

FEDERAL MAGISTRATES COURT OF AUSTRALIA

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION FOR 2008–09

The Federal Magistrates Court of Australia (FMC) is a federal court established under the Constitution by the *Federal Magistrates Act 1999*. It was established to handle less complex matters in family law and general federal law. The FMC shares jurisdiction with the Family Court of Australia and the Federal Court of Australia.

Since its inception eight years ago, the FMC has established itself as the basic trial court, in significant areas of jurisdiction, of the federal judicial system. The jurisdiction of the FMC includes family law and child support, administrative law, bankruptcy, unlawful discrimination, consumer protection law, privacy law, migration law, trade practices law and workplace relations law.

The continued growth in the size of the FMC's bench and in the breadth of its jurisdiction poses challenges for the FMC. Managing a heavy and demanding caseload will continue to be a challenge for the FMC's judiciary and the FMC will continue to closely monitor the timeliness of the delivery of judgments. Processes are underway for the appointment of five additional federal magistrates.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows total resources from all origins. The table summarises how resources will be applied by administered and 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	22,801 ⁴	55,808 ¹	78,609	55,807
S 31 relevant agency receipts	–	222 ³	222	430
Total departmental outputs	22,801	56,030	78,831⁵	56,237
Administered expenses				
Payment to primary dispute resolution service providers	–	843	843	805
Total administered expenses	–	843	843	805
Total ordinary annual services	A 22,801	56,873	79,674	57,042
OTHER SERVICES				
Departmental non-operating				
Equity injections	2,110	– ²	2,110	700
Total other services	B 2,110	–	2,110	700
Total available annual appropriations	24,911	56,873	81,784	57,742
Total appropriations excluding special accounts	24,911	56,873	81,784	57,742
SPECIAL ACCOUNTS				
Opening balance	145 ⁶	–	145	143
Non-appropriation receipts to special accounts	–	100	100	100
Total special accounts	C 145	100	245	243
Total resourcing (A+B+C)	25,056	56,973	82,029	57,985
Total net resourcing for the Federal Magistrates Court of Australia	25,056	56,973	82,029	57,985

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.
6. Estimated opening balance for the special account. For further detail on special accounts see Table 3.1.3.

1.3 BUDGET MEASURES

The Budget measure relating to the FMC is detailed in Budget Paper No. 2. The FMC has one new measure, as shown in Table 1.2.

Table 1.2: Agency 2008–09 Budget measures

	Output	2008–09 (\$'000)	2009–10 (\$'000)	2010–11 (\$'000)	2011–12 (\$'000)
EXPENSE MEASURES					
Federal Magistrates Court of Australia—providing an additional magistrate for increased family law workloads¹					
	1.1				
	Departmental outputs	528	533	537	541
Total expense measures	Departmental	528	533	537	541

Prepared on a Government Financial Statistics (fiscal) basis.

Note:

1. The measure in the 2008–09 Budget for Outcome 1 is the appointment of a federal magistrate instead of replacing a judicial registrar of the Family Court of Australia. A corresponding reduction will be made within the Attorney-General's portfolio in the appropriation of the Family Court. The full measure description and package details appear in Budget Paper No. 2 under the Attorney-General's portfolio.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

The FMC:

- operates as a federal court of record under the Constitution
- operates as informally as possible in the exercise of judicial power
- uses streamlined procedures, and
- encourages the use of a range of appropriate dispute resolution processes.

The FMC relies on the Family Court for significant infrastructure and support, including registry services.

Administered activities

The FMC receives an administered appropriation to source primary dispute resolution services such as counselling, mediation and conciliation from community-based organisations.

2.1.1 Outcome 1: To provide the Australian Community with a simple and accessible forum for the resolution of less complex disputes within the jurisdiction of the Federal Magistrates Court of Australia

Outcome 1 strategy

The FMC's jurisdiction includes family law and child support, administrative law, bankruptcy, unlawful discrimination, consumer protection law, privacy law, migration law, trade practices law and workplace relations law. The FMC shares those jurisdictions with the Family Court of Australia and the Federal Court of Australia.

Federal magistrates are located in Adelaide, Brisbane, Canberra, Melbourne, Launceston, Newcastle, Parramatta, Sydney, Townsville, Perth and Darwin, where the FMC shares accommodation with the Federal Court and/or the Family Court. Regular court circuits are conducted in a number of regional centres.

The FMC encourages people to resolve disputes through primary dispute resolution. The court provides a range of means to resolve disputes and it is not assumed that every matter will end in a contested hearing. The use of conciliation, counselling and mediation is strongly encouraged in appropriate cases. The FMC uses community-based counselling and mediation services as well as the counselling and mediation services of the Family Court and Federal Court, providing as wide a choice as possible.

