



Auditor-General of Victoria

Special Report No 4

Court Closures in Victoria

November 1986



VICTORIA

Report

of the

Auditor – General

SPECIAL REPORT No 4

Court Closures in Victoria

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1 MACARTHUR STREET
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The Honourable the Speaker,
Legislative Assembly,
Parliament House,
MELBOURNE 3000

November 1986

Sir,

Pursuant to the provisions of Section 48 of the Audit Act 1958, I hereby transmit a report concerning court closures in Victoria.

The primary purpose of conducting reviews of this nature is to provide an overview as to whether public funds in programs selected for examination, are being spent in an economic and efficient manner consistent with government policies and objectives. Constructive suggestions are also provided in line with the ongoing process of modifying and improving financial management and accountability controls within the public sector.

I am pleased to advise that this review has already proven to be of benefit to the government departments involved, as evidenced by their positive replies detailing initiatives already undertaken or evolving. I am also hopeful that this report will assist in resolving other issues, including the development of a policy on the use and management of public buildings.

The co-operation and assistance received by my staff from the departments during the course of the review was appreciated. It is my view that there is a growing awareness by government agencies of the advantages to be gained from such reviews, particularly the provision of independent advice on areas of concern.

Yours faithfully,

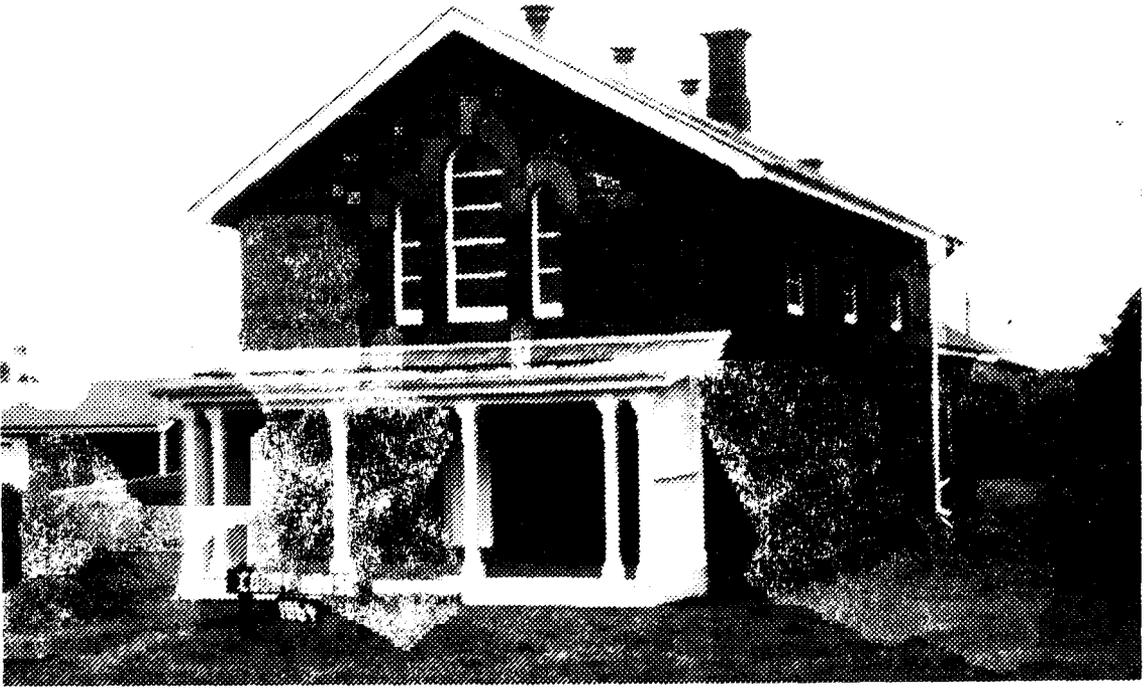
R.G. HUMPHRY
Auditor-General

PREVIOUS SPECIAL REPORTS OF THE AUDITOR-GENERAL

REPORT NUMBER	TITLE	DATE
1	. Works Contracts Overview - First Report	June 1982
2	. Works Contracts Overview - Second Report	June 1983
3	. Government Stores Operations . Departmental Cash Management	October 1984

1. INTRODUCTION

- 1.1 The majority of Victorian Courts were established in the last century, mainly in response to demands emanating from the settlement of new mining and agricultural areas. Although in some instances courts were conducted in rented premises such as Mechanics Institutes, local halls and Shire Offices, in most locations courthouses were built for the purpose. By 1965 there were approximately 230 locations throughout Victoria designated for the holding of Magistrates' Courts.
- 1.2 The type of building built for court purposes varied widely from large structures of brick or bluestone e.g. Terang or Mortlake, (photo's, pages 2 and 10) to small weatherboard structures such as can be found at Edenhope (photo, page 2) or Sea Lake. In a number of locations, e.g. Clunes or Richmond the courthouse formed part of the Shire or Council Offices, with the Government contributing to the cost of construction.
- 1.3 With the gradual reduction of population in rural areas, particularly in mining locations, and the improvement of transport facilities the need for a high density of court services diminished over the years. This led to a gradual reduction in the number of days courts were used to the point where certain courts became unofficially closed due to lack of business. In other locations Magistrates' visits became minimal or ceased altogether, with services being replaced by occasional visits by Clerks of Courts from neighbouring centres.
- 1.4 Although eventually certain courts were officially closed by virtue of an Order in Council proclaimed by the Governor, it was not until 1980 that the first significant number of official closures occurred, followed by others in 1981, 1983 and 1985. As a result of closures over the past 20 years 76 court buildings became vacant. Of these buildings 5 have been sold, 2 demolished, 27 are vacant and the remainder are either committed to, or utilised to varying degrees by local organisations or groups, predominately Historical Societies.



Mortlake Courthouse (1864). Closed on 1 January 1983 and currently managed by local Committee, in association with National Trust.



Edenhope Courthouse (1897). Closed on 1 January 1983. Building is currently unoccupied and in poor condition.

2. AUDIT OBJECTIVES AND SCOPE

- 2.1 The audit study, which commenced in 1985, focused on an examination of policy implementation and procedures in relation to the closure and future usage of courthouses and contents contained therein throughout Victoria. The specific terms of reference for the study were to review:
- (1) adequacy of criteria used by the Law Department for the closure and, if applicable, the opening of new courts and the consistency of application;
 - (2) procedures in operation to ensure that effective utilisation is being made of public resources invested in court buildings no longer required for Law Department purposes;
 - (3) costs associated with the retention of the above buildings;
 - (4) inventory controls and action taken in respect of items no longer required for court purposes; and
 - (5) whether alternative uses for closed courts were considered by management and if so, with what result.
- 2.2 The scope of the audit involved a review of the actions of the Law Department, the Public Works Department, the Department of Conservation, Forests and Lands and associated agencies and bodies in relation to the terms of reference referred to above. In particular, audit reviewed factors relating to the closure of 115 courts throughout Victoria since 1965. Of these court closures 76 involved buildings. Due to a lack of detailed information the review did not extend to closures before 1965 which historical records indicated occurred at Carisbrook, Fryerstown, Huntly, Landsborough, Lexton, Linton, Taradale, Talbot, Learmouth and Wahgunyah. However, it is known that the former courthouses located at Huntly, Taradale, Fryerstown, (photo, page 23), Talbot and Wahgunyah are now privately owned.
- 2.3 The examination involved a review of relevant documentation and files and an inspection of 32 closed courthouses. Discussions were also held with officers of the above mentioned Departments. The co-operation received from the officers concerned particularly from the Buildings Branch, Law Department, and Historic Places Branch, Department of Conservation, Forests and Lands was greatly appreciated by audit.
- 2.4 Limited consultation also occurred with the National Trust of Australia (Victoria), local Historical Societies and Shire Secretaries in circumstances where a Shire Council was appointed as a Committee of Management.

3. OVERALL CONCLUSION AND SUMMARY OF MAJOR AUDIT OBSERVATIONS AND RECOMMENDATIONS

General Comments

- 3.1 The audit study comments on many aspects of the activities of the Department of Conservation, Forests and Lands, the former Department of Crown Lands and Survey, and the Law Department in relation to the closure of courts throughout Victoria since 1965. However it must be emphasised that much of the comment, particularly in relation to Departmental policies and land management practices relates to the former Department of Crown Lands and Survey prior to its incorporation into the new Department of Conservation, Forests and Lands in 1983. Since that date the new Department has commenced a review of the "traditional" policies concerning land management it inherited, and change is gradually taking place.
- 3.2 Similarly with the Law Department much of the comment relates to the period up to 1984, at which time the most significant changes to courts administration in the history of the Department began.
- 3.3 There are still, however many issues to be resolved and improvements to be made to land management and administrative practices, as detailed in in the report and briefly summarised hereunder:

Closure of Courts and Criteria Applied

- 3.4 Audit is of the view that the court closures referred to in the study were justified, as situations had developed where the continuing provision of court services and associated expenses were no longer warranted. However, in certain locations, closures were not evaluated in relation to their effect on the preservation of historical buildings (para 4.3.3(1)), police operations (para 4.3.3(2)) or in relation to their social consequences (para 4.3.3(3)). In addition, due regard was not given to the future use of the courthouses once vacated.
- 3.5 Audit identified a general reluctance to officially close courts, especially in the 1960's and 1970's despite the various studies undertaken strongly recommending closure on economic grounds (para 4.2.3, 4.2.7 and 4.2.10). While this reluctance could mainly be attributed to fear of public backlash, the result was that courts became "unofficially" closed or rarely used resulting in deterioration of buildings, denial of use for other purposes, and expectations of occupancy by private organisations, mainly Historical Societies (para 4.3.9).

- 3.6 There was a virtual absence of planning or long term strategy for courts administration within the Law Department up until the Courts Management Change Program began in 1983 (para 4.3.12). This absence of planning often resulted in the provision of court services purely in response to individual local requests rather than identifiable levels of demand, and resulted in many court buildings rarely being used.
- 3.7 The absence of planning was perhaps best illustrated by the decisions in the 1960's to open new courts at Elmore (photo, page 23) and Bendoc. These decisions were made at a time when there was a growing realisation that in certain areas of Victoria there were already too many courts operating. Both of the above cases, in audit opinion could not be justified on economic or social grounds and are currently empty today (para 4.3.11).
- 3.8 While audit agreed that the major closures in 1980 and subsequent years were warranted, especially as many of the courts existed in name only and were not used, attention was drawn to the fact that the criteria developed for closure were not applied uniformly in all areas, particularly in the Shepparton district (para 4.3.6(2)).

Recommendations

- 3.9 Audit recommendations (para 4.4) relate to the need for closure criteria to recognise police and community needs and for the effects of closures to be evaluated. There is also a need for closure decisions to be effectively communicated and executed without undue delay, and with considered being given to the future use of buildings vacated.

Utilisation of Courthouses

- 3.10 Up until 1984, the disposal of closed courthouses was considered the responsibility of the Public Works Department or the former Department of Crown Lands and Survey. Since then the Law Department has shown preference for former courthouses to be controlled by Committees of Management as options could then be obtained for their future use in law administration. These arrangements were not considered to be entirely satisfactory (para 5.2.34).
- 3.11 The intention of the Law Department to retain certain courts as Hearing Courts to be shared with other groups, was considered to warrant review in circumstances where such courts should have been closed according to the criteria applied in 1983 (para 5.2.15).
- 3.12 The performance of the former Department of Crown Lands and Survey over the 20 year period surveyed could only be described as poor. In the absence of policies for effective land management, the Department delegated responsibility on an ad-hoc basis to community groups, Committees of Management, Historical Societies or simply left buildings idle (para 5.2.19).

- 3.13 Once management responsibility was delegated, no further interest was shown in the properties, including the level of maintenance being conducted (para 5.2.19). The preference towards rent free occupation by Historical Societies was considered by audit to be in conflict with established policies on private organisations paying market rental (Para 5.2.8).
- 3.14 Although it was acknowledged that difficulty may have been experienced in leasing courthouses in remote locations, active attempts to find tenants were not conducted and the annual return from leasing or licencing arrangements negotiated by the Department was only \$171 in 1985 from properties collectively valued at in excess of \$2 million (Para 5.2.42).
- 3.15 The failure of the Department to actively seek alternative uses for properties can be illustrated by the fact that 19 of the 76 courthouses under the control of the Department are still vacant several years after closure. As a result of the buildings remaining vacant, vandalism and decay has occurred and potential revenue from leasing arrangements or sale has been foregone (Para 5.2.43).
- 3.16 In the 20 years under review only 3 courthouses were sold by the Department, including a property at Harrow (photo, page 53) which was sold to the local sub-branch of the R.S.L in 1982 for only \$59 by invoking an ancient legislative provision (para 5.2.23(1)). On various occasions the Department received offers to buy premises but took no action, despite the fact that some of these properties were idle, or occupation was heavily subsidised.
- 3.17 The delegation of management responsibility to Committees of Management was a popular method of disposing of courthouses. While there were certain benefits to be gained from this action (para 5.2.33) there were also many disadvantages particularly in relation to maintenance commitments (para 5.2.34)
- 3.18 The study identified various problems associated with the rent free occupation of courthouses by Historical Societies (para 5.2.37), particularly their ability to maintain premises and the insistence on retaining often valuable furniture and fittings that could be used elsewhere in government (para 7.3.23). The need for any further museums to be created in government buildings should be seriously evaluated (para 5.2.37(3)).
- 3.19 Use of former courthouses by the State Emergency Service and the Victoria Police was not considered appropriate in every instance (paras 5.2.48 and 5.2.61). The reversion of the former courthouse at Richmond back to the local Municipal Council has raised the issue as to whether the use to which the Council has put the building is legal in terms of the Crown Grant (para 5.2.53).

3.20 The role of the Public Works Department was examined and found to be mainly confined to ascertaining whether disused courthouses could be used by other government bodies (para 5.4.1). However on 3 occasions a use by a government body was identified only to be overridden in favour of historical interests (paras 5.2.10(2) and 5.2.37(4)). On one of these occasions the government body involved has since expended over \$100 000 on renting alternative accommodation.

3.21 The Public Works Department arranged for courthouses to be sold on 2 occasions and returns were regarded by audit as satisfactory. The Department entered into only one leasing arrangement, which was in 1980. While based on market value at that time, the lease has not been reviewed since that date and may be illegal (para 5.4.6).

Recommendations

3.22 The major recommendations are:

- (1) Consideration be given to consolidation of the responsibility for the disposal of surplus government assets within either the Department of Property and Services or a new authority established along the lines of the "Crown Assets Disposal Authority" which operates in Canada.
- (2) Detailed, definitive policies which concern subsidised occupation by private groups, leasing arrangements, disposal procedures, suitability of occupants and maintenance agreements need to be formulated and uniformly applied.
- (3) The requirement for Hearing Courts in locations where use for Law Department purposes is likely to be minimal, and shared or subsidised use by private organisations is proposed, needs to be reviewed.

Historical Implications and Maintenance Requirements for closed Courthouses.

3.23 Maintenance and repairs conducted on closed courthouses by the Public Works Department were minimal, being restricted to emergency items only (para 6.3.1). In addition, maintenance commitments were not obtained from occupants of former courthouses and consequently the standard of maintenance varied widely (para 6.3.7).

3.24 The consequences of the absence of proper maintenance and repairs, combined with generally poor security arrangements were reflected in the poor condition of many of the buildings, including those which are classified as being worthy of preservation (para 6.3.6). Audit draws attention to the potential loss of revenue, decline in market values, and potential destruction of historic buildings as a result of these often substantial buildings deteriorating to the point where they become unsuitable for habitation (para 6.3.6).

- 3.25 Audit commends the actions of the Law Department in currently undertaking a program of progressively renovating existing courthouses which were recognised as being in poor condition after years of neglect (para 6.3.9).
- 3.26 The implications of registration of historic courthouses by the National Trust of Australia, and the inclusion of courthouses in the National Estate and/or Register of Government Buildings were examined. It was concluded that registration has not resulted in a commitment to the preservation of these buildings. Further, there has been no effort made to sell such buildings despite the fact, that in certain locations, they were empty. Sale could have resulted in renovation (para 6.3.11).
- 3.27 It was also observed that on only 3 occasions were reports sought from a government body established specifically to report on the future of historic government buildings. On two of these occasions the advice given was that the buildings were not regarded as being worthy of preservation and could be disposed of. The advice was rejected and the buildings, from which revenue of only \$55 per annum is received, were retained (para 6.3.14).

Recommendations

- 3.28 Audit recommends that commitments to maintenance and repairs be obtained from occupants, with particular attention being given to classified buildings. In circumstances where tenants do not have the funds to provide adequate maintenance, the availability of funding from government or other sources should also be examined.

In situations where a viable use for courthouses, whether classified or not, cannot be found, sale should be considered.

Court Furniture and Records

- 3.29 Court furniture in many locations was of considerable value, particularly where it included antique cedar furniture. Despite its value, the recording and monitoring of the removal of furniture was inadequate, with effective inventory control being virtually non-existent (paras 7.3.5 and 7.3.8).
- 3.30 The consequences of the above situation were that it was not possible to determine how most of the furniture in closed courthouses was disposed of i.e. whether it was relocated, destroyed, lent, sold or removed without authority. The severity of this lack of control was further compounded by the failure to comply with Public Service regulations (para 7.3.13 and 7.3.21).

- 3.31 An inspection of the closed courthouses disclosed that many still contained valuable furniture and fittings several years after closure, and in at least 2 instances identified by audit, items had been removed without authority (para 7.3.17 and 7.3.18). It was also observed that books and records remained in several courts contrary to Law Department and legislative requirements (para 7.5.2)
- 3.32 Policies on the removal of court furniture were not developed until 1983. A policy, endorsed by the Premier, that all items of furniture were to be removed from the closed courthouses and either re-located to nearby courts or used elsewhere (para 7.3.3) was not always adhered to.
- 3.33 The insistence of Historical Societies in retaining furniture located in closed courthouses needs review, as audit is of the opinion that the furniture is public property which should preferably be used within government or disposed of in accordance with the Department of Management and Budget regulations (para 7.3.27).
- 3.34 A furniture renovation program has been initiated by the Law Department whereby antique and other furniture from the courts system is renovated and re-cycled. The objectives of this program are commendable, however audit drew attention to the absence of inventory and production controls within the workshop (para 7.3.30).

