

# FEDERAL COURT OF AUSTRALIA

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

The Federal Court's strategic direction statement can be found in the 2008–09 Portfolio Budget Statements. There has been no change to the Court's strategic direction as a result of additional estimates.

The Federal Court is receiving additional funding for the increase in judicial and other offices salaries granted by the Remuneration Tribunal.

### 1.2 AGENCY RESOURCE STATEMENT

The agency resource statement details the resourcing for the Federal Court at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2008–09 Budget year, including variations through Appropriation Bill No. 3.

**Table 1.1: Agency resource statement—additional estimates for 2008–09 (as at Additional Estimates, December 2008)**

	Estimate as at Budget 2008–09 (\$'000)	+ Proposed additional estimates 2008–09 (\$'000)	=	Total estimate at Additional Estimates 2008–09 (\$'000)	Total available appropriation 2007–08 (\$'000)
<b>ORDINARY ANNUAL SERVICES</b>					
<b>Departmental outputs</b>					
Departmental outputs	109,570	728 <sup>1</sup>		110,298	113,011
S 31 relevant agency receipts	9,911	–		9,911	10,528
<b>Total</b>	<b>119,481</b>	<b>728</b>		<b>120,209</b>	<b>123,539</b>
<b>Total ordinary annual services</b>	<b>119,481</b>	<b>728</b>		<b>120,209</b>	<b>123,539</b>
<b>OTHER SERVICES</b>					
<b>Departmental non-operating</b>					
Equity injections	2,342	–		2,342	2,943
<b>Total</b>	<b>2,342</b>	<b>–</b>		<b>2,342</b>	<b>2,943</b>
<b>Total other services</b>	<b>2,342</b>	<b>–</b>		<b>2,342</b>	<b>2,943</b>
<b>Total available annual appropriations</b>	<b>121,823</b>	<b>728</b>		<b>122,551</b>	<b>126,482</b>
<b>Total net resourcing for the Federal Court of Australia</b>	<b>121,823</b>	<b>728</b>		<b>122,551</b>	<b>126,482</b>

All figures are GST exclusive.

Note:

1. Appropriation Bill (No. 3) 2008–09.

### Prior year annual appropriations carried forward and special account opening balances finalised in agency annual report

	Estimate (\$'000)	Actual (\$'000)	Total adjustment (\$'000)
Departmental outputs—ordinary annual services	118,391	119,481	1,090
Departmental—non-operating—equity injections	1,739	2,342	603

## 1.3 AGENCY MEASURES TABLE

There are no new government measures for the Federal Court.

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following table details the changes to the resourcing for the Federal Court at Additional Estimates. Table 1.4 details additional estimates and variations resulting from the increase in judicial remuneration due to the effect of Remuneration Tribunal Determination 2008/09.

**Table 1.4: Additional estimates and variations to outcomes from other variations**

	Output group impacted	2008–09 (\$'000)	2009–10 (\$'000)	2010–11 (\$'000)	2011–12 (\$'000)
<b>OUTCOME 1</b>					
<b>Increase in estimates (departmental)</b>					
Supplementation for judicial and related offices salary increases (Remuneration Tribunal Determination 2008/09)	1	728	719	710	701
<b>Net impact on estimates for Outcome 1 (departmental)</b>					
		<b>728</b>	<b>719</b>	<b>710</b>	<b>701</b>

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following table details the additional estimates sought for the Federal Court through Appropriation Bill No. 3. The Court has no additional estimates through Appropriation Bill No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2008–09**

	2007–08 available (\$'000) <sup>1</sup>	2008–09 Budget (\$'000)	2008–09 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
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	78,462	77,478	78,206	728	–
<b>Total</b>	<b>78,462</b>	<b>77,478</b>	<b>78,206</b>	<b>728</b>	<b>–</b>

Note:

1. Available appropriation for 2007–08 is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

## Section 2: Revisions to agency outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

There are no changes to the Federal Court's outcome and performance information as reported in the 2008–09 Portfolio Budget Statements.

