

# FAMILY COURT OF AUSTRALIA

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION FOR 2008–09

The Family Court of Australia (the Family Court), through its specialist judges and staff, helps Australians to resolve their most complex family disputes.

The purpose of the Family Court, as Australia's superior court in family law, is to:

- determine cases with the most complex law, facts and parties
- cover specialised areas in family law, and
- provide national coverage as the appellate court in family law matters.

The core services of the Family Court are those that:

- are prescribed by legislation
- enable and support judges to determine cases, and
- meet duty of care requirements.

The Family Court has designed four programs of work to ensure that it fulfils its stated purpose:

- maintaining an environment that enables judicial officers to make determinations
- provision of effective and efficient registry services
- corporate management of resources, and
- effective information and communication technologies.

The magnitude of change to the family law system in recent years has been profound and has been particularly significant in reshaping the family law landscape. Changes include:

- the establishment of the Federal Magistrates Court of Australia (July 2000), which now effectively exercises concurrent jurisdiction with the Family Court in financial and parenting disputes
- the funding support provided to the community sector to undertake family dispute resolution, and
- the creation of a network of Family Relationship Centres to assist families to negotiate their own parenting arrangements after separation.

The focus of work done by the Family Court is becoming more distinct from the family law jurisdiction of the Federal Magistrates Court. Increasingly, the Family Court is hearing fewer cases, but the cases it hears are the more complex and intractable family law matters requiring substantial court time.

In response to the changing role of the Family Court, the following strategic initiatives will continue to be implemented during 2008–09.

### **Judicial docket system**

Following deliberations at the Annual Judges' Conference in August 2007, the Family Court is working on the implementation of a new judicial docket system. The basis of the judicial docket is that individual judges are responsible for the management of their own cases from the conclusion of the resolution phase to finalisation of the matter. The system is designed to ensure early judicial intervention and active judicial case management in order to streamline the process, to ensure earliest possible settlement or determination and to dispose of cases efficiently.

### **Children and the court**

Since its establishment in 1975, the Family Court has undertaken a key role in promoting child-centred practice to ensure that the views and wishes of children affected by their parents' separation are taken into account throughout the litigation process. The adoption by the court of a less adversarial approach to conducting children's cases and the Child Responsive Program are the latest initiatives.

### **Less adversarial trials**

The *Family Law Act 1975* (Division 12A of Part VII) mandates, from 1 July 2006, a less adversarial approach to trials in child-related proceedings. The change from a traditional common law approach to a less adversarial trial has significant implications, not only for the conduct of family law litigation, but also for the conduct of litigation as a whole.

In a less adversarial trial:

- no affidavits are filed before the trial – parents only complete a questionnaire
- the judge, rather than the parties or their lawyers, decides how the trial is conducted
- the judge controls the case and keeps everyone concentrated on the major disagreements about their children’s best interests
- parents and carers can speak directly to the judge, not simply through their lawyers
- the judge identifies the issues to be decided and the evidence to be heard, and
- the judge is assisted by evidence from a family consultant.

### **Child Responsive Program**

To assist families and the court to establish arrangements that best suit children following family separation, a new program called the Child Responsive Program (conducted by family consultants) has been designed to integrate with trial proceedings.

Under the Child Responsive Program, each case is allocated a family consultant who manages the case until it is resolved or determined. If the matter goes to trial, the same family consultant will provide evidence about the issues in dispute, the children’s experience and views and referrals to other agencies. The family consultant may provide a written report to the court after further assessment of the family and significant others in the children’s lives.

Where matters require a determination by a judge and orders are made, the same family consultant will follow up with the children and parents to support the implementation of orders and make referrals to community services where necessary.

The Child Responsive Program aims to integrate the court's child dispute services with the less adversarial trial approach to achieve the best outcomes for children.

## **Reallocation of resources between the Family Court and Federal Magistrates Court**

The Family Court and the Federal Magistrates Court operate combined family law registries, including in rural and regional locations, in all states and territories except Western Australia. This involves an integrated filing registry and the sharing of other resources including family consultants and registrars.