Recommendations

- 3.35 The major audit recommendations are:
- (1) The establishment of effective inventory controls to uniquely identify furniture and monitor its movement.
 - (2) Systematic removal of furniture and records remaining in closed courthouses should commence without delay. Items removed should be relocated or disposed of in accordance with the Department of Management and Budget regulations.
 - (3) A policy be formulated on the use of public property by private organisations.
 - (4) The furniture renewal program continue to be actively pursued, provided inventory and production controls are implemented.

Alternative uses for Closed Courthouses

- 3.36 The Law Department did not consider it was responsible for finding alternative uses for courthouses once they were closed, except for the period from 1984 onwards where they may have been suitable for visiting services. This attitude was understandable to a certain extent as

the responsibility for the properties became that of the Public Works Department and the Department of Conservation, Forests and Lands (para 8.2.1).

3.37 Up until 1985 neither the Crown Lands Department or its successor, the Department of Conservation, Forests and Lands, had any guidelines or directions on the potential use of, or disposal of former courthouses. Eventually, in June 1985 the Department initiated a review to identify problems and policy requirements in relation to the closed courthouses (para 8.2.6). The resulting report confirmed many of the views expressed by audit and certain of its recommendations. However, with the exception of an architectural survey of courthouse sites, policies still have not been propounded for the future management or disposal of surplus courthouses.

Recommendations

3.38 Audit considers that there is an urgent need for the development of policies on the future management or disposal of courthouses and contents surplus to the Law Department requirements. Such policies should be formulated and enacted without delay.



Terang Courthouse (1923). Closed on 1 January 1983 and currently unoccupied.

AUDIT OBSERVATIONS AND RECOMMENDATIONS

4. DEPARTMENTAL CRITERIA FOR CLOSURE AND OPENING OF COURTS AND CONSISTENCY OF APPLICATION

4.1 Desirable Management Controls

4.1.1 Government policies, directives and/or legislation were complied with in relation to court closures.

4.1.2 Policies and objectives pertaining to court closures were formulated, communicated and monitored.

4.1.3 Decisions to close courts were based on pre-determined criteria, adequately researched and were soundly based.

4.1.4 Adequate planning existed for both the long and short term use of court facilities.

4.1.5 Departmental policy in relation to closing courts did not contradict policy adopted for opening new courts.

4.2 Background Information

4.2.1 With the decline in population in many rural districts and the subsequent population growth in the larger country centres, the need for a high density of court services spread throughout the State diminished. This resulted in increasing demands for court services in the major country centres, while demands diminished in many of the smaller locations. These factors were not acknowledged by the Law Department until the early 1960's when complaints started to accumulate from the Latrobe Valley/Gippsland region concerning the inability of the courts in the major centres, particularly Morwell and Moe to handle the workload.

4.2.2 The problems at that time were in part attributed to requiring Magistrates in the major centres to visit outlying courts on a regular basis. This meant that Magistrates' services were often tied up for days on end visiting remote locations to hear as few as 2 or 3 cases at each sitting, while a backlog of cases continued to grow in the major centres.

4.2.3 The Law Department partly responded to the problem by altering some Magistrates' circuits, but it was soon realised that the whole Gippsland area needed revision. A preliminary study undertaken in 1966 established a "prima facie" need to improve the existing courts administration system. The study also concluded that in addition to re-arranging Magistrates' circuits to provide extra response, 11 courts should be closed in the region.

4.2.4 Following the recommendations only 4 courts were closed, being Erica, Lake Tyers and Neerim South courts in 1968 and Bruthen Court in 1969. Even in those years inconsistencies were noted in that Neerim South Court was closed although it heard 203 cases in 1965. The aggregate total of cases heard in 1965 at Toora, Rosedale and Meeniyah courts was only 284 and yet those courts remained opened for a further 15 years.

4.2.5 The 1966 study recognised the need on economic grounds to close courts where business was minimal and services could be provided in more central locations. However, despite this recognition decisions were made at that time to open new courts at Bendoc, a remote location in East Gippsland, and at Elmore approximately 12 kilometres from Rochester. A demonstrated need for these facilities was not established and the decisions were made solely in response to local pressures.

4.2.6 Following the release of the 1966 study the intention to close courts soon became obvious to the public and the Law Department received a considerable volume of protest letters, mainly from local Municipal Councils and concerned individuals. The level of protest no doubt deferred any further closure decisions in the next few years despite the increasing pressure on the courts administration system and the need to better utilise Magistrates' services.

4.2.7 Finally in 1969 the Law Department appointed a firm of management consultants at considerable cost with a brief to find ways to make the best possible use of existing resources and to provide a sound basis for future development of court services.

4.2.8 The report was presented in June 1970, and recommended that 76 of the 209 courts then operating throughout the State be closed. This recommendation was regarded by the Law Department as being unacceptable to the public at that time. However, following discussions with Magistrates it was decided that as from 1 January 1972 Magistrates' circuits would be altered and 44 of the courts proposed for closure would no longer be visited by a Stipendiary Magistrate.

4.2.9 Although Magistrates' services were terminated to these courts, occasional visits were made by neighbouring Clerks of Courts and a few cases were sometimes heard by Justices of the Peace. However, for most purposes these courts were regarded as being "unofficially" closed and maintenance works on buildings were terminated except for emergency repairs.

4.2.10 A general reluctance to close courts despite the fact that many were either lightly used or not used at all continued through the 1970's with only 2 closures (Murtoa and Stratford) occurring between 1970 and 1975. In 1975 a further study began which took into account the following criteria:

- (1) Whether a court was located in a township which was the municipal headquarters for a Shire.
- (2) Population in locality.
- (3) Whether Magistrates visited.
- (4) Visits by Clerk of Courts - actual and listed.
- (5) Location of nearest appropriate court.
- (6) Whether court is located in a building or rented premises.
- (7) Condition of building and whether it has a National Trust classification.
- (8) Community interest and likely level of protest.
- (9) Attitude of local Member of Parliament.
- (10) Renovation costs.

4.2.11 The study based on the above criteria continued until the end of 1977 when a report was produced recommending for closure 24 courts, all of which had been previously recommended for closure in the 1970 study. The immediate response to this report was to close 2 courts, Koroit and Violet Town, and in 1979 a further 2, Avoca and Tarnagulla. None of these courts had been visited by a Magistrate since the early 1970's and business was either minimal or non-existent.

4.2.12 In 1981 a further 25 courts were closed of which 12 were conducted in rented accommodation. Nyah West Magistrates' Court, which was conducted in a local hall and had not sat for many years finally closed officially on 1 September 1982.

4.2.13 In 1983 the largest volume of closures in the history of the Law Department occurred with 51 courts being closed. The closures followed a further detailed study by the Law Department based mainly on the premise that courts should be closed where the case load had diminished to such a point that it did not warrant the continued operation of a court at that location. Another significant factor was the need to better utilise Magistrates' services.

4.2.14 To assist in identifying which courts were to be closed, the following statistical data relating to 1981 was prepared by the Law Department:

- (1) Courts that did not sit at all in 1981 (17).
- (2) Courts with less than 50 hours sitting time (56).
- (3) Courts with more than 50 hours sitting time but less than 100 hours (25).
- (4) Courts with 100 or more hours sitting time that did not hold sittings of the Supreme or County Courts (20).

4.2.15 Based on the above statistics the following criteria for selecting courts for closure was developed:

- (1) Courts which sat less than 50 hours per annum.

- (2) Availability of other courts within a 50 kilometre radius to absorb the increased workload.
- (3) Courts to remain open should be capable of being serviced by a qualified Magistrate.
- (4) Demographic changes occurring within locality of court to be closed.
- (5) Identification of any special legal needs which may require a court to remain open in order to service that need.
- (6) Nature of cases heard in the courts to be closed.

The nature of cases heard was particularly relevant to country courts located on or near highways where there was likely to be a high percentage of traffic offences committed by people outside the locality. This often resulted in considerable expenses being incurred in terms of time, travel and accommodation by all parties concerned i.e. complainants, defendants, witnesses and Magistrates who may have been required to travel considerable distances to attend. In many of these cases the defendants elected not to appear so it would have been of little consequence where the case was heard.

4.2.16 Following development of the criteria 51 courts were closed throughout Victoria as from 1 January 1983, followed by a further 3 closures in rented facilities as from 31 August 1984. The closure of these courts aroused a considerable level of protest within the community, and in particular from local Councils and the legal profession. In summary, the protests evolved around:

- (1) Lack of consultation with public, police and the legal profession prior to withdrawal of services.
- (2) Court closures meant that Clerks of Courts were not available for advice on court matters.
- (3) Closures meant that people in rural communities would have to travel long distances to attend hearings, particularly in the Mallee region.
- (4) Police protection could be withdrawn from towns while local police were attending hearings at distant locations.
- (5) Loss of township prestige.
- (6) Deterioration of historical buildings through lack of use or maintenance.
- (7) Aggravation of workload in neighbouring courts.
- (8) Closures were against "common principle" that justice should be taken to the people - withdrawal of a basic human right.

4.2.17 Up until this point of time closures mainly occurred in country locations where case loads were either low or non-existent. In fact many of the courts closed in 1983 had been identified for closure in the studies conducted by the Department in earlier years. Metropolitan closures had occurred, but were mainly as a result of new premises being built e.g. the large court complex at Prahran.

This situation changed following a further study in 1984 of the courts system which was entitled the "Courts Management Change Program". This study was the most comprehensive study of the organisation and operation of courts in Victoria that had ever been undertaken by the Law Department, and has had a significant impact on the provision of court services.

4.2.18 The above study identified among various other issues, what were considered to be minimum standards for country and metropolitan court facilities. It also identified a need for rationalisation of court facilities within the metropolitan area and as a consequence, 9 metropolitan courts were closed on a trial basis for 6 months from 1 February 1985. Of these courts, which were located at Coburg, Footscray, Carlton, Collingwood, Fitzroy, Brighton, Elsternwick, Eltham and Chelsea, only Elsternwick Court has since been re-opened.

14.3 Audit Observations

- *Criteria developed by the Department for court closures had certain inadequacies and was not consistently applied.*
- *Decisions to close courts prior to 1983 were generally soundly based, but were either not communicated, delayed for prolonged periods, or were not implemented. This has led to significant cost to the community in terms of deterioration of buildings, inefficient use of resources and potential loss of revenue.*
- *Prior to 1985 no comprehensive planning existed for either the short or long term usage of court facilities, which has contributed to under-utilisation of buildings, deterioration of premises, ineffective use of resources, and on 2 occasions, the provision of unwarranted court houses.*
- *The effects of closures were not evaluated.*

Criteria for Closures

4.3.1 A comparison of criteria developed for court closures over the years indicates that up until 1976 consideration was given to the effect of closures on community interests, likely level of community protest, attitude of local Member of Parliament, effect on police

activity, and historical significance of buildings. Although all these factors are of some significance, they were not emphasised in the closures of the 1980's, which probably contributed to planned closures in that period being put into effect.

4.3.2 In audit opinion in early years the views of minority interests and local Municipal Councils contributed significantly to the general reluctance to close courts despite there being overwhelming evidence at times to do so. This applied particularly where courts sat rarely, or not at all and were not visited by Magistrates.

4.3.3 Audit is of the view that the decisions to close courts, particularly in the 1980's could generally be justified in terms of more effective utilisation of resources, and in particular the services provided by Magistrates. Notwithstanding this comment however, it is considered that the following factors should have been addressed in certain locations prior to closures proceeding:

- (1) The effect of closure on historical/classified buildings. Because a building was classified it was not justification in itself to retain the court. However, consideration should have been given to the future use and security of the buildings at an early stage so as to minimise the effects of vandalism and deterioration which has occurred in many locations. This aspect is discussed in detail in later paragraphs of this report.
- (2) The effect on police operations.

In most locations closures had little effect on police activities. However, in remote locations that were sparsely populated, such as Cann River, Sea Lake and Edenhope, the effects were noticeable.

The Deputy Commissioner for Police in 1983 expressed concern to the Minister for Police and Emergency Services about closures at the first 2 locations in terms of:

- (i) increased costs being borne by the Police Department on account of travelling expenses payable to police officers and witnesses travelling to neighbouring courts up to 150 kilometres distant;
- (ii) a reluctance on the part of some witnesses to assist with prosecutions due to the distance to be travelled which could result in loss of a days work;
- (iii) absence of a Clerk of Courts to assist with legal matters, thereby placing further burdens on police officers in handling what were considered as onerous and time consuming tasks; and

(iv) a lack of policing efficiency within the locations while police officers were attending distant courts.

(3) Social Consequences.

Social consequences were mainly associated with the removal of poor box facilities and advice on applications for legal aid. This aspect was particularly significant in inner suburban locations such as Fitzroy, which drew considerable comment from affected persons.

4.3.4 The criteria developed in 1983 was not consistently applied to all locations in terms of:

- (1) There were 20 courts identified with less than 50 hours per annum sitting time in 1981 which were not closed in 1983 or subsequent years - refer Appendix 1. Of these courts 19 have traffic cases as their predominate case type.
- (2) Numerous examples existed where other courts were located within a 50 kilometre radius of courts identified as having less than 50 hours sitting time - see Appendix 1. Based on data available these nearby courts appeared capable of handling the increased workload, especially in the case of Nathalia Court which sat for only 9 hours in 1981.
- (3) Law Department files did not make reference to any special legal needs affecting the above courts.
- (4) With the exception of Whittlesea Court where demographic changes occurring in the area have resulted in a 79 per cent increase in population between 1971 and 1981, it can be said that no significant population changes have occurred in the 20 locations referred to, or are expected to occur in the next 10 years.

4.3.5 Audit considers that a strong case existed for the retention of Omeo, Hopetoun, Corryong, Warracknabeal and Ouyen courts by virtue of their remote locations. To this end, with the exception of Ouyen the Law Department has retained these courts as Hearing Courts under the Courts Management Change Program.

However, with the possible exception of Whittlesea Court, the retention of the remaining 14 courts identified is inconsistent with the reasons advanced by the Law Department for court closures in terms of rationalisation and improvement of court services, complemented by cost savings.

4.3.6 Specific examples of courts where the criteria developed was not applied are as follows:

(1) Beechworth Magistrates Court

- (i) Sitting time in 1981 was 32 hours.
- (ii) Other courts operating within a 50 kilometre radius which could potentially absorb the workload include Wangaratta, Rutherglen, Wodonga, Tallangatta, Myrtleford and Bright.
- (iii) Usage by local people was low, as identified by a Law Department study in 1983.
- (iv) Predominately the court deals with traffic offences.
- (v) Population growth in region is minimal.

The decision to retain this court was influenced by historical reasons, and in particular the fact that the courthouse contains a cell in which Ned Kelly spent some time as a result of one of his misdemeanours. The decision to retain and renovate the building in 1985 at a cost of \$124 000 is not questioned by audit as such, as it can be linked to the Tourism Industry. However, this decision should also be viewed by comparison with other historic courthouses with National Trust classifications located at Chiltern, Dunolly, Koroit, Smythesdale, Avoca and Wycheproof. These court houses have been closed for some time and have been allowed to deteriorate substantially.

(2) Tatura Magistrates' Court

- (i) Sitting time in 1981 was 43 hours and was visited by a Magistrate only 13 times
- (ii) Situated only 20 kilometres from Shepparton Magistrates' Court and within 50 kilometres of courts located at Nathalia, Numurkah, Kyabram, Rochester, Rushworth and Euroa. (A clear case for rationalisation exists here as with the exception of Euroa and Shepparton Courts, the other courts also sat for less than 50 hours in 1981.)
- (iii) Traffic offences are the predominate case type.
- (iv) Usage by local people is low.
- (v) Population has increased by only 7.5 per cent over past 10 years.
- (vi) Estimated cost in 1985 of upgrading the court to minimum standards was \$800 000.

Communication of Court Closure Decisions

4.3.7 Reasons for closing courts were generally consistent over the years and can be summarised as follows:

- (1) insufficient demand within a community for a service to be retained;

- (2) rationalisation of court facilities within an area based on the premise that a multi-courtroom court complex (eg. Prahran or Broadmeadows) is far more efficient and cost effective than single courtroom buildings;
- (3) better utilisation of Magistrates' services;
- (4) poor state of buildings and public facilities;
- (5) re-location of services to central locations where it was perceived that disruption of services to a local community would be minimal; and
- (6) the achieving of cost savings through reduced building maintenance, travelling expenses, and better utilisation of human resources.

4.3.8 Despite the awareness of the benefits to be gained from rationalisation of court services there was a marked reluctance prior to 1983 to implement the recommendations of the various studies conducted over the years, and in particular, the major review undertaken in 1970.

The attached Appendix 2 lists many examples of when courts were first recommended for closure and the actual date when the recommendation was put into effect. As can be seen from the listing, it took 45 years to close Jamieson Courthouse which remains empty today.

4.3.9 Reasons for the delays could basically be attributed to fear of political backlash from country electorates, despite early research indicating that only a small percentage of local people in country locations even availed themselves of court services, and displayed little interest in court proceedings or services offered. The consequences of these extended delays resulted in:

- (1) rarely used or empty buildings not being put to effective community use.
- (2) deterioration of buildings from lack of maintenance and vandalism.
- (3) local groups, notably historical societies being granted unofficial usage of premises which led to expectations of permanent tenancy in later years.
- (4) inefficient use of human resources, poor court facilities and expenditure on travelling expenses which could have been avoided.

Planning

4.3.10 The problems facing Courts Administration were gradually acknowledged by the Law Department over the past 20 years as evidenced by the various studies conducted. However, apart from piece-meal decisions such as "unofficially" closing courts, altering certain Magistrates' circuits, and occasionally closing a court

officially, it could be said that there was no overall strategy or direction in the Courts Administration system until the 1980's. Most decisions up until that time were made on an "ad hoc" basis without due regard to an overall direction or clear identification of benefits or consequences.