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Estimates of special account flows

There is no change to the Federal Court's special account information contained in the 2008–09 Portfolio Budget Statements.

#### 3.1.2 Estimates of variations to average staffing level

There is no change to the estimate of average staffing level contained in the 2008–09 Portfolio Budget Statements.

## 3.2 BUDGETED FINANCIAL STATEMENTS

### 3.2.1 Analysis of budgeted financial statements

The Federal Court is budgeting for an operating deficit of \$3.800m in 2008–09. The budgeted deficit is due to the implementation of one-off information technology projects. The Court will return to a balanced budget position in 2009–10.

The information technology projects being undertaken will lead to an increase in the Court's non-financial assets on the balance sheet. This capital increase will be internally funded by the Court.

### 3.2.2 Budgeted financial statements tables

#### Departmental

The Court will receive an additional \$0.728m for the increase in judicial remuneration pursuant to Remuneration Tribunal Determination 2008/09.

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

	Actual 2007–08 (\$'000)	Revised budget 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	78,462	78,206	78,647	79,089	79,419
Goods and services	10,902	9,911	10,604	10,103	10,486
Other	15,084	15,292	14,503	15,489	17,127
<b>Total revenue</b>	<b>104,448</b>	<b>103,409</b>	<b>103,754</b>	<b>104,681</b>	<b>107,032</b>
<b>Gains</b>					
Net gains from sale of assets	–	39	42	43	–
<b>Total gains</b>	<b>–</b>	<b>39</b>	<b>42</b>	<b>43</b>	<b>–</b>
<b>Total income</b>	<b>104,448</b>	<b>103,448</b>	<b>103,796</b>	<b>104,724</b>	<b>107,032</b>
<b>EXPENSES</b>					
Employees	56,463	57,160	56,635	56,779	58,909
Suppliers	47,250	46,515	43,049	42,922	44,047
Depreciation and amortisation	3,182	3,423	3,962	4,873	4,076
Finance costs	52	–	–	–	–
Write-down and impairment of assets	838	150	150	150	–
Net losses from sale of assets	14	–	–	–	–
<b>Total expenses</b>	<b>107,799</b>	<b>107,248</b>	<b>103,796</b>	<b>104,724</b>	<b>107,032</b>
<b>Net surplus (deficit) attributable to the Australian Government</b>	<b>(3,351)</b>	<b>(3,800)</b>	<b>–</b>	<b>–</b>	<b>–</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2007–08 (\$'000)	Revised budget 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	3,330	3,330	3,330	3,330	3,330
Receivables	31,975	23,170	17,472	17,500	17,500
<b>Total financial assets</b>	<b>35,305</b>	<b>26,500</b>	<b>20,802</b>	<b>20,830</b>	<b>20,830</b>
<b>Non-financial assets</b>					
Land and buildings	8,208	10,466	11,086	11,058	12,314
Infrastructure, plant and equipment	9,432	10,346	11,138	11,138	9,882
Intangibles	842	2,601	7,323	7,323	7,323
Other	1,763	1,748	1,732	1,732	1,732
<b>Total non-financial assets</b>	<b>20,245</b>	<b>25,161</b>	<b>31,279</b>	<b>31,251</b>	<b>31,251</b>
<b>Total assets</b>	<b>55,550</b>	<b>51,661</b>	<b>52,081</b>	<b>52,081</b>	<b>52,081</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	1,122	1,117	1,112	1,112	1,112
<b>Total payables</b>	<b>1,122</b>	<b>1,117</b>	<b>1,112</b>	<b>1,112</b>	<b>1,112</b>
<b>Interest-bearing liabilities</b>					
Leases	633	633	633	633	633
<b>Total interest-bearing liabilities</b>	<b>633</b>	<b>633</b>	<b>633</b>	<b>633</b>	<b>633</b>
<b>Provisions</b>					
Employees	17,141	17,057	17,482	17,482	17,482
<b>Total provisions</b>	<b>17,141</b>	<b>17,057</b>	<b>17,482</b>	<b>17,482</b>	<b>17,482</b>
<b>Total liabilities</b>	<b>18,896</b>	<b>18,807</b>	<b>19,227</b>	<b>19,227</b>	<b>19,227</b>
<b>EQUITY<sup>1</sup></b>					
<b>Parent entity interest</b>					
Contributed equity	9,719	9,719	9,719	9,719	9,719
Reserves	1,289	1,289	1,289	1,289	1,289
Retained surpluses or accumulated deficits	25,646	21,846	21,846	21,846	21,846
<b>Total parent entity interest</b>	<b>36,654</b>	<b>32,854</b>	<b>32,854</b>	<b>32,854</b>	<b>32,854</b>
<b>Total equity</b>	<b>36,654</b>	<b>32,854</b>	<b>32,854</b>	<b>32,854</b>	<b>32,854</b>
<b>Current assets</b>	<b>37,068</b>	<b>28,248</b>	<b>22,534</b>	<b>22,534</b>	<b>22,534</b>
<b>Non-current assets</b>	<b>18,482</b>	<b>23,413</b>	<b>29,547</b>	<b>29,547</b>	<b>29,547</b>
<b>Current liabilities</b>	<b>17,125</b>	<b>17,307</b>	<b>17,683</b>	<b>17,683</b>	<b>17,683</b>
<b>Non-current liabilities</b>	<b>1,771</b>	<b>1,500</b>	<b>1,544</b>	<b>1,544</b>	<b>1,544</b>