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 1.1: Provision of a Federal Magistrates Court		
Administered item		
Payment to primary dispute resolution service providers	843	500
Departmental outputs		
Budget advice	55,808	55,807
Revenues from other sources (s 31)	222	430
Special accounts		
Litigants' Fund Special Account		
Opening balance	145	143
Non-appropriation receipts to special accounts	100	100
Total resources for Outcome 1	57,118	56,980
Average staffing level (number)	229	224

Resources received free of charge of \$18.216m in 2008–09 and \$18.139m in 2007–08 are not included in this table.

Contributions to Outcome 1

Output 1.1

Output 1.1: Provision of a Federal Magistrates Court	
The FMC is to provide a simple and accessible alternative to litigation in the Family Court and the Federal Court. Where practical, parties are encouraged to resolve their disputes through dispute resolution and negotiation methods.	
Key performance indicators	2008–09 target
Number of cases litigated and divorce cases processed—estimated at approximately 80,000	Less than 1% of cases litigated or divorces processed are subject to complaint
Number of counselling, mediation, conciliation and other primary dispute resolution services delivered—estimated at approximately 7,500 sessions	Time taken from filing to disposition is less than six months in 90% of cases 60% of matters are resolved before trial
Number of presentations to organisations representing clients regarding the court, and publications issued	Feedback from clients as to whether they are satisfied that their disputes have been handled quickly and simply Feedback from clients regarding the simplicity and effectiveness of court rules Feedback from clients regarding the availability of information about the court

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.

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)	78,831
Less estimated payments in 2008–09	(58,086)
Estimated departmental outputs carried forward and available for 2009–10	20,745

3.1.2 Movement of administered funds between years

The FMC has not moved any administered funds 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*.

Table 3.1.3 shows the expected additions (credits) and reductions (debits) for the special account used by the FMC.

Table 3.1.3: Estimates of special account cash flows and balances

		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)
Litigants' Fund Special Account—FMA Act s. 20 (A) ¹	1	145	100	145	100
	1	143	100	98	145
Total special accounts 2008–09 Budget estimate		145	100	145	100
Total special accounts 2007–08 estimated actual		143	100	98	145

(A) = Administered.

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

Note:

1. The purpose of this account is to hold and disburse money paid into the FMC in accordance with an order made by the FMC or a federal magistrate under section 15 of the *Federal Magistrates Act 1999*.

3.1.4 Australian Government Indigenous expenditure

The FMC has no Australian Government Indigenous expenditure.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences between agency resourcing and financial statements

The most significant difference between the FMC'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

The major change for 2008–09 and the forward estimate years relates to the appointment of federal magistrates and associated resources to assist with family law disputes.

The budgeted surplus for 2008–09 is \$1.529m based on the total budgeted departmental income of \$74.246m and the total budgeted departmental expenses of \$72.717m. The estimated balance for appropriation and other receivables at 30 June 2009 is \$20.193m. The estimated asset purchase for the year is \$7.171m.

The estimated administered income from fees and fines is \$17.000m and the estimated administered expenses for primary dispute resolution and refund of fees are \$0.843m and \$0.050m, respectively, for 2008–09.

The 2008–09 estimate of the value of services provided free of charge to the FMC by the Family Court of Australia and the Australian National Audit Office (ANAO) is \$18.216m (comprising Family Court – \$18.181m and ANAO – \$0.035m).

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)
INCOME					
Revenue					
Revenue from government	55,807	55,808	56,133	56,457	56,645
Resource received free of charge	18,139	18,216	18,401	18,790	19,215
Goods and services	430	222	223	220	220
Total revenue	74,376	74,246	74,757	75,467	76,080
Total income	74,376	74,246	74,757	75,467	76,080
EXPENSES					
Employees	34,060	33,703	33,734	33,750	34,498
Suppliers	37,358	36,946	36,743	36,913	37,398
Depreciation and amortisation	1,423	2,068	2,755	3,283	3,517
Total expenses	72,841	72,717	73,232	73,946	75,413
Surplus (deficit) attributable to the Australian Government	1,535	1,529	1,525	1,521	667