4.3.11 Notable examples of the absence of planning or long term strategy can be found with the decisions in the mid 1960's to open two new courts at Bendoc and Elmore. Although these decisions were made some years ago the consequences are apparent today in that these buildings representing a considerable public investment, are currently empty. Details are as follows:

(1) Bendoc Court

Bendoc is a remote township in far east Gippsland approximately 104 kilometres north of the nearest Magistrates' Court at Omeo.

In 1962 the local population of approximately 100 people requested the provision of a Police Station and as a result the then Chief Secretary was persuaded to visit the township. Following the visit the local people were promised a new Police Station and as an additional bonus, a courthouse as well.

Following announcement of the decision the then Secretary of the Law Department informed the Attorney-General that expenditure of \$14 000 on a new courthouse was difficult to justify as the volume of cases likely to be heard were minimal. Despite this advice, the construction of the building went ahead and the new court was officially opened with great fanfare on 1 December 1966. At the same time the Law Department decided that the court should not be visited by a Magistrate except in special circumstances.

Subsequent to the opening of the court, visits were made on rare occasions by the Clerk of Courts from Omeo. Statistics on the number of cases heard by Justices of the Peace in early years were not obtained, but it was established that between 1976 and 1981 only 29 cases were dealt with, which were mainly traffic offences.

The Court was officially closed by the Governor-in-Council as from 1 January 1983. The Department of Conservation Forests and Lands in 1985 valued the land and building at \$42 500 and the premises are currently unoccupied.

(2) Elmore Court

The township of Elmore is situated only 12 kilometres from the nearest courthouse at Rochester. The Elmore Courthouse, which is one of the most modern and fully serviced court buildings in country Victoria, opened on 17 December 1965.

Little documentation was available to audit to justify the decision to open this court, but it was obvious that local interests played a significant part in the decision.

There was no attempt made to justify the building by means of a feasibility study, projection of a likely level of business, or whether the Rochester Court could handle additional caseloads. Statistics on the number of cases heard in early years were not examined, but in 1981 the court sat for only 24 hours and heard 280 cases, predominately traffic offences from outside the region.

The court closed on 1 January 1983. In 1985 the Department of Conservation, Forests and Lands valued the land and building at \$106 000. Since closure the building has remained empty, although an attempt was made to transfer activities from the nearby Rochester Court which is in need of renovation, to this location. This move was resisted by the Rochester Municipal Council.

4.3.12 The first major attempt at comprehensive planning for courts administration within Victoria began in 1983 following changes to the administrative structure of the Courts Administration Section within the Law Department. The program which began at that time was entitled "The Courts Management Change Program" and several reports and initiatives have been produced and undertaken.

4.3.13 The most significant report released to date in the above program was in May 1985 and was entitled "The Future Organisation and Operation of Courts in Victoria". The main features of this report were:

- (1) A statement of objectives of the Court System and barriers to change.
- (2) Development of a hierarchy of courts comprising:
 - . Regional Headquarters Courts - operational base for regional managers and usually a multi-jurisdictional court (i.e. available for sittings of the Supreme Court and County Court)
 - . Mention Courts - controlling the allocation of court lists and administering all cases within their defined area.
 - . Hearing Courts - will hear cases at the direction of the Mention Courts and can be used as office accommodation for visiting Clerks of Courts. May also be used for alternative community purposes eg. Historical Societies, Arts Societies etc.
 - . Visiting Services - regular visits by Clerks of Courts in order to provide ancilliary services to small country towns.

- (3) Identification of minimum standards in Magistrates' Courts and development of a prioritised capital works program to implement these standards, or where necessary, to construct new premises.

4.3.14 Apart from certain reservations in regard to Hearing Courts as discussed later in paragraph 5.2.15 of this report, in audit opinion the Courts Management Change Program is a major step towards the overall improvement of Courts Administration in Victoria.

4.4 Recommendations

While it is acknowledged that much of what has been stated in the preceding paragraphs is past history, it is considered that the following recommendations can contribute to future decisions:

1. Any future closures should be based on criteria that is adequately researched and based on social and community needs in addition to economic factors. Such criteria should be formulated only after a review of the effects of past closures, potential economic benefits in the future, and likely effects on a local community.
2. When closure decisions are made they should be communicated in advance to all interested parties, and should be executed in a timely and uniform manner without exception, unless extraordinary circumstances exist.
3. Recognition must be made of the future use of vacated buildings.
4. Before decisions to open new courts are made, studies should be undertaken to identify levels of demand and economic and social benefits accruing to the community as a whole.

Response From Law Department

Audit recommendations appeared appropriate in that future closures should be based on appropriate criteria, communication and consultation.

Criteria and consultative mechanisms have been developed as part of the Courts Management Change Program. However, criteria should not be applied as a blanket provision for closure and the service delivery to each court should be considered on an individual basis.



Elmore Courthouse (1965). A large modern building which was closed on 1 January 1983 and is currently unoccupied.



Fryerstown Courthouse (1879). Building is classified by National Trust and is now privately owned.

5. **PROCEDURES IN OPERATION TO ENSURE THAT EFFECTIVE UTILISATION IS BEING MADE OF COURT BUILDINGS NO LONGER REQUIRED FOR LAW DEPARTMENT PURPOSES**

5.1 Desirable Management Controls

5.1.1 Performance measures existed whereby the Law Department was able to monitor its performance against established standards e.g.:

- time frames between court closure and determination of future usage or sale
- comparisons against policies adopted by other bodies (Victorian and Interstate) in similar circumstances.

5.1.2 Resources were available within relevant departments to monitor and administer all matters relating to court closures.

5.1.3 Studies, including cost benefit analyses were undertaken to determine potential future use of land and buildings no longer required for Law Department purposes.

5.1.4 Procedures existed to ensure that assets surplus to government requirements were either utilised to their best potential or were disposed of.

5.1.5 Market values were established for land and buildings and an economic return from rental or leasing arrangements was being achieved.

5.2 Background Information

5.2.1 The actions of the Law Department, Department of Conservation Forests and Lands and Public Works Department in relation to the utilisation and disposal of former courthouses are detailed separately in this section. It should be noted that any reference to the Lands Department is a reference to the former Department of Crown Lands and Survey which was absorbed by the Department of Conservation, Forests and Lands in 1983.

5.2.2 The closure procedure adopted up until 1984 involved the Governor-in-Council officially revoking the status of a place for the holding of a Magistrates' Court. The property was then handed over to the Public Works Department (Property and Services Division) for disposal. Disposal involved circularising all government departments and agencies that might be interested in using the building for their own purposes. If such a use was not identified, the property was then specified to be surplus to government requirements and was to be disposed of by auction or lease at market value. This rarely happened and on most occasions the properties were passed on to the Lands Department for disposal or re-allocation.

5.2.3 The Law Department adopted a new policy in 1984 of directly negotiating with local Municipal Councils with a view to appointing the Councils as Committees of Management to take control of the former court buildings for community purposes. If this offer was accepted, the Law Department retained the right to re-open the former courts for use at a future date if required, unless alternative accommodation was provided by the Council.

5.2.4 Where a Council declined appointment as a Committee of Management, e.g. Yackandandah Court, the disposal process adopted was as previously referred to in paragraph 5.2.2.

5.2.5 It is of particular significance in this section to refer to the various policies adopted by individual departments and agencies in relation to the use of government buildings by private organisations.

5.2.6 The first reference to policy noted by audit was found in the minutes dated 3 February 1977 of the State Accommodation Committee (now defunct) which was established by the Minister for Public Works to administer all matters relating to government accommodation. The minutes recorded the endorsement by the then Treasurer of Victoria of the Committee's policy that it was "not prepared to support the usage of government accommodation by independent organisations".

5.2.7 In May 1982 the Public Works Department - Property and Services Division, made reference to a Treasury directive that all leases to private organisations and semi-government instrumentalities shall be made at market rental.

5.2.8 In May 1984 the Minister for Public Works stated "it is now government policy that any non-government body occupying government owned accommodation is expected to pay current market rental for space occupied". This policy was further endorsed in May 1985 by the Property Division of the Department of Property and Services.

5.2.9 In audit view the granting of rent free accommodation in former courthouses to certain groups, mainly historical societies, was in direct conflict with the above policies. Examples of where conflict occurred, along with the actions of the departments involved concerning the utilisation of closed courthouses are detailed in the following sections A, B, and C.

PART A - LAW DEPARTMENT

Audit Observations

- *Consideration was not duly given to the effects of court buildings remaining empty or under-utilised for extended periods prior to responsibility being assigned to other Departments. Such action has resulted in substantial deterioration of certain premises due to the effects of vandalism and lack of maintenance.*
- *Potential revenue has been foregone due to delays in re-reserving buildings for alternative use.*
- *The designation of certain courts as Hearing Courts may not be appropriate, particularly as the Law Department does not have the legal right to permit shared usage or lease.*

5.2.10 As a direct result of the general reluctance by the Law Department, particularly in the 1970's to officially close unused courts, certain courthouses remained empty for many years - refer Appendix 4. The consequences of this action can be assessed in the following terms:

- (1) Failure to officially close either lightly used or unused courts meant that due to the Crown Reservation, legally, the buildings could not be used for purposes other than the holding of Magistrates' courts. This meant that the buildings could not be rented, leased or used for alternative purposes, although to a limited extent the latter did occur with tacit approval.

The effect of this situation can be measured in terms of potential revenue from rental or leasing agreements being foregone. Audit estimates that a rental return based on 5 per cent of capital value over the period the buildings were empty would amount to many thousands of dollars - See Appendix 3.

- (2) On the few occasions where alternative use of courthouses was permitted, albeit illegally, problems arose in future years when the occupants wished to retain possession when the court was officially closed. A notable example of this occurrence can be found with Coleraine Court where the local Historical Society was permitted use of the premises in 1975.

As a result of the Society becoming entrenched in the building they were in a strong position to retain use when the court was officially closed in 1981. After closure the local Lands Department officers requested use of the premises, mainly on account of their accommodation being a dilapidated room with no toilet or kitchen facilities located under a local Hotel. Their request was refused, and in 1983 the Acting Minister for Public Works gave

the Historical Society permission to continue to use the premises on a rent free basis which continues to the present day. The Lands Department officers' comments on the decision were not available.

- (3) Substantial deterioration of premises, vandalism and theft has resulted from buildings remaining empty for extended periods without any clear determination as to future use. Although many examples can be quoted, a good illustration is with Birchip Magistrates' Court where the poor condition of the building in 1973 resulted in court sittings being transferred to the local Shire Offices.

In the ensuing 10 years between 1973 and the official closure date on 1 January 1983 extensive building decay set in to the extent that the local Council eventually wrote to the the Law Department complaining of the courthouse being an "eyesore" in the main street, and a "haven for derelicts and undesirables who indulged in drinking orgies in the premises". On 21 January 1982 the Council requested the Department to urgently consider demolition of the building. An inspection of the building by audit in 1985 confirmed the Council's viewpoint.

The deterioration of premises over many years has also had a significant effect on buildings of National Heritage importance such as Jamieson, Avoca and Chiltern courthouses.

5.2.11 Appendix 3 of this report lists 8 closed suburban courts still effectively under the control of the Law Department. Although these courts were officially closed by virtue of an Order-in-Council by the Governor as from 1 February 1985, the closure was described as temporary for 6 months while a determination was made as to their future.

5.2.12 Previous comments about deterioration of empty premises, vandalism and potential revenue being foregone from leasing or rental arrangements are applicable to the above situation. Although valuations were not available it is conservatively estimated that the collective real estate value of these idle properties would be between \$1.5m and \$2m.

5.2.13 The Law Department policy developed in 1984 of negotiating with local Councils to take control of court buildings for community purposes has certain merit in that recognition is made of the future use of the buildings. Possibly 8 such arrangements are intended - refer Appendix 6.

5.2.14 Audit however, has certain reservations about the control of premises by Committees of Management, particularly as these agreements are not revenue producing and maintenance arrangements are at times unspecified and unsatisfactory. As these Committees are responsible to the Minister for Conservation, Forests and Lands their role is discussed further in Part B of this section.

Hearing Courts

5.2.15 As part of the Courts Management Change Program initiated by the Law Department in 1983, a new classification of court was introduced to be known as "Hearing Courts". The purpose of these courts is to hear any cases which are directed to them by the local Mention Court and to provide a venue for visiting services by Clerks of Courts to local communities.

5.2.16 As the usage of many of these courts in country locations was likely to be low, with visiting services as few as once a month, the Department intends sharing these buildings with community interests, particularly historical and arts societies.

5.2.17 The concept of Hearing Courts is a commendable initiative by the Law Department, however the following reservations are expressed about using buildings for this purpose in certain country locations:

- (1) The low usage of buildings for court purposes may not be justification for retention, particularly where visiting services could most likely be accommodated in other public buildings or leased premises. The likely level of usage can be evidenced by the fact that many of these courts should have been closed down according to the criteria for closure developed in 1982 - refer Appendix 1. This aspect is particularly apparent in the Shepparton district, where there are several courts competing for business within a 50 kilometre radius.
- (2) The proposal that lightly used Hearing Courts be used for community activities, particularly historical displays and art galleries raises again the question as to whether private organisations should be effectively subsidised by government in terms of rent free use or nominal rental of government buildings maintained from public funds. The value of works required and annual maintenance costs of many of these buildings is likely to be very high.

(3) The Department of Conservation, Forests and Lands has questioned the legality of the Law Department's intention to allow private groups to lease or rent government buildings on Crown Land, this responsibility being that of the Minister for Conservation, Forests and Lands. In addition, by virtue of the Lands Act 1958, the majority of these properties would be reserved for "Law Department purposes - Court House", which would indicate that use of the premises for other purposes would be illegal.

(4) Use by private organisations of court premises is circumventing established policy in that market rentals are not charged.

PART B - DEPARTMENT OF CONSERVATION, FORESTS AND LANDS

Background Information

5.2.18 Approximately 40 per cent of all Victorian land is in public ownership with the vast proportion of this land being administered by the Department of Conservation, Forests and Lands. As such the Department has a heavy responsibility to ensure that proper procedures exist for ensuring the efficient and effective use of publicly owned real estate which includes the properties on which courthouses are established.

5.2.19 The Department of Conservation Forests and Lands was formed in 1983 and took over the activities of the former Department of Crown Lands and Survey which was formed during the 1850's. The activities of the former Lands Department as discussed in this report were concerned mainly with the sale of Crown land and the delegation of management responsibility for Crown lands by means of licences, leases and committees of management. This delegation was generally on a first come, first served basis apparently with little thought as to the suitability of the tenant, or ability to maintain premises. Once management responsibility was delegated, no further interest was displayed by the Department in the properties including their condition. On many other occasions the Department simply did nothing with the properties, preferring instead to allow the empty buildings to decay.

5.2.20 The actions of the Department in disposing of the courthouses through various means are disclosed hereunder.

Sale of Courthouses

Audit Observations

- *There existed a general reluctance to dispose of properties through sale, with preference being given to leaving properties vacant, or delegating responsibility to private organisations who often used premises infrequently.*

- Where sales occurred, adequate returns were not achieved on all occasions.
- On one occasion, legislation was used in such a manner that public property was disposed of to a private organisation for a nominal amount.

5.2.21 As previously referred to, once an alternative use for a courthouse by a government department could not be found, the Public Works Department referred the property to the Lands Department for disposal. This referral invariably occurred, but there was marked reluctance by the Lands Department to sell properties, with sales only occurring on three occasions during the past 20 years. These sales were at Bealiba, Harrow and Romsey - see Appendix 7.

5.2.22 Details of the sale of Bealiba Courthouse (closed 1 August 1968) could not be located, but proceeds would not have been substantial from a weatherboard building in poor condition that had not been used since the early 1960's.

5.2.23 Details of the other two sales initiated by the Lands Department were as follows:

(1) Harrow Magistrates' Court

Harrow is a small township located in the Western District approximately 20 kilometres from Edenhope. The former courthouse is a weatherboard structure, which was erected in 1877. The court officially closed on the 1 February 1966 and the Harrow Sub-Branch of the R.S.L. offered to purchase the freehold.

The Lands Department declined the offer of purchase of the freehold, but instead recommended that the R.S.L. purchase the building which was valued at \$200 and apply for a licence under Section 138 of the Land Act 1958 to use the site. The value of the building was subsequently reduced to \$150 after the furniture was removed by the Law Department. The R.S.L. purchased the building at that price and a licence was granted to use the site at an annual fee of \$4 which was not subject to review. The land at the time the building was purchased in 1967 was valued by the Lands Department at \$80.

In 1981 the R.S.L. applied under Section 140 of the Lands Act 1958 to purchase the freehold. A Crown Grant to facilitate this purchase was subsequently issued and in February 1982, the freehold land was purchased for \$59.16. The purchase price was calculated on the 1967 valuation of \$80, less the accumulated value of licence fees paid to date (\$56) plus administration costs of \$35.16 incurred by the Department. A 1985 valuation placed the value of the building at between \$25 000 and \$30 000 and the land value at \$2 000.

In audit opinion the above transaction is an example of where ancient legislation was utilised to the benefit of a private organisation, at the expense of providing a realistic return on a public asset. The original intention of Section 140 of the Land Act 1958, which was derived from Section 47 of the Land Act 1869, was to benefit pioneer settlers who established extractive or service industries on small blocks of Crown Land. The settlers were granted a licence to occupy the sites and depending on the improvements made thereon, had the option to later purchase the freehold.

It can hardly be said that the actions of the R.S.L. fell within this classification and improvements, other than painting the building could not be regarded as substantial. Audit considers that the retention of this legislation in its current form warrants review.

(2) Romsey Magistrates' Court

The former Romsey Courthouse is a solid brick building which was erected in 1887, and which closed for business on 1 January 1967. On current day values the property would be worth up to \$50 000.

