

FEDERAL COURT
OF AUSTRALIA

Section 1: Overview, variations and measures

OVERVIEW

The role of the Federal Court of Australia is to decide disputes according to law - promptly, courteously and effectively. In so doing the Court interprets the statutory law and develops 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.

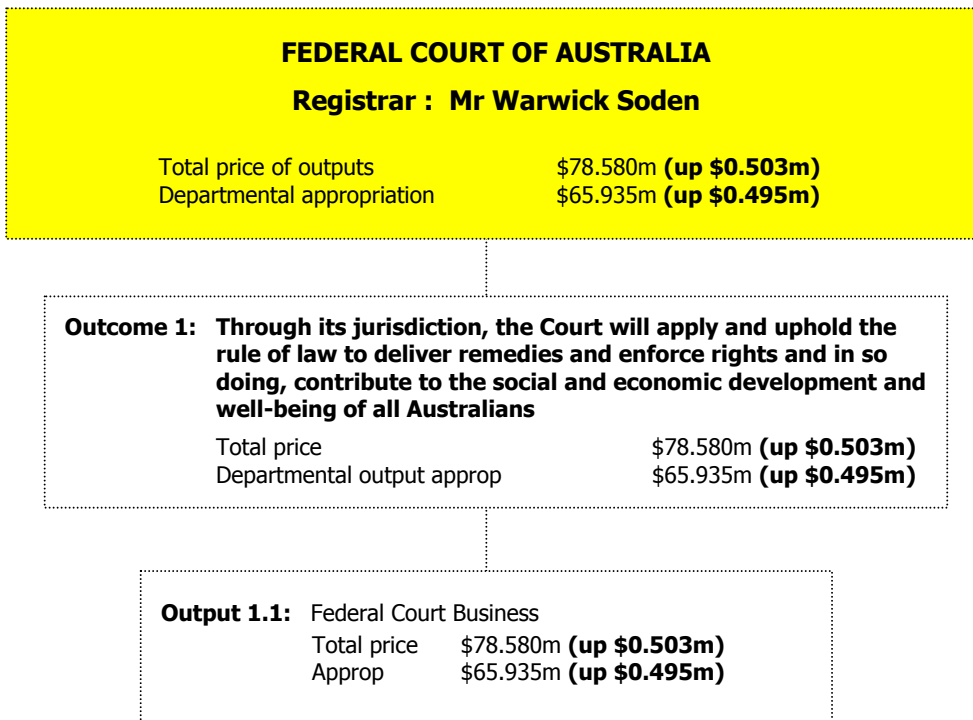
The Court's jurisdiction is conferred by over 150 statutes of the Parliament. The Court also exercises appellate jurisdiction over decisions of single judges of the Court, and also exercises general appellate jurisdiction in criminal and civil matters on appeal from the Supreme Court of the Australian Capital Territory and the Supreme Court of Norfolk Island. It also hears appeals from the Federal Magistrates Court in non-family law matters. Appeals on points of law from the Administrative Appeals Tribunal and other tribunals are within the original jurisdiction of the Court. The Court shares first instance jurisdiction with the Supreme Courts of the States and Territories in the complex area of intellectual property (copyright, patents, trade marks and designs). All appeals in these cases, including appeals from the Supreme Courts, are to a Full Federal Court.

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.

APPROPRIATIONS

The total appropriation for the Federal Court of Australia in the 2002–03 Budget was \$65.440m and the Court has sought parameter adjustments of \$0.495m at Additional Estimates. The new appropriation for the Federal Court of Australia is \$65.935m. The increase in appropriation is due to an increase in the Court's Capital Use Charge (\$0.610m), judicial remuneration supplementation adjustment (-\$0.166m) and adjustment to appropriations for the difference between estimated interest income and the actual interest income (\$0.051m).

Map 2.1: Outcome and output groups



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 explained below.

