completed 13/07/2022)
Nina Travers (appointed 21/07/2022)
Robyn Heyward* (appointed 21/07/2022)
Sarah Macdonald*
Shane Tongerie* (appointed 08/08/2022)
Sharon McKell* (reappointed 21/07/2022)
Suraya Naidoo*
Tamara Brooks* (reappointed 08/08/2022)
Tiffany Downing (reappointed 17/11/2022)
Timothy Curtis* (reappointed 21/07/2022)

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

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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 Discipline Act 2016* and do not have any other members.

Board and committee remuneration

	2023	2022
	No.	No.
The number of members whose remuneration received or receivable falls within the following bands		
\$1 - \$19,999	4	4
Total number of members	4	4

The total remuneration received or receivable by members was \$20,000 (\$20,000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

3.3. Employee benefits expenses

	2023	2022
	\$'000	\$'000
Salaries and wages	43,532	43,292
Targeted voluntary separation packages	127	661
Long service leave	916	(683)
Annual leave	4,417	4,127
Skill and experience retention leave	263	300
Employment on-costs - superannuation	5,213	4,894
Employment on-costs - payroll tax	2,716	2,615
Board and committee fees	21	21
Workers compensation	(1,967)	1,015
Other employee related expenses	34	102
Total employee benefits expenses	55,272	56,344

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

Employment on-costs - superannuation

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

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Employee remuneration

	2023	2022
	No.	No.
The number of employees whose remuneration received or receivable falls within the following bands:		
\$157,001 to \$160,000*	-	1
\$160,001 to \$180,000	6	4
\$180,001 to \$200,000	3	2
\$200,001 to \$220,000	1	1
\$220,001 to \$240,000	1	3
\$280,001 to \$300,000	1	1
\$320,001 to \$340,000	1	-
\$340,001 to \$360,000	-	1
Total	13	13

*This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2021-22 (\$157,001-\$160,000)

The total remuneration received by these employees for the year was \$2.7 million (\$2.8 million).

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

Targeted voluntary separation packages (TVSPs)

The number of employees who received a TVSP during the reporting period was 1 (6).

	2023	2022
	\$'000	\$'000
Amount paid to separated employees:		
Targeted voluntary separation packages	127	432
Rejuvenation scheme payments	-	229
Leave paid to separated employees	126	415
Recovery from the Department of Treasury and Finance	(127)	(432)
Net cost to the Authority	126	644

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

TVSPs include payments made under the Public Sector Workforce Rejuvenation Scheme.

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3.4. Employee benefits liability

	2023	2022
	\$'000	\$'000
<u>Current</u>		
Annual leave	3,698	3,710
Long service leave	856	876
Skills and experience retention leave	329	367
Total current employee benefits	4,883	4,953
<u>Non-current</u>		
Long service leave	7,639	7,859
Total non-current employee benefits	7,639	7,859
Total employee benefits	12,522	12,812

Employee benefits accrued 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 value.

Annual leave, skills and experience retention leave (SERL) and sick leave

The annual leave liability and the SERL liability are expected to be payable within 12 months and are measured at the undiscounted amounts that are expected to be paid.

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

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 10.1.

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4. Expenses

Employee benefits expenses are disclosed in note 3.3.

4.1. Supplies and services

	2023	2022
	\$'000	\$'000
Accommodation and services	4,518	4,600
Circuit and travel expenses	1,526	1,028
Computing and communications	5,766	5,706
Consultants, contractors and temporary staff	862	1,749
Legal costs	108	111
Court expenses	2,487	1,885
Short term leases	116	86
Staff development and training	866	374
Minor works, maintenance and equipment	3,452	4,570
Coronial charges	773	536
Jurors' expenses	1,601	1,546
Sheriff's Officer payments	1,018	999
Library expenses	1,474	1,461
Office expenses	610	623
Other administration expenses	1,787	2,093
Total supplies and services	26,964	27,367

Accommodation and services

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

Consultants

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

	2023		2022	
	No.	\$'000	No.	\$'000
Below \$10,000	-	-	1	3
\$10,000 or above	-	-	4	550
Total	-	-	5	553

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4.2. Depreciation and amortisation

	2023	2022
	\$'000	\$'000
Buildings and improvements	7,456	7,443
Right-of-use buildings	1,811	1,693
Computing, plant and equipment	1,341	1,346
Library collection	217	212
Intangible assets	826	448
Right-of-use vehicles	80	70
Total depreciation and amortisation	11,731	11,212

All non-current assets not held for sale, with a limited useful life, are systematically depreciated and/or amortised over their useful lives in a manner that reflects the consumption of their service potential.

Useful life

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

Class of asset	Useful life (years)
Buildings and improvements	6-59
Computing, plant and equipment	3-25
Right-of-use buildings	25
Right-of-use vehicles	3
Library collection	25
Intangible assets	4-20

Review of accounting estimates

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

4.3. Borrowing costs

	2023	2022
	\$'000	\$'000
Interest expense on lease liabilities	502	500
Total borrowing costs	502	500

The Authority does not capitalise borrowing costs.

