

FEDERAL COURT OF AUSTRALIA

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION FOR 2008–09

The Federal Court of Australia (the 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 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 of Australia 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.

The objectives of the Federal Court are to:

- decide disputes according to law promptly, courteously and effectively and, in so doing, interpret the statutory law and develop the general law of the Commonwealth, so as to fulfil the role of a court exercising the judicial power of the Commonwealth under the Constitution
- provide an effective registry service to the community, and
- manage the resources allotted by Parliament efficiently.

During 2008–09 the Federal Court's focus will be on continuing to enhance the services it delivers. The Federal Court will continue, in partnership with other courts, to develop and implement the Commonwealth Courts Portal, through which all 'eCourt' services will be delivered. The Federal Court will also implement various case management procedural initiatives designed to deliver to users quicker, less expensive access to justice.

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)
ORDINARY ANNUAL SERVICES				
Departmental outputs				
Departmental outputs	30,650 ⁴	77,478 ¹	108,128	78,462
S 31 relevant agency receipts	–	10,263 ³	10,263	9,749
Total ordinary annual services	30,650	87,741	118,391⁵	88,211
OTHER SERVICES				
Departmental non-operating				
Equity injections	1,739	– ²	1,739	102
Total other services	1,739	–	1,739	102
Total available annual appropriations	32,389	87,741	120,130	88,313
Total resourcing for the Federal Court of Australia	32,389	87,741	120,130	88,313

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

There are no new measures for the Federal Court.

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

2.1.1 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

Outcome 1 strategy

During 2008–09 the Federal Court's focus will be on continuing to enhance the services it delivers. The Federal Court will continue, in partnership with other courts, to develop and implement the Commonwealth Courts Portal, through which all 'eCourt' services will be delivered. The Federal Court will also implement various case management procedural initiatives designed to deliver to users quicker, less expensive access to justice.

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

	2008–09 total estimate of available resources (\$'000)	2007–08 estimated actual (\$'000)
Outcome 1		
Output Group 1: Federal Court business		
Departmental outputs	77,478	78,462
Revenues from other sources (s 31)	10,263	9,749
Total resources for Outcome 1	87,741	88,211
Average staffing level (number)	358	358

Contributions to Outcome 1

Output Group 1

Output Group 1: Federal Court business	
<p>The objectives of the Federal Court are to:</p> <ul style="list-style-type: none"> • decide disputes according to law promptly, courteously and effectively and, in so doing, interpret the statutory law and develop the general law of the Commonwealth, so as to fulfil the role of a court exercising the judicial power of the Commonwealth under the Constitution • provide an effective registry service to the community, and • manage the resources allotted by Federal Parliament efficiently. 	
Key performance indicators	2008–09 target
Timely completion of cases	Dispose of 85% of cases within 18 months of commencement
Reduction in number of cases over 18 months old	Reduce the percentage of outstanding cases over 18 months old

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

	(\$'000)
Total available departmental operating appropriation (outputs)	120,317
Less estimated payments in 2008–09	(92,359)
Estimated departmental outputs carried forward and available for 2009–10	27,958

3.1.2 Movement of administered funds between years

The Federal 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 the special accounts used by the Federal Court.

Table 3.1.3: Estimates of special account cash flows and balances

		Opening balance 2008–09 2007–08	Receipts 2008–09 2007–08	Payments 2008–09 2007–08	Closing balance 2008–09 2007–08
	Outcome	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Litigants' Fund Special Account— FMA Act s 20 (A) ¹	1 1	10,627 14,072	8,200 8,901	7,500 12,346	11,327 10,627
Services for Other Governments and Non-Agency Bodies— FMA Act s 20 (D)	1 1	10 10	— —	— —	10 10
Other Trust Moneys— FMA Act s 20 (A)	1 1	38 38	50 48	50 48	38 38
Total special accounts 2008–09 Budget estimate		10,675	8,250	7,550	11,375
Total special accounts 2007–08 estimated actual		14,120	8,949	12,394	10,675

(A) = Administered.

(D) = Departmental.

FMA Act = *Financial Management and Accountability Act 1997*.

Note:

1. The Federal Court of Australia Litigants' Fund Special Account consists of money paid into court by a litigant following an order of the court. This money is then held by the Commonwealth pending further order of the court.

