

FEDERAL COURT OF AUSTRALIA

Outcomes and Outputs

**Federal Court of Australia
Registrar: Mr Warwick Soden**

Total Price of Outputs \$79.318m (**up \$0.656m**)
Departmental Appropriation \$66.571m (**up \$0.595m**)

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

Total Price \$79.318m (**up \$0.656m**)
Departmental Outputs Appropriation \$66.571m (**up \$0.595m**)

Output 1.1

Federal Court Business

Total Price \$79.318m (**up \$0.656m**)
Appropriation \$66.571m (**up \$0.595m**)

Section 1: Overview, variations and measures

OVERVIEW

The Federal Court of Australia was created by the *Federal Court of Australia Act 1976* and began to exercise its jurisdiction on 1 February 1977.

The 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 Court's jurisdiction is broad, covering almost all civil matters arising under Australian Federal law and some summary criminal matters. Its original jurisdiction is conferred by over 150 statutes of the Parliament. The Court also exercises appellate jurisdiction over decisions of single judges of the Court, decisions of the Federal Magistrates Court, decisions of the Supreme Court of Norfolk Island and certain decisions of State Supreme Courts exercising federal jurisdiction.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

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

- Supplementation of \$0.456m per year for judge remuneration increases in 2003-04, determined by the Remuneration Tribunal on 12 June 2003, and
- Supplementation of \$0.070m for increase in the Comcover insurance premiums for 2003-04.

Measures

	2003-04 (\$'000)	2004-05 (\$'000)	2005-06 (\$'000)	2006-07 (\$'000)
Outcome 1				
Increase in departmental appropriations				
Budget estimates – enhanced quality and timeliness	69	69	69	69

Other variations to appropriations

	2003-04 (\$'000)	2004-05 (\$'000)	2005-06 (\$'000)	2006-07 (\$'000)
Outcome 1				
Variations in departmental appropriations				
Judicial remuneration supplementation	456	456	456	456
Comcover supplementation	70	-	-	-
Total	595	525	525	525

MEASURES — AGENCY SUMMARY

Budget estimates – enhanced quality and timeliness

The Government will provide additional funding to agencies of \$88.5m over five years (including \$0.1m in 2007-08) to implement the Budget Estimates and Framework Review (BEFR) recommendations. This funding includes capital of \$7.4m over four years.

In the 2003-04 Budget the Government made provision for \$78.0m over five years to improve the accuracy, responsiveness and effectiveness of agencies' contribution to the Commonwealth's budget estimates and framework system and to assist agencies to drive improved financial management and reporting within their organisations. The Government has provided an extra \$10.5m over five years to fund agencies to implement BEFR recommendations.

The Government has provided the Federal Court with funding of \$0.4m over five years to enhance the quality and timeliness of Budget estimates. Funding for each financial year from 2003-04 to 2006-07 is shown in Table 1.1 below. There is an additional component of capital in 2003-04.

Table 1.1: Summary of Measures since the 2003–04 Budget

Measure	Outcome	Outputs Affected	Appropriations 2003–04 (\$'000)			Appropriations 2004–05 (\$'000)			Appropriations 2005–06 (\$'000)			Appropriations 2006–07 (\$'000)		
			Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total
Budget estimates – enhanced quality and timeliness *	1	1.1	-	69	69	-	69	69	-	69	69	-	69	69
Total			-	69	69	-	69	69	-	69	69	-	69	69

Capital Measure

* \$0.050m received in 2003–04 as a result of Budget estimates – enhanced quality and timeliness, will be appropriated as a capital injection in 2003–04.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.2: Appropriation Bill (No 3) 2003–04

	2002–03 Available \$'000	2003–04 Budget \$'000	2003–04 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
DEPARTMENTAL OUTPUTS					
Outcome 1					
Through its jurisdiction, the Court will apply and uphold the rule of law to deliver remedies and enforce rights and in so doing, contribute to the social and economic development and well-being of all Australians					
	66,062	65,976	66,571	595	-
Total	66,062	65,976	66,571	595	-

Table 1.3: Appropriation Bill (No 4) 2003–04

	2002–03 Available \$'000	2003–04 Budget \$'000	2003–04 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Non-Operating					
Equity injection	-	-	-	50	-
Previous year's outputs	-	-	-	267	-
Total	-	-	-	317	-