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	552	552	552	552	552
Trade and other receivables	22,556	20,193	18,033	16,754	16,959
Total financial assets	23,108	20,745	18,585	17,306	17,511
Non-financial assets					
Land and buildings	4,748	6,723	10,259	13,072	13,726
Infrastructure, plant and equipment	744	2,318	3,234	4,076	4,291
Intangibles	449	1,994	2,094	2,198	2,308
Other	262	288	302	317	333
Total non-financial assets	6,203	11,323	15,889	19,663	20,658
Total assets	29,311	32,068	34,474	36,969	38,169
LIABILITIES					
Provisions					
Employees	6,417	7,089	7,797	8,579	9,007
Other	275	275	275	275	275
Total provisions	6,692	7,364	8,072	8,854	9,282
Payables					
Suppliers	1,178	1,734	1,907	2,099	2,204
Total payables	1,178	1,734	1,907	2,099	2,204
Total liabilities	7,870	9,098	9,979	10,953	11,486
Net assets	21,441	22,970	24,495	26,016	26,683
EQUITY¹					
Parent entity interest					
Contributed equity	3,809	3,809	3,809	3,809	3,809
Retained surpluses or accumulated deficits	17,632	19,161	20,686	22,207	22,874
Total parent entity interest	21,441	22,970	24,495	26,016	26,683
Total equity	21,441	22,970	24,495	26,016	26,683
Current assets	23,370	21,033	18,887	17,623	17,844
Non-current assets	5,941	11,035	15,587	19,346	20,325
Current liabilities	6,217	7,187	7,884	8,653	9,075
Non-current liabilities	1,653	1,911	2,095	2,300	2,411

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	10	10	10	10	10
Appropriations	54,912	58,150	58,283	57,727	56,428
Other	420	212	213	210	210
Total cash received	55,342	58,372	58,506	57,947	56,648
Cash used					
Employees	31,745	33,031	33,025	32,969	34,069
Suppliers	19,354	18,175	18,169	17,932	18,078
Total cash used	51,099	51,206	51,194	50,901	52,147
Net cash from (used by) operating activities	4,243	7,166	7,312	7,046	4,501
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	5	5	5	5	5
Total cash received	5	5	5	5	5
Cash used					
Purchase of property, plant and equipment	4,527	5,169	6,724	6,427	3,849
Purchase of intangibles	421	2,002	593	624	657
Total cash used	4,948	7,171	7,317	7,051	4,506
Net cash from (used by) investing activities	(4,943)	(7,166)	(7,312)	(7,046)	(4,501)
FINANCING ACTIVITIES					
Cash received					
Appropriations—contributed equity	700	–	–	–	–
Total cash received	700	–	–	–	–
Net cash from (used by) financing activities	700	–	–	–	–
Net increase (decrease) in cash held	–	–	–	–	–
Cash at the beginning of the reporting period	552	552	552	552	552
Cash at the end of the reporting period	552	552	552	552	552

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	17,632	–	3,809	21,441
Income and expenses				
Net operating result	1,529	–	–	1,529
Total income and expenses	1,529	–	–	1,529
Estimated closing balance as at 30 June 2009				
	19,161	–	3,809	22,970

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					
Non-taxation					
Other sources of non-taxation revenue	16,350	17,000	17,000	17,000	17,000
Total non-taxation	16,350	17,000	17,000	17,000	17,000
Total revenue administered on behalf of government	16,350	17,000	17,000	17,000	17,000
Total income administered on behalf of government	16,350	17,000	17,000	17,000	17,000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	500	843	860	859	876
Other	45	50	50	50	50
Total expenses administered on behalf of government	545	893	910	909	926

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					
Receivables	65	65	65	65	65
Total financial assets	65	65	65	65	65
Total assets administered on behalf of government	65	65	65	65	65
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	150	150	150	150	150
Total payables	150	150	150	150	150
Total liabilities administered on behalf of government	150	150	150	150	150

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 taxes, fees and fines	16,350	17,000	17,000	17,000	17,000
Other	35	40	40	40	40
Total cash received	16,385	17,040	17,040	17,040	17,040
Cash used					
Suppliers	500	843	860	859	876
Other	45	50	50	50	50
Total cash used	545	893	910	909	926
Net cash from (used by) operating activities	15,840	16,147	16,130	16,131	16,114
Net increase (decrease) in cash held	15,840	16,147	16,130	16,131	16,114
Cash at beginning of reporting period	–	–	–	–	–
Cash from Official Public Account <i>Appropriations</i>	545	893	910	909	926
Cash to Official Public Account <i>Appropriations</i>	(16,385)	(17,040)	(17,040)	(17,040)	(17,040)
Cash at end of reporting period	–	–	–	–	–

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 amount. The FMC also receives resources free of charge from the Family Court of Australia and the ANAO. These are included in the budgeted departmental income statement based on estimates.

Employee expenses

Employee expenses consist of salaries, leave entitlements, superannuation, and other employee entitlements.

Supplier expenses

Supplier expenses consist of office expenses, travel expenses, consultant and contractor costs, and administrative costs.

Cash

Cash includes notes and coins held and any deposits held at call with a bank or other financial institution.

Infrastructure, plant and equipment, and intangibles

Infrastructure, plant and equipment, and intangibles include purchases of leasehold improvements, computer equipment, office equipment, furniture and software which have been capitalised.

Provisions

Employee provisions are for annual leave and long service leave.

Other provisions are for make-good costs.

