

COURT SERVICES VICTORIA
(rcvd 11062015)



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2015-16 BUDGET ESTIMATES QUESTIONNAIRE

1. Strategic priorities

Question 1

If the Department has been affected by machinery-of-government changes, please:

- (a) outline the machinery-of-government changes which have affected the Department.

Court Services Victoria (CSV) was established on 1 July 2014 under the *Court Services Victoria Act 2014* (CSV Act). CSV is a new statutory body corporate, with a range of statutory powers, established to undertake certain functions, including the provision of administrative services and facilities to support the functions of the courts and VCAT and to enable the Judicial College of Victoria to perform its functions. These functions were previously provided by or through the Department of Justice and Regulation (DJR).

As a statutory body corporate, CSV is a legal person, and can enter into contracts and hold and dispose of property in its own name.

The CSV Act provides for the transfer to CSV of State-owned assets, rights, liabilities and court, VCAT and JCV related personnel to enable CSV to carry out its functions.

A number of key instruments were made under the CSV Act to give effect to the above transfer of functions, including:

- Allocation Statement to vest property (other than real property), rights and liabilities (Part 7, Division 2, CSV Act);
- Vesting Order vesting management of land used for court purposes in CSV (section 58, CSV Act); and
- Premier's declaration with respect to the transfer of court services employees (section 43, CSV Act).

Existing State assets and contracts relating to the jurisdictions, with some exceptions, were accordingly assigned to CSV by the State of Victoria under the above instruments.

A number of systems and services continue to be shared between DJR and CSV under an agreed arrangement between the two entities.

- (b) estimate the anticipated benefits of these changes (such as improved service delivery, savings in accommodation costs, reduced employee expenses). Please quantify these benefits where possible.

The establishment of CSV and the above changes support judicial independence and creates a more independent structure for the administration that better reflects the role of the judiciary as the separate third arm of government and supports the judiciary in the exercise of their functions. The establishment of CSV is also anticipated to substantially improve service delivery.

- (c) estimate the anticipated costs of carrying out the changes. Please include all costs of the changes, such as IT-related costs or relocation costs, excluding staff costs.

The estimated cost of carrying out the changes is \$2.7 million (expended across three financial years, from 2012-13 to 2014-15), which covers IT, legal advice and contractor costs.

- (d) identify the anticipated staff impacts of the machinery-of-government changes, quantifying expected redeployments, redundancies (including targeted redundancies), non-renewal of contracts and any other means of reducing staff numbers. Please identify estimated staff costs and savings arising from each means. Please also identify the areas within the Department where staff reductions are anticipated.

	Number (FTE)	Resulting costs (\$ million)	Resulting savings (\$ million)
Redeployment	4.0	0	0.62 per annum in salary and on costs
Redundancies	8.0	0.59	Nil savings as redundancies were offset by new roles established to reflect the required capability for CSV.
Non-renewal of contracts	-	-	-
Staff reductions through other means	-	-	-
Areas where reductions are anticipated	The eight redundancies identified above occurred in 2014-15, and were located in the Jurisdiction Services division of CSV (specifically, in the Human Resources, Finance, and People and Business Services business units). There is no further anticipated reduction in staff numbers in CSV in 2015-16.		

- (e) detail any expected closures of offices, depots or other public service points as a result of the machinery-of-government changes, quantifying the number of each type of location to be closed.

The establishment of CSV has not resulted in any expected closures.

Question 2

- (a) What are the Department’s key strategic priorities underpinning its budget for 2015-16 and over the forward estimates to 2018-19?

CSV came into operation on 1 July 2014, with an immediate focus on implementing its statutory objectives. CSV’s inaugural strategic plan is being finalised and will focus on the period 2015-18.

- (b) If applicable, how do these priorities differ from the previous year?

In its first year of operation, CSV has focused on the key foundation tasks essential for setting up a sustainable entity. Now nearing the end of its first year of operation, CSV looks forward to implementing its strategic vision for the coming three year period.

- (c) What are the impacts of any differences in the Department’s strategic priorities between 2014-15 and 2015-16 on funding and resource allocation in the 2015-16 Budget?