SUMMARY OF STAFFING CHANGES

Table 1.4: Average Staffing Level (ASL)

	2003–04 Budget	2003–04 Revised	Variation
Outcome 1			
Through its jurisdiction, the Court will apply and uphold the rule of law to deliver remedies and enforce rights and in so doing, contribute to the social and economic development and well-being of all Australians			
	319	319	-
Total	319	319	-

VARIATIONS TO REVENUE FROM OTHER SOURCES THROUGH NET ANNOTATED (SECTION 31) RECEIPTS

Table 1.5: Changes to Net Annotated Appropriations (Section 31) Receipts

	Total Approp 2003-04 Budget \$'000	Total Approp 2003-04 Revised \$'000	Receipts from Independent Sources Budget \$'000	Receipts from Independent Sources Revised \$'000	Variation In Non-Govt Revenue \$'000
Outcome 1					
Through its jurisdiction, the Court will apply and uphold the rule of law to deliver remedies and enforce rights in and so doing, contribute to the social and economic development and well-being of all Australians	65,976	66,571	12,686	12,747	61
Total	65,976	66,571	12,686	12,747	61

ESTIMATED SPECIAL ACCOUNT FLOWS

Table 1.8: Estimated Special Account Flows

Revised Estimate: 2003-04, Heavy Figures

Final Actual: 2002-03, Light figures

	Opening Balance 2003-04	Receipts 2003-04	Payments 2003-04	Closing Balance 2003-04
	2002-03	2002-03	2002-03	2002-03
	\$'000	\$'000	\$'000	\$'000
Other trust moneys – s20 FMA Act (D)	111 157	139 736	208 782	42 111
Services for other Government and non-agency bodies – s20 FMA Act (D)	3 36	66 48	67 81	2 3
Total Special Accounts	114 193	205 784	275 863	44 114

(D) = Departmental (A) = Administered

FMA Act = Financial Management and Accountability Act 1997

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

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

Section 3: Budgeted financial statements

Revisions to the budgeted departmental financial statements for the department since the 2003-04 Portfolio Budget Statements are presented in this section.

Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

	Actual 2002-03 \$'000	Revised Budget 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
Note					
Revenues from ordinary activities					
Revenue from Government	66,062	66,571	67,944	67,311	68,791
Goods and Services	1,195	877	836	856	875
Interest	809	370	351	334	301
Revenue from sales of assets	154	22	47	63	85
Other	11,350	11,478	12,058	12,439	13,022
Revenues from ordinary activities	79,570	79,318	81,236	81,003	83,074
Expenses from ordinary activities (excluding borrowing costs expense)					
Judges and Employees	40,672	39,719	41,501	42,676	44,117
Suppliers	30,629	36,989	37,566	36,004	36,536
Depreciation and amortisation	2,184	2,254	2,102	2,191	2,322
Write-down of assets	39	301	-	-	-
Value of assets sold	459	55	67	132	99
Expenses from ordinary activities (excluding borrowing costs expense)	73,983	79,318	81,236	81,003	83,074
Operating surplus or deficit from ordinary activities	5,587	-	-	-	-
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or deficit	5,587	-	-	-	-
Capital Use Charge*	2,820	-	-	-	-
Net surplus or deficit attributable to Commonwealth	2,729	-	-	-	-

* The Capital Use Charge was discontinued from 1 July 2003.