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

	2023	2022
	\$'000	\$'000
<hr/>		
Property, plant and equipment		
Carrying amount of assets disposed	6	12
Total net loss from disposal of property, plant and equipment	6	12

4.5. Other expenses

	2023	2022
	\$'000	\$'000
<hr/>		
Audit fees	221	240
Late payment interest	1	1
Bad/Doubtful debts	(2)	-
Realised exchange loss from foreign currency deposit	56	-
Total other expenses	276	241

Audit fees

Audit fees paid / payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$141,400 (\$131,400). No other services were provided by the Auditor-General's Department. The audit fees of \$221,000 (\$240,000) includes fees paid to PricewaterhouseCoopers for internal audit.

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5. Non-financial assets

5.1. Property, plant and equipment by asset class

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

	2023 \$'000	2022 \$'000
<u>Land and buildings</u>		
Land at fair value	96,998	96,998
Buildings at fair value	212,319	212,210
Accumulated depreciation at the end of the period	(22,309)	(14,853)
Total land and buildings	287,008	294,355
<u>Capital work in progress</u>		
Building capital work in progress	610	1,104
Total capital work in progress	610	1,104
<u>Leasehold improvements</u>		
Leasehold improvements at cost (deemed fair value)	1,646	1,646
Accumulated depreciation at the end of the period	(1,646)	(1,646)
Total leasehold improvements	-	-
<u>Right-of-use buildings</u>		
Right-of-use buildings at cost	28,896	27,140
Accumulated depreciation at the end of the period	(6,785)	(4,975)
Total right-of-use buildings	22,111	22,165
<u>Right-of-use vehicles</u>		
Right-of-use vehicles at cost	240	198
Accumulated depreciation at the end of the period	(116)	(89)
Total right-of-use vehicles	124	109
<u>Computing, plant and equipment</u>		
Computing, plant and equipment (deemed fair value)	14,566	13,462
Accumulated depreciation at the end of the period	(5,479)	(5,008)
Total computing, plant and equipment	9,087	8,454
<u>Library collection</u>		
Library collection at cost	5,432	5,307
Accumulated depreciation at the end of the period	(1,020)	(802)
Total library collection	4,412	4,505
<u>Works of art and collections</u>		
Works of art and collections at fair value	147	147
Total works of art and collections	147	147
Total property, plant and equipment	323,499	330,839

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5.2. Property, plant and equipment owned by the Authority

Property, plant and equipment owned by the Authority with a value equal to or in excess of \$5,000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Authority is recorded at fair value. Detail about the Authority's approach to fair value is set out in note 10.2.

Bound volumes individually with a value less than \$5,000 are grouped and capitalised as library collection.

Impairment

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

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in note 10.2. 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.

5.3. Property, plant and equipment leased by the Authority

Right-of-use assets for property, plant and equipment leased by the Authority as lessee are measured at cost.

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

The Authority has a limited number of leases:

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

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The Authority's maturity analysis of its lease liabilities is disclosed in note 10.3. Expenses related to leases, including depreciation and interest expenses are disclosed in note 4.2 and 4.3 respectively. Cash outflows related to leases are disclosed in note 8.2.

Impairment

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

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5.4. Reconciliation of movements in carrying amounts of property, plant and equipment

Reconciliation 2022-23

	<i>Land</i>	<i>Buildings & Improvements</i>	<i>Computing, plant & equipment</i>	<i>Right-of-use buildings</i>	<i>Right-of-use vehicles</i>	<i>Library collection</i>	<i>Works of art & collections</i>	<i>Capital work in progress</i>	<i>Total</i>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	96,998	197,357	8,454	22,166	108	4,505	147	1,104	330,839
Acquisitions	-	170	1,091	-	96	124	-	354	1,835
Disposals	-	-	(6)	-	-	-	-	-	(6)
Re-measurement	-	-	-	1,756	-	-	-	-	1,756
Transfers between asset classes	-	(61)	882	-	-	-	-	(848)	(27)
Depreciation & amortisation	-	(7,456)	(1,334)	(1,811)	(80)	(217)	-	-	(10,898)
Carrying amount at the end of the period	96,998	190,010	9,087	22,111	124	4,412	147	610	323,499

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Reconciliation 2021-22

	<i>Land</i>	<i>Buildings & improvements</i>	<i>Computing, plant & equipment</i>	<i>Right-of-use buildings</i>	<i>Right-of-use vehicles</i>	<i>Library collection</i>	<i>Works of art & collections</i>	<i>Capital work in progress</i>	<i>Total</i>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	96,998	204,584	8,194	23,197	68	4,553	125	-	337,719
Acquisitions	-	261	1,573	-	97	164	22	1,104	3,221
Disposals	-	-	(12)	-	-	-	-	-	(12)
Re-measurement	-	-	-	662	-	-	-	-	662
Transfers between asset classes	-	(45)	45	-	13	-	-	-	13
Depreciation & amortisation	-	(7,443)	(1,346)	(1,693)	(70)	(212)	-	-	(10,764)
Carrying amount at the end of the period	96,998	197,357	8,454	22,166	108	4,505	147	1,104	330,839

The 2021-22 financial statements did not include right-of-use buildings and vehicles which have been added for comparative purposes.