As noted above, CSV is finalising the completion of its inaugural strategic plan. As there were no published strategic priorities for 2014-15, there are no differences to report.

- (d) Please identify any programs or initiatives (asset or output) over \$2.0 million relevant to the Department that have been curtailed, deferred, discontinued or completed as a result of changes in strategic priorities between 2014-15 and 2015-16. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

As noted above, CSV is finalising the completion of its inaugural strategic plan. As there were no published strategic priorities for 2014-15, no CSV programs or initiatives have changed as a result of changes in strategic priorities. Further, no programs or initiatives over \$2 million have been curtailed, deferred or discontinued between 2014-15 and 2015-16.

Question 3

Please identify any programs or initiatives (including asset or output initiatives) that have lapsed in 2014-15 (that is, they will not be continued in 2015-16). For each program or initiative, please indicate the expenditure on this program/initiative in 2014-15. Please also identify the impact on the community of the lapsing (including rescheduling of service provision or commencement of service provision). If there is no impact, please detail the actions undertaken by the Department to ensure that there is no impact. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

Program or initiative	Expenditure in 2014-15 (\$ million)	Impact on the community of lapsing or actions taken by the Department to ensure there is no impact
N/A – No CSV programs or initiatives lapsed in 2014-15.		

Question 4

What are the key Government policies applicable to the Department in 2015-16 and how are these policies addressed in this budget?

The Government's commitment to addressing family violence, in particular, responding to the increasing demand for family violence services in the interim, ahead of the Royal Commission into Family Violence, is applicable to CSV.

CSV will deliver three of the 2015-16 Budget Whole of Government – Family Violence output initiatives (2015-16 Budget Paper 3, pp.4-11):

- Coroners Court Death Review Unit - \$1.2 million over four years to re-establish the Victorian Systemic Review of Family Violence Deaths in the Coroners Court, which will undertake specialist investigative analysis into family violence related deaths, identifying individual and systemic determinants to inform future policy development;
- Men's behaviour change programs - \$0.5 million in 2015-16 to deliver additional court-ordered men's behaviour change programs for perpetrators of family violence; and
- Victorian Court Safety Audit - \$0.1 million in 2015-16 to conduct a safety audit that assesses the physical structure and operation of the Magistrates' Court to ensure victims of family violence are safe and not intimidated while attending court.

CSV will also deliver 148 video conferencing units across all Magistrates' Courts in Victoria (\$10 million over two years of asset funding and \$4.6 million over four years of output funding). Video conferencing enables the separation of victims from the accused while giving evidence, which is particularly important in cases of family violence (2015-16 Budget Paper 3, pp.102-3).

Question 5

- (a) Please provide details of the Department's progress at developing corporate plans and long-term plans as detailed in the Department of Treasury and Finance's *A Guide to Corporate and Long-Term Planning* (April 2014).

Whilst CSV is not bound by the *Financial Management Act 1994* requirement to prepare a corporate plan, it has agreed to meet the Department of Treasury and Finance's requirement to do so as set out in the recently endorsed Memorandum of Understanding between the Attorney-General, on behalf of Executive Government, and the Courts Council. The corporate plan is currently being developed.

- (b) If your corporate plan is online, please provide the address below. If it is not online, please provide a copy and explain why it is not online.

The corporate plan is currently being developed and will be made available on the CSV website (www.courts.vic.gov.au) once approved.

- (c) Please supply a copy of your department's long-term plan. This will not be published on the PAEC's website. If you are unable to supply a long-term plan, please explain why.

CSV's inaugural strategic plan is being finalised and is expected to be considered by the Courts Council by August 2015. All planning documents will be made available via the CSV website once approved. A copy of the strategic plan can be provided to PAEC once ratified by the Courts Council.

2. Budget preparation

Question 6

In relation to the Department's budget across the forward estimates period, please indicate:

- (a) major areas of risk identified by the Department for its income estimates

There are no major areas of risk to CSV's income estimates.

- (b) major areas of risk identified by the Department for its expenses estimates

CSV expenses are forecast to grow faster than increases to its appropriation. Major expense risks for CSV primarily relate to the growth of salary expenses and insufficient funding to resource demand pressures created by upstream or downstream policy impacts.

