

FEDERAL COURT OF AUSTRALIA

Section 1: Agency overview and resources; variations and measures

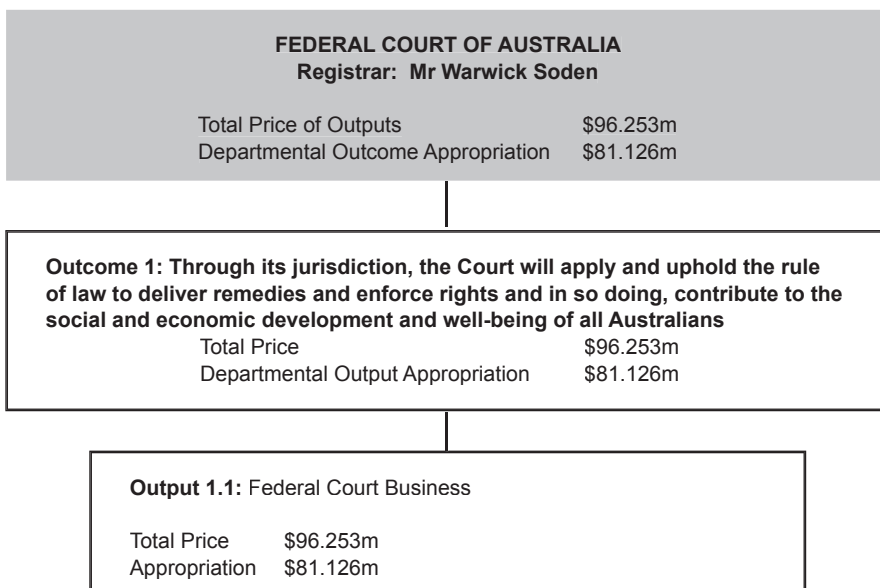
OVERVIEW

The Federal Court of Australia (Federal Court) is a superior court of record and a court of law and equity. It sits in all capital cities and elsewhere in Australia from time to time.

The Federal Court has jurisdiction to hear and determine any civil matter arising under laws made by the Federal Parliament, as well as any matter arising under the Constitution or involving its interpretation. The Federal Court also has original jurisdiction in respect of specific subject matter conferred by over 150 statutes of the Federal Parliament.

The Federal Court has a substantial and diverse appellate jurisdiction. It hears appeals from decisions of single judges of the Federal Court, decisions of the Federal Magistrates Court in non-family law matters, decisions of the Supreme Court of Norfolk Island and certain decisions of state and territory supreme courts exercising federal jurisdiction.

Table 1.1: Agency outcomes and output groups



ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Additional appropriations have been allocated for estimates variations through Additional Estimates. Details of these additional appropriations and their impact on the achievement of the agency's outcome and outputs are provided below:

- Supplementation of \$1.142m for 2005-06 to meet the additional workload arising from the changes to the *Workplace Relations Act 1996* (Cth)
- Supplementation of \$0.556m for 2005-06 for judicial remuneration increases in 2005-06, determined by the Remuneration Tribunal, and
- Capital funding of \$1.371m has been provided in 2005-06 for the purchase of equipment and fitout changes required to manage the new workload arising from changes to the *Workplace Relations Act 1996* (Cth).

Variations — Measures

Table 1.2: Additional estimates and variations to outcomes – measures

	2005-06 \$'000	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000
Outcome 1				
Increase in departmental appropriations				
Workplace Relations Reform - additional workloads arising from changes to jurisdiction	1,142	3,413	3,458	3,459
Total	1,142	3,413	3,458	3,459

Note: Figures in this table are fiscal balance consistent with MYEFO and Budget Paper No. 2 presentation.