Until now, the two courts have shared resources in a flexible way. However, several factors, including the growth of the Federal Magistrates Court, have resulted in an increased requirement for those shared resources which is difficult to reconcile between the courts.

Because they have different case management approaches, the courts have been working towards separating some of the shared resources to allow the courts to employ those resources as best suited to their respective processes.

## **1.2 AGENCY RESOURCE STATEMENT**

Table 1.1 shows total resources from all origins. The table summarises how resources will be applied by departmental classification.

**Table 1.1: Resource statement—Budget estimates for 2008–09  
(as at Budget May 2008)**

	Estimate of prior year amounts available in 2008–09 (\$'000)	+ Proposed at Budget 2008–09 (\$'000)	= Total estimate 2008–09 (\$'000)	Estimated appropriation available 2007–08 (\$'000)
<b>ORDINARY ANNUAL SERVICES</b>				
<b>Departmental outputs</b>				
Departmental outputs	28,050 <sup>4</sup>	126,603 <sup>1</sup>	154,653	130,377
S 31 relevant agency receipts	–	2,000 <sup>3</sup>	2,000	2,000
<b>Total ordinary annual services</b>	<b>28,050</b>	<b>128,603</b>	<b>156,653<sup>5</sup></b>	<b>132,377</b>
<b>OTHER SERVICES</b>				
<b>Departmental non-operating</b>				
Equity injections	–	– <sup>2</sup>	–	188
<b>Total other services</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>188</b>
<b>Total resourcing for the Family Court of Australia</b>	<b>28,050</b>	<b>128,603</b>	<b>156,653</b>	<b>132,565</b>

All figures are GST exclusive.

Notes:

1. Appropriation Bill (No. 1) 2008–09.
2. Appropriation Bill (No. 2) 2008–09.
3. Section 31 relevant agency receipts—estimate.
4. Estimated adjusted balance carried forward from previous year for annual appropriations.
5. The total available departmental operating appropriation (outputs) will not equal the total of all outputs in the outcome resource statements as they budget for estimated appropriation attributable to outcomes and not the total available. For reconciliation see Table 3.1.1.

### 1.3 BUDGET MEASURES

Budget measures relating to the Family Court are detailed in Budget Paper No. 2. The Family Court has one new measure, as shown in Table 1.2.

**Table 1.2: Agency 2008–09 Budget measures**

	Output group	2008–09 (\$'000)	2009–10 (\$'000)	2010–11 (\$'000)	2011–12 (\$'000)
<b>EXPENSE MEASURES</b>					
<b>Federal Magistrates Court of Australia—providing an additional magistrate for increased family law workloads</b>					
	1.1				
Departmental outputs		(528)	(533)	(537)	(541)
<b>Total expense measures</b>	Departmental	<b>(528)</b>	<b>(533)</b>	<b>(537)</b>	<b>(541)</b>

Prepared on a Government Financial Statistics (fiscal) basis.

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the government on the Australian community. Agencies are required to identify the output groups that demonstrate their contribution to government outcomes over the coming year.

The Family Court's outcome is described below by output groups, including the indicators and targets used to assess and monitor performance.

The Family Court's outcome was revised for 2008–09. The court's previous outcome was *Serving the interests of the Australian community by ensuring families and children in need can access effective high quality services*. The court's revised outcome is given below.

#### **2.1.1 Outcome 1: As Australia's specialist superior family court determine cases, including in particular those with complex law and facts, and provide national coverage as the appellate court in family law matters**

##### **Outcome 1 strategy**

The Family Court's key strategies in achieving Outcome 1 are set out in the strategic direction for 2008–09 in Section 1.1.

##### **Outcome 1 resource statement**

Table 2.1 provides additional detail of Budget appropriations and the total resourcing available for Outcome 1.