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5.5. Intangible assets

	2023 \$'000	2022 \$'000
Computer software and licences	16,502	9,254
Accumulated amortisation	(2,172)	(1,464)
Total computer software and licences	14,330	7,790
Intangible work in progress	-	5,713
Total intangible work in progress	-	5,713
Total intangible assets	14,330	13,503

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

The acquisition of computer software and licences is capitalised only when the expenditure meets the definition and recognition criteria of development costs contained in AASB 138 *Intangible assets* and when the amount of expenditure is greater than or equal to \$5,000.

The computer software relates to the Electronic Court Management System which has a remaining useful life of 18 years.

The intangible work in progress in 2022 is related to the criminal module in the Electronic Court Management System.

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Reconciliation 2022-23

	<i>Computer software & licence \$'000</i>	<i>Intangible capital work in progress \$'000</i>	Total Intangible Assets \$'000
Carrying amount at the beginning of the period	7,790	5,713	13,503
Acquisitions	-	1,653	1,653
Transfer	7,366	(7,366)	-
Depreciation & amortisation	(826)	-	(826)
Carrying amount at the end of the period	14,330	-	14,330

Reconciliation 2021-22

	<i>Computer software & licence \$'000</i>	<i>Intangible capital work in progress \$'000</i>	Total Intangible Assets \$'000
Carrying amount at the beginning of the period	8,238	2,984	11,222
Acquisitions	-	2,729	2,729
Transfer	-	-	-
Depreciation & amortisation	(448)	-	(448)
Carrying amount at the end of the period	7,790	5,713	13,503

5.6. Non-current assets classified as held for sale

	2023 \$'000	2022 \$'000
Land	796	796
Building and improvements	1,610	1,610
Total non-current assets classified as held for sale	2,406	2,406

As a result of the continuing measures within the Authority to reduce locations in response to changing environments and pressures, the Holden Hill courthouse and land were declared surplus during 2019. It is anticipated that the land and building will be sold in the next financial year.

This land and building are being disposed under the requirements of Premier and Cabinet Circular PC114 Government Real Property Management. The Authority has measured the land and building held for sale at carrying value because the assets' carrying values are less than the fair value less costs to sell.

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6. Financial assets

6.1. Cash and cash equivalents

	2023	2022
	\$'000	\$'000
<u>Deposits with the Treasurer (Special deposit accounts)</u>		
Deposits with the Treasurer	33,837	35,081
Accrual Appropriation Excess Funds	23,436	16,268
Total deposits with the Treasurer (Special deposits accounts)	57,273	51,349
Foreign currency deposit account held at SAFA	-	991
Cash on hand	3	3
Total cash and cash equivalents	57,276	52,343

Deposits with the Treasurer

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

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

The foreign currency deposit account with SAFA was established to meet the milestone payment and annual licencing costs for the Electronic Court Management System.

6.2. Receivables

	2023	2022
	\$'000	\$'000
<u>Current</u>		
<u>Contractual receivables</u>		
From government entities	33	-
From non-government entities	112	58
Allowance for impairment loss	-	(2)
Total contractual receivables	145	56
<u>Statutory receivables</u>		
Prepaid employee on-costs	-	31
GST Input tax recoverable	453	697
Total statutory receivables	453	728
Prepayments	963	1,568
Accrued revenue	190	-
Total current receivables	1,751	2,352

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

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Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

The net amount of GST recoverable from the Australian Tax Office is included as part of receivables.

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

Allowance for impairment loss on receivables

	2023	2022
	\$'000	\$'000
Carrying amount at the beginning of the period	2	2
Amounts written off	(2)	-
Carrying amount at the end of the period	-	2

Collectability of receivables is reviewed on an ongoing basis. An allowance for impairment is raised when there is objective evidence that the Authority will not be able to collect the debt. Other than as recognised in the allowance for impairment loss, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates the net fair value due to being receivables on demand. There is no concentration of credit risk.

Refer to note 10.3 for further information on risk management.

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7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1. Payables

	2023	2022
	\$'000	\$'000
Current:		
Contractual payables		
Accrued expenses	1,666	2,852
Accrued capital expenditure	335	2,049
Total contractual payables	2,001	4,901
Statutory payables		
FBT payable	11	22
PAYG payable	-	1
Employment on-costs	1,055	1,378
Paid Parental Leave Scheme payable	6	5
Audit fee	156	145
Total statutory payables	1,228	1,551
Total current payables	3,229	6,452
Non-Current:		
Statutory payables		
Employment on-costs	761	756
Total non-current payables	761	756
Total payables	3,990	7,208

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

Statutory payables do not arise from contracts.

Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has increased to a rate of 43% in 2023 from 42% in 2022 and the average factor for the calculation of employer superannuation on-costs increased to 11.1% in 2023 from 10.6% in 2022. These rates are used in the employment on-cost calculation. The

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net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$29,000. The impact on future periods is impracticable to estimate.

7.2. Financial liabilities

	Note	2023 \$'000	2022 \$'000
Current			
Leases liabilities	5.3	1,775	1,603
Total current financial liabilities		1,775	1,603
Non-current			
Lease liabilities	5.3	21,470	21,495
Total non-current financial liabilities		21,470	21,495
Total financial liabilities		23,245	23,098

Financial liabilities are measured at amortised cost.

7.3. Provisions

	2023 \$'000	2022 \$'000
Current		
Provision workers compensation	620	884
Total current provisions	620	884
Non-current		
Provision workers compensation	1,539	4,229
Total non-current provisions	1,539	4,229
Total provisions	2,159	5,113

Movement in provisions

	2023 \$'000
Carrying amount at the beginning of the period	5,113
Additions	604
Payments	(708)
Re-measurement	(2,850)
Carrying amount at the end of the period	2,159

A provision has been reported to reflect unsettled workers compensation and additional compensation for certain work-related injuries or illnesses claims. The workers compensation provisions are based on an actuarial assessment of the outstanding liability as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

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

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7.4. Other Liabilities

	2023 \$'000	2022 \$'000
<u>Current</u>		
Unearned revenue	246	263
Unclaimed money	126	116
Total other liabilities	372	379

8. Other disclosures

8.1. Equity

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

8.2. Cash flow

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

Total cash outflows for leases were \$2.80 million (\$2.62 million).

Reconciliation of net result to cash flows from operating activities

	2023 \$'000	2022 \$'000
<u>Reconciliation of cash and cash equivalents at the end of the reporting period</u>		
Cash and cash equivalents disclosed in the Statement of Financial Position	57,276	52,343
Balance as per the Statement of Cash Flows	57,276	52,343
<u>Reconciliation of net cash provided by operating activities to net cost of providing services</u>		
Net cash provided by/(used in) operating activities	11,553	13,428
<u>Add/less non-cash items</u>		
Depreciation and amortisation expense of non-current assets	(11,731)	(11,212)
Net loss from disposal of property, plant and equipment	(6)	(12)
<u>Movements in assets and liabilities</u>		
Decrease in receivables	(430)	(116)
Decrease in payables	1,504	1,568
Decrease in employee benefits liability	290	3,070
Decrease in provisions	2,954	32
Decrease in other liabilities	7	124
Net result	4,141	6,882

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9. Outlook

9.1. Unrecognised commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual sources and are disclosed at their nominal value and inclusive of non-recoverable GST.

Contractual commitments to acquire intangible assets

	2023 \$'000	2022 \$'000
Within one year	-	956
Total capital commitments	-	956

The Authority's commitment relates to a milestone payment for the Electronic Court Management System.

Other contractual commitments

	2023 \$'000	2022 \$'000
Within one year	2,661	2,077
Later than one year but not longer than five years	3,081	2,923
Later than five years	-	265
Total other contractual commitments	5,742	5,265

The Authority's other contractual commitments comprise:

- Intervention programs with not-for-profit organisations
- Cleaning, hygiene and linen services contract with Southern Cross Cleaning
- Residential leases that are not captured by AASB 16
- Provision of waste management services with Remondis Australia
- Software licence and management system with SINE Contractor Management
- Provision of learning management system with Kineo Pty. Ltd.

Operating lease commitments as lessor

	2023 \$'000	2022 \$'000
Commitments in relation to accommodation operating leases contracted for at the reporting date but not recognised as receivable in the financial report, are receivable as follows:		
Within one year	128	250
Total operating lease commitments as lessor	128	250

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9.2. Contingent assets and liabilities

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

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

9.3. Impact of standards not yet effective

The Authority has assessed the impact of new and changed Australian Accounting Standards and Interpretations not yet effective and found there is no material impact.

9.4. COVID-19 pandemic outlook for the Authority

The COVID-19 pandemic will have minimal impact on the operations of the Authority in 2023-24. Further outbreaks and subsequent restrictions may lead to impacts as listed in note 1.3.

9.5 Events after the reporting period

The Authority is not aware of any events occurring after 30 June 2023 that would impact on the financial statements.

10. Measurement and risk

10.1. Long service leave liability – measurement

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

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

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased to 4.0% in 2023 from 3.5% in 2022.