**Table 3.2: Budgeted Departmental Statement of Financial Position
as at 30 June**

	Note	Actual 2002-03 \$'000	Revised Budget 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
ASSETS						
Financial assets						
Cash		1,927	1,000	1,000	1,000	1,000
Receivables		325	333	342	350	359
Accrued revenues		11,222	11,954	12,868	13,443	13,746
Total financial assets		13,474	13,287	14,210	14,793	15,105
Non-financial assets						
Land and buildings		3,981	3,262	2,982	2,636	2,331
Infrastructure, plant and equipment		8,859	9,220	8,920	9,268	9,299
Heritage and cultural assets		240	240	240	240	240
Intangibles		701	2,442	1,990	1,816	1,740
Other		15,476	13,505	13,822	13,549	13,244
Total non-financial assets		29,257	28,669	27,954	27,509	26,854
Total assets		42,731	41,956	42,164	42,302	41,959
LIABILITIES						
Interest bearing liabilities						
Leases		546	-	-	-	-
Total interest bearing liabilities		546	-	-	-	-
Provisions						
Judges and Employees		14,226	13,770	13,926	14,002	13,585
Total provisions		14,226	13,770	13,926	14,002	13,585
Payables						
Suppliers		349	258	310	372	446
Total payables		349	258	310	372	446
Total liabilities		15,121	14,028	14,236	14,374	14,031
EQUITY						
Parent equity interest						
Contributed equity		4,585	4,635	4,635	4,635	4,635
Reserves		1,245	1,245	1,245	1,245	1,245
Retained surpluses or accumulated deficits		21,781	22,048	22,048	22,048	22,048
Total parent equity interest		27,611	27,928	27,928	27,928	27,928
Total equity		27,611	27,928	27,928	27,928	27,928
Current liabilities		4,777	3,650	3,516	3,551	3,417
Non-current liabilities		10,344	10,380	10,721	10,823	10,615
Current assets		23,445	21,060	22,072	22,171	22,001
Non-current assets		19,287	20,896	20,093	20,131	19,958

**Table 3.3: Budgeted Departmental Statement of Cash Flows
for the period ended 30 June**

	Actual 2002-03 \$'000	Revised Budget 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	65,440	66,571	67,944	67,311	68,791
Goods and services	1,231	905	830	849	868
Interest	450	-	-	-	-
Extraordinary Items	2,414	-	-	-	-
Total cash received	69,535	67,476	68,774	68,160	69,659
Cash used					
Judges and Employees	33,495	34,223	34,881	35,758	37,110
Suppliers	25,453	29,794	31,889	29,740	30,260
Extraordinary items	2,370	-	-	-	-
Total cash used	61,318	64,017	66,770	65,498	67,370
Net cash from/(used by) operating activities	8,217	3,459	2,004	2,662	2,289
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	170	22	47	63	85
Other	65,000	-	-	-	-
Total cash received	65,170	22	47	63	85
Cash used					
Purchase of sales of property, plant and equipment	1,101	1,629	1,137	2,150	2,070
Purchase of Intangibles	98	2,364	-	-	-
Other	72,100	415	914	575	304
Total cash used	73,299	4,408	2,051	2,725	2,374
Net cash from/(used by) investing activities	(8,129)	(4,386)	(2,004)	(2,662)	(2,289)
FINANCIAL ACTIVITIES					
Cash used					
Capital use charge paid	2,511	-	-	-	-
Other	376	-	-	-	-
Total cash used	2,887	-	-	-	-
Net cash from/(used by) financing activities	(2,887)	-	-	-	-
Net increase in cash held	(2,779)	(927)	-	-	-
Cash at the beginning of the reporting period	4,726	1,927	1,000	1,000	1,000
Cash at end of reporting period	1,927	1,000	1,000	1,000	1,000

Table 3.4: Departmental Capital Budget Statement

	Actual 2002–03 \$'000	Revised Budget 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000
CAPITAL APPROPRIATIONS					
Equity Injection	-	50	-	-	-
Appropriation of previous year's output	-	267	-	-	-
Total	-	317	-	-	-
Represented by					
Purchase of non-financial assets	-	50	-	-	-
Other	-	267	-	-	-
Total	-	317	-	-	-
PURCHASE OF NON-CURRENT ASSETS					
Funded internally by departmental resources	1,199	3,943	1,137	2,150	2,070
Total	1,199	3,993	1,137	2,150	2,070

Table 3.5: Departmental Non-financial Assets – Summary of Movement (Budget Year 2003–04)

	Buildings \$'000	Other Infrastructure Plant and Equipment \$'000	Heritage and Cultural Assets \$'000	Computer Software \$'000	Total \$'000
Carrying amount at the start of year	3,981	8,859	240	701	13,781
Additions	150	1,479	-	2,364	3,993
Disposals	(237)	(119)	-	-	(356)
Depreciation/amortisation expense	(632)	(999)	-	(623)	(2,254)
Carrying amount at the end of year	3,262	9,220	240	2,442	15,164
Total additions					
Self funded	150	1,479	-	2,314	3,943
Appropriations	-	-	-	50	50
Total	150	1,479	-	2,364	3,993