**Table 2.1: Total resources available for Outcome 1**

	<b>2008–09 total estimate of available resources (\$'000)</b>	<b>2007–08 estimated actual (\$'000)</b>
<b>Outcome 1</b>		
<b>Output Group 1.1: Judicial services</b>		
Departmental outputs	93,192	93,938
Other gains	1,472	1,441
<b>Subtotal for Output Group 1.1</b>	<b>94,664</b>	<b>95,379</b>
<b>Output Group 1.2: Registry services</b>		
Departmental outputs	33,411	36,439
Other gains	528	559
<b>Subtotal for Output Group 1.2</b>	<b>33,939</b>	<b>36,998</b>
<b>Total resources for Outcome 1</b>	<b>128,603</b>	<b>132,377</b>
<b>Average staffing level (number)</b>	<b>654</b>	<b>680</b>

Departmental appropriation splits and totals by output group are indicative estimates and may change in the course of the Budget year as government priorities change.

The Family Court receives resources free of charge from the Australian National Audit Office and has liabilities assumed by related entities for the judges' superannuation as shown in other gains for the respective years in Table 3.2.1.

## Contributions to Outcome 1

### Output Group 1.1

#### Output Group 1.1: Judicial services

Output Group 1.1 contributes to Outcome 1 by providing judicial services to Family Court clients which provide, through a case management pathway,\* for matters filed with the court to be finalised. Judicial services include:

- determining cases that are complex in law, facts and parties
- covering specialised areas in family law, and
- providing national coverage as the appellate court in family law matters.

\* In the majority of applications filed in the Family Court, the dispute between the parties relates to children's issues, financial issues or both. The court has a standard approach to case management, described as the case management pathway. However, the court responds to every case in accordance with that case's specific needs. The average case involves five steps, although there may be more than one event in each step. These steps are:

1. filing an application
2. attendance at an initial assessment conference or first hearing event conducted by a registrar or judicial officer
3. making an attempt to resolve the dispute with professional assistance of a family consultant or registrar
4. hearing before a judge, and
5. delivery of a judicial decision.

### Output Group 1.1 (continued)

Key performance indicators	2008–09 target
Clearance rates	100%
Backlog indicators	More than 75% of matters pending conclusion are less than 12 months old More than 75% of reserved judgments are delivered within three months after the conclusion of trial
Number of complaints received	Less than or equal to 1% of applications received
Percentage of cases finalised	75% of matters are concluded within 12 months 75% of matters requiring a reserved judgment are delivered no more than three months after the conclusion of the trial
Number of finalisations per annum	Final order finalisations: 4,637 Interim order finalisations: 5,303 Consent order finalisations: 11,228
Price	\$4,472 per finalisation

### Output Group 1.2

Output Group 1.2: Registry services	
<p>Output Group 1.2 contributes to Outcome 1 by providing registry services to clients of the Family Law Courts (comprising the Family Court of Australia and the Federal Magistrates Court of Australia) who are considering filing an application or who wish to file an application with either court. Registry services include:</p> <ul style="list-style-type: none"> <li>• provision of effective support to the Family Law Courts</li> <li>• family law telephone enquiry and referral services, and</li> <li>• family law document processing.</li> </ul>	
Key performance indicators	2008–09 target
Number of complaints received	Less than or equal to 1% of applications processed Less than or equal to 1% of enquiries processed
Response time for enquiries	80% of National Enquiry Centre telephone enquiries are answered within 90 seconds 75% of all counter enquiries are served within 20 minutes 80% of all email enquiries are responded to within two working days
Time taken to process applications lodged	75% of applications lodged are processed within two working days
Estimated number of telephone enquiries	183,778
Estimated number of counter enquiries	141,924
Estimated number of email enquiries	47,308
Price	\$11.1 per enquiry \$1,288 per application processed* <small>* This includes the related document and file management court support costs.</small>

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the Budget year 2008–09. It explains how budget plans are incorporated into the financial statements and provides further details of special accounts and Australian Government Indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Reconciliation of total available appropriation and outcomes

The agency resource statement (Table 1.1) details the total available appropriation from all sources. For departmental operating appropriation (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities (generally depreciation and employee entitlements), the total amount of departmental operating appropriation available to an agency is unlikely to be fully used in the Budget year.