In 1972 the Country Fire Authority (C.F.A.) applied to lease the property. This request was rejected initially, but in 1976 the Lands Department decided to sell the property to the C.F.A. for \$1 163. The recommendation for sale as recorded on the file concluded that sale was preferable because "... the improvements may otherwise become a future encumbrance on the Department". This conclusion contrasted markedly with the general reluctance of the Department over many years to sell properties that did in fact, become an embarrassing encumbrance on the Department.

The action taken with Romsey Courthouse was inconsistent with a similar situation at Merino where the former courthouse was leased to the C.F.A. in 1967 for 99 years, upon payment of an annual licence fee of \$58 pursuant to Section 138 of the Lands Act 1958. Presumably at any time the C.F.A. could also apply to purchase the freehold pursuant to Section 140 of the Act, and gain a property at the 1967 valuation less licence payments to date. By this action they may even get a refund?

5.2.24 The reluctance to sell properties and thereby gain a return on disused public assets was evidenced by the numerous unsuccessful requests to purchase sites. These requests came from individuals, Councils and community organisations. Included in these requests were applications to buy Casterton and Dimboola courthouses which have remained vacant for many years.

5.2.25 Reasons for refusal to sell were generally not given, although it was evident that preference was given instead to rent free occupation by community groups, particularly Historical Societies. A typical example can be found with the former Smythesdale Magistrates' Court which was last visited by a Magistrate in 1976 and closed on the 1 January 1983.

5.2.26 The building was constructed in 1860 from handmade bricks and is classified by the National Trust and is on the Register of Government Buildings. The condition of the building is only fair and vandalism has occurred. Value placed on the property by the Department of Conservation, Forests and Lands in 1985 was \$23 000, but it could be expected to sell for much more.

5.2.27 Between 1981 and 1983 the building had been used on a rent free basis by a religious group for the holding of Sunday School. In 1983 the local Member of Parliament strongly supported an application to the Attorney-General by a local resident to purchase the building for conversion to a restaurant. The request was forwarded to the Department of Conservation, Forests and Lands without result.

5.2.28 Further requests for use were received in 1984 from the local Municipal Council and Smythesdale Progress Association. Again in November 1984 a further suggestion for use as a restaurant was proposed without result. In 1985 a local Lands Officer advised his Department that a sale for the building could easily be obtained.

5.2.29 Despite all the above overtures the building remained empty and continued to deteriorate until finally in April 1985 the Woody Yaloack Historical Society was granted permission to use the building rent free.

5.2.30 The above example is an illustration only, and audit does not advocate sale of disused courthouses in every instance. However, where a viable alternative use of benefit to the public cannot be found, sale of a property becomes a favourable option, particularly where proceeds can be applied to a Department's capital works program in line with a Cabinet directive issued in November 1983. In audit view the general reluctance to sell properties was influenced by an attitude that it was preferable to make no decision on sale in case that decision, particularly where buildings were classified, was criticised at a later date.

Committees of Management

Audit Observations

- *Committees of Management were used as a convenient method of absolving Departments of responsibility for the future management of government owned premises.*

- *The appointment of Committees of Management and subsequent use of government premises by private organisations is contrary to established policy on subsidisation of these organisations.*
- *Exclusive use of government premises by private organisations, particularly Historical Societies, may be detrimental to an effective return on public assets.*
- *On one occasion, the appointment of an Historical Society as a Committee of Management in preference to use of a courthouse by a government agency has resulted in additional cost to the public of over \$100 000.*
- *The failure to obtain firm and detailed maintenance commitments from Committees of Management has led to instances of deterioration of premises.*

5.2.31 The Lands Department saw the appointment of Committees of Management pursuant to the Crown Lands (Reserves) Act as a convenient method of delegating management responsibility for closed courthouses to local Councils and groups. Appendix 5 of this report lists 14 such arrangements with local Councils and a further 8 are proposed. Also listed are 5 such arrangements with local groups, mainly Historical Societies.

5.2.32 A Committee of Management has the power to do what it wishes with a property provided such use is consistent with the reservation i.e. public purposes or historic purposes. This type of arrangement is popular with the Law Department as in several instances an option remains to re-use the court at some later date if required.

5.2.33 The appointment of Committees of Management can result in benefit to a community provided use is shared, firm maintenance arrangements are negotiated, and general community access is not restricted. A good example of an effective Committee of Management can be found with Ballan Courthouse where the Shire has made a substantial commitment to capital works and the building will be shared between three community groups.

5.2.34 The main objections to the appointment of Committees of Management can be summarised as follows:

- (1) Rent-free accommodation is being provided to private organisations, particularly Historical Societies which are the main users of these premises. This action is effectively a subsidy, and is contrary to established policy as referred to previously in paragraphs 5.2.6, 5.2.7 and 5.2.8.
- (2) Certain groups, notably Historical Societies, regard use of former courthouses as exclusively

their own, and are reluctant to share facilities with other groups for fear of having the environment damaged.

- (3) The commitment of Committees towards maintenance of premises varies considerably and is not specified by the Department of Conservation, Forests and Lands in the form of detailed agreement. An audit inspection of various premises controlled by Council appointed Committees disclosed a wide variation between maintenance standards.

Arguably the best buildings were at Natimuk and Tungamah where the local Councils had a clear commitment to preservation and programmed maintenance of the buildings, while at Wycheproof the building was in poor condition with no evidence of repairs for many years.

- (4) Often a Council appointed as a Committee of Management will delegate repairs to user groups. While the philosophy behind this delegation is sound, in practice this arrangement is not entirely satisfactory due to the limited resources of user groups to fund maintenance.
- (5) The delegation of responsibility to Committees of Management appointed by Councils does not always result in utilisation of the buildings to their best potential. As examples, Wycheproof and Newstead Courthouses are currently empty, while several others such as Donald and Koroit Courthouses are rarely used.
- (6) On several occasions Councils actually made application to buy disused courthouses e.g. at Moe, Charlton, Chiltern and Maffra. On each occasion, the Council was appointed as a Committee of Management subsequent to the offer of purchase being refused.

It can be argued that this action has resulted in potential sale proceeds being foregone to the Crown, as virtually the same benefits of ownership at no cost have been obtained by Committees.

- (7) The preference towards occupation of former courthouses by Historical Societies may not necessarily be in the public's best interests. Appendix 5 of this report lists 5 locally appointed Committees of Management of which 4 are Historical Societies. In addition, it can also be seen that Historical Societies are often the preferred occupant under Committees of Management controlled by Councils.

A number of issues are raised from this use and as such it is necessary to separately consider the role of Historical Societies.

Role of Historical Societies

5.2.35 Historical Societies are basically formed by members of the community who have a common interest in retracing the history of the community they live in, and the preservation and restoration of historical buildings, relics, and artifacts that reflect that history.

5.2.36 Funding resources are invariably very limited, being restricted to membership subscriptions, donations, publication sales and admission moneys gained from exhibitions. Their role in the community environment is unquestioned, and during the audit inspection of former courthouses occupied by these societies excellent displays of memorabilia were sighted at Natimuk, Heidelberg, Coleraine and Mortlake courthouses.

5.2.37 Notwithstanding their place in the community, the role of Historical Societies in relation to their rent free occupation of former courthouses needs to be examined and the following points addressed:

(1) Maintenance Provisions

In view of their limited resources Societies cannot afford to effectively maintain and repair courthouses without financial assistance from other sources. In certain municipalities e.g. Mortlake, local Councils have contributed to building maintenance. However, this action is the exception rather than the rule and in general, maintenance standards are low, being restricted to limited repairs, painting etc.

As a consequence of the Societies' financial inability to conduct major works such as replacement of roofing or repair of structural cracking, certain buildings, including those with historical classifications are deteriorating with little prospect of renovation e.g. the old Heidelberg Courthouse.

In audit opinion if Historical Societies are permitted use of premises a firm commitment to maintenance must be obtained and supplemented by either government or local government funding. It is also essential that inspection of the premises be undertaken at regular intervals by either the local Council or the Department of Conservation, Forests and Lands with a view to:

- (i) identification of maintenance requirements;
- (ii) ensuring that programmed maintenance is being conducted; and
- (iii) determining whether continued use of the building is warranted.

The last aspect is particularly important and the situation which has occurred at Avenel is given as an example. An inspection of Avenel Courthouse by audit in 1985 revealed the existence next door of a former police residence vacated by the Police Department about the same time as the court in March 1969. The former police residence was given by the Lands Department to the local Historical Society to develop as a museum.

The museum never eventuated and today the once substantial building is nothing more than a derelict ruin.

After the police residence became a ruin the Historical Society requested use of the former courthouse which has a National Trust of Australia classification. Fortunately on this occasion a shared arrangement was negotiated with the local playgroup and Brownie pack. A joint Committee of Management was established in June 1984.

(2) Exclusive use of Premises

Limited consultation by audit with Historical Societies indicated that the Societies preferred exclusive use of premises. This preference mainly related to a fear that shared premises may result in other organisations damaging or using their exhibits, including valuable court furniture, or damaging the building and jeopardising their tenancy.

While these concerns are understood, the consequences of exclusive use with meetings being held as infrequently as every quarter means that a valuable public asset is being under-utilised and denied to other organisations.

(3) Benefits to Public

Apart from the satisfaction gained by Society members, the only perceivable benefit to be gained by the public from Society use of court premises is from the exhibitions of memorabilia that may be held. With the exception of the old Heidelberg Courthouse which is open every Sunday afternoon, exhibitions by Societies are either infrequent, exclusive to members and guests only, or non-existent. As an example, audit was advised that the Natimuk Courthouse which houses an excellent collection of artifacts etc. is only occasionally opened to the public and the Society itself conducts meetings on a quarterly basis.

An audit inspection of various premises occupied by Historical Societies disclosed that in most locations the only exhibits to be found were the original court furniture and pamphlets produced by the Societies dealing with local history. Close attention should be given to courthouses which are intended to be used as museums, and whether this use is warranted by contrast with alternative uses.

The Historic Places Branch of the Department of Conservation, Forests and Lands has obtained data from the Ministry for the Arts which disclosed that Victoria has approximately 350 museums or 10 per 100 000 head of population, as compared with 6 per 100 000 throughout the rest of Australia and 2 per 100 000 in the United Kingdom. As such the need for any further museums needs to be seriously questioned, particularly as a need exists for the Ministry for the Arts to evaluate and possibly rationalise museums already in existence.

(4) Subsidisation

There are two aspects of subsidisation, namely the rent free occupation of premises from which revenue could be gained, and the use of premises to the detriment of occupation by other government agencies.

As stated previously, policy opposing the use of government buildings by private organisations except where a market rental is paid has not been followed, as evidenced by the rent free occupation of former courthouses by Historical Societies. The extent of rent free aspect is readily apparent by reference to Appendices 5 and 8 of this report which identify courthouses occupied by Societies, and from which no monetary return to the public is gained.

Apart from the precedent set at Coleraine Court which has been referred to in paragraph 5.2.10(2) detailed hereunder are further notable examples where valuable public assets are used by private organisations (Historical Societies) at the expense of government bodies, despite recommendations to the contrary from the government's own agencies:

Old Heidelberg Courthouse

The old Heidelberg Courthouse which was built in 1899 is classified by the National Trust of Australia and forms part of the National Estate. This substantial building, which would be valued at upwards of \$150 000 occupies a prime site in Heidelberg opposite Warringal Park. As early as March 1977 when it became known the courthouse would be vacated the following year the Heidelberg Historical Society began actively campaigning to use the premises as their headquarters and to establish a museum.

As was the established practice at the time, upon closure the building was handed over to the Public Works Department for disposal. The Department circularised all government departments as to whether they had use for the building. Through the Department of Conservation the Arthur Rylah Institute in Heidelberg advised that they were in urgent need of storage space and the building would be suitable. This request was recommended to the Minister by the State Accommodation Committee and the Society was advised that the building was required for government purposes.

Despite this advice the Society continued to actively lobby with success being achieved in November 1978, when the Minister for Public Works granted permission for the Society to be given a lease on the building for three years at a sum of \$1 per annum if demanded.

In the meantime the Arthur Rylah Institute was forced to find alternative accommodation and eventually negotiated a lease in nearby premises at a cost of \$11 302 per annum from 1 November 1978. This lease has subsequently been re-negotiated and is currently costing the Institute \$18 000 per annum.

In October 1984 the site was re-reserved for Historic Purposes and the Nominees of the Heidelberg Historical Society were established as a Committee of Management. To date the Arthur Rylah Institute has expended over \$100 000 in rented accommodation as a direct consequence of being denied use of these premises.

Old Moonee Ponds Courthouse

The old Moonee Ponds Courthouse was erected in 1890 and was closed on 22 December 1978 following construction of new premises. As early as 1972 the Essendon Historical Society commenced lobbying for use of the courthouse and a decision was made to request a report on the historical and architectural significance of the building pursuant to the provisions of the Government Buildings Advisory Council Act 1972.

The report of the Advisory Council which was produced on the 5 July 1974, concluded that the Moonee Ponds Courthouse had "only minor architectural significance and was not worthy of preservation on those grounds". In September 1975 the National Trust of Australia classified the building and as a result the Advisory Council was requested to review its decision in the previous year. In 1976 the Council re-affirmed their earlier decision.

This action was not accepted by all parties and following pressure from the National Trust, the City of Essendon, and the Essendon Historical Society, the Advisory Council was again requested in 1977 to review its original decision. After hearing submissions from all interested parties the 1974 decision was re-affirmed once more. At this point of time the Victoria Police Department requested that the building be developed as the Police District Headquarters, a proposal which was vigorously opposed by both the Historical Society and the Essendon Council.

The Police request was not proceeded with and no further action eventuated until May 1980 when the Victorian Public Offices Corporation advised the Minister for Public Works that preferably the property should be sold, but if this was not acceptable, the building should be leased at market rental or re-reserved for municipal purposes. The City of Essendon was contacted as a result of this advice, and were given the option of either purchasing or leasing the site.

In its reply the Council requested a long term peppercorn lease on the site on the condition that the building be fully restored by the State Government. This offer was not accepted, but instead the Council was granted a licence to occupy the site for 12 months from 7 November 1980 at an annual rental of \$1 if demanded (it never was). The Historical Society then occupied the building.

Eventually in 1984 the site was re-reserved for Historical Purposes and the Historical Society was appointed as a Committee of Management. The property, which is valued by the Department at a minimum of \$160 000 continues to be used on a rent free basis by the Historical Society.

5.2.38 In audit opinion the effective subsidisation of Historical Societies needs to be critically examined, particularly in view of the intention of the Law Department to share accommodation with Societies in certain designated Hearing Courts. It is acknowledged that some Societies may have difficulty in existing without subsidy in the form of rent free accommodation. However, this subsidisation is at the expense of potential revenue from leasing or sale of the property being foregone, and possible discrimination against use of premises by other community groups and even government bodies.

5.2.39 There is a clear need for a policy to be established on this issue, and for this policy to be communicated to the public and applied throughout all government departments and agencies on a consistent basis.

Leasing and Licencing Arrangements

Audit Observations

- *Leasing or licencing arrangements were not promoted and were rarely negotiated.*
- *Where licencing or leasing arrangements did exist they were not based on capital values and did not reflect an adequate return in monetary terms on a public asset.*

5.2.40 As can be seen from Appendix 7 of this report there are only 2 leasing or licencing arrangements currently existing which were entered into by the Lands Department, with the remaining lease of Broadford Courthouse being negotiated with the Minister for Public Works. Details of the arrangements are:

- (1) Merino Courthouse has been licenced to the Country Fire Authority under Section 138 of the Land Act 1958 for a period of 99 years upon payment of an annual fee of \$58. Telecom Australia, which uses the premises for a telephone exchange also has a similar arrangement.
- (2) Seymour Courthouse (old) has been leased to the Shire of Seymour for \$55 per annum pursuant to Section 134 of the Land Act which provides for leases of any Crown Land for the purposes of recreation or any other purpose authorised by the Governor in Council. The Shire of Seymour intends spending in excess of \$20 000 on renovating the building.

Avoca Courthouse was also leased at one stage under Section 134 of the Land Act 1958 to the Avoca Scout Group for \$55 per annum. This building is significant in that it is classified by the National Trust, is on the Register of Government Buildings, and is part of the National Estate. The Avoca Scout Group however, did not have the financial resources to maintain and repair the building, which from external appearances is in now an advanced state of decay. The lease was subsequently cancelled.

5.2.41 The above arrangements were obviously not based on any attempt to raise revenue and are in no way related to the market value of the buildings as specified by government policy. Rather they can be seen as a transfer of management responsibility to other organisations for a nominal return and as such effectively represent a government subsidy.

5.2.42 The Department of Conservation, Forests and Lands has achieved a gross return on market value of only \$171 from the former courthouses which are estimated to be collectively valued at more than \$2 million - Appendix 7.

5.2.43 As a further illustration Appendix 3 lists courthouses that were vacant at 31 December 1985. Allowing for a minimum 5 per cent return on capital audit calculates that the rental foregone over the period these properties have been vacant would be in the vicinity of \$100 000. This calculation does not take into account the period between when they ceased to be used by the Law Department and the official date of closure, an aspect which would significantly increase the above estimate.

5.2.44 It is of course acknowledged that every former courthouse may not be available for rental, as an alternative community use has been found. However, the main issue is that very little effort has been made to try and achieve an adequate monetary return or to ensure that maximum use was made of premises, particularly with groups such as Historical Societies which meet infrequently. From perusal of files audit could find no evidence whatsoever that at any stage did the Lands Department call tenders for leasing or advertise premises for rent, preferring instead to either do nothing or offer the courthouse to the first interested party, usually an Historical Society.

5.2.45 A general reluctance to lease or rent premises was also evidenced in certain regions. Various examples can be quoted but Woomelang Courthouse, which has been empty for most of the past 15 years is given as an illustration. Since the official date of closure in May 1981 the use of this courthouse has been requested at various times by the Shire of Karkaroc, Woomelang Lions Club, Woomelang Historical Society and Woomelang Uniting Parish, all to no avail.