In addition aging IT and poor quality court buildings and facilities pose significant expense risk and are points of potential critical failure for the Courts.

- (c) what measures have been put in place to manage these risks.

The jurisdictions have implemented a program of highly successful reforms and innovations to address demand pressures. This includes, for example, reforms of criminal appeals, reforms of civil appeals, and expansion of the Commercial Court Division of the Supreme Court. Future innovations are currently being developed with the aim to generate efficiencies helping to mitigate expense pressures.

Question 7

Please list all agreements or contracts with a total value of \$10 million or greater entered into in the three-month period prior to the 2014 State election. Please also provide the total value of each agreement/contract and a description of the agreement/contract). Include agreements/contracts for both asset and output expenditure and related to either your department or its controlled entities.

Agreement/contract	Total value (\$ million)	Description
N/A – CSV did not enter into any contracts with a total value greater than \$10 million in the three months prior to the 2014 State election.		

Question 8

Please describe any expected sources of income or expenses where the Department anticipates that the actual amount is likely to be more than 10 per cent greater than what has been estimated in the budget papers (for example, where the amount is difficult to predict so the budget paper estimates are zero or a low amount). Please also identify any items for which the budget estimates are zero but income or expenses are expected. Examples might include ‘fair value of assets and services received free of charge or for nominal consideration’ or grants from new national partnerships that the Commonwealth might announce at some point during the forward estimates period.

Source of income/expenses	Affected line item	Details
N/A – CSV does not anticipate variations to any sources of income or expenses of greater than 10 per cent of the published estimates.		

3. Spending

Question 9

Please explain any variations of more than ± 10 per cent (or greater than \$100 million) between the revised estimate for 2014-15 and the budget for 2015-16 for the following line items in the Department's operating statement in the Statement of Finances budget paper:

- 'employee benefits'
- 'grants and other transfers'
- 'other operating expenses' in aggregate
- the major components of 'other operating expenses' for your department (please supply categories as appropriate).

	2014-15 (revised estimate)	2015-16 (Budget)	Explanation for any variances greater than $\pm 10\%$ (or greater than \$100 million)
	(\$ million)	(\$ million)	
Employee benefits	262.9	279.9	N/A
Grants and other transfers	0.8	0.3	Expiration of existing funding arrangements to be reviewed in 2015-16.
Other operating expenses	115.3	102.6	The allocation between employee and other operating expenses can vary throughout the year. Specifically, there was a higher utilisation of outsourced workforce and assistance in 2014-15, due to CSV undergoing its establishment phase.
Major components of 'other operating expenses' (please supply categories):			
Rent/utilities	26.0	26.4	N/A
Outsourced contracts	19.3	21.1	N/A

If the Department is unable to provide estimates for the components of 'other operating expenses' in 2015-16, please explain how the amount of 'other operating expenses' listed for 2015-16 in the budget papers was calculated.

N/A

Question 10

Please provide the following information regarding maintenance costs and other costs intended to increase the function or service capacity of assets (such as upgrading, improvement, refurbishment, etc.). Do not include capital expenditure.

(a) estimated expenditure for 2015-16 and over the forward estimates period

	2015-16	2016-17	2017-18	2018-19
Maintenance	\$5.0m	\$5.2m	\$5.2m	\$8.6m
Other costs to increase function/service capacity of assets				
Standard Operating Environment refresh	\$4.3m	\$0m	\$0m	\$0m

(b) the Department's method for estimating these costs

CSV has undertaken an internal review of historical maintenance costs to estimate future available maintenance funding.

(a) details, including cost provisions, of any formal asset maintenance strategies or plans developed by the Department.

CSV conducted an internal process, including obtaining expert advice, to develop an Asset Condition Assessment of all State owned court sites. This review identified around \$105 million of outstanding backlog maintenance issues, of which \$43 million (40.9 per cent) is classified as high priority. This means that, if unattended, an issue has the capacity to cause major to severe failure, resulting in the closure or withdrawal of a court in the short to medium term.

Question 11

For the line item 'payments for non-financial assets' for 2015-16 in the departmental cash flow statement in the Statement of Finances budget paper, please identify the amount that is expected to be funded using funds carried over from 2014-15.