Additional Estimates and Variations to Outcomes – Departmental

	2002–03 (\$'000)	2003–04 (\$'000)	2004–05 (\$'000)	2005–06 (\$'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				
Capital Use Charge	610	610	585	610
Agency Banking Incentive Scheme Adjustment	51	51	51	51
Judicial remuneration supplementation	(166)	82	164	(106)
Total	495	743	800	555

Explanation of Variations

Departmental

- The Court requires additional Capital Use Charge funding of \$0.610m, as the Court had estimated that it would incur a loss of \$6.142m in 2001-02. This loss did not occur and the Court's net assets are higher in 2002-03 than originally estimated.
- The \$0.051m adjustment in relation to the Agency Banking Incentive Scheme is due to a reduced estimate of interest income.
- The Court included supplementation in the 2002-03 Budget for judge remuneration increases. The Court has revised its current requirements and has reduced the current supplementation for this financial year by \$0.166m.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL**Table 1.2: Appropriation Bill (No. 3) 2002–03**

	Actual 2001–02 \$'000	Budget 2002–03 \$'000	Revised 2002–03 \$'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 in and so doing, contribute to the social and economic development and well-being of all Australians	64,931	65,440	65,935	495	-
Total	64,931	65,440	65,935	495	-

SUMMARY OF STAFFING CHANGES**Table 1.4: Average staffing level (ASL)**

	Budget 2002–03	Revised 2002–03	Variation
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	335	335	-
Total	335	335	-

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 2002–03 Budget \$'000	Total approp 2002–03 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	65,440	65,935	12,637	12,645	8
Total	65,440	65,935	12,637	12,645	8

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

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

	Actual 2001–02 \$'000	Budget Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000
Revenues from ordinary activities					
Revenues from government	64,931	65,935	67,156	67,890	66,323
Sales of goods and services	373	390	331	361	401
Interest	835	812	778	862	785
Liabilities assumed by other agencies	5,079	5,158	5,426	5,644	5,870
Other	6,715	6,285	6,284	6,684	6,684
Total revenues from ordinary activities	77,934	78,580	79,976	81,441	80,063
Expenses from ordinary activities (excluding borrowing costs expense)					
Judges and employees	38,452	38,682	40,211	40,488	40,207
Suppliers	32,689	36,035	34,148	35,675	34,576
Depreciation and amortisation	2,168	1,836	2,262	2,463	2,419
Write-down of assets	2,309	-	535	-	-
Net losses from sales of assets	-	78	-	22	42
Total expenses from ordinary activities (excluding borrowing costs expense)	75,619	76,631	77,156	78,646	77,243
Borrowing costs expense	-	-	-	-	-
Net surplus or (deficit) from ordinary activities	2,315	1,949	2,820	2,795	2,820
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or (deficit)	2,315	1,949	2,820	2,795	2,820
Capital use charge paid	2,703	2,768	2,820	2,795	2,820
Net surplus or (deficit) after capital use charge	538	(819)	-	-	-

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

	Actual 2001–02 \$'000	Budget Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000
ASSETS					
Financial assets					
Cash	8,226	8,109	5,382	5,746	4,768
Receivables	405	400	430	442	452
Total financial assets	8,631	8,509	5,812	6,188	5,220
Non-financial assets					
Land and buildings	4,567	4,200	3,305	3,704	3,832
Infrastructure, plant and equipment	9,781	9,298	9,219	9,450	9,628
Intangibles	955	1,393	3,207	2,468	1,770
Other	14,815	14,452	15,709	15,412	15,617
Total non-financial assets	30,118	29,343	31,440	31,035	30,846
Total assets	38,749	37,852	37,252	37,222	36,066
LIABILITIES					
Debt					
Leases	750	547	-	-	-
Total debt	750	547	-	-	-
Provisions and payables					
Judges and employees	12,636	12,853	12,801	12,556	11,400
Suppliers	430	389	389	400	400
Other	52	-	-	-	-
Total provisions and payables	13,118	13,242	13,190	12,957	11,800
Total liabilities	13,868	13,789	13,190	12,957	11,800
EQUITY					
Capital	4,585	4,585	4,585	4,585	4,585
Reserves	1,245	1,245	1,245	1,448	1,448
Accumulated surpluses or (deficits)	19,052	18,233	18,233	18,233	18,233
Total equity	24,881	24,063	24,062	24,266	24,266
Liabilities and equity	38,749	37,852	37,252	37,222	36,066
Current Liabilities	19,260	17,473	14,731	14,564	13,555
Non-Current Liabilities	19,489	20,379	22,521	22,658	22,511
Current Assets	4,173	4,265	3,470	3,359	2,999
Non-Current Assets	9,695	9,525	9,720	9,598	8,801