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

The actuarial assessment performed by the Department of Treasury and Finance increased the salary inflation rate to 3.5% in 2023 from 2.5% in 2022 for long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability and expense of \$250,000. 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.

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10.2. Fair value

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

Initial recognition

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

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

Revaluation

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

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

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

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

Fair value hierarchy

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

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

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

During 2023 and 2022, the Authority had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

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Fair value classification – non-financial assets at 30 June 2023

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land	5.1	96,998	-	96,998
Buildings	5.1	792	189,218	190,010
Computing, plant and equipment	5.1	-	9,087	9,087
Library collection	5.1	-	4,412	4,412
Works of art and collections	5.1	-	147	147
Total recurring fair value measurements		97,790	202,864	300,654
Non-recurring fair value measurements				
Land held for sale	5.5	1,610	-	1,610
Building held for sale	5.5	-	796	796
Total non-recurring fair value measurements		1,610	796	2,406
Total		99,400	203,660	303,060

Fair value classification – non-financial assets at 30 June 2022

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land	5.1	96,998	-	96,998
Buildings	5.1	891	196,466	197,357
Computing, plant and equipment	5.1	-	8,454	8,454
Library Collection	5.1	-	4,505	4,505
Works of art and collections	5.1	-	147	147
Total recurring fair value measurements		97,889	209,572	307,461
Non-recurring fair value measurements				
Land held for sale	5.5	1,610	-	1,610
Building held for sale	5.5	-	796	796
Total non-recurring fair value measurements		1,610	796	2,406
Total		99,499	210,368	309,867

Land and buildings

Fair value of land has been determined using the market approach. A valuation was undertaken in June 2020 which was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land such as size and location. For land classified as restricted in the valuation, fair value was determined by applying an adjustment to reflect the restriction i.e., heritage.

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

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

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

Computing, plant and equipment

All items of computing, plant and equipment owned by the Authority that had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life that less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

Library collection

Bound volumes were internally revalued at 30 June 2019 to fair value based upon the written down cost. The Authority has determined that subsequent acquisitions are measured at historical cost which approximates fair value.

Reconciliation of level 3 recurring fair value measurements as at 30 June 2023

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

	Buildings \$'000	Computing, plant and equipment \$'000	Library Collections \$'000	Works of art and collections \$'000	Total \$'000
Opening balance at the beginning of the period	197,262	8,454	4,505	147	210,368
Acquisitions	170	1,091	124	-	1,385
Transfer between asset classes	(61)	882	-	-	821
Disposal	-	(6)	-	-	(6)
Depreciation	(7,357)	(1,334)	(217)	-	(8,908)
Carrying amount at the end of the period	190,014	9,087	4,412	147	203,660

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Reconciliation of level 3 recurring fair value measurements as at 30 June 2022

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

	Buildings \$'000	Computing, plant and equipment \$'000	Library Collections \$'000	Works of art and collections \$'000	Total \$'000
Opening balance at the beginning of the period	204,389	8,194	4,553	125	217,261
Acquisitions	261	1,573	164	22	2,020
Transfer between asset classes	(45)	45	-	-	-
Disposal	-	(12)	-	-	(12)
Depreciation	(7,343)	(1,346)	(212)	-	(8,901)
Carrying amount at the end of the period	197,262	8,454	4,505	147	210,368

10.3. Financial Instruments

Financial risk management

Risk management is managed by the Authority's corporate services division. The Authority's risk management policies are in accordance with the SA Government Risk Management Guide and the principles established in the Australian Standard Risk Management Principles and Guidelines.

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

Liquidity risk

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

Refer to notes 7.1 and 7.2 for further information.

Credit risk

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

Impairment of financial assets

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

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

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

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

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

The exposure to credit risk and expected credit loss for non-government debtors in the operating financial statements is immaterial.

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

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
Current (not past due)	29	2.2	1
1 – 30 days past due	25	4.1	1
31 – 60 days past due	2	5.6	-
61 – 90 days past due	1	N/A	-
More than 90 days past due	575	N/A	55
Loss allowance	632		57

Loss rates are based on actual history of credit loss.

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

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

The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

Market risk

The Authority manages its risk in accordance with the SA Government's risk management strategy articulated in TI 23 *Management of Foreign Currency Exposures*.

The Authority held a foreign exchange deposit with SAFA at 30 June 2022 which was closed during 22-23.

Gains or losses on this deposit have been recognised within the financial statements. Refer to note 2.6 (for 2022 refer to note 4.5)

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

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

Categorisation of financial instruments

Details of the material accounting policy information and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset and financial liability are disclosed in the respective financial asset / financial liability note.

Classification of financial instruments

The Authority measures all financial instruments at amortised cost.