Use by State Emergency Service

Audit Observation

- *Exclusive use of courthouses by the State Emergency Service may not be appropriate in every instance as it can represent under-utilisation of premises for which an alternative use can be found.*

5.2.46 The State Emergency Service utilises former courthouses at 3 locations, (refer Appendix 8). Use at Gisborne is under a temporary arrangement between the Shire and the Department of Conservation, Forests and Lands, while at Kaniva and Murrayville the former courthouse sites have been re-reserved for the purposes of the State Emergency Service.

5.2.47 The buildings at Kaniva and Murrayville are both constructed of weatherboard and are in poor condition. In the circumstances it is acknowledged that alternative use of these properties, other than from sale, would be difficult to find. However at Gisborne the former courthouse is a substantial building which has been classified by the National Trust. The property was valued in 1985 at \$123 000.

5.2.48 Audit questions in these circumstances whether the occupation of the Gisborne building by the State Emergency Service on a rent free basis can be deemed an efficient use of a valuable public asset in that:

- (1) Local branches of the State Emergency Service are composed of volunteers who need to use premises for meetings and training programs only on an irregular basis.
- (2) In a township the size of Gisborne it is feasible that other locations could be used for the same purpose, possibly in conjunction with the Country Fire Authority or the Victoria Police who also come under the administration of the Department of Police and Emergency Services.

Municipal Use

Audit observations

- *Doubts exist about the legality of the actions of a Municipality in granting a private organisation use of a former court building.*

5.2.49 Two former courthouses, Richmond and Stratford have reverted back to use by the local municipalities as the premises formed part of the municipal building complex and re-occupation was permissible under the Crown reservation of the land.

5.2.50 However, while Richmond Council has re-occupied part of the former courthouse for use by the Engineering Branch, the Council has also permitted use of the remaining section of the former courthouse known as the 2nd Courtroom by the Richmond and Burnley Historical Society.

5.2.51 Originally this use was the subject of a lease agreement dated 12 February 1979 between the Minister for Public Works and the Richmond Council on behalf of the Historical Society. The lease provided for a 3 year term from 1 December 1978 at an annual rental of \$200.

After the first year's rental was paid it was discovered that the lease had no legal status and no further rentals were received, although the Society remained in occupation. The history of the Richmond site dates back to 15 June 1857 when under the authority of the Governor in Council the land was reserved for the erection of a Courthouse. On 15 August 1859 a restrictive Crown Grant was issued to the Municipal Council of Richmond for the purpose of erecting Council Chambers and Offices, also a Courthouse and Watchhouse.

5.2.52 The above Crown Grant contained the restriction that if the Municipal Council or their successors "alienated or attempted to alienate" or "demises or leased the same (land) or any part thereof" the Governor of Victoria or an authorised officer may re-enter the building and possess all rights as if the Grant had not been made.

5.2.53 By virtue of the above restriction audit has been advised by the Department of Conservation, Forests and Lands that the actions of the Richmond Council in permitting the 2nd Courtroom to be used by the Richmond and Burnley Historical Society, contravenes the conditions of the Crown Grant and in theory the former courthouse could be re-possessed.

5.2.54 To overcome the above situation, the Richmond Council would need to surrender the Crown Grant and to have the site re-reserved for municipal and historical purposes, provided such a use was acceptable to the Crown. The situation at Richmond illustrates the need to review the status of all former courthouse sites and whether these sites need to be re-reserved for other purposes, bearing in mind community needs. With Richmond it may well be decided that use by a private organisation, namely a Historical Society, may not be appropriate for a property which was valued at in excess of \$170 000 in 1985.

Other Purposes

Audit Observations

- *Temporary use of former courthouses by the Police Department and other groups may not be appropriate, especially as maintenance provisions are not apparent.*

5.2.55 Of the remaining uses to which former courthouses have been put to, 4 are used by the Police Department, the old Broadmeadows Courthouse is used by community groups and the former Smythesdale Courthouse is used "temporarily" by an Historical Society - refer paragraph 5.2.25 of this report. Inglewood and Lancefield Courthouses are also being used temporarily by Historical Societies pending formation of committees of management.

5.2.56 The former Broadmeadows Courthouse which closed following construction of new premises was originally earmarked for sale in accordance with current policy. However, local pressure resulted in the building being made available for use by local community groups. The merits of this action, while being of good intention, raises the issue of responsibility for continuing maintenance, especially as vandalism has occurred.

5.2.57 Appendix 8 of this report identifies 4 locations where the Police Department has been granted use of former courthouses. Audit did not inspect the premises at Kew or Malvern, however inspection at Creswick and Wedderburn disclosed that both buildings were in poor condition, and only part of the premises were actually used by the Police, with the main courtrooms being empty. At Creswick, the Police use is meant to be temporary pending construction of a new Police Station.

5.2.58 While there can be no immediate objection to these premises being used by the Police to alleviate overcrowding in nearby Police Stations, experience has shown that the use of "temporary" premises tends to reduce the priority given to the construction of new premises. The courthouse accommodation as evidenced in the 2 locations visited was not, in audit opinion ideal for Police purposes. In addition the premises may not be utilised to their best potential and the low priority of maintenance works other than for urgent items, results in building deterioration.

Vacant Premises

Audit Observations

- *The failure to commit vacant premises to an alternative use within a reasonable period of time can best be described as poor management of public resources.*
- *The legal status of certain properties needs to be clarified.*

5.2.59 As can be seen from Appendix 8 a total of 27 former courthouses are empty. This figure includes the 8 suburban courts which are "temporarily" closed pending a decision by the Law Department as to their future. Of the remaining 19 courts which are the responsibility of the Department of Conservation, Forests and Lands the following commitments have been made:

- (1) Dunolly Courthouse is likely to be renovated at a cost exceeding \$60 000 for use as a "mining advisory centre".
- (2) Rainbow Courthouse was earmarked for Police Purposes, however may be available for community groups.
- (3) Elmore Courthouse has been designated as a Hearing Court by the Law Department after being vacant for more than three years. This use is likely to be limited due to the close proximity of Rochester Court.
- (4) Dimboola Court is intended to be re-reserved as an "Institute for Public Instruction" as part of a Country Education project.

5.2.60 The position with Clunes Court needs clarification as it would appear that the building which forms part of the Shire Offices, is subject to a 999 year lease from the Municipality to the Crown.

5.2.61 With the possible exception of Yackandandah Court where unsuccessful approaches were made to the National Trust of Australia, Yackandandah Historical Society, and the local Council to manage the building, actions taken in respect of the remaining empty premises can only be described as inadequate reflecting poor land management practice.

5.2.62 Perusal of files indicated that in most locations a certain degree of interest was periodically expressed in using the empty court buildings. However, either the applicants were regarded as unsuitable, or the local Lands Office failed to make a decision, preferring instead to leave the premises vacant and subject to deterioration. Active attempts were not made to find alternative uses and sale was not considered at any stage.

5.2.63 A contributory factor to premises remaining vacant was the absence of any centralised monitoring procedures within the Department, which would readily identify empty premises and action being taken to find alternative uses. In fact it was not until audit began requesting files from the various regions that the full extent of vacant courthouses throughout the State became known.

PART C PUBLIC WORKS DEPARTMENT

5.3 Background Information

5.3.1 The Public Works Department's involvement with the disused courthouses was mainly brought about through the provisions of the Public Lands and Works Act 1964 under which the Minister for Public Works is responsible for "all acts and questions relating to or concerning the public works and buildings of Victoria". Therefore, apart from the Department's responsibility for the maintenance of public buildings, when courts were closed decisions on the future use of the buildings were usually referred to the Minister for Public Works. Decisions involved either re-allocation of the building to other government departments or disposal.

5.3.2 "Disposal" was interpreted as leasing at market rental, sale by public auction through the Victorian Public Offices Corporation, or handing the property on to the Minister for Conservation, Forests and Lands for disposal or lease. On most occasions the latter option was adopted mainly due to anticipated delays of over 12 months in having the land re-reserved or Crown Grants issued by the Lands Department.

5.3.3 The actions of the Department in relation to the few courthouses for which responsibility was accepted are summarised hereunder:

5.4 Audit Observations

- *Re-allocation of former courthouses was not actively pursued on all occasions, and in two instances was not proceeded with.*
- *The actions of the Victorian Public Offices Corporation in relation to properties sold were satisfactory and an adequate return was achieved.*
- *The leasing arrangement negotiated with the Minister for Public Works requires review.*

- *The responsibility for former courthouses which are not identified as being on Crown Land needs to be clarified and future usage addressed.*

Re-allocation of Properties

5.4.1 Procedures generally adopted provided for the Public Works Department to circulate all government departments to determine whether a use could be found for closed courthouses. On limited occasions circulation did occur, usually with no response and the buildings were subsequently handed on to the Lands Department for disposal.

5.4.2 Where circulation was not conducted influencing factors may have been:

- (1) difficulty in finding alternative uses for buildings in country locations where the activities of government departments, other than the Police Department, were either minimal or non-existent; and
- (2) the precedents set at Coleraine and Heidelberg where use by government departments was identified, only to be overridden in favour of historical interests.

Sale by Auction

5.4.3 Although numerous references were made throughout the history of Court closures to buildings being referred to the Minister for Public Works for auction, this happened on only two occasions which occurred at North Melbourne and Tarnagulla. The auctions were handled by the Victorian Public Offices Corporation under the authority of the Minister for Public Works. Details of sales were:

(1) North Melbourne Courthouse

The former North Melbourne Courthouse was an integral part of a Police/Courthouse complex which was used by the Police Department following closure of the Court on 1 January 1968. The Victorian Police ceased to use the building as from November 1977 and as an alternative use by a government department could not be found, approval was given on 29 February 1980 to the Victorian Public Offices Corporation to auction the property. In the intervening period the building was empty and vandalism had occurred.

The Corporation followed established guidelines and obtained two valuations from the Valuer-General's Office in September 1980 (\$86 800), and February 1981 (\$93 000). Prior to the property being auctioned on 25 February 1981 a private valuation of \$102 000 was obtained which influenced a reserve price of \$100 000 being established. The property was sold at auction for \$142 000. This sale was particularly significant in that:

- (i) sale was actually proceeded with, as numerous examples were found where sale was not considered, possibly due to potential adverse reaction, especially from historical interests; and
- (ii) the proceeds were considerably in excess of expectations which highlights the potential real estate value of other inner suburban courts such as Carlton and Flemington which are currently empty.

Other than for the extended delay, which in other circumstances could effect property values, audit considers the procedures adopted with this sale were satisfactory and may well serve as an incentive for a return to be gained from other derelict properties belonging to the Crown.

(2) Tarnagulla Courthouse

Tarnagulla Courthouse was an historic brick and bluestone building erected in 1860 and which was closed on 8 June 1979. As there was no interest expressed by other government departments in using the building the property was transferred to the Victorian Public offices Corporation for disposal by auction.

Before Crown land can be sold it is necessary to obtain from the Minister for Lands what is known as a "Crown Grant" which becomes the first entry on a Certificate of Title enabling the property to be sold as freehold. Before a Crown Grant is issued procedures adopted by the Lands Department were meant to establish whether there are any objections to such action. Presumably in this instance such a check was not conducted as the Land Management branch of the same Department had assisted in the preparation of a report by the Land Conservation Council recommending that historic buildings (including the courthouse) in the township of Tarnagulla be preserved and managed by the Department. Had this branch been contacted the decision to sell may not have been proceeded with. The property was auctioned by the Corporation on 4 June 1981 and realised \$8 000.

Lease

5.4.4 As stated previously it is established policy that all leases to private organisations are to be at market valuation. Throughout the entire history of court closures there was only one example of where this policy was applied. This occurred at Broadford Court which ceased operating in July 1980 and officially closed on 1 November 1981.

5.4.5 Shortly after the court ceased operations a local religious group applied for use of the premises, indicating that they were prepared to pay \$20 per week rental, assume responsibility for maintenance, and would

like first option should the premises become available for sale. Permission to occupy the premises was granted in August 1980 and rental was assessed at \$2 340 per annum for two years based on a valuation by the Valuer-General. A leasing agreement was negotiated with the Minister for Public Works.

5.4.6 While audit has no objection to the manner in which the lease was originally negotiated, the following matters need to be addressed:

- (1) There has been no rental review since the lease was first negotiated in 1980.
- (2) The Department of Conservation, Forests and Lands has questioned the legality of the leasing arrangement which was entered into prior to the court being closed. Leases granted on Crown land are normally the responsibility of the Minister for Conservation, Forests and Lands pursuant to the Land Act 1958.

Unallocated Courthouses

5.4.7 The Department of Conservation, Forests and Lands has no record of Flemington Courthouse as being located on Crown land and this situation may well apply to other locations, not covered by the audit study. The status of this site should be resolved as a matter of priority, in order for it to be recorded as Crown Land.

5.4.8 The courthouse is a substantial brick building with a slate roof, erected in 1889 and forms part of a Police/Courthouse complex which has been brought to the attention of the National Trust of Australia. Since closure in 1982 the building has been used as a repository for furniture reclaimed from closed country courthouses and court records from the Carlton Court, which was "temporarily" closed in February 1985.

5.4.9 The use of this courthouse as a temporary repository also requires consideration, as the property is located on prime real estate, handy to police surveillance and a minimum valuation would be at least \$150 000.

5.5 Audit Recommendations

Based on the various aspects identified in the preceding sections A, B and C the following recommendations are made:

1. In view of past performance audit questions the ability of the Department of Conservation, Forests and Lands to administer in the best interests of the public all matters relating to the disposal of properties belonging to the Crown, which are surplus to government requirements. "Disposal" is defined as sale, lease, rental or other purposes consistent with public interests.

As such it is recommended that either this function be transferred to the Department of Property and Services with clear guidelines being defined in line with government policy and existing legislation, or a separate Authority be established to handle surplus assets. Such an Authority could be established along the lines of the "Crown Assets Disposal Corporation" in Canada, whereby this Authority acts as an agent of the Crown in the disposal of surplus assets.

Whatever body remains or becomes responsible for the disposal of surplus government properties the following areas will need to be addressed:

- (i) as policies do not exist a detailed, definitive statement on policy options available should be formulated and applied throughout all government departments and agencies in relation to the use of public buildings by private organisations or commercial interests;
- (ii) establishment of standard procedures for the disposal of government buildings and the adoption of performance indicators to measure performance. In addition the annual report of the responsible body should detail disposals and provide commentary on performance standards achieved in line with program objectives;
- (iii) development of an administrative mechanism whereby departments or agencies are required to advise within a specified period of time when properties either become vacant or vacation is intended. Such advice would assist in arranging disposal with a minimum of delay and also ensure that security aspects could be dealt with promptly;
- (iv) development of a central register of surplus assets with regular reviews being undertaken so as to ensure progress is made in arranging disposal;
- (v) formulation of guidelines on advertising of properties available for rental or lease;
- (vi) composition of leasing agreements including conditions of tenure, insurance cover, and maintenance requirements. This aspect is particularly significant where historical buildings are involved and preservation is of paramount importance. Attention should also be given to whether the proposed use of the building is compatible with the building structure and environment;
- (vii) development of a rental policy which is subject to periodic review. Rentals charged

should preferably be assessed by the Valuer-General;

- (viii) establishment of an inspection program to ensure that premises are being maintained in a satisfactory manner and are being used for the purpose intended;
 - (ix) identification of all buildings worthy of preservation and eligible to be recorded on the Register of Government Buildings pursuant to the Historic Buildings (Amendment) Act 1983. Recording of buildings on this Register provides legislative protection of the structures in the event of sale; and
 - (x) development of guidelines on the disbursement of proceeds from sales i.e. whether moneys received should be paid into the Consolidated Fund, applied towards the Capital Works Program of the involved Department, or applied towards a restoration program for government buildings of historical significance.
2. There is a need for the Department of Conservation, Forests and Lands to review all former courthouses located on Crown Land with a view to ascertaining current condition of buildings and maintenance requirements, appropriateness of current use, returns being received from current leasing/licencing arrangements, and options available for disposal, particularly where premises are vacant. Such a view should also encompass the legal status of current usage in terms of the Crown Grant or reservations pursuant to the Land Act 1958 and the Crown Land (Reserves) Act 1978.
 3. A review needs to be undertaken as to the appropriateness of the current policy of the Department of Conservation, Forests and Lands of transferring management responsibility to Committees of Management, whether they be controlled by Councils or community groups. Such a review would consider such issues as the level of maintenance being undertaken, monetary return to the government, usage of premises in terms of days used each week, exclusive occupation by certain groups to the detriment of other community interests, alternative usage, and whether sale may be a preferred option.
 4. A policy needs to be formulated on the use of government buildings on a subsidised or rent free basis by private organisations, particularly Historical Societies. Such a policy would take into account such factors as the need for any more museums in courthouses within Victoria, level of subsidisation, ability to maintain premises, availability of government subsidies for major works on historic buildings used privately, and tenure conditions.

5. The role of the Hearing Courts established by the Law Department needs to be examined in locations where usage for court purposes is likely to be minimal. This role should be viewed in terms of whether this use can be justified, particularly where alternative accommodation could be available. Use of these premises by other organisations also needs reviewing as to the legality of such arrangements, bearing in mind the defined purpose of the building, and whether this usage should be regulated by the Department of Conservation, Forests and Lands.
6. Decisions should be made on the future use of the 8 suburban courts closed, from 1 February 1985, which represent a substantial public investment in buildings which are not being utilised.
7. The occupation of former courthouses by the Police Department and the State Emergency Service should be examined in terms of whether alternative accommodation would be more appropriate and what actions (if any) are needed to re-locate these organisations.
8. The legal status of any court buildings that are not recorded as being on Crown Land should be established.
9. The need to retain Section 140 of the Land Act 1958 in its present form requires review in the current day environment.

Response from Departments

Law Department

A concerted effort is to be made in conjunction with the Department of Conservation, Forests and Lands to dispose of closed courts. The future of Hearing Courts in certain locations requires careful consideration and monitoring. If found to be underutilised, alternative accommodation would be investigated rather than to discontinue the service.