Table 1.3: Additional estimates and variations to outcomes - other variations to appropriations

	2005-06 \$'000	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000
Outcome 1				
Increase in departmental appropriations				
Increase in Judicial Remuneration	556	556	556	558
Total	556	556	556	558

Table 1.4.1: Summary of expense measures since the 2005-06 Budget

Measure	Outcome	Outputs Affected	Appropriations 2005-06 \$'000			Appropriations 2006-07 \$'000			Appropriations 2007-08 \$'000			Appropriations 2008-09 \$'000		
			Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total
EXPENSE MEASURES														
Workplace Relations Reform - additional workloads arising from changes to jurisdiction	1	1.1	-	1,142	1,142	-	3,413	3,413	-	3,458	3,458	-	3,459	3,459
Total Expense Measures			-	1,142	1,142	-	3,413	3,413	-	3,458	3,458	-	3,459	3,459

Note: Figures in this table are fiscal balance consistent with MYEFO and Budget Paper No. 2 presentation.

Table 1.4.2: Summary of capital measures since the 2005-06 Budget

Measure	Outcome	Outputs Affected	Appropriations 2005-06 \$'000			Appropriations 2006-07 \$'000			Appropriations 2007-08 \$'000			Appropriations 2008-09 \$'000		
			Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total
CAPITAL MEASURES														
Workplace Relations Reform - additional workloads arising from changes to jurisdiction	1	1.1	-	1,371	1,371	-	-	-	-	-	-	-	-	-
Total Capital Measures			-	1,371	1,371	-	-	-	-	-	-	-	-	-

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2005-06

	2004-05 Available \$'000	2005-06 Budget \$'000	2005-06 Revised \$'000	Additional Estimates	Reduced Estimates \$'000
DEPARTMENTAL OUTPUTS					
Outcome 1					
Through its jurisdiction, the Court will apply and uphold the rule of law to deliver remedies and enforce rights and in so doing, contribute to the social and economic development and well-being of all Australians	73,204	79,428	81,126	1,698	-
Total Federal Court of Australia	73,204	79,428	81,126	1,698	-

Table 1.6: Appropriation Bill (No. 4) 2005-06

	2004-05 Available \$'000	2005-06 Budget \$'000	2005-06 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Non-operating					
Equity injections	1,908	-	1,371	1,371	-
Total Capital Federal Court of Australia	1,908	-	1,371	1,371	-

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2005-06 Budget	2005-06 Revised	Variation
Outcome 1			
Through its jurisdiction, the Court will apply and uphold the rule of law to deliver remedies and enforce rights and in so doing, contribute to the social and economic development and well-being of all Australians	346	348	2
Total	346	348	2

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.9 provides details of other receipts available to be used and include FMA s.31 receipts that are available to be spent, special accounts (non-appropriation receipts) and resources received free of charge.

Table 1.9: Other receipts available to be used ¹

	Notes	Budget Estimate 2005-06 \$'000	Revised Estimate 2005-06 \$'000
Departmental other receipts			
Sales of goods and services		884	1,914
Other revenue	2	63	63
Total departmental other receipts		947	1,977
Other revenue from independent sources			
Interest		350	500
Liabilities assumed by other agencies	3	6,906	6,906
Resources received free of charge	4	5,602	5,744
Total departmental other revenue from independent sources		12,858	13,150
Total departmental other revenue		13,805	15,127

Notes

1. This table replaces the former table 'Receipts from independent sources'. It represents own source receipts available for spending on departmental purposes.
2. Proceeds from sales of property, plant and equipment.
3. Liabilities assumed by other agencies - Under the *Judges' Pension Act 1968*, Federal Court judges are entitled to a non-contributory pension of 60% of current judicial salary after reaching the age of 60 years and having served 10 years or more as a judge, or upon retirement on the grounds of invalidity. Pro rata pension is payable after six years service as a judge upon retirement. As the liability for these pension payments is assumed by the Commonwealth, the Court has not recognised a liability for unfunded superannuation liability. The Court has, however, recognised both an expense and a corresponding revenue item (liabilities assumed by other agencies in respect of the notional amount of the employer's superannuation contribution for the year. This has been calculated as 55.3% of the total salary expenditure in respect of Federal Court judges).
4. Resources received free of charge - This consists of notional rent and outgoings associated with the accommodation occupied by the Court in the Law Courts Building located in Sydney. This building is owned by Law Courts Limited, a joint venture between the NSW and Commonwealth Governments.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.11: Estimates of special account flows