Maturity analysis of financial instruments

Category of financial asset and financial liability	Note	2023	2023 contractual maturities *		
		Carrying amount/ Fair value \$'000	Within 1 year \$'000	1-5 years \$'000	5+ years \$'000
Financial assets					
Cash and cash equivalents					
Cash and cash equivalents	6.1	57,276	n/a	n/a	n/a
Financial assets at amortised cost					
Receivables **	6.2	335	n/a	n/a	n/a
Total financial assets		57,611	-	-	-
Financial liabilities					
Financial liabilities at amortised cost					
Payables **	7.1	2,001	-	-	-
Lease liabilities	7.2	23,245	1,775	7,272	14,198
Total financial liabilities		25,246	1,775	7,272	14,198

Category of financial asset and financial liability	Note	2022	2022 contractual maturities *		
		Carrying amount/ Fair value \$'000	Within 1 year \$'000	1-5 years \$'000	5+ years \$'000
Financial assets					
Cash and cash equivalents					
Cash and cash equivalents	6.1	52,343	n/a	n/a	n/a
Financial assets at amortised cost					
Receivables **	6.2	56	n/a	n/a	n/a
Total financial assets		52,399	-	-	-
Financial liabilities					
Financial liabilities at amortised cost					
Payables **	7.1	4,901	-	-	-
Lease liabilities	7.2	23,098	1,603	6,587	14,908
Total financial liabilities		27,999	1,603	6,587	14,908

*Maturities analysis is presented using the undiscounted cash flows and therefore may not aggregate to equal the carrying amount/fair value of the financial instrument.

**Total amounts disclosed here exclude statutory amounts. Receivables do not include prepayments as these are not financial instruments. Prepayments are presented in note 6.2.

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Statutory receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges, and Auditor-General's Department audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

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Statement of Administered Comprehensive Income

for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Administered income			
Revenues from SA Government		46,907	44,985
Court fees		22,925	20,598
Transcript fees		1,810	1,517
Fines Enforcement Recovery Unit income		-	3
Gain/(loss) from disposal of right-of-use vehicles		-	1
Other revenues		797	550
Total administered income		72,439	67,654
Administered expenses			
Judicial benefits expenses	A4	46,266	44,349
Leases expenses		226	268
Payments to Fines Enforcement Recovery Unit		-	3
Payments to Consolidated Account		24,730	22,060
Depreciation and amortisation		402	365
Interest cost on lease liabilities		14	4
Other expenses		801	605
Total administered expenses		72,439	67,654
Net result and total comprehensive result		-	-

The accompanying notes form part of these financial statements.

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

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Statement of Administered Financial Position

as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Administered current assets			
Cash and cash equivalents	A7	202,423	90,922
Receivables	A8	6,045	4,248
Total current assets		208,468	95,170
Administered non-current assets			
Property, plant and equipment	A6	719	564
Total non-current assets		719	564
Total assets		209,187	95,734
Administered current liabilities			
Payables	A9	4,405	3,954
Lease liabilities	A10	374	309
Judicial benefits liability	A5	3,955	4,326
Other liabilities	A11	199,254	85,802
Total current liabilities		207,988	94,391
Administered non-current liabilities			
Payables	A9	1,222	1,203
Lease liabilities	A10	350	257
Judicial benefits liability	A5	7,595	7,851
Total non-current liabilities		9,167	9,311
Total liabilities		217,155	103,702
Net assets		(7,968)	(7,968)
Administered equity			
Accumulated deficit		(7,968)	(7,968)
Total administered equity		(7,968)	(7,968)

The accompanying notes form part of these financial statements.

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

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Statement of Administered Cash Flows

for the year ended 30 June 2023

	Note	2023	2022
<u>Cash flows from administered activities</u>		\$'000	\$'000
<u>Cash inflows</u>			
Receipts from SA Government		45,406	46,887
Receipts into trust accounts		212,093	116,951
Court fees		22,511	20,426
Transcript fees		1,796	1,529
Fines Enforcement Recovery Unit receipts		-	3
GST recovered from the ATO		48	58
Other receipts		835	608
Cash generated from administered activities		282,689	186,462
<u>Cash outflows</u>			
Judicial benefits		(47,027)	(47,394)
Payments to consolidated account		(24,083)	(22,034)
Payments from trust accounts		(98,646)	(83,562)
Payments to Fines Enforcement Recovery Unit		-	(3)
Interest on borrowing		(14)	(4)
Other payments		(1,020)	(860)
Cash used in administered activities		(170,790)	(153,857)
Net cash provided by administered activities	A12	111,899	32,605
<u>Cash flows from administered financing activities</u>			
<u>Cash outflows</u>			
Repayment of leases		(398)	(367)
Net cash used in administered financing activities		(398)	(367)
Net increase in cash and cash equivalents		111,501	32,238
Cash and cash equivalents at beginning of the period		90,922	58,684
Cash and cash equivalents at end of period	A7	202,423	90,922

The accompanying notes form part of these financial statements.