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

	Actual 2001–02 \$'000	Budget Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	64,931	65,935	67,156	67,890	66,323
Sales of goods and services	1,912	942	967	1,427	1,487
Interest	490	450	410	490	415
Other	2,971	-	-	-	-
Total cash received	70,304	67,327	68,533	69,807	68,225
Cash used					
Judges and employees	32,371	33,276	34,774	35,088	35,493
Suppliers	30,614	30,545	32,228	29,388	28,822
Total cash used	62,985	63,821	67,002	64,476	64,315
Net cash from operating activities	7,319	3,506	1,531	5,331	3,909
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	72	160	75	45	25
Total cash received	72	160	75	45	25
Cash used					
Purchase of property, plant and equipment	2,725	963	1,512	2,217	2,092
Total cash used	2,725	963	1,512	2,217	2,092
Net cash from investing activities	(2,653)	(803)	(1,437)	(2,172)	(2,067)
FINANCING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Capital use charge	3,004	2,820	2,820	2,795	2,820
Total cash used	3,004	2,820	2,820	2,795	2,820
Net cash from financing activities	(3,004)	(2,820)	(2,820)	(2,795)	(2,820)
Net increase in cash held	1,662	(117)	(2,726)	364	(978)
Cash at the beginning of the reporting period	6,564	8,226	8,109	5,382	5,746
Cash at the end of the reporting period	8,226	8,109	5,382	5,746	4,768

Table 3.4: Departmental Capital Budget Statement

	Actual 2001–02 \$'000	Budget Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	-	-	-	-	-
Funded internally by departmental resources	2,725	963	1,512	2,217	2,092
Total	2,725	963	1,512	2,217	2,092

Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget Year 2002–03)

	Land	Buildings	Total land and buildings	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	-	4,567	4,567	9,781	9,781	955	15,303
Additions	-	300	300	648	648	15	963
Disposals	-	-	-	(78)	(78)	-	(78)
Depreciation/amortisation expenses	-	(716)	(716)	(843)	(843)	(277)	(1, 836)
Other movements	-	49	49	(210)	(210)	700	540
Write-off of assets	-	-	-	-	-	-	-
Carrying amount at the end of the year	-	4,200	4,200	9,298	9,298	1,393	14,891
Total Additions							
Self funded	-	300	300	648	648	15	963
Appropriations	-	-	-	-	-	-	-
Total	-	300	300	904	904	30	963

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

	Actual 2001–02 \$'000	Budget Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000
REVENUE					
Taxation					
Other taxes, fees and fines	4,511	4,053	4,083	4,083	4,083
Total taxation	4,511	4,053	4,083	4,083	4,083
Non-taxation					
Other sources of non-taxation revenues	156	175	175	175	175
Total non-taxation	156	175	175	175	175
Total revenues administered on behalf of the Government	4,667	4,228	4,258	4,258	4,258
EXPENSES					
Other	82	68	68	68	68
Total expenses administered on behalf of the Government	82	68	68	68	68

Table 3.7: Note of Budgeted Assets and Liabilities Administered on Behalf of the Government as at 30 June

	Actual 2001–02 \$'000	Budget Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000
ASSETS					
Financial assets					
Cash	28	64	64	64	64
Receivables	287	225	225	225	225
Total financial assets	315	289	289	289	289
Non-financial assets					
Other	-	-	-	-	-
Total non-financial assets	-	-	-	-	-
Total assets	315	289	289	289	289
LIABILITIES					
Provisions and payables					
Other	-	-	-	-	-
Total provisions and payables	-	-	-	-	-
Total liabilities	-	-	-	-	-

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

	Actual 2001–02 \$'000	Budget Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	4,480	4,083	4,083	4,083	4,083
Other	231	255	255	255	255
Total cash received	4,711	4,338	4,338	4,338	4,338
Cash used					
Cash to Official Public Account	4,635	4,262	4,270	4,270	4,270
Other	82	76	68	68	68
Total cash used	4,717	4,338	4,338	4,338	4,338
Net cash from operating activities	(6)	-	-	-	-
Net increase in cash held	(6)	-	-	-	-
Cash at the beginning of the reporting period	34	64	64	64	64
Cash at the end of the reporting period	28	64	64	64	64

NOTES TO THE FINANCIAL STATEMENTS

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.

Judges 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 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 *Judges' Pensions 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 as 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.

APPENDIX 1

Revenue from Independent Sources

	Budget Estimate 2002–03 \$'000	Revised Estimate 2002–03 \$'000
DEPARTMENTAL REVENUE		
Section 31 (FMA Act) receipts	1,796	1,920
Resources received free of charge	5,625	5,567
Liabilities assumed by other agencies	5,216	5,158
Total Non-Appropriation Departmental Revenue	12,637	12,645
ADMINISTERED REVENUE		
Court fees, fines and costs	4,053	4,053
Miscellaneous revenue	175	175
Total Non-Appropriation Administered Revenue	4,228	4,228