N/A – CSV's estimated carryover from 2014-15 is \$0.

Question 12

In relation to the break-down of expenses from transactions disaggregated by government purpose classification in the budget papers (Note 12(a) to the general government sector consolidated operating statement the Statement of Finances budget paper, p.34), please provide details of the Department's component of the expenses in each category for 2014-15 and 2015-16. Please explain any variations between the years that are greater than ± 10 per cent or greater than \$100 million.

Government purpose classification	2014-15 revised estimate (\$ million)	2015-16 Budget (\$ million)	Explanation for any variances greater than $\pm 10\%$ (or greater than \$100 million)
General public services			
Public order and safety	465.6	473.4	N/A
Education			
Health			
Social security and welfare			
Housing and community amenities			
Recreation and culture			
Fuel and energy			
Agriculture, forestry, fishing and hunting			
Transport and communications			
Other economic affairs			
Other purposes			

4. Expenditure reduction measures

Question 13

For each of the savings initiatives detailed in the table below, please detail (on the same basis of consolidation as the budget papers):

- (a) what actions the Department will take in 2015-16 to meet the various savings targets
- (b) any impact that these actions will have on the delivery of services during 2015-16
- (c) the Department's savings target for 2015-16, with an explanation for any variances between the current target and what was originally published in the budget papers when the initiative was released.

Initiative	Actions the Department will take in 2015-16	Impact of these actions on service delivery in 2015-16	Savings target for 2015-16 (\$ million)	Explanation for variances to the original target
Savings (2012-13 Budget)	<p>CSV will achieve its savings target by targeting contractors and consultants costs, and seeking more efficient delivery of policy development and corporate services.</p> <p>CSV has reduced the budget available to business units in line with the savings targets detailed in the 2012-13 Budget.</p>	<p>CSV is working to ensure there is no material impact on service delivery, though this is challenging in an environment where demand for many court services is increasing. This demand puts the administration of justice under further pressure, particularly given the courts have a number of fixed ongoing costs that are not suitable to be targeted under efficiency initiatives.</p>	\$4.2 million	Nil variance.
Efficiency measures (2012-13 Budget Update)	See above	See above	\$0.2 million	Nil variance.
Efficiency measures (2013-14 Budget)	See above	See above	\$1.4 million	Nil variance.

Efficiency measures (2013-14 Budget Update)	The allocation of Better Services Implementation Taskforce efficiencies across CSV is being finalised for 2014-15 and future years. These allocations will be subject to review in the future years following the outcomes of any agreed reforms across CSV.	Allocations will be subject to review in the future years following the outcomes of any agreed reforms across CSV.	\$5.4 million	Nil variance.
Efficiency and expenditure reduction measures (2014-15 Budget)	N/A	N/A	At the time of completion of the PAEC questionnaire, no specific savings for the department had been announced.	N/A
Efficiency and expenditure reduction measures (2015-16 Budget)	N/A	N/A	At the time of completion of the PAEC questionnaire, no specific savings for the department had been announced.	N/A

Question 14

In relation to any funding from reprioritisation of existing resources in the 2015-16 Budget (as noted in Table 4.4 of Budget Paper No.2, p.58) for your department, please provide the following information in relation to each initiative, program or project from which \$2.0 million or more of funding has been reprioritised. In describing initiatives, please use the same names as are used in the budget papers.

Initiative, program or project for which funding was initially provided	Amount reprioritised for 2015-16 (\$ million)	Amount reprioritised for 2016-17 (\$ million)	Amount reprioritised for 2017-18 (\$ million)	Amount reprioritised for 2018-19 (\$ million)
N/A - No funding was reprioritised for Courts initiatives, programs or projects in the 2015-16 Budget.				

5. Output and asset initiative funding

Question 15

In regard to adjustments to the Department's base funding (as set out in *BFMG-06 – Departmental Funding Model*), please indicate:

- (a) the Department's base funding for 2014-15
- (b) the Department's base funding for 2015-16
- (c) the major factors driving the variance between 2014-15 and 2015-16.

Departmental base funding 2014-15 (\$ million)	Departmental base funding 2015-16 (\$ million)	Major factors driving the variance
454.6	461.2	The variance reflects 2015-16 Budget funding for the following initiatives: Assessment and Referral Court, Social and Community Services equal remuneration order, transport of deceased persons and video conferencing.