Public Works Department

The Public Works Department's administration of the properties was considered fettered by the inability at law to assign any rights in the land on which the buildings stood. In this regard considerable difficulty was experienced with the Department of Conservation, Forests and Lands in obtaining Crown Grants, or having land re-reserved for alternative purposes. On the few occasions where Crown Grants enabling sale were obtained, this process took in excess of 12 months.

The Department acknowledged that the granting of rent free occupation of premises to historical societies may have been in conflict with established policies. However, it was stated that these decisions did not occur at officer level.

It was considered that many of the properties could be actively advertised for sale or leased at current market rentals.

Conservation, Forests and Lands

The responsibility for disposal of buildings surplus to government requirements has been transferred to the Department of Property and Services, pending enacting legislation. However, the responsibility for heritage assets (i.e. the majority of the closed courthouses) will remain with the Department, although the relationship with the Department of Property and Services as to the administration and management of the properties has yet to be defined.

The Department has the view that historic properties should, if possible, be made available for public use. A number of administrative and policy changes have been made and where buildings are vacant, or become vacant in the future the following process applies:

- (1) each building is assessed as to historical significance along with maintenance and preservation requirements;
- (2) buildings are advertised for expressions of interest from the public; and
- (3) proposals received are assessed by Regional Managers assisted by a special committee with expertise in management of historic buildings. Applicants must justify viability of use. Advice to the Minister on future use will be made in recognition of all public benefits available - including social support, tourism, environmental management and economic return.

In addition to the above processes:

- (1) an inventory of vacant buildings and buildings used by community groups will be established and monitored by a specialist committee;
- (2) all tenures such as leases, licences and committees of management will be for specified periods, as opposed to the unlimited tenures in the past;
- (3) buildings currently occupied by the community groups will be closely monitored and tenures revised when opportunities arise;
- (4) discussions are taking place on appropriate rental policies for vacated government buildings. In formulating such policies consideration will need to be given to:
 - (i) defining role of government in providing subsidised accommodation to social and community groups in a manner which optimises all public benefits;

- (ii) special management and maintenance requirements of historic buildings; and
- (iii) commitments to community use by previous administrations.

The Department agreed with the audit suggestion that disbursement of property sales may provide a means of funding the restoration of historic buildings.



Harrow Courthouse (1877). Closed on 1 February 1966. Freehold was sold to local R.S.L. in 1982 for \$59.

6. HISTORICAL IMPLICATIONS AND MAINTENANCE REQUIREMENTS OF CLOSED COURTHOUSES

6.1 Desirable Management Controls

6.1.1 Financial records are maintained which identify all costs associated with closed courthouses including inventory storage costs, maintenance, security measures, and repairs.

6.1.2 Responsibility has been established for the continuing maintenance of closed courthouses.

6.1.3 The implications and/or restrictions imposed as a result of registration or classification of buildings by the National Trust of Australia, Historic Buildings Council or similar bodies have been recognised, evaluated, and acted upon.

6.1.4 Adequate security arrangements exist for unused buildings.

6.2 Background Information

6.2.1 The Public Works Department has the primary responsibility for the repair and maintenance of courthouses pursuant to the provisions of the Public Lands and Works Act 1964. However, minor repairs can be conducted on the authorisation of the Secretary to the Law Department. Details of repairs effected and works conducted are recorded on the individual files held by the Law Department pertaining to each Court.

6.2.2 The implications of courthouses being classified by the National Trust of Australia, being placed on the Register of Government Buildings, and/or being registered as part of the National Estate are as follows:

(1) National Trust of Australia

The National Trust of Australia (Victoria) is a private organisation concerned with the preservation of historic buildings, both private and government owned throughout Victoria. A National Trust classification is merely an opinion on the architectural and historical significance of a building in a particular location, and has no legal status.

(2) Register of Government Buildings

Other than classification by the National Trust the first recognition of historic government buildings, including courthouses began with the formation of the Government Buildings Advisory Council pursuant to the Government Buildings Advisory Council Act 1972. The main function of the Council was to report, when requested, to the Minister for Public Works on the historic, architectural, and other significance of any government buildings on Crown land and whether such buildings should be preserved.

The Act was amended in 1981 to provide for a Register of Government Buildings of interest. In 1983 the Act was abolished and the Historic Buildings Act 1981 amended to incorporate the Register of Government Buildings. The effect of this amendment was that for the first time government buildings came within the provisions of Section 26(2) of the Historic Buildings Act 1981 which prevents registered historic buildings from being demolished or altered except in accordance with the conditions of permits granted by the Historic Buildings Council.

The Act also provides for the creation of an Historic Buildings Fund out of which loans or grants, subject to approval by the Council, may be applied towards restoration works or in any other way authorised by the Act.

(3) National Estate

Commonwealth legislation proclaimed under the Australian Heritage Act 1975 provides for the establishment of an Australian Heritage Commission the functions of which include:

- (i) identification and preservation of places to be included in a Register of the National Estate; and
- (ii) advising the relevant Minister on the granting of financial assistance to the States, local governing bodies and any other organisation or persons concerned with the preservation, conservation and improvement of the National Estate.

6.2.3 The effect of the various classifications means that former courthouses identified as being worthy of preservation cannot be substantially altered, removed or demolished without approval in terms of the legislation. The legislator also places obligations on the owners, whether they be private individuals or government, not to despoil, damage or allow to fall into disrepair any classified buildings.

6.3 Audit Observations

- *lack of essential maintenance and structural repairs over an extended period has often resulted in substantial deterioration of court buildings, including those which are classified;*
- *maintenance provisions have not been established for closed courthouses which adversely affects these public assets;*
- *security provisions are inadequate; and*
- *views of public bodies established which were in a position to report on the significance of closed courthouses were rarely sought.*

6.3.1 From a review of Law Department files pertaining to individual courthouses it can be concluded that apart from emergency items, very little attention was given to maintenance and structural repairs over a period extending beyond 20 years. This fact was also referred to in the 1985 Law Department Annual Report which commented upon the poor state of much of the building stock following years of neglect.

6.3.2. The files reviewed contained repeated requests over the years for works to be conducted ranging from the eradication of bats from the Smythesdale Courthouse to major cracking in building walls. All too often these requests were denied, usually on the premise that funds were not available, or that requests would be deferred until "funds became available", which was more than often a remote occurrence. In addition, where it became known that buildings were rarely used or became vacant, maintenance was not carried out except in emergency situations.

6.3.3 To support the above view a listing was obtained from the Public Works Department detailing all maintenance works conducted on closed courthouses since closures began in 1965. The total value of these works was only \$11 996 which mainly related to leaking roofs, burst water mains, installation of fire extinguishers (a mandatory requirement for public buildings) and cutting of grass where the Country Fire Authority deemed it to be a fire hazard.

6.3.4 Although many examples can be given of the consequences of lack of maintenance, one of the more notable cases existed with the Dunolly Courthouse which was closed on 1 August 1981. This historic building, constructed of brick with a slate roof was built in 1884 and was classified by the the National Trust in 1971.

Over an extended period of years repeated requests for repairs were denied and the building deteriorated to the extent that the local Lands Inspector, who used the courthouse as an office after closure, complained about having to move from room to room as the floors collapsed.

6.3.5 In 1985 the courthouse was valued at NIL by the Department of Conservation, Forests and Lands and an estimate of minimum repairs by the Public Works Department was quoted at \$58 000.

6.3.6 Although courthouse maintenance costs were minimal over the years by virtue of works not being carried out, the consequences of this action to the public should be measured in terms of:

- (i) decline in market values of buildings caused by vandalism and deterioration;

- (ii) destruction of historic buildings e.g. Smythesdale, Avoca and Wycheproof Courthouses which are of local and national importance;
- (iii) revenue foregone as buildings become unsuitable for habitation;
- (iv) potential hazard to public, as access in some locations is easily obtained and the building is unsafe; and
- (v) absence of basic maintenance accelerates deterioration and makes renovation more expensive.

6.3.7 Where buildings have been occupied by community groups and private organisations, firm commitments in the form of maintenance agreements were not obtained and standards of maintenance varied widely.

6.3.8 In audit opinion particular attention should be given to classified buildings (refer Appendix 9) as it is an anomalous situation to have buildings classified as being worthy of preservation only to allow them to slowly deteriorate into ruin, assisted by vandalism. In this regard where buildings are recorded on the Register of Government Buildings pursuant to the Historic Buildings Act 1981 there is a statutory obligation to prevent these buildings from falling into disrepair. It is also possible that funding for this purpose could be obtained from the Historic Buildings Fund or the National Estates Grants Program. The historic and aesthetic value to the community of such buildings cannot be measured in monetary terms but can be considered irreplaceable.

6.3.9 To the credit of the Law Department the Courts Management Change Program which began in 1983 acknowledged the past inadequacies and a prioritised capital works program has begun to renovate existing courthouses still in use. An important element of this program is to re-establish and maintain the architectural integrity of those buildings which are important to Victoria's history.

6.3.10 Audit endorses the above program. However, it is felt that consideration by the Public Works Department should be given to closed courthouses, where maintenance or renovation is currently dependent on the limited financial resources of local Councils or occupants such as Historical Societies and community groups.

6.3.11 It is also of importance that classification of a courthouse does not prevent its sale by the Crown, with the only legislative restrictions imposed being those contained in the Historic Buildings Act 1981, as amended. A distinct reluctance to sell such buildings was observed, even when buildings had remained empty for many years. This attitude has no doubt contributed to

potential sale proceeds being foregone. It is also contended that sale would most likely have resulted in renovation of the buildings.

6.3.12 The above attitude did not exist in the early part of the century as several courthouses were sold privately including the former courthouse which was built in 1879 at Fryerstown. This courthouse, which is classified by the National Trust, closed in 1930 and has since been restored by the current owner to much of its former glory.

6.3.13 Despite the availability of advice from the Government Buildings Advisory Council established in 1972, reports were only requested on 3 occasions for closed courthouses. Audit is of the view that reports from this body could have been of assistance in determining the future of the buildings involved. The 3 reports related to the old Warragul Courthouse, which has since been incorporated in a new complex, and the old Moonee Ponds and Seymour Courthouses.

6.3.14 The Council recommended that both the Moonee Ponds and Seymour Courthouses were not worthy of preservation and could be disposed of. These recommendations were not acted upon and both buildings were retained, although not placed on the Register of Government Buildings. The government currently receives \$55 per annum for the lease of the Seymour building and nil return for the lease of the Moonee Ponds building. It can be said that although a body was formed which could advise on the future use of disused courthouses, it's views were rarely sought and even when they were, were not acted upon.

6.3.15 Security arrangements for most closed courthouses, other than for locking the front door, were virtually non existent in terms of, for example, securing of windows or surveillance of buildings. This lack of security was evident during the audit inspection of the closed courthouses where access to certain buildings could be gained through unlocked windows or faulty doors. Fortunately in certain locations the courthouse is in close proximity to the Police Station, which acts as a deterrent to unauthorised entry.

6.3.16 Apart from the prospect of vandalism, the lack of security is of concern in view of the amount of furniture, and to a lesser extent, records which still remain in many closed courts. Audit has no doubt that furniture and fittings have been illegally removed from various courthouses over the years. However the extent to which this has occurred cannot be established due to poor inventory control.

This aspect is also complicated by the insistence by Historical Societies, sometimes with the backing of local Municipal Councils, that furniture remains in the courthouses.

6.4 Recommendations

- (1) All closed courthouses should be inspected and maintenance and improvement requirements assessed. Where possible a commitment to these requirements should be obtained from the current occupants. Where current occupants are unable or unwilling to contribute to funding, consideration should be given to either government assistance, Council funding, or alternative use.
- (2) Maintenance programs should be prepared for the occupied courthouses and regular inspections should be conducted to ensure that works are performed and preventive maintenance continues. Where tenancies change, maintenance and repair requirements should form part of any new tenancy agreement.
- (3) In circumstances where the cost of repairs may exceed the value of the building, as could occur with small weatherboard structures such as can be found at Edenhope or Kaniva, it may be cost efficient to sell the property for the land value. In the absence of any defined need this action becomes preferable to leaving a deteriorating government building to detract from the environment.
- (4) Where buildings are classified the availability of funding restoration costs from the Historic Buildings Fund or the National Estates Grants program should be examined.
- (5) In circumstances where costly repairs are required and a viable use for the building cannot be found, consideration should be given to disposing of the property by auction, with intended buyers being made aware of the commitment required. This action also applies to buildings recorded on the Register of Government Buildings where legislative protection exists to provide for preservation.
- (6) Security arrangements should be reviewed for all former courthouses and action be taken to remove records and furniture and fittings of value from empty premises.

Response from Departments

Public Works Department

The department acknowledged that maintenance of closed courthouses was minimal. However, while the courthouses were the responsibility of the Law Department maintenance conducted was subject to the priorities established by that department, and the availability of funding. Once the buildings were 'given' to the Public Works Department, all funding ceased.

The implementation of a maintenance program for closed courthouses requires discussion with the Department of Management and Budget as to funding provisions.

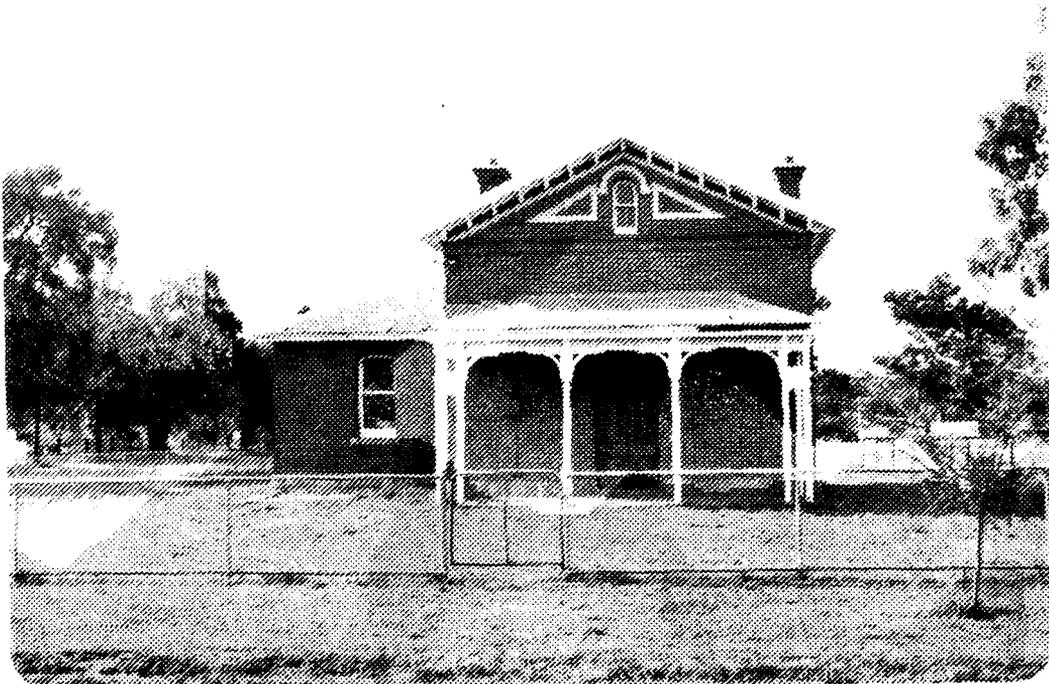
Department of Conservation, Forests and Lands

The Department advised that following an architectural survey of historic buildings (mainly courthouses) the cost of upgrading the buildings to minimum standards was estimated at \$750 000 or on average \$20 000 per building. Available funds in 1985-86 were only \$60 000. However, subject to available resources, a commitment exists for the protection and upgrading of buildings which are listed as part of the National Estate and are on the Historic Buildings Register.

It is also proposed that maintenance and improvement requirements and costs, along with an intended occupants ability to conduct such works be assessed before any tenancy agreements are entered into.



Nativuk Courthouse (1899). Building was restored by local Municipal Council following closure of court in 1965. Currently used by local Historical Society as a museum.



Avenel Courthouse (1876). Closed on 25 March 1969. Building is classified by National Trust and is currently used by local community groups.



Rear of derelict former police residence adjoining Avenel Courthouse. The former Lands Department granted free use of the building in 1969 to the local Historical Society to establish as a museum.

7. **INVENTORY CONTROLS AND ACTION TAKEN IN RESPECT OF ITEMS
NO LONGER REQUIRED FOR COURT PURPOSES**

7.1 Desirable Management Controls

7.1.1 Detailed inventory records exist and all inventory movements are authorised and monitored.

7.1.2 Inventory reviews are regularly conducted with a view to re-location, sale or scrapping of items no longer required for court purposes.

7.1.3 Court records from closed courts have been properly disposed of or transferred to the control of the Public Records Office in accordance with the provisions of the Public Records Act 1973.

PART A - FURNITURE

7.2 Background

Value of Furniture

7.2.1 As most of the Magistrates' Court buildings throughout Victoria were constructed in the latter part of the last century furniture and fittings are often commensurate with that era. Many of the closed courthouses contained craftsman built furniture, including cedar chairs with leather upholstery built to five basic styles, and cedar tables of various dimensions, often with a leather inlay and built to three basic designs.

Other fittings included cedar presses, antique clocks, china wash basins and stands, and individually styled Magistrates' chairs. In the words of the Secretary to the Law Department, furniture contained in certain courthouses could be described as "an antique dealer's delight".

7.2.2 Audit did not seek values on specific items but was advised from a number of informed sources that the standard "shell back" cedar chair with leather upholstery which was common to many courthouses could be valued at upwards of \$450 each, while cedar tables in good condition could be worth in excess of \$1 000 each. These values are dependent on marketing through recognised outlets in the antique furniture trade.

7.2.3 In view of these values the court furniture in many locations can be regarded as a very valuable public resource. It must be emphasised however that much of the furniture other than the cedar items was of little value and was often dilapidated.