3.1.4 Australian Government Indigenous expenditure

The Federal Court has jurisdiction under the *Native Title Act 1993* to hear and determine native title applications, compensation applications, claim registration applications, applications to remove agreements from the Register of Indigenous Land Use Agreements and applications for transfer of records. The court also hears appeals from the National Native Title Tribunal and matters filed under the *Administrative Decisions (Judicial Review) Act 1977* involving native title.

The figures in Table 3.1.4 detail the estimated cost of the hearing and disposition of these matters.

Table 3.1.4: Australian Government Indigenous expenditure (AGIE)

Outcome	Appropriations				Output group
	Bill No. 1 (\$'000)	Bill No. 2 (\$'000)	Special appropriation (\$'000)	Total appropriation (\$'000)	
Outcome 1					
Departmental 2008–09	9,673	—	—	9,673	1
<i>Departmental 2007–08</i>	<i>9,870</i>	—	—	<i>9,870</i>	<i>1</i>
Total AGIE 2008–09	9,673	—	—	9,673	
Total AGIE 2007–08	9,870	—	—	9,870	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences between agency resourcing and financial statements

The most significant difference between the Federal Court's agency resourcing and financial statements is that resources received free of charge 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

Income statement

The Federal Court is budgeting for a balanced budget in 2008–09. The court will meet the increased efficiency requirements of the government by implementing savings measures to reduce expenditure.

The Federal Court is budgeting to receive revenue for goods and services provided of \$10.263m. Of this, \$9.565m is expected to be received from the Federal Magistrates Court and the Administrative Appeals Tribunal for registry and other services provided on their behalf by the Federal Court.

Balance sheet

The Federal Court is budgeting for a net asset position of \$40.330m in 2008–09. The court will be making significant internally funded capital purchases, particularly of leasehold improvements, which will result in an increase in non-financial assets and a corresponding reduction in appropriation receivable.

3.2.3 Budgeted financial statements tables

Departmental

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)
INCOME					
Revenue					
Revenue from government	78,462	77,478	77,928	78,379	78,718
Goods and services	9,749	10,263	10,604	10,103	10,486
Other	14,197	14,348	14,503	15,489	17,127
Total revenue	102,408	102,089	103,035	103,971	106,331
Gains					
Sale of assets	37	39	42	43	–
Total gains	37	39	42	43	–
Total income	102,445	102,128	103,077	104,014	106,331
EXPENSES					
Employees	56,490	55,411	55,916	56,069	58,208
Suppliers	42,685	43,144	43,049	42,922	44,047
Depreciation and amortisation	3,120	3,423	3,962	4,873	4,076
Write-down and impairment of assets	150	150	150	150	–
Total expenses	102,445	102,128	103,077	104,014	106,331
Surplus (deficit) attributable to the Australian Government	–	–	–	–	–

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)
ASSETS					
Financial assets					
Cash and cash equivalents	516	516	516	516	516
Trade and other receivables	31,140	26,135	20,437	20,465	20,465
Total financial assets	31,656	26,651	20,953	20,981	20,981
Non-financial assets					
Land and buildings	11,164	13,422	14,042	14,014	15,270
Infrastructure, plant and equipment	11,398	12,312	13,104	13,104	11,848
Intangibles	2,229	3,988	8,710	8,710	8,710
Other	2,046	2,031	2,015	2,015	2,015
Total non-financial assets	26,837	31,753	37,871	37,843	37,843
Assets held for sale					
Total assets	58,493	58,404	58,824	58,824	58,824
LIABILITIES					
Interest-bearing liabilities					
Leases	986	986	986	986	986
Total interest-bearing liabilities	986	986	986	986	986
Provisions					
Employees	16,674	16,590	17,015	17,015	17,015
Total provisions	16,674	16,590	17,015	17,015	17,015
Payables					
Suppliers	503	498	493	493	493
Total payables	503	498	493	493	493
Total liabilities	18,163	18,074	18,494	18,494	18,494
Net assets	40,330	40,330	40,330	40,330	40,330
EQUITY¹					
Parent entity interest					
Contributed equity	9,719	9,719	9,719	9,719	9,719
Reserves	1,614	1,614	1,614	1,614	1,614
Retained surpluses or accumulated deficits	28,997	28,997	28,997	28,997	28,997
Total parent entity interest	40,330	40,330	40,330	40,330	40,330
Total equity	40,330	40,330	40,330	40,330	40,330
Current assets	33,702	28,682	22,968	22,996	22,996
Non-current assets	24,791	29,722	35,856	35,828	35,828
Current liabilities	17,126	17,012	17,395	17,356	17,322
Non-current liabilities	1,037	1,062	1,099	1,138	1,172