Question 16

Please provide the following details of any outputs for which output resources allocation reviews or base reviews (as described in *BFMG-05*) were completed in 2014-15:

- (a) output resources allocation reviews

Output	Changes as a result	Reasons for the change
N/A – No output reviews occurred in 2014-15.		

- (b) base reviews

Output	2014-15 base funding (\$ million)	2015-16 base funding (\$ million)	Reasons for the change
N/A – No base reviews occurred in 2014-15.			

Question 17

In relation to the asset initiatives released in the 2015-16 Budget for the Department (as detailed in the Service Delivery budget paper), please quantify the amount of funding for those initiatives that is expected to come from the Department's own sources (such as depreciation, applied appropriations which have not been spent or other sources) and the amount of new funding provided specifically for these initiatives in this budget.

	2014-15 (\$ million)	2015-16 (\$ million)	2016-17 (\$ million)	2017-18 (\$ million)	2018-19 (\$ million)	TEI (\$ million)
Funding from the Department's own sources	0.0	0.0	0.0	0.0	0.0	0.0
New funding specifically for these initiatives in 2015-16 Budget	0.0	7.7	2.4	0.0	0.0	10.1
Total asset initiatives (as in Service Delivery budget paper)	0.0	7.7	2.4	0.0	0.0	10.1

Question 18

- (a) Please quantify the Department's balance of applied appropriations unspent as at 30 June 2014 (as defined in the notes to note 39(a) of the 2013-14 Financial Report for the State), along with estimates for the equivalent figures as at 30 June 2015 and 2016.

	2014 (\$ million)	2015 (\$ million)	2016 (\$ million)
Applied appropriations unspent as at 30 June	N/A – CSV was part of the Justice portfolio in 2014	45.1	65.7

- (b) Please indicate the intended use of these amounts.

The majority of the estimates held relates to the accrued entitlements for individuals and payable amounts which existed or are forecast to exist at year end. As such, the intention is for these funds to be utilised when the liability materialises.

6. Public private partnership expenditure

Question 19

For each line item in the Department's comprehensive operating statement or statement of cash flows (as indicated in the Statement of Finances budget paper) which includes expenditure on commissioned PPP projects in 2015-16 or across the forward estimates period, please identify:

- (a) the line item
- (b) the value of expenditure on PPP projects included within that line item
- (c) what the expenditure is for (for example, payment of interest, payment of capital, purchases of services, payment of contracted penalties etc.).

Line item	2014-15 revised (\$ million)	2015-16 (\$ million)	2016-17 (\$ million)	2017-18 (\$ million)	2018-19 (\$ million)	Explanation
Repayment of finance leases	4.8	4.8	4.8	4.8	4.8	Repayment of principal
Interest and other finance costs paid	11.4	11.4	11.4	11.4	11.4	Interest
Depreciation	5.7	5.7	5.7	5.7	5.7	N/A
Other operating expenses	16.1	18.0	20.6	19.7	19.3	Lease expense and management/operation of the facility

7. Revenue

Question 20

In relation to 2015-16, please outline any new revenue-raising initiatives and/or major changes to existing revenue initiatives. For each initiative/change, please explain:

- (a) the reasons for the initiative/change
- (b) the assumptions underlying the reasons
- (c) alternative scenarios considered
- (d) the impact of any changes on service delivery (that is, please detail all programs/projects that have been revised as a result of changes to existing revenue initiatives)
- (e) any performance measures or targets altered as a result of the initiative/change
- (f) the anticipated total value of revenue gained/foregone as a result of the initiative/change.

In describing initiatives, please use the same names as are used in the budget papers where applicable.

Initiative/change	Reasons for the initiative/change	Underlying assumptions	Alternative scenarios	Impact of changes on service delivery	Performance measures or targets altered	Anticipated total value of revenue gained/foregone
N/A – CSV is not pursuing any relevant initiatives in 2015-16.						