Prepared on Australian Accounting Standards basis.

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)**

	Actual 2007–08 (\$'000)	Revised budget 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	10,501	9,911	10,604	10,103	10,486
Appropriations	83,733	87,011	82,347	79,089	79,419
Net GST received	212	–	–	–	–
Other cash received	131	–	–	–	–
<b>Total cash received</b>	<b>94,577</b>	<b>96,922</b>	<b>92,951</b>	<b>89,192</b>	<b>89,905</b>
<b>Cash used</b>					
Employees	47,371	48,265	47,929	45,528	46,002
Suppliers	40,274	40,421	40,436	39,473	40,176
Financing costs	52	51	23	–	–
<b>Total cash used</b>	<b>87,697</b>	<b>88,737</b>	<b>88,388</b>	<b>85,001</b>	<b>86,178</b>
<b>Net cash from (used by) operating activities</b>	<b>6,880</b>	<b>8,185</b>	<b>4,563</b>	<b>4,191</b>	<b>3,727</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	19	39	43	44	–
<b>Total cash received</b>	<b>19</b>	<b>39</b>	<b>43</b>	<b>44</b>	<b>–</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	4,075	8,317	4,382	4,235	3,727
<b>Total cash used</b>	<b>4,075</b>	<b>8,317</b>	<b>4,382</b>	<b>4,235</b>	<b>3,727</b>
<b>Net cash from (used by) investing activities</b>	<b>(4,056)</b>	<b>(8,278)</b>	<b>(4,339)</b>	<b>(4,191)</b>	<b>(3,727)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations—contributed equity	601	517	–	–	–
<b>Total cash received</b>	<b>601</b>	<b>517</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash used</b>					
Repayments of debt (including finance lease principal)	611	424	224	–	–
<b>Total cash used</b>	<b>611</b>	<b>424</b>	<b>(224)</b>	<b>–</b>	<b>–</b>
<b>Net cash from (used by) financing activities</b>	<b>(10)</b>	<b>93</b>	<b>(224)</b>	<b>–</b>	<b>–</b>
<b>Net increase (decrease) in cash held</b>	<b>2,814</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Cash at the beginning of the reporting period	516	3,330	3,330	3,330	3,330
<b>Cash at the end of the reporting period</b>	<b>3,330</b>	<b>3,330</b>	<b>3,330</b>	<b>3,330</b>	<b>3,330</b>

Prepared on Australian Accounting Standards basis.