The difference between the agency resource statement and the sum of all payments made at the departmental outputs level is the expected carry-forward amount of resources for the 2009–10 Budget year, including amounts related to meeting future obligations to maintain the agency’s asset base and to meet employee entitlement liabilities.

Table 3.1.1 reconciles the total available appropriation and amounts attributable to outcomes.

**Table 3.1.1: Reconciliation of total available appropriation and outcomes**

	<b>(\$'000)</b>
<b>Total available departmental operating appropriation (outputs)</b>	156,653
Less estimated payments in 2008–09	(126,832)
<b>Estimated departmental outputs carried forward and available for 2009–10</b>	<b>29,821</b>

#### 3.1.2 Movement of administered funds between years

The Family Court has no administered funds that can be moved between years.

### 3.1.3 Special accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister’s determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation.

Table 3.1.3 shows the expected additions (receipts) and reductions (payments) for each account used by the Family Court.

**Table 3.1.3: Estimates of special account cash flows and balances**

	Outcome	Opening balance 2008–09 2007–08 (\$'000)	Receipts 2008–09 2007–08 (\$'000)	Payments 2008–09 2007–08 (\$'000)	Closing balance 2008–09 2007–08 (\$'000)
Other Trust Moneys— FMA Act s 20 (A) <sup>1</sup>	1 1	29 29	250 250	250 250	29 29
Services for Other Governments and Non-Agency Bodies— FMA Act s 20 (A) <sup>2</sup>	1 1	— —	— —	— —	— —
Litigants’ Fund Special Account— FMA Act s 20 (A) <sup>3</sup>	1 1	76 76	400 400	400 400	76 76
<b>Total special accounts 2008–09 Budget estimate</b>		<b>105</b>	<b>650</b>	<b>650</b>	<b>105</b>
<b>Total special accounts 2007–08 estimated actual</b>		<b>105</b>	<b>650</b>	<b>650</b>	<b>105</b>

(A) = Administered.  
FMA Act = *Financial Management and Accountability Act 1997*.

The opening balance for administered special accounts for 2007–08 has been changed from that shown in the *Portfolio Additional Estimates Statements 2007–08* to reflect the corrected balances for actual outcome from 2006–07. The Family Court is working with the Department of Finance and Deregulation to correct the balances in the Department’s budget management system.

Notes:

1. The Other Trust Moneys Special Account is primarily used for the moneys held on behalf of the public and can include moneys received from Comcare, held in trust until assignment by the employee.
2. The Services for Other Governments and Non-Agency Bodies Special Account is the account previously used to hold, in trust, the funds associated with Comcare and is no longer in use.
3. The Family Court of Australia Litigants’ Fund Special Account is a holding account for client moneys paid as a surety following the issuance of court orders.

### 3.1.4 Australian Government Indigenous expenditure

The Family Court’s Indigenous Family Liaison Officers program promoted access to justice for Indigenous Australians and assisted the court and other agencies in the family law system to adapt their processes and operations to address the barriers that exist for Indigenous people in accessing services. This

program was discontinued during 2007–08, when the Australian Government established Family Relationship Centres where Indigenous workers are employed to assist Indigenous families resolve family relationship difficulties and support them to access court services if necessary. The Family Court continues to employ Indigenous consultants on a case-by-case basis.

Table 3.1.4 shows the departmental expenses incurred by the Family Court in 2007–08 for the program prior to its discontinuance.

**Table 3.1.4: Australian Government Indigenous expenditure (AGIE)**

Outcome	Appropriations			Total appropriation (\$'000)	Output group
	Bill No. 1 (\$'000)	Bill No. 2 (\$'000)	Special appropriation (\$'000)		
<b>Outcome 1</b>					
Departmental 2008–09	–	–	–	–	
<i>Departmental 2007–08</i>	<i>159</i>	–	–	<i>159</i>	<i>1.1</i>
<b>Total AGIE 2008–09</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Total AGIE 2007–08</b>	<b>159</b>	<b>–</b>	<b>–</b>	<b>159</b>	

## 3.2 BUDGETED FINANCIAL STATEMENTS

### 3.2.1 Differences between agency resourcing and financial statements

The most significant difference between the Family Court's agency resourcing and financial statements is that resources received free of charge and liabilities assumed from related entities are not directly recognised in tables 1.1 and 2.1 as a revenue item. The reader should note this difference when comparing the figures presented in tables 1.1 and 2.1 to the budgeted financial statements presented below.