Question 21

In relation to 2015-16, please outline any new tax expenditures or concession/subsidy initiatives and/or major changes to existing tax expenditures or concession/subsidy initiatives. For each initiative/change, please explain:

- (a) the reasons for the initiative/change
- (b) the assumptions underlying the reasons
- (c) alternative scenarios considered
- (d) the impact of any initiatives/changes on service delivery (that is, please detail all programs/projects that have been revised as a result of changes to existing revenue initiatives)
- (e) any performance measures or targets altered as a result of the initiative/change
- (f) the anticipated total value of revenue gained/foregone as a result of the initiative/change.

In describing initiatives, please use the same names as are used in the budget papers where applicable.

Initiative/change	Reasons for the initiative/change	Underlying assumptions	Alternative scenarios	Impact of changes on service delivery	Performance measures or targets altered	Anticipated total value of revenue gained/foregone
N/A – CSV is not pursuing any relevant initiatives in 2015-16.						

Question 22

For the Department's income categories (as appear in the Department's operating statement in the Statement of Finances budget paper), please provide an explanation for any items that have a variance of greater than ± 10 per cent or \$100 million between the revised estimate for 2014-15 and the budget for 2015-16.

Income category	Revised estimate for 2014-15 (\$ million)	Estimate for 2015-16 (\$ million)	Explanation
Grants	29.1	16.6	The decrease in grants revenue of \$12.5 million in 2015-16 is the result of a one-off budget transfer from DJR to CSV in 2014-15.

Question 23

What impact have developments at the Commonwealth level had on the Department's component of the 2015-16 State Budget?

CSV's component of the 2015-16 State Budget is not directly impacted by any Commonwealth level developments.

8. Performance measures**Question 24**

For each initiative (asset or output) in the 2015-16 Budget with a total cost over the forward estimates greater than \$20 million (or a TEI over \$20 million), please list all new and existing performance measures in the budget papers related to the initiative. In describing initiatives, please use the same names as are used in the budget papers.

Initiative	Related performance measures
N/A – no initiatives exceed the specified threshold.	

9. Staffing matters

Question 25

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2014 and estimates of FTE staff numbers (broken down by the categories listed below) at 30 June 2015 and 30 June 2016 for the Department. Please provide figures consolidated on the same basis as the expenditure for the Department in the budget papers.

Grade	30 June 2014 (Actual FTE number)	30 June 2015 (Expected FTE number)	30 June 2016 (Forecast FTE number)
Secretary			
EO-1	1	1	1
EO-2	3	3	3
EO-3	5	5	5
VPS Grade 7 (STS)	1	2	2
VPS Grade 6	117.4	126.4	125.4
VPS Grade 5	169.3	187.5	182.5
VPS Grade 4	229.4	218.4	211.9
VPS Grade 3	468.4	504.6	470.5
VPS Grade 2	611.1	639.7	646.7
VPS Grade 1	1.2	1.2	1.2
Government Teaching Service			
Health services			
Police			
Allied health professionals	1.5	0	0
Child protection			
Disability development and support			
Custodial officers			
Other*	296.4	339.8	342.3
Total	1904.7	2028.6	1991.5

*Other staff represents judicial officers. While not staff of CSV, judicial FTEs have been listed in the table above to give a complete picture of Court operations.

Question 26

Please break down the actual staff numbers in your department as at 30 June 2014 and the estimates as at 30 June 2015 and 2016 according to the number of staff that are ongoing, fixed-term or casual.

	30 June 2014 (Actual FTE number)	30 June 2015 (Expected FTE number)	30 June 2016 (Forecast FTE number)
Ongoing*	1643.9	1753.4	1720.6
Fixed-term	252.8	267.2	262.9
Casual	8	8	8
Total	1904.7	2028.6	1991.5
*Includes judicial officers.			

Question 27

Please detail the actual amount that the Department spent on contractors and consultants in 2013-14 and the estimated expenditure in 2014-15 and 2015-16 (for a definition on the difference between consultants and contractors, see FRD 22E – Standard Disclosures in the Report of Operations). Please provide figures on the same basis of consolidation for the Department as used in the budget papers.

	2013-14 Actual (\$ million)	2014-15 Expected (\$ million)	2015-16 Forecast (\$ million)
Consultants	0.041	1.253	0.000
Contractors	7.005	7.142	7.320