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

	Accumulated results (\$'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	25,646	1,289	9,719	36,654
<b>Income and expenses</b>				
Net operating result	(3,800)	–	–	(3,800)
<b>Total income and expenses</b>	<b>(3,800)</b>	<b>–</b>	<b>–</b>	<b>(3,800)</b>
<b>Estimated closing balance as at 30 June 2009</b>	<b>21,846</b>	<b>1,289</b>	<b>9,719</b>	<b>32,854</b>

Prepared on Australian Accounting Standards basis.

## Administered

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

	Actual 2007–08 (\$'000)	Revised budget 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>Taxation</b>					
Other taxes, fees and fines	7,273	6,930	7,069	7,210	7,354
<b>Total taxation</b>	<b>7,273</b>	<b>6,930</b>	<b>7,069</b>	<b>7,210</b>	<b>7,354</b>
<b>Total revenue administered on behalf of government</b>	<b>7,273</b>	<b>6,930</b>	<b>7,069</b>	<b>7,210</b>	<b>7,354</b>
<b>Total income administered on behalf of government</b>	<b>7,273</b>	<b>6,930</b>	<b>7,069</b>	<b>7,210</b>	<b>7,354</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Other	145	150	153	156	159
<b>Total expenses administered on behalf of government</b>	<b>145</b>	<b>150</b>	<b>153</b>	<b>156</b>	<b>159</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2007–08 (\$'000)	Revised budget 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	45	45	45	45	45
Receivables	297	297	297	297	297
<b>Total financial assets</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>
<b>Total assets administered on behalf of government</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</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>

Prepared on Australian Accounting Standards basis.

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

	Actual 2007–08 (\$'000)	Revised budget 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 taxes, fees and fines	7,301	6,930	7,069	7,210	7,354
<b>Total cash received</b>	<b>7,301</b>	<b>6,930</b>	<b>7,069</b>	<b>7,210</b>	<b>7,354</b>
<b>Cash used</b>					
Other	144	89	91	95	98
<b>Total cash used</b>	<b>144</b>	<b>89</b>	<b>91</b>	<b>95</b>	<b>98</b>
<b>Net cash from (used by) operating activities</b>	<b>7,157</b>	<b>6,841</b>	<b>6,978</b>	<b>7,115</b>	<b>7,256</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Cash from Official Public Account	145	89	91	95	98
<b>Total cash received</b>	<b>145</b>	<b>89</b>	<b>91</b>	<b>95</b>	<b>98</b>
<b>Cash used</b>					
Cash to Official Public Account	7,296	6,930	7,069	7,210	7,354
<b>Total cash used</b>	<b>7,296</b>	<b>6,930</b>	<b>7,069</b>	<b>7,210</b>	<b>7,354</b>
<b>Net cash from (used by) financing activities</b>	<b>(7,151)</b>	<b>(6,841)</b>	<b>(6,978)</b>	<b>(7,115)</b>	<b>(7,256)</b>
<b>Net increase (decrease) in cash held</b>	<b>6</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Cash at beginning of reporting period	38	44	44	44	44
Cash from Official Public Account <i>Appropriations</i>	145	89	91	95	98
Cash to Official Public Account <i>Appropriations</i>	7,296	6,930	7,069	7,210	7,354
<b>Cash at end of reporting period</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>

Prepared on Australian Accounting Standards basis.

### **3.2.3 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 of Australia and the Administrative Appeals Tribunal for registry and other services provided to those agencies. The amount of revenue expected to be received in 2008-09 is \$8.888m.

The Court receives resources free of charge from the Family Court of Australia. These resources are rent and other property operating costs for the Sydney Law Courts building. The value in 2008-09 is expected to be \$0.538m.

#### **Employee expenses**

Employee expenses 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.