		Opening Balance	Receipts	Payments	Adjustments	Closing Balance
		2005-06 ⁽¹⁾	2005-06 ⁽²⁾	2005-06	2005-06	2005-06
		2004-05 ⁽¹⁾	2004-05 ⁽²⁾	2004-05	2004-05	2004-05
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
Other Trust Moneys - s20 FMA Act (A)	3	38	62	46	-	54
		54	30	46	-	38
Services on behalf of other governments and non-public bodies - s20 FMA Act (D)	4	10	-	10	-	-
		10	-	-	-	10
		48	62	56	-	54
Total special accounts		64	30	46	-	48

D = Departmental A = Administered

Acts Glossary: FMA Act = *Financial Management and Accountability Act 1997*

Notes

1. The revised Opening Balance for 2005-06 is the same as the final closing balance for 2004-05. This balance may have changed from that shown in the 2005-2006 Portfolio Budget Statements as the actual for 2004-05 may have been updated to reflect the final budget outcome for that year.
2. Receipts from appropriations and other sources are further specified in the Total Resources for Outcome table.
3. Other Trust Moneys consist of private funds held by the Commonwealth pending direction from the Court.
4. Services for other Government and non-agency bodies relate to the Comcare Trust Account where moneys held in trust and advanced to the Federal Court by Comcare for the purpose of distributing compensation payments made in accordance with the *Safety Rehabilitation and Compensation Act 1988*.

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

There are no changes to the performance information for the Federal Court of Australia's outcome and outputs arising from Additional Estimates, variations and measures.

Section 3: Budgeted financial statements

Revisions to the budgeted departmental and administered financial statements for the department since the 2005-06 Portfolio Budget Statements are presented in this section.

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

The Federal Court is budgeting for a \$0.547m surplus in 2005-06. The surplus has occurred as part of the \$1.698m increase in the Federal Court's appropriation for Additional Estimates will not be fully expensed in 2005-06.

Budgeted departmental balance sheet

The Federal Court's budgeted net asset position of \$33.706m has increased by \$1.918m from the 2005-06 Budget due to the capital injection for equipment purchases and fitout changes as a result of the new Workplace Relations legislation, and the operating surplus.

Departmental capital budget statement

The Federal Court's capital budget for 2005-06 has increased with the additional \$1.371m capital injection provided at Additional Estimates. Overall the Federal Court has revised its forward capital budget plan with the result that the Federal Court's internally funded capital acquisition program has increased.

Table 3.1: Budgeted departmental income statement for the period ended 30 June

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
INCOME					
Revenue					
Revenues from Government	73,204	81,126	83,932	84,621	85,218
Goods and services	2,401	1,914	1,891	1,938	1,987
Interest	490	500	510	510	510
Net gains from sale of assets	12	63	85	87	89
Other	12,256	12,650	13,444	14,255	14,405
Total revenue	88,363	96,253	99,862	101,411	102,209
EXPENSE					
Employees	46,608	49,343	52,134	53,052	53,154
Suppliers	37,658	43,735	45,013	45,462	45,980
Depreciation and amortisation	2,157	2,334	2,515	2,697	2,875
Write-down of assets and impairment of assets	-	150	150	150	150
Net losses from sale of assets	49	144	50	50	50
Total expenses	86,472	95,706	99,862	101,411	102,209
Operating result	1,891	547	-	-	-
Net surplus or (deficit) attributable to the Australian Government	1,891	547	-	-	-