### 3.2.2 Analysis of budgeted financial statements

#### Budgeted departmental income statement

Revenue for the Family Court has decreased by \$0.425m. This is attributable to an overall decrease in appropriations, arising from a transfer of funding to the Federal Magistrates Court (for a federal magistrate replacing a judicial registrar – approximately \$0.530m), which is offset by a small increase arising from a wage cost parameter adjustment (\$0.105m). Expenditure has decreased by \$0.425m as a result of these changes.

### Budgeted departmental balance sheet

The net asset position for the Family Court remains unchanged from the 2007–08 Additional Estimates. The court's net assets and equity over the forward estimates years remain constant. There are small increases across asset classes reflective of the asset replacement cycle and a change in the employee provisions arising as a result of anticipated collective agreement increases.

### 3.2.3 Budgeted financial statements tables

**Table 3.2.1: Budgeted departmental income statement (for the period ended 30 June)**

	Estimated actual 2007–08 (\$'000)	Budget estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)
<b>INCOME</b>					
<b>Revenue</b>					
Revenue from government	130,377	126,603	126,999	127,998	128,872
Goods and services	2,000	2,000	2,000	2,000	2,000
<b>Total revenue</b>	<b>132,377</b>	<b>128,603</b>	<b>128,999</b>	<b>129,998</b>	<b>130,872</b>
<b>Gains</b>					
Other	8,419	8,419	8,419	8,419	8,419
<b>Total gains</b>	<b>8,419</b>	<b>8,419</b>	<b>8,419</b>	<b>8,419</b>	<b>8,419</b>
<b>Total income</b>	<b>140,796</b>	<b>137,022</b>	<b>137,418</b>	<b>138,417</b>	<b>139,291</b>
<b>EXPENSES</b>					
Employees	76,245	74,838	75,001	75,543	76,302
Suppliers	54,516	53,213	53,454	53,911	54,026
Depreciation and amortisation	9,018	8,971	8,963	8,963	8,963
<b>Total expenses</b>	<b>139,779</b>	<b>137,022</b>	<b>137,418</b>	<b>138,417</b>	<b>139,291</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>1,017</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2007–08 (\$'000)	Budget estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	2,390	2,390	2,390	2,390	2,390
Trade and other receivables	26,605	28,376	30,139	31,902	33,665
Accrued revenue	597	597	597	597	597
<b>Total financial assets</b>	<b>29,592</b>	<b>31,363</b>	<b>33,126</b>	<b>34,889</b>	<b>36,652</b>
<b>Non-financial assets</b>					
Land and buildings	8,707	8,112	7,525	6,938	6,351
Infrastructure, plant and equipment	6,789	6,363	5,937	5,511	5,085
Inventories	172	172	172	172	172
Intangibles	2,633	3,183	3,733	4,283	4,833
Other	2,503	2,503	2,503	2,503	2,503
<b>Total non-financial assets</b>	<b>20,804</b>	<b>20,333</b>	<b>19,870</b>	<b>19,407</b>	<b>18,944</b>
<b>Total assets</b>	<b>50,396</b>	<b>51,696</b>	<b>52,996</b>	<b>54,296</b>	<b>55,596</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	23,019	24,319	25,619	26,919	28,219
Other	2,359	2,359	2,359	2,359	2,359
<b>Total provisions</b>	<b>25,378</b>	<b>26,678</b>	<b>27,978</b>	<b>29,278</b>	<b>30,578</b>
<b>Payables</b>					
Suppliers	3,764	3,764	3,764	3,764	3,764
Other	1,155	1,155	1,155	1,155	1,155
<b>Total payables</b>	<b>4,919</b>	<b>4,919</b>	<b>4,919</b>	<b>4,919</b>	<b>4,919</b>
<b>Total liabilities</b>	<b>30,297</b>	<b>31,597</b>	<b>32,897</b>	<b>34,197</b>	<b>35,497</b>
<b>Net assets</b>	<b>20,099</b>	<b>20,099</b>	<b>20,099</b>	<b>20,099</b>	<b>20,099</b>
<b>EQUITY<sup>1</sup></b>					
<b>Parent entity interest</b>					
Contributed equity	4,644	4,644	4,644	4,644	4,644
Reserves	4,751	4,751	4,751	4,751	4,751
Retained surpluses or accumulated deficits	10,704	10,704	10,704	10,704	10,704
<b>Total parent entity interest</b>	<b>20,099</b>	<b>20,099</b>	<b>20,099</b>	<b>20,099</b>	<b>20,099</b>
<b>Total equity</b>	<b>20,099</b>	<b>20,099</b>	<b>20,099</b>	<b>20,099</b>	<b>20,099</b>
<b>Current assets</b>	<b>29,764</b>	<b>31,535</b>	<b>33,298</b>	<b>35,061</b>	<b>36,824</b>
<b>Non-current assets</b>	<b>20,632</b>	<b>20,161</b>	<b>19,698</b>	<b>19,235</b>	<b>18,772</b>
<b>Current liabilities</b>	<b>6,070</b>	<b>6,135</b>	<b>6,200</b>	<b>6,265</b>	<b>6,330</b>
<b>Non-current liabilities</b>	<b>24,227</b>	<b>25,462</b>	<b>26,697</b>	<b>27,932</b>	<b>29,167</b>