7.3 Audit Observations

- *Many courthouse inventories covered by the audit study were either inadequate or could not be located.*

- *Procedures were not in existence to effectively monitor the disposal or re-location of furniture from closed courthouses.*
- *Government regulations and instructions were not adhered to, particularly in relation to the disposal of furniture.*
- *A considerable quantity of often valuable furniture has remained for many years in closed courthouses.*
- *The Law Department's own guidelines in relation to the re-location or disposal of furniture from closed courthouses were not always adhered to.*
- *The policy of allowing Historical Societies or other private organisations to use courthouses furniture requires review.*
- *The furniture renovation program initiated by the Law Department is highly commended, subject to adequate controls being introduced.*

Policy

7.3.1 Up until 1983 the Law Department did not have a firm policy on procedures to be adopted with courthouse furniture once the Court was closed. Action taken prior to this date was usually a combination of the following:

- (1) Furniture was left behind in the courthouses or rented premises.
- (2) Certain items were transferred to the nearest court with the remainder being sent to the Public Works Department's storeyard in Port Melbourne.
- (3) Items were "loaned", mostly unofficially to Historical Societies, community groups, or individuals. Records of these items were not kept.
- (4) Certain items considered to be "unserviceable" were scrapped, mostly without a Board of Survey being formed.

7.3.2 In 1983 a closed courts policy was adopted whereby the responsible clerk for the closed court was to complete an inventory of all fixtures, furnishings and fittings divided into 3 categories:

- (1) items identified as being re-usable which were to be returned to the nearest operating court;
- (2) items which could not be used in the surrounding district but could be used within the courts area. These items were to be held in repositories such as Flemington or Woodend Courthouses pending re-location; and

(3) items which were either not re-usable, uneconomic to repair, or were fixtures which were uneconomic to remove.

7.3.3 The needs of the Law Department were to have priority in the re-use of furniture. This policy was endorsed by the Premier in June 1983 who was quoted as having decided that all items of furniture and fittings identified for re-use were to be removed from the closed courthouses and either re-located to nearby courts or stored pending re-location within the Law Department.

7.3.4 Over the years various Historical Societies had actively promoted the view that furniture should remain in historic courthouses. This view was acceded to in 1985 when the closed courts policy was amended to allow for furniture to be loaned to private organisations occupying closed courthouses such as Historical Societies, subject to the items being labelled as property of the Law Department and returnable on demand.

A further decision was also made to allow furniture to be retained in classified buildings where it was considered that the removal would destroy the historical interest and integrity of the courthouse. In reality this situation had occurred for many years, but was not officially acknowledged.

Inventory Records

7.3.5 Court inventory records were frequently of a poor standard, often consisting of only a foolscap sheet on which items were loosely described e.g. the description 7 chairs may mean 7 antique chairs, 7 modern chairs, or a combination of styles and values. In addition items were not uniquely identified.

7.3.6 The weakness in the method of recording could have had consequences in that low value items could be substituted for antique furniture with little chance of detection. This aspect was of particular significance in that valuable furniture was left in empty or rarely used courthouses for up to several years without any form of inventory checking, or security arrangements.

7.3.7 At audit instigation the Clerks of Courts Manual was amended in 1985 to provide for inventories to be regularly reviewed, discrepancies reported and items recorded in sufficient detail to enable proper identification. For the purposes of this project the amendment, while essential, occurred "after the horse had bolted".

7.3.8 When courts closed it was the responsibility of the Clerk of Courts to forward all records, including the inventory records, to the nearest court. These inventory records were not always transferred, or were destroyed as a selective check by audit indicated. As

such it was not possible to ascertain what furniture was in the closed courthouse in the first instance, let alone how it was disposed of or whether items were missing. In addition, prior to 1983 listings were not prepared at date of closure.

7.3.9 For purposes of internal control audit considers that the original inventories should have been requested by the Law Department as soon as court closures occurred and the disposal of all items accounted for. Certainly, the original inventories should have been reconciled with the listings prepared as from 1 January 1983, in accordance with the closed courts policy, and all discrepancies accounted for.

7.3.10 Although it was known that Law Department furniture was utilised in certain rented premises, these premises could not be separately identified. Apart from an occasional listing prepared for the 22 courts in rented premises which closed from 1 January 1983, the extent of Law Department furniture that was utilised could not be determined due to the absence of records or monitoring procedures.

Monitoring of Furniture Disposals

7.3.11 At no stage did procedures and controls exist within the Law Department to monitor the disposal or relocation of furniture, or to identify items which may have been removed or lent without authority.

7.3.12 Records at the Public Works Department's Port Melbourne storeyard indicated that limited quantities of furniture were received up until several years ago, but were mainly low value items such as witness boxes etc. Remaining items were presumably either left in the courthouses, transferred to nearby courts, disposed of as being unserviceable, loaned out (permanently?) or otherwise.

7.3.13 There was very little documentation available to indicate what did happen to the furniture, as acquittances were not available to evidence the furniture as actually being received at neighbouring courts and there was only the occasional acknowledgement on hand from the Port Melbourne Storeyard. In addition, Boards of Survey were only convened on rare occasions despite the requirements of the Department of Management and Budget Regulations.

7.3.14 The functions of Boards of Survey, which comprise 2 or more persons appointed by a Chief Administrator are to make recommendations as to the disposal of items considered obsolete or unserviceable, and for which further use cannot be found in government. These Boards are time consuming but important in that they can prevent such occurrences as an antique chair being disposed of because a leg happened to be missing etc. In such circumstances a leg could readily be replaced at the carpenters' workshop provided the item was sent there.

7.3.15 Due to the absence of any documentation on file it can only be assumed that "unservicable" items were either destroyed, given away, lent or removed without authority. Despite the discrepancies that occurred they were not notified to the Chief Administrator in accordance with the Department of Management and Budget Regulations.

7.3.16 The policy adopted in 1983 of requiring an inventory to be prepared on closure was a positive step but was deficient in that:

- (1) a comparison was not made with the original inventory to test the accuracy of the listing;
- (2) listings were not independently verified;
- (3) acquittances were not obtained from neighbouring courts to indicate receipt of furniture;
- (4) Boards of Survey were rarely conducted;
- (5) records were not available to identify items transferred to repositories such as the former Woodend and Flemington Courthouses, nor were stock records kept within these locations; and
- (6) on occasions where listings were prepared, often indicating the presence of valuable furniture, further action was not always taken. This aspect was confirmed by the audit inspection in 1985 which revealed the existence in empty courts of large quantities of furniture of which the Department was not always aware of.

7.3.17 The inherent danger in leaving furniture in vacant courts is that items can be removed without the knowledge of the Law Department. As an illustration, an inspection was made of the former Ballan Courthouse which closed as from 1 January 1983. In May 1984 the Law Department advised the Ballan Council that the court furniture would be removed in the near future.

By March 1985 no action had been taken and as the Council was concerned with the security of the valuable furniture, took it upon themselves to store certain items in the Council Chambers next door. In May 1985 audit visited the courthouse and selectively compared the listing prepared at date of closure with the furniture on hand. This comparison disclosed that 2 wash stands and 2 leather seated chairs were missing.

In March 1986 the original inventory for the court was obtained from the Bacchus Marsh Courthouse and a further check was made. This check confirmed that the above items were missing along with the Magistrate's chair, a bar table, and a wooden clock which probably dated back to the previous century. Explanations for these discrepancies have not been obtained, but the former Clerk of Courts for Ballan has stressed that at no time

was any person given permission to take or use such furniture.

7.3.18 A similar occurrence happened at the Carlton Courthouse which closed from 1 February 1985. Audit drew attention to the disappearance of 2 Cedar Arm Chairs valued at in excess of \$800 each. A Police investigation was conducted without result.

7.3.19 Audit forms no opinion as to whether the above examples were isolated or indicative of a general situation. However the examples given serve to illustrate the potential for valuable items to disappear if they remain in unattended courthouses for extended periods.

7.3.20 The retention of furniture in the closed courthouses was, in audit opinion, under-utilisation of a valuable resource which could be either used elsewhere in government, or sold if deemed surplus to requirements. This action was also contradictory to the policy endorsed by the Premier (paragraph 7.3.3) that all items of furniture and fittings identified for re-use were to be removed from the courthouses.

Lending of Court Furniture

7.3.21 The Department of Management and Budget Regulations 1981 provide for property to be lent with the approval of the Permanent Head. However this action should only take place where a use cannot be identified within the Department. In addition, details of items lent should be documented in accordance with the Regulations, and retained for audit inspection.

7.3.22 The above requirements were not adhered to as details of furniture lent were not documented and it could not be said that alternative uses for much of the furniture loaned, either officially or unofficially, could not be found within the Department or elsewhere in government.

7.3.23 The practice of allowing Historical Societies to use court furniture extends back many years to when these Societies were first permitted occupancy of closed courthouses containing furniture. Any subsequent attempts to remove furniture once occupancy occurred were usually met by fierce opposition, often with the backing of local Councils.

7.3.24 To support claims for retention of furniture the "Burra Charter, Article 10" was often quoted. The "Burra Charter" represents the international guidelines for the restoration of historic monuments and sites which were adopted by Australia in 1978. Article 10 states that "the removal of contents which form part of the cultural significance of the place is unacceptable unless it is the sole means of ensuring their security and preservation".

7.3.25 The Law Department's view was that as the Victoria Estate Committee had indicated that only fittings were effected, it was within the scope of the Charter to remove moveable furniture. Despite this proclaimed view, removal of furniture from courthouses occupied by Historical Societies rarely took place. It could also be said that despite the fact that in certain locations the security and preservation of furniture was threatened, no effort was made to remove it.

7.3.26 The official lending of court furniture labelled in an appropriate manner also rarely took place, with the most common situation being that Historical Societies merely took possession of the furniture upon occupation of premises, eg. Beaufort and Inglewood Courthouses. Audit could locate only one recorded instance where an Historical Society was given written permission to use furniture. This occurred in December 1983 when the Avenel Historical Society was given permission by the Department to remove the remaining furniture at the old Seymour Courthouse.

The furniture was not separately identified or listed by the Department and its current whereabouts is unknown. However, it is known that it is not located in either the old Seymour Courthouse or the Avenel Courthouse which were both inspected by audit (refer also to paragraph 5.2.37 (1) of this report).

7.3.27 It is contended that court furniture should not be given to the often exclusive use of private organisations, rather it should be re-located within government. In circumstances where furniture is deemed to be excess to government requirements, consideration could be given to sale with an option being given to private organisations to purchase at an agreed value. Where antique furniture is involved this furniture should preferably be sold through established outlets in order to obtain the best prices. Independent valuations should also be obtained prior to sale.

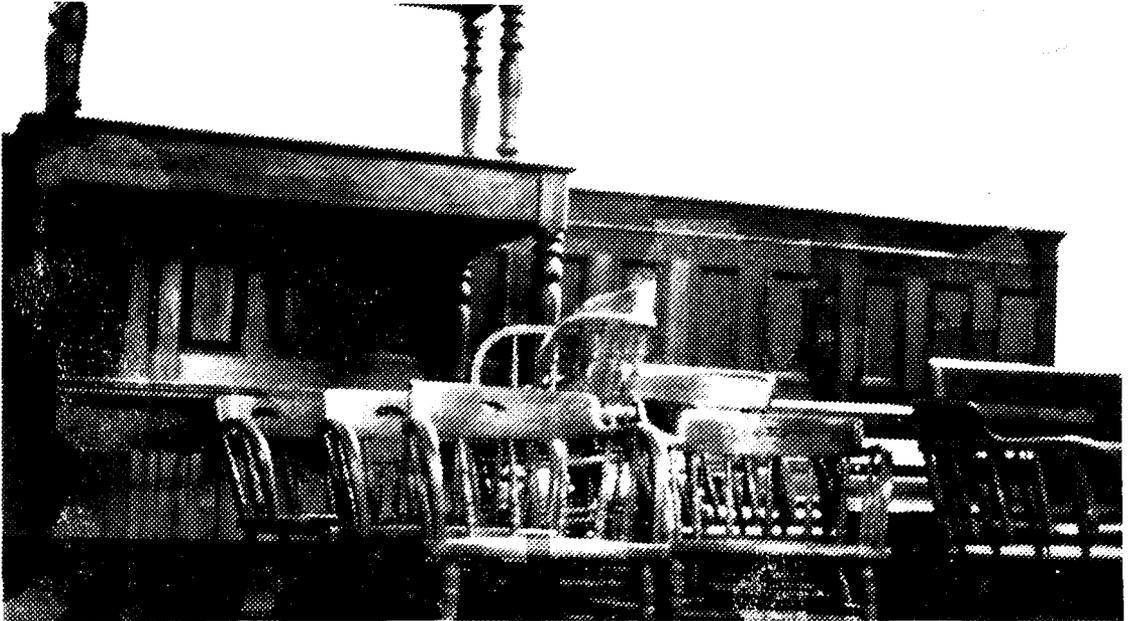
Furniture Renovation

7.3.28 The renovation and repair of antique court furniture within the carpenters' workshop established in the Supreme Court building, is a highly commendable practice. The workshop is staffed by tradesmen seconded to the Law Department from the Public Works Department.

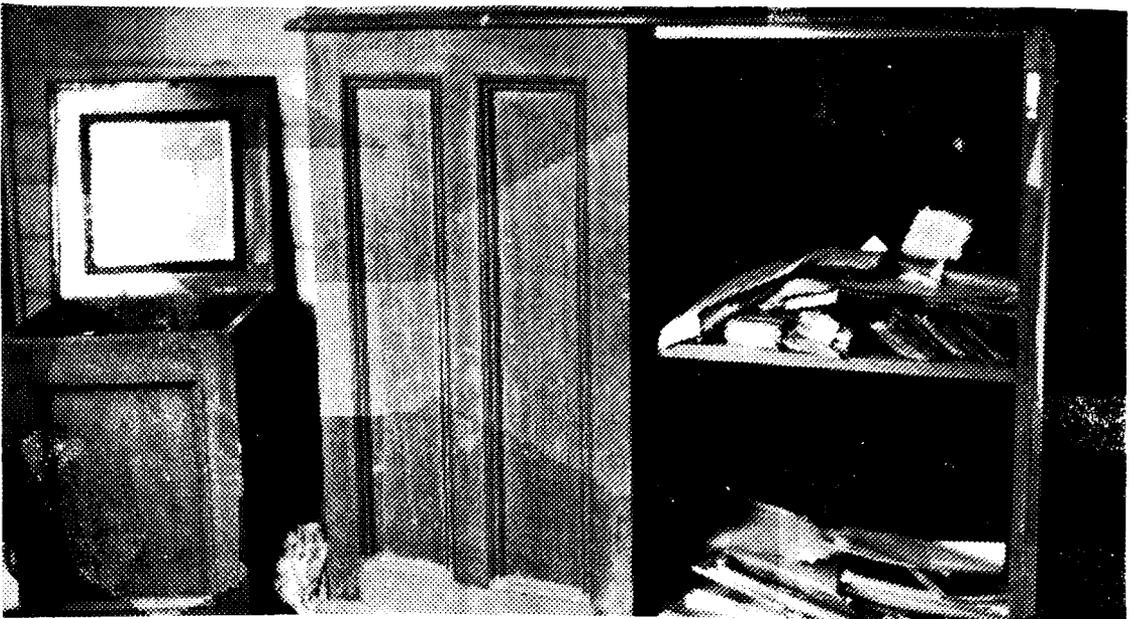
7.3.29 Antique and other furniture restored within the workshop is either relocated within the Law Courts area in Melbourne, or placed in buildings of an appropriate era, e.g. the recently renovated courthouses at Beechworth and Sale. An inspection of furniture that had been restored confirmed that the workmanship was of a very high standard. A program providing for the systematic restoration of all 19th Century furniture within the existing courts system was commenced by the Department in 1985.

7.3.30 The only audit concern with the workshop is the absence of job cards or controls to monitor the receipt of furniture within the workshop and the ultimate destination of items produced. This aspect is particularly important in view of the valuable nature of items handled.

7.3.31 It was also observed that to some extent the workshop is used as a "furniture showroom" where Law Department officers can identify pieces of furniture as they arrive which they consider to be suited to their offices. Thought could be given to prioritising locations where the furniture is best suited, including historic buildings occupied by other government departments.



Furniture inside Terang Courthouse.



Court process and furniture remaining in Woomelang Courthouse which closed 1 May 1981.

PART B - COURT RECORDS

7.4 Background Information

7.4.1 The Magistrates' Courts Act 1971 provides that when a court is closed, the books and records shall be transferred to the nearest court specified by the authorising Order in Council. In addition to this Act, the Public Records Act 1973 specifies destruction procedures for public records based on stipulated time constraints. It also provides for certain records to be retained permanently e.g. court registers and for these records to become the property of the Public Records Office after specified time limits have expired.

7.5 Audit Observations

- *statutory requirements and instructions were not adhered to in that significant quantities of books and records remained in certain closed courthouses.*
- *law books and records left idle in courthouses represent a resource which could be used elsewhere or sold.*
- *historical records, in isolated instances were in danger of being lost to the State.*

7.5.1 Of the 32 closed courthouses visited by audit in 1985, court records consisting mainly of old process were found in 8 locations, with varying quantities of law books, reports and statutes being found in 9 locations. In addition, significant quantities of records and books remain in the 8 suburban courthouses that were closed from 1 February 1985.

7.5.2 Apart from failure to comply with statutory requirements and instructions the consequences of this situation are:

- (1) Unauthorised removal of court process could lead to considerable embarrassment to local people, particularly in country locations, if their past misdemeanours became public knowledge. This prospect becomes a distinct possibility in several locations where security is poor and access is easily obtained.

As an example, access was easily obtained to the Woomelang Courthouse which was found to contain considerable quantities of old court process.

- (2) Text books, bound law reports, Acts and Statutory rules are a valuable resource in terms of replacement cost. These items could either be used elsewhere in the government legal system, or sold. It may well have occurred that these items have been purchased by other government departments or agencies unaware of their availability from courthouse locations.

- (3) Valuable historical records as contained in the old court registers, e.g. convictions of famous bushrangers, could be lost, denying benefit to historians and future generations.