Table 3.2: Budgeted departmental balance sheet as at 30 June

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
ASSETS					
Financial assets	1,761	1,000	1,000	1,000	1,000
Cash	13,404	15,709	15,138	14,667	14,455
Receivables	581	586	592	596	603
Total financial assets	15,746	17,295	16,730	16,263	16,058
Non-financial assets					
Land and buildings	4,055	4,290	4,510	4,476	4,157
Infrastructure, plant and equipment	8,746	9,490	10,279	11,182	12,096
Intangibles	579	526	448	345	229
Other non-financial assets	19,157	19,507	19,871	20,280	20,815
Total non-financial assets	32,537	33,813	35,108	36,283	37,297
Total assets	48,283	51,108	51,838	52,546	53,355
LIABILITIES					
Interest bearing liabilities					
Leases	760	899	899	899	899
Total interest bearing liabilities	760	899	899	899	899
Provisions					
Employees	15,119	15,892	16,627	17,340	18,154
Total provisions	15,119	15,892	16,627	17,340	18,154
Payables					
Suppliers	616	611	606	601	596
Total payables	616	611	606	601	596
Total liabilities	16,495	17,402	18,132	18,840	19,649
EQUITY*					
Parent entity interest					
Contributed equity	6,543	7,914	7,914	7,914	7,914
Reserves	1,614	1,614	1,614	1,614	1,614
Retained surpluses or accumulated deficits	23,631	24,178	24,178	24,178	24,178
Total parent entity interest	31,788	33,706	33,706	33,706	33,706
Total equity	31,788	33,706	33,706	33,706	33,706
Current assets	29,397	30,996	30,484	30,118	30,137
Non-current assets	18,886	20,112	21,354	22,428	23,218
Current liabilities	4,901	5,303	5,564	5,950	6,513
Non-current liabilities	11,594	12,099	12,568	12,890	13,136

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

Table 3.3: Budgeted departmental statement of cash flows for the period ended 30 June

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	2,589	1,914	1,891	1,938	1,987
Appropriations	72,400	78,821	84,504	85,092	85,430
Other	3,240	-	-	-	-
Total cash received	78,229	80,735	86,395	87,030	87,417
Cash used					
Employees	40,157	41,664	43,842	44,119	44,119
Suppliers	34,450	37,712	38,991	39,338	39,832
Other	3,359	-	-	-	-
Total cash used	77,966	79,377	82,833	83,456	83,951
Net cash from operating activities	263	1,358	3,562	3,574	3,466
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	12	63	85	87	89
Total cash received	12	63	85	87	89
Cash used					
Purchase of property, plant and equipment	2,539	3,553	3,647	3,661	3,555
Total cash used	2,539	3,553	3,647	3,661	3,555
Net cash used by investing activities	(2,527)	(3,490)	(3,562)	(3,574)	(3,466)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	1,908	1,371	-	-	-
Total cash received	1,908	1,371	-	-	-
Net cash from financing activities	1,908	1,371	-	-	-
Net increase or (decrease) in cash held	(356)	(761)	-	-	-
Cash at the beginning of the reporting period	2,117	1,761	1,000	1,000	1,000
Cash at the end of the reporting period	1,761	1,000	1,000	1,000	1,000

Table 3.4: Departmental statement of changes in equity — summary of movement Budget year 2005-06

	Accumulated Results \$'000	Asset Revaluation Reserve \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
Opening balance as at 1 July 2005				
Balance carried forward from previous period	23,631	1,614	6,543	31,788
Adjustment for changes in accounting policies	-	-	-	-
Adjusted opening balance	23,631	1,614	6,543	31,788
Income and expense				
Net operating result	547	-	-	547
Total income and expenses recognised directly in equity	24,178	1,614	6,543	32,335
Transactions with owners				
Contribution by owners	-	-	-	-
Appropriation (equity injection)	-	-	1,371	1,371
Sub-total transactions with owners	24,178	1,614	7,914	33,706
Transfers between equity components	-	-	-	-
Closing balance as at 30 June 2006	24,178	1,614	7,914	33,706

Table 3.5: Departmental capital budget statement for period ended 30 June

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	1,908	1,371	-	-	-
Represented by:					
Purchase of non-financial assets	1,908	1,371	-	-	-
Other	-	-	-	-	-
Total	1,908	1,371	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	1,908	1,371	-	-	-
Funded internally by Departmental resources	631	2,182	3,647	3,661	3,555
Total	2,539	3,553	3,647	3,661	3,555