Note:

1. Equity is the residual interest in assets after deduction of liabilities.

**Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	Estimated actual 2007–08 (\$'000)	Budget estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	2,000	2,000	2,000	2,000	2,000
Appropriations	127,542	124,832	125,236	126,235	127,109
Net GST received	4,396	4,396	4,867	4,867	4,867
<b>Total cash received</b>	<b>133,938</b>	<b>131,228</b>	<b>132,103</b>	<b>133,102</b>	<b>133,976</b>
<b>Cash used</b>					
Employees	66,966	65,559	65,722	65,914	66,673
Suppliers	54,076	52,773	53,014	53,821	53,936
Net GST paid	4,396	4,396	4,867	4,867	4,867
<b>Total cash used</b>	<b>125,438</b>	<b>122,728</b>	<b>123,603</b>	<b>124,602</b>	<b>125,476</b>
<b>Net cash from (used by) operating activities</b>	<b>8,500</b>	<b>8,500</b>	<b>8,500</b>	<b>8,500</b>	<b>8,500</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	8,688	8,500	8,500	8,500	8,500
<b>Total cash used</b>	<b>8,688</b>	<b>8,500</b>	<b>8,500</b>	<b>8,500</b>	<b>8,500</b>
<b>Net cash from (used by) investing activities</b>	<b>(8,688)</b>	<b>(8,500)</b>	<b>(8,500)</b>	<b>(8,500)</b>	<b>(8,500)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations—contributed equity	188	—	—	—	—
<b>Total cash received</b>	<b>188</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net cash from (used by) financing activities</b>	<b>188</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net increase (decrease) in cash held</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Cash at the beginning of the reporting period	2,390	2,390	2,390	2,390	2,390
<b>Cash at the end of the reporting period</b>	<b>2,390</b>	<b>2,390</b>	<b>2,390</b>	<b>2,390</b>	<b>2,390</b>

**Table 3.2.4: Departmental statement of changes in equity—summary of movement (Budget year 2008–09)**

	Retained earnings (\$'000)	Asset revaluation reserve (\$'000)	Contributed equity/ capital (\$'000)	Total equity (\$'000)
<b>Opening balance as at 1 July 2008</b>				
Balance carried forward from previous period	10,704	4,751	4,644	20,099
<b>Income and expenses</b>				
Net operating result	–	–	–	–
<b>Total income and expenses</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Estimated closing balance as at 30 June 2009</b>				
	<b>10,704</b>	<b>4,751</b>	<b>4,644</b>	<b>20,099</b>

**Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

	Estimated actual 2007–08 (\$'000)	Budget estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Non-taxation</b>					
Other sources of non-taxation revenue	2,500	2,500	2,500	2,500	2,500
<b>Total non-taxation</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
<b>Total revenue administered on behalf of government</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
<b>Total income administered on behalf of government</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Total expenses administered on behalf of government</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

**Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

	Estimated actual 2007-08 (\$'000)	Budget estimate 2008-09 (\$'000)	Forward estimate 2009-10 (\$'000)	Forward estimate 2010-11 (\$'000)	Forward estimate 2011-12 (\$'000)
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	32	32	32	32	32
<b>Total financial assets</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>
<b>Total assets administered on behalf of government</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Total liabilities administered on behalf of government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2.7: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	Estimated actual 2007-08 (\$'000)	Budget estimate 2008-09 (\$'000)	Forward estimate 2009-10 (\$'000)	Forward estimate 2010-11 (\$'000)	Forward estimate 2011-12 (\$'000)
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other	2,500	2,500	2,500	2,500	2,500
<b>Total cash received</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
<b>Cash used</b>					
Cash to Official Public Account	2,500	2,500	2,500	2,500	2,500
<b>Total cash used</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
<b>Net cash from (used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at beginning of reporting period	32	32	32	32	32
<b>Cash at end of reporting period</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>

### 3.2.4 Notes to the financial statements

#### Departmental

##### *Basis of accounting*

The budgeted financial statements have been prepared in accordance with Finance Minister's Orders for reporting periods ending on or after 1 July 2007; and Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board that apply for the reporting period.

The statements have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or financial position.

##### *Revenue from government*

Appropriations for departmental outputs (adjusted for any formal additions and reductions) are recognised as revenue, except for certain amounts which relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

##### *Income – resources received free of charge*

Resources received free of charge are recorded as either revenue or gains depending on their nature, that is, whether they have been generated in the course of ordinary activities.

##### *Expenses – resources provided free of charge*

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

- court staff perform work on behalf of the Federal Magistrates Court, and
- accommodation, including access to courtrooms.

It is estimated that the cost of resources provided free of charge by the Family Court to the Federal Magistrates Court during 2008–09 will be \$18.181m.

The Family Court also provides resources free of charge to the Federal Court of Australia. It is estimated that the cost of these resources in 2008–09 will be \$0.538m. The resources provided free of charge include accommodation and other property costs for Sydney Commonwealth Law Courts.

The Family Court provides similar levels of support to the Federal Court and the Federal Magistrates Court across all financial years indicated.

*Employee expenses*

Employee expenses consist of wages and salaries, superannuation, leave and other entitlements, separations and redundancies and other employee benefits.

*Supplier expenses*

Supplier expenses consist of administrative expenses including operating lease rentals and supply of goods and services to the Family Court.

*Assets*

Assets are made up of cash, receivables, prepayments, intangibles (computer software), inventories, land and buildings, infrastructure, plant and equipment.

*Liabilities*

The Family Court's liabilities are made up of employee salaries, superannuation and leave entitlements, property lease make-good provisions and amounts owed to creditors.

**Administered**

*Basis of accounting*

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

*Administered cash transfers to and from Official Public Account*

Revenue collected by the Family Court for use by the government rather than the Family Court is administered revenue. Collections are transferred to the Official Public Account maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the Official Public Account to make payments under parliamentary appropriation on behalf of government. These transfers to and from the Official Public Account are adjustments to the administered cash held by the Family Court on behalf of the government and reported as such in the statement of cash flows.

*Revenue*

All administered revenues are revenues relating to the core operating activities performed by the Family Court on behalf of the Australian Government.

Fees are charged for access to the Family Court's services. Administered fee revenue is recognised when an application for service is lodged with the Family Court. It is recognised at its nominal amount. Collectibility of debts is reviewed at balance date. Allowances are made when collection of a debt is no longer probable.