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)
OPERATING ACTIVITIES					
Cash received					
Goods and services	9,733	9,847	9,976	10,103	10,486
Appropriations	83,463	82,473	84,106	78,144	78,718
Total cash received	93,196	92,320	94,082	88,247	89,204
Cash used					
Employees	46,869	46,762	47,755	46,833	47,729
Suppliers	36,703	37,042	36,074	37,223	37,748
Total cash used	83,572	83,804	83,829	84,056	85,477
Net cash from (used by) operating activities	9,624	8,516	10,253	4,191	3,727
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	37	39	43	44	–
Total cash received	37	39	43	44	–
Cash used					
Purchase of property, plant and equipment	9,763	8,555	10,296	4,235	3,727
Total cash used	9,763	8,555	10,296	4,235	3,727
Net cash from (used by) investing activities	(9,726)	(8,516)	(10,253)	(4,191)	(3,727)
FINANCING ACTIVITIES					
Cash received					
Appropriations—contributed equity	102	–	–	–	–
Total cash received	102	–	–	–	–
Net cash from (used by) financing activities	102	–	–	–	–
Net increase (decrease) in cash held	–	–	–	–	–
Cash at the beginning of the reporting period	516	516	516	516	516
Cash at the end of the reporting period	516	516	516	516	516

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)
Opening balance as at 1 July 2008				
Balance carried forward from previous period	28,997	1,614	9,719	40,330
Income and expenses				
Net operating result	–	–	–	–
Total income and expenses	–	–	–	–
Estimated closing balance as at 30 June 2009				
	28,997	1,614	9,719	40,330

Administered**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)
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	6,794	6,930	7,069	7,210	7,354
Total taxation	6,794	6,930	7,069	7,210	7,354
Total revenue administered on behalf of government	6,794	6,930	7,069	7,210	7,354
Total income administered on behalf of government	6,794	6,930	7,069	7,210	7,354
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Other	147	150	153	156	159
Total expenses administered on behalf of government	147	150	153	156	159

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)
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	38	38	38	38	38
Receivables	326	326	326	326	326
Total financial assets	364	364	364	364	364
Total assets administered on behalf of government	364	364	364	364	364
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Total liabilities administered on behalf of government	-	-	-	-	-

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)
OPERATING ACTIVITIES					
Cash received					
Other	6,794	6,930	7,069	7,210	7,354
Total cash received	6,794	6,930	7,069	7,210	7,354
Cash used					
Other	87	89	91	95	98
Total cash used	87	89	91	95	98
Net cash from (used by) operating activities	6,707	6,841	6,978	7,115	7,256
Cash at beginning of reporting period	38	38	38	38	38
Cash from Official Public Account <i>Appropriations</i>	87	89	91	95	98
Cash to Official Public Account <i>Appropriations</i>	6,794	6,930	7,069	7,210	7,354
Cash at end of reporting period	38	38	38	38	38

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared in accordance with the requirements of the Finance Minister's Orders, Australian Accounting Standards, Australian Equivalents to International Financial Reporting Standards and Accounting Guidance Releases, and having regard to the Statements of Accounting Concepts.

Revenue from government

Appropriations for departmental outputs are recognised as revenue. Appropriations receivable are recognised at their nominal amounts.

The Federal Court will receive revenue from the Federal Magistrates Court and the Administrative Appeals Tribunal for registry and other services provided to them.

Other revenue

The Federal Court also receives revenue in the form of resources received free of charge. The court pays no rent on its Sydney premises and a notional value for this rent is recognised as revenue. The court also recognises revenue for the notional value of accrued judicial pensions.

These items are non-cash transactions and are balanced by corresponding expense items in the financial statements.

Employee expenses and benefits

Employee expenses and benefits consist of salaries, leave entitlements, redundancy expenses and superannuation. Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Supplier expenses

Supplier expenses consist of ordinary operating costs (accommodation and utilities), administrative costs, consultant and contractor costs, and travel expenses.

Assets and liabilities

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow and the amounts of the assets can be reliably measured.

Liabilities are recognised in the balance sheet when it is probable that the future obligation will be incurred and the amounts of the liabilities can be reliably measured.

Cash and cash equivalents

Cash includes notes and coins held and any deposits held at call with a bank or other financial institution. Cash is recognised at its nominal amount.

Transactions with the government as owner

Amounts appropriated that are designated as 'equity injections' for a particular year are recognised directly in contributed equity in that year.