Table 3.6: Schedule of Budgeted Revenues and Expenses Administered on behalf of Government for the period ended 30 June

	Actual 2002-03 \$'000	Revised Budget 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
REVENUES					
Taxation					
Other taxes, fees and fines	4,452	4,363	4,363	4,363	4,363
Total taxation	4,452	4,363	4,363	4,363	4,363
Non-taxation					
Other sources of non-taxation revenues	187	156	156	156	156
Total non-taxation	187	156	156	156	156
Total revenues administered on behalf of the Government	4,639	4,519	4,519	4,519	4,519
EXPENSES					
Other	112	69	69	69	69
Total expenses administered on behalf of the Government	112	69	69	69	69

Table 3.7: Schedule of Budgeted Assets and Liabilities Administered on behalf of Government as at 30 June

	Actual 2002-03 \$'000	Revised Budget 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
ASSETS					
Financial assets					
Cash	29	64	64	64	64
Receivables	81	183	183	183	183
Total financial assets	110	247	247	247	247
Total assets administered on behalf of the Government	110	247	247	247	247
Current liabilities					
-	-	-	-	-	-
Non-current liabilities					
-	-	-	-	-	-
Current assets	110	247	247	247	247
Non-current assets	-	-	-	-	-

Table 3.8: Schedule of Budgeted Administered Cash Flows for the period ended 30 June

	Actual 2002-03 \$'000	Revised Budget 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	4,615	4,311	4,294	4,294	4,294
Cash from Official Public Account	65	69	69	69	69
Other	187	140	156	156	156
Total cash received	4,867	4,520	4,519	4,519	4,519
Cash used					
Cash to Official Public Account	4,798	4,451	4,450	4,450	4,450
Other	68	69	69	69	69
Total cash used	4,866	4,520	4,519	4,519	4,519
Net cash from operating activities	1	-	-	-	-
Net increase/decrease in cash held	1	-	-	-	-
Cash at beginning of reporting period	28	29	29	29	29
Cash at end of reporting period	29	29	29	29	29

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The agency budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts.

Depreciation of non-current assets

Depreciable non-current assets are written off over their estimated useful lives. Estimated useful lives are reviewed annually. Depreciation is calculated using the straight-line method which reflects the pattern of usage of the Court's depreciable non-current assets.

Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Judge and employee entitlements

The provision for employee entitlements encompasses annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Court is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration including the Court's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The long service leave provision is based on the Federal Court's estimated liability at balance date for long service leave entitlements of its employees. Court staff employed under the Public Service Act accrue three months long service leave after 10 years service, and progressively thereafter on a proportional basis. The Federal Court accrues this provision for each employee (bar Judges) based on the probability that long service leave will be taken in the future or paid out once the employee meets the qualifying 10 years. The provision for long service leave reflects the value of the estimated future cash flows to be made in respect of all employees. In determining the present value of the liability, the Court has taken into account attrition rates and pay increases through promotion and inflation.

Judges accrue six months long service leave after five years of service. In recognition of the nature of Judges' tenure, a provision is accrued from the first year of service.

Liabilities assumed by other agencies

Under the *Judge's Pension Act 1968*, Federal Court judges are entitled to a non-contributory pension of 60% of current judicial salary after attaining the age of 60 years and having served 10 years or more as a judge or upon retirement on the ground of invalidity. Pro rata pension is payable after six years service as a judge upon retirement. As the liability for these pension payments is assumed by the

Commonwealth, the Court has not recognised a liability for unfunded superannuation liability. The Court has, however, recognised both an expense and a corresponding revenue item (liabilities assumed by other agencies) in respect of the notional amount of the employer's superannuation contribution for the year. This has been calculated at 51.7% of the total salary expenditure in respect of Federal Court judges.

Resources provided free of charge

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

- Federal Court staff perform work on behalf of the Federal Magistrates Service, and
- Accommodation, including access to the Court's courtrooms.