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Note A1 Basis of preparation and accounting policies

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

The Authority is responsible for the administration of courts' activities on behalf of the SA Government. In performing these activities, certain trust funds are held for, and distributed to, external parties. The Authority has no beneficial interest in these funds.

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

The principal activities administered by the Authority are mainly comprised of the following transactions:

- 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.
- Court fees and transcript fees – The Authority processes revenue from fees charged under regulations to various Acts. Examples of these fees include lodgment fees in the various jurisdictions and sale of evidence/transcripts. Court fees and transcript fees are recognised upon delivery of the service. The revenue is directly credited and paid to the Consolidated Account.
- Other revenue includes recovery from other SA Government agencies for witness fees paid when the witness fee expense is incurred.
- Trust accounts - The Authority receives monies into trust accounts on behalf of parties involved in court matters and makes payments to parties as determined by the court. The monies are held in deposits with the Treasurer and an external bank.

The administered activities of the Authority are mainly from one activity namely, Court and Tribunal Case Resolution Services. It consists of the resolution of criminal, civil, appellate, coronial and probate matters in the State's courts and tribunals.

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Note A3 Administered budget performance

The budget performance table compares the Authority's outcomes against the administered budget information presented to Parliament (2022-23 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures.

	Note	Original budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
Statement of Administered Comprehensive Income				
Administered Income				
Revenues from SA Government		47,389	46,907	(482)
Court fees		22,343	22,925	582
Transcript fees		1,515	1,810	295
Other Revenues		1,166	797	(369)
Total administered income		72,413	72,439	26
Administered Expenses				
Judicial benefits expenses	A4	46,854	46,266	(588)
Leases expenses		-	226	226
Payments to Consolidated Account		23,858	24,730	872
Depreciation and amortisation		519	402	(117)
Interest cost on lease liabilities		16	14	(2)
Other expenses		1,166	801	(365)
Total administered expenses		72,413	72,439	26
Net and total comprehensive result		-	-	-

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Note A4 Judicial benefits expenses

	2023 \$'000	2022 \$'000
Salaries and wages	31,468	31,323
Long service leave	1,805	391
Annual leave	2,517	2,511
Employment on-costs - superannuation	7,042	6,713
Employment on-costs - payroll tax	2,208	2,121
Other judicial related expenses	1,226	1,290
Total judicial benefits expenses	46,266	44,349

Employment on-costs - superannuation

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

Judicial remuneration

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

	2023 No.	2022 No.		2023 No.	2022 No.
The number of judicial officers whose remuneration received or receivable falls within the following bands:					
\$160,001 to \$180,000	2	1	\$460,001 to \$480,000	-	2
\$180,001 to \$200,000	1	1	\$480,001 to \$500,000	1	-
\$200,001 to \$220,000	-	2	\$500,001 to \$520,000	2	2
\$220,001 to \$240,000	2	1	\$540,001 to \$560,000	1	-
\$240,001 to \$260,000	-	3	\$560,001 to \$580,000	18	9
\$260,001 to \$280,000	2	1	\$580,001 to \$600,000	2	13
\$280,001 to \$300,000	1	-	\$600,001 to \$620,000	2	1
\$300,001 to \$320,000	1	-	\$620,001 to \$640,000	1	-
\$320,001 to \$340,000	1	2	\$640,001 to \$660,000	6	4
\$340,001 to \$360,000	-	4	\$660,001 to \$680,000	5	6
\$360,001 to \$380,000	3	5	\$680,001 to \$700,000	-	2
\$380,001 to \$400,000	5	3	\$700,001 to \$720,000	1	-
\$400,001 to \$420,000	20	21	\$720,001 to \$740,000	1	1
\$420,001 to \$440,000	9	9	\$860,001 to \$880,000	1	-
\$440,001 to \$460,000	2	4			
Total number of judicial officers	90	97			

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 \$43.4 million (\$45.5 million).

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Note A5 Judicial benefits liability

	2023 \$'000	2022 \$'000
Current		
Annual leave	2,465	2,629
Long service leave	1,490	1,697
Total current judicial benefits liability	3,955	4,326
Non-current		
Long service leave	7,595	7,851
Total non-current judicial benefits liability	7,595	7,851
Total judicial benefits liability	11,550	12,177

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

Salaries and wages and annual leave

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

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

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by the judicial members up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 10.1 of the operating/controlled financial statements.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave. AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds is 4.00% (2022: 3.50%).

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability and expense of \$273,000. 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.

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Note A6 Administered property, plant and equipment

	2023 \$'000	2022 \$'000
Property, plant and equipment		
Right-of-use vehicles at cost	1,303	988
Accumulated depreciation at the end of the period	(584)	(424)
Total right-of-use vehicles	719	564
Total property, plant and equipment	719	564

Administered property, plant and equipment are motor vehicles leased and recorded by the Authority at cost.