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement Budget year 2005-06

	Buildings	Other Infrastructure Plant and Equipment	Computer Software	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2005				
Gross book value	5,007	9,665	2,058	16,730
Accumulated depreciation	952	919	1,479	3,350
Opening net book value	4,055	8,746	579	13,380
Additions:				
by purchase	1,250	1,503	250	3,003
by finance lease	-	550	-	550
Revaluations and impairment through equity	-	(150)	-	(150)
Depreciation/amortisation expense	1,015	1,016	303	2,334
Disposals:				
other disposals	-	(143)	-	(143)
As at 30 June 2006				
Gross book value	6,257	11,425	2,308	19,990
Accumulated depreciation	1,967	1,935	1,782	5,684
Closing net book value	4,290	9,490	526	14,306

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government for the period ended 30 June

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
REVENUES					
Taxation					
Other taxes, fees and fines	6,866	5,495	5,627	5,762	5,900
Total taxation	6,866	5,495	5,627	5,762	5,900
Non-taxation					
Other sources of non-taxation revenues	148	151	155	159	163
Total non-taxation	148	151	155	159	163
Total revenues administered on behalf of Government	7,014	5,646	5,782	5,921	6,063
EXPENSES					
Other	123	126	129	132	135
Total expenses administered on behalf of Government	123	126	129	132	135

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government as at 30 June

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	30	30	30	30	30
Receivables	333	333	333	333	333
Total financial assets	363	363	363	363	363
Total assets administered on behalf of Government	363	363	363	363	363

Table 3.9: Schedule of budgeted administered cash flows for the period ended 30 June

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	6,746	5,377	5,506	5,638	5,774
Total cash received	6,746	5,377	5,506	5,638	5,680
Cash used					
Other	65	63	65	67	68
Total cash used	65	63	65	67	68
Net cash from operating activities					
Net increase or (decrease) in cash held	6,681	5,317	5,441	5,571	5,706
Cash at beginning of reporting period	38	30	30	30	30
Cash from Official Public Account for:					
- appropriations	62	63	65	67	68
Cash to Official Public Account for:					
- appropriations	6,751	5,377	5,506	5,638	5,774
Cash at end of reporting period	30	30	30	30	30

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The Federal Court's Budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts. The Australian Equivalents to International Financial Reporting Standards (AEIFRSs) are taken into consideration for finance periods 2005-06 and beyond.

Departmental Financial Statements and Administered Items

Under the Commonwealth's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (Departmental transactions) are separately budgeted for and reported on from transactions agencies do not have control over (Administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control. Differences are:

- Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services, and
- Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the Government according to set Government directions. Administered expenses include subsidies, grants and personal benefit payments and Administered revenues include taxes, fees, fines and excises.

Appropriations in the accrual budgeting framework

Under the Commonwealth's accrual budgeting framework, separate annual appropriations are provided for:

- Departmental price of outputs appropriations – representing the Government's purchase of outputs from agencies
- Departmental capital appropriations – for investments by the Government for either additional equity or loans in agencies

- Administered expense appropriations – for the estimated Administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states, and
- Administered capital appropriations – for increases in Administered equity through funding non-expense Administered payments.

Special appropriations fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement driven or involve transfers to State governments).

Resources provided free of charge

The Federal Court provides resources free of charge to the Federal Magistrates Court in accordance with Sections 90, 92 and 99 of the *Federal Magistrates Act 1999*. Resources provided free of charge include:

- Work performed by Federal Court staff on behalf of the Federal Magistrates Court, and
- Accommodation, including access to the courtrooms.

Asset valuation

From 1 July 2005 Commonwealth agencies and authorities are required to use either the cost basis or the fair value basis to measure Property, Plant and Equipment. Fair value reflects the amount for which an asset could be exchanged, between knowledgeable willing parties in an arm's length transaction.

In line with the new Australian Equivalent Accounting standards, all non-current assets are subject to an assessment for impairment from 2005-06.