7.6 Recommendations

1. All furniture remaining in closed courthouses should be identified with a view to re-location or disposal in accordance with recommendations of a Board of Survey.
2. Statutory requirements, government directives and regulations should be adhered to at all times. If deemed impractical, an exemption should be sought from the Treasurer.
3. Effective inventory procedures should be devised for the Courts System which would provide for the unique identification and monitoring of movement of all inventory items. Such a system could be complemented by independent inventory inspections on a programmed basis throughout the State's courthouses, with discrepancies being promptly brought to notice and investigated in accordance with regulatory requirements.
4. The use of government furniture by private organisations needs to be reviewed and a common policy developed, preferably in conjunction with a policy on the use of government buildings by these organisations.
5. If furniture is to be loaned to private organisations or community groups it must be properly identified, recorded in a register, and be subject to inspection. In addition, where items loaned are of considerable value, insurance cover arranged by the borrower should be mandatory.
6. Where furniture is stored in repositories awaiting re-location, such stocks should be adequately controlled and reviewed regularly in order to dispose of surplus items, possibly to the Public Works Department storeyard for subsequent use in other government locations.
7. The restoration program should continue to be actively encouraged and possibly expanded to include furniture from other government departments or agencies. However in doing so, it is essential that proper controls, including the use of job cards, be implemented. It is also suggested that antique furniture requirements of government be identified, prioritised, and allocation authorised by contrast with the current ad hoc arrangements.
8. Action should be taken to identify and monitor the removal of remaining court records and books from closed courthouses in accordance with legislative requirements.

Response from Departments

Law Department

The Secretary to the Law Department has directed that all furniture from closed courts be removed to one or more central locations with a view to either refurbishment or disposal.

The lack of inventory control within individual courts was acknowledged, but will be addressed following the appointment of Area Managers within eight regions established throughout Victoria as part of the Courts Management Change Program. In addition, computer software is to be found as a matter of urgency in order to establish a computer based, bar-coded assets register following a complete assets stock-take during 1986-87.

Department of Conservation, Forests and Lands

While it was acknowledged that more effective control is necessary, the department considered there may be occasions where retention of furniture was appropriate for tourist and heritage purposes.



Books, including Court Registers, remaining in Charlton Courthouse which closed 1 January 1983.

8. ALTERNATIVE USES FOR CLOSED COURTHOUSES

8.1 Desirable Management Controls

8.1.1 Studies including cost benefits analyses were undertaken to determine potential future use of land and buildings no longer required for Law Department purposes.

8.1.2 Local communities were consulted as to future usage of courthouses and assessments made as to whether such community expectations were reasonable in the given circumstances.

8.2 Audit Observations

- *Prior to 1984 the Law Department did express an interest in the future usage of courthouses surplus to requirements.*
- *At no stage in the history of court closures were any policies adopted by the Department of Conservation, Forests or Lands, or its predecessor, the Department of Crown Lands and Survey as to the future usage or disposal of courthouses no longer required by the Law Department.*

8.2.1 Prior to development of the Courts Management Change Program by the Law Department, no studies were ever conducted by the Department as to the future usage of courthouses surplus to requirements. Responsibility for alternative use was considered to be that of the Minister for Public Works or the Department of Conservation, Forests and Lands.

8.2.2 Following the development of the Courts Management Change Program the Law Department advised the Department of Conservation, Forests and Lands in 1984 that it wished to be advised of any decisions made in relation to the use of closed courthouses, with the underlying reason being that these premises had the potential for use by visiting Clerks of Courts.

8.2.3 In addition, the Law Department has advocated the establishment of Committees of Management to control former courthouses, with an option being retained to either use the premises for visiting services, or to re-open as a Court should a need arise in the future.

8.2.4 It can be concluded that at no stage in the history of the court closures were any policies adopted by the Lands Department or its successor, the Department of Conservation, Forests and Lands in relation to the future use or disposal of former courthouses for the benefit of the public.

The approach adopted as discussed previously was to either do nothing, respond to ad hoc local interest, or pass management responsibility to local Committees of Management with little or no monitoring thereafter.

8.2.5 The first acknowledgment of this situation occurred in 1984 when the Historic Places Branch of the Department drew attention to the large number of courthouses closed at that stage and the possible effects on buildings regarded as being of historic interest. It was then suggested that the Department:

- (1) Identify all courthouses of potential historical significance and assess them as to their existing structural conditions, historical, aesthetic and architectural values.
- (2) Establish a Committee to oversee the above assessment and made recommendations for disposal.
- (3) Formulate a general policy for the disposal of government buildings, taking into account the necessity to protect historical values.

8.2.6 No action was taken on the above recommendations and it was not until June 1985 when attention was drawn to the audit study commencing, that a further recommendation was made that a review be undertaken as soon as possible of the management of all courthouses brought under the Department's control since 1965. The objectives of this review were to:

- (1) Determine whether the buildings were properly used.
- (2) Identify possible alternative uses.
- (3) Assess the condition of the buildings, including maintenance problems and specific rehabilitation needs.
- (4) Estimate revenue potential.

8.2.7 The review, which was the first concerted attempt to identify problems and policy requirements in relation to closed courthouses, was completed in October 1985.

The report confirms substantially many of the views expressed by audit in this report, and as a consequence recommendations also coincide in certain areas.

8.2.8 Since the above review was undertaken, the Department has commenced an architectural survey of courthouse sites. However alternative uses have not been decided upon, nor have any policies been endorsed for the future management or disposal of these properties.

8.3 Audit Recommendations

1. It is considered that the internal report produced by the Department of Conservation, Forests and Lands as referred above, read in conjunction with the observations and recommendations contained within this report should provide the foundation for the development of policies on the future usage or disposal of government properties, including courthouses surplus to requirements.

Such policies should be developed without delay, and should not be isolated to the Departments referred to in this report, but should be applied throughout the public sector on a consistent basis.

2. In developing the above policies it is important that a broad spectrum of views should also be sought from all interested or involved parties, including local Municipal Councils, community groups, historical interests and government authorities and agencies. Views sought however, would need to be analysed in perspective in relation to the overall objective of maximising use of public moneys invested in properties belonging to the Crown.

Response from Departments

Law Department

The Buildings and Property Division of the department has undertaken considerable research into identifying Court needs in both existing and new locations. Policies will continue to be developed as part of the Courts Management Change Program.

Department of Conservation, Forests and Lands

The Department has initiated or been involved in a number of administrative and policy changes concerning closed courthouses and other buildings on Crown Land. These changes were considered to confirm and further develop the views and recommendations contained within the audit report.

Department of Property and Services

With the introduction of new measures for classifying land into public (heritage) land and government (transactional) land, and the intended transfer of responsibility for the disposal of unused government land from the Department of Conservation, Forests and Lands to the Department of Property and Services, the essential problems identified in the audit report concerning disposals should be overcome. Proposed legislation enacting the above transfer of responsibilities should streamline provisions for the disposal of surplus government properties.

Courts with less than 50 hours sitting time in 1981 which have not been closed

<u>Court</u>	<u>Sitting Hours 1981</u>	<u>Courts Within 50km Radius</u>
Nathalia	9	Shepparton Tatura Cobram Kyabram Echuca
*Omeo	10	-
*Hopetoun	13	-
*Red Cliffs	17	Mildura
Yea	18	Seymour Alexandra Kilmore Whittlesea Healesville
*Numurkah	19	Cobram Yarrawonga Shepparton Nathalia Tatura Kyabram
*Corryong	21	-
Tallangatta	28	Wodonga Beechworth
Rushworth	31	Kyabram Rochester Shepparton Tatura Seymour Heathcote
Beechworth	32	Wangaratta Tallangatta Rutherglen Myrtleford Wodonga
*Whittlesea	37	Bright Yea Kilmore Healesville Sunbury Melton Most North Suburban Courts
Ouyen	39	-
*Warracknabeal	40	-
*Port Fairy	42	Warrnambool
*Tatura	43	Nathalia Numurkah Kyabram Rochester Shepparton Rushworth Euroa

<u>Court</u>	<u>Sitting Hours 1981</u>	<u>Courts Within 50km Radius</u>
*Yarrawonga	45	Cobram Rutherglen Numurkah Wangaratta
Rochester	46	Echuca Kyabram Tatura Rushworth
Sorrento	47	Dromana Frankston Hastings
*Heathcote	47	Rushworth Eaglehawk Bendigo Seymour Castlemaine Kyneton
*Myrtleford	48	Kilmore Wodonga Beechworth Wangaratta Bright

* Proposed as "Hearing Courts" as part of the Courts Management Change Program

Examples of delays between recommendations and final closures of courts

COURT	RECOMMENDATIONS FOR CLOSURE	ACTUAL DATE OF CLOSURE	LAST VISITED BY MAGISTRATE
<u>Buildings</u>			
Avoca	1970	1.4.79	1971
Balmoral	1970	1.11.81	1971
Broadford	1970, 1976	1.11.81	1972
Chiltern	1967, 1970	1.1.83	1972
Cobden	1970, 1979	1.11.81	1976
Coleraine	1970, 1975, 1978	1.11.81	1971
Creswick	1970, 1977, 1978	1.1.83	1976
Gisborne	1970	1.1.83	1973
Jamieson	1938, 1970	1.1.83	1971 (1 case heard)
Koroit	1970	15.6.77	1972
Maldon	1970, 1976, 1979	1.11.81	1972
Newstead	1970, 1976, 1981	1.11.81	1980 (4 cases heard)
Penshurst	1970, 1978	1.11.81	1971
Smythesdale	1970, 1977, 1978	1.1.83	1976
Woomelang	1970, 1977	1.5.81	1971
<u>Rented Premises</u>			
Heyfield	1966	1.1.83	1970
Meeniyah	1966	1.1.83	1971
Rosedale	1966	1.7.81	1972
Toora	1966	1.11.81	1971
Woods Point	1970, 1978	1.11.81	1970

Closed Courthouses - Vacant as at 31.12.85

<u>Court</u>	<u>Date of Closure</u>	<u>Valuation (1985)</u>	<u>Length of Vacancy (Years)</u>	<u>Last Visit by Magistrate</u>
Avoca	1.4.79	22 000	3	1971
Balmoral	1.11.81	5 000	4.2	1971
Bendoc	1.1.83	42 500	3	1975
Casterton	1.1.83	41 000	3	
Clunes	1.1.83	21 000	3	
Dimboola	1.1.83	6 000	3	
Dunolly	1.8.81	8 000	4.5	
Edenhope	1.1.83	6 700	3	
Elmore	1.1.83	106 000	3	
Flemington	30.6.82	106 000	3.5	
Jamieson	1.1.83	25 000	3	1971
Macarthur	1.1.83	10 800	3	1977
Maldon	1.11.81	45 000	4.2	1972
Minyip	1.1.83	4 000	3	
Rainbow	1.1.83	6 250	3	
Sea Lake	1.1.83	10 000	3	
Skipton	1.1.83	1 000	3	
Terang	1.1.83	37 500	3	
Woomelang	1.5.81	6 000	4.8	1971
Wycheproof	1.1.83	5 000	3	
Woodend *	1.1.83	50 000	3	1971
		<u>\$564 750</u>		

* Used temporarily by Law Department as a furniture repository.

Courts "Temporarily" Closed 1.2.85 - Vacant 30.4.86 (15 Months)

<u>Court</u>	<u>Valuation</u>
Brighton	160 000
Eltham	130 000
Footscray	100 000
Chelsea	150 000
Carlton	Valuation not available
Collingwood	Valuation not available
Coburg	Valuation not available
Fitzroy	Valuation not available

Examples of Court Premises that were not utilised for extended periods prior to official closure

<u>Court</u>	<u>Last Sitting</u>	<u>Official Closure</u>	<u>Current Use</u>
Birchip	1973	1.1.83	Committee of Management Appointed 1985
Balmoral	1971	1.11.81	Empty
Bendoc	1975	1.1.83	Empty
Coleraine	1971	1.1.81	Historical Society
Jamieson	1972	1.1.83	Empty
Koroit	1972	15.6.77	Lions Club - 1985
Maldon	1972	1.11.81	Empty
Newstead	1975	1.11.81	Committee of Management Appointed 1983
Smythesdale	1978	1.1.83	Empty Historical Society
Woomelang	1971	1.5.81	Empty

Committees of Management appointed pursuant to provisions of
Crown Land (Reserves) Act 1978

Councils or Shires

<u>Court</u>	<u>Council/Shire</u>	<u>Current Use</u>	<u>Condition of Building</u>
Boort	Shire of Gordon	Historical Society	Poor
Chiltern	Shire of Chiltern	?	Fair
Donald	Shire of Donald	Historical Society	Very Good
Drysdale	Shire of Bellarine	Community Groups	Very Good
Foster	Shire of South Gippsland	Foster Senior Citizens and other Community Groups	Good
Koroit	Shire of Warrnambool	Lions Club	Fair
Gisborne	Shire of Kyneton	S.E.S.	Good
Maffra	Shire of Maffra	Maffra Band	Very Good
Natimuk	Shire of Arapiles	Historical Society	Very Good
Newstead	Shire of Newstead	Empty	Fair
Tungamah	Shire of Tungamah	Community Groups	Very Good
Moe	Shire of Traralgon	Historical Society	Good
Prahran	City of Prahran	Prahran Advisory Bureau, Historical & Arts Societies	Very Good
Wycheproof	Shire of Wycheproof	Empty	Poor

Local Committees of Management

<u>Court</u>	<u>Local Committee</u>	<u>Current Use</u>	<u>Condition of Building</u>
Avenel	Public Committee	Historical Society, Playgroup, Brownies	Good
Mortlake	Mortlake Historical Society	Historical Society	Good
Penshurst	Mt. Rouse Historical Society	Historical Society	Fair
Heidelberg	Heidelberg Historical Society	Museum	Poor
Moonee Ponds	Essendon Historical Society	Museum	Fair

Courthouses intended to be controlled by Committees of Management

<u>Court</u>	<u>Local Committee</u>	<u>Intended Use</u>	<u>Condition of Building</u>
Beaufort	Shire of Ripon	Historical Society (Current Occupant)	Good
Birchip	Shire of Birchip	Historical Society	Bad
Ballan	Shire of Ballan	Arts Society Festival Organisation Historical Society	Poor (Currently being renovated by Shire)
Charlton	Shire of Charlton	Community Groups	Fair
Coleraine	Shire of Wannon	Historical Society (Current Occupant)	Good
Inglewood	Shire of Korong	Historical Society	Good
Terang	Shire of Hampden	?	Good
Woodend	Shire of Newham & Woodend	Community Groups	Poor

Premises Leased/Rented - 1985

<u>Court</u>	<u>Lessee</u>	<u>Annual Rental</u>	<u>Expiry Date</u>	<u>Value of Property (1985)</u>
		\$		\$
Broadford	Broadford Christian Fellowship	2 340	1986	53 000
Merino	Country Fire Authority	58	2064	3 000
	Telecom	58	2064	
Seymour (Old)	Shire of Seymour	55	2004	100 000
		-----		-----
		\$2 513		156 000
		-----		-----

Properties Sold

<u>Court</u>	<u>Closure Date</u>	<u>Date of Sale</u>	<u>Purchaser</u>	<u>Proceeds</u>
				\$
Romsey	1.1.67	1976	Country Fire Authority	1 148
Harrow	1.2.66	1982	R.S.L.	59
Bealiba	1.8.68	Details of Sale not available		
Tarnagulla	8.6.79	1981	Private Individual	8 000
North Melbourne	1.1.68	1981	Private Company	142 000

				\$151 207

RE-ALLOCATION OF FORMER COURTHOUSES 1965-1985

ALLOCATION	USE	COURTS	TOTAL
Police	Police Purposes	Creswick, Kew, Malvern, Wedderburn	4
Municipal Council	Council Offices Historical Society	Richmond, Stratford	2
Committee of Management - Shire or Council	Shared by Community Groups Historical Society	Chiltern, Drysdale, Foster, Maffra, Newstead, Tungamah, Pahran, Boort, Donald, Natimuk, Moe, Willaura	14
	Nil Lions Club	Wycheproof Koroit	
Committee of Management - Local	Shared by Community Groups Historical Society	Avenel Mortlake, Penshurst, Heidelberg, Moonee Ponds	5
Committee of Management to be Appointed	Historical Society Community Groups	Beaufort, Birchip, Coleraine, Woodend	8
	Community Groups Undecided S.E.S.	Charlton, Ballan Terang Gisborne	
Rented/Leased	Church C.F.A. and Telecom Community Groups	Broadford Merino Seymour	3
S.E.S.	S.E.S.	Kaniva, Murrayville	2
Other	Community Groups Historical Society - Temporary use	Broadmeadows Snythesdale, Inglewood, Lancefield	4
Sold	-	Bealiba, Romsey, Harrow, Tarnagulla, North Melbourne	5
Demolished		Cobden, Neerim South	2
Empty	-	Avoca, Balmoral, Bendoc, Casterton, Clunes, Dimboola, Dunolly, Edenhope, Elmore, Flemington, Jamieson, Macarthur, Maldon, Minyip, Rainbow Sea Lake, Skipton, Woomelang, Yackandandah	19
Empty (Temporarily Closed)	-	Brighton, Eltham, Footscray, Chelsea, Carlton, Collingwood, Coburg, Fitzroy	8
			<u>76</u>

CLASSIFIED COURTHOUSES

<u>Court</u>	<u>National Trust</u>	<u>Government Buildings Register</u>	<u>National Estate</u>
Avenel	X		X
Avoca	X	X	X
Carlton		X	
Chiltern	X	X	X
Dunolly	X	X	
Eltham	X	X	
Heidelberg (Old)	X		X
Koroit	X		
Maldon	X	X	X
Moonee Ponds (Old)	X		X
Prahran (Old)	X		X
Smythesdale	X	X	
Yackandandah	X	X	X
Drysdale		X	X
Mortlake	X	X	
Newstead		X	
Wycheproof	X	X	X
Gisborne	X	X	X
Jamieson		X	X
Maffra		X	
Woodend	X		
Natimuk		X	X
	—	—	—
	16	16	13
	—	—	—