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

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

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Note A7 Administered cash and cash equivalents

	2023 \$'000	2022 \$'000
Deposits with the Treasurer	202,423	90,121
Deposit at bank	-	801
Total Administered cash and cash equivalents	202,423	90,922

Deposits with the Treasurer

The Authority has three deposits with the Treasurer: a general operating account for administered transactions which does not earn interest, and two special deposit accounts for trust monies payable to external parties, which earn interest. In 2022-23, Treasury advised that interest payments would recommence for the two special accounts. This interest is attributable to external parties.

Deposit at bank

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

The trust monies held and payable to external parties are \$196.2 million (\$82.8 million). Refer to note A11.

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Note A8 Administered receivables

	2023	2022
	\$'000	\$'000
Current		
<u>Contractual receivables</u>		
Debtors		
From government entities	174	29
From non-government entities	632	412
Less: impairment loss on receivables	(57)	(102)
Total contractual receivables	749	339
<u>Statutory receivables</u>		
Prepaid judicial benefits on-costs	-	26
Accrued revenue	5,296	3,744
Total statutory receivables	5,296	3,770
Prepayments	-	139
Total current receivables	6,045	4,248

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

Allowance for impairment of receivables

	2023	2022
	\$'000	\$'000
Carrying amount at the beginning of the period	102	113
Amounts written off	(43)	(65)
Amount recovered during the year	(3)	(12)
Increase in allowance recognised in profit and loss	1	66
Carrying amount at the end of the period	57	102

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

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Note A9 Administered payables

	2023 \$'000	2022 \$'000
<u>Current</u>		
<u>Contractual payables</u>		
Accrued expenses	78	8
<u>Statutory payables</u>		
Creditors	248	468
FBT payable	194	195
GST payable	4	1
Judicial benefits on-costs	926	975
Accrued expense	2,955	2,307
Total current administered payables	4,405	3,954
<u>Non-Current</u>		
<u>Statutory payables</u>		
Judicial benefits on-costs	1,222	1,203
Total non-current administered payables	1,222	1,203
Total administered payables	5,627	5,157

Contractual payables and accrued expenses are recognised for all amounts owing but unpaid. Payables and accrued expenses are mainly statutory payables (e.g. Commonwealth tax and Consolidated account) which has no credit risk. All payables are non-interest-bearing. The carrying amount of payables represents fair value due to their short-term nature.

The net amount of GST payable to the Australian Taxation Office is included as part of payables.

Judicial benefits on-costs

Judicial benefits on-costs are settled when the respective judicial benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

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

The Authority contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at 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 has increased to a rate of 43% in 2023 from 42% in 2022 and the average factor for the calculation of employer superannuation on-cost increased to 11.1% in 2023 from 10.6% in 2022. 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 \$29,000. The impact on future periods is impractical to estimate. Refer to note A5 Judicial Benefits liability.

**Courts Administration Authority
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Note A10 Administered leases liability

	2023	2022
	\$'000	\$'000
Current lease liability	374	309
Non-current lease liability	350	257
Total lease liability	724	566
Within one year	374	309
Later than one year but not longer than five years	350	257
Total lease liability	724	566

Note A11 Administered other liabilities

	2023	2022
	\$'000	\$'000
Current		
Trust accounts	196,286	82,838
Unclaimed money	2,968	2,964
Total administered other liabilities	199,254	85,802

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Note A12 Administered cash flow reconciliation

	2023	2022
	\$'000	\$'000
<u>Reconciliation of cash and cash equivalents at the end of the reporting period</u>		
Cash and cash equivalents disclosed in the Statement of Administered Financial Position	202,423	90,922
Balance as per the Statement of Administered Cash Flows	202,423	90,922
<u>Reconciliation of net operating cash provided by administered activities to net result</u>		
Net cash provided by administered activities	111,899	32,605
<u>Less non-cash items</u>		
Impairment of receivables	(4)	(55)
Depreciation and amortisation	(402)	(365)
Gain from disposal of right-of-use vehicles	-	1
<u>Movements in administered assets and liabilities</u>		
(Decrease)/increase in receivables	1,802	(1,691)
Decrease in judicial benefits liability	627	2,691
Decrease/(increase) in payables	(470)	218
Increase in other liabilities	(113,452)	(33,404)
Net result	-	-

Total cash outflow for leases was \$659,000 (2022: \$722,000)

Courts Administration Authority
Certification of the Financial Statements
For the year ended 30 June 2023

We certify that the:

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



Penny Croser

State Courts Administrator

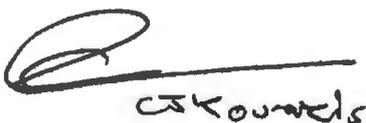
13 September 2023



Linda Abrams-South

**Executive Director Corporate
Services and Chief Financial Officer**

13 September 2023



The Honourable Christopher Kourakis

**Chief Justice of the Supreme Court
Chair State Courts Administration Council**

13 September 2023