

FEDERAL COURT
OF AUSTRALIA

Section 1: Overview, appropriations and budget measures summary

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 is \$65.440m. Table 1.1 shows the total appropriations for the Federal Court for 2002–03 by planned outcome.

ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The Court does not have an appropriation for an equity injection or loan or an appropriation for administered capital.

Federal Court of Australia — Appropriations 2001- 02

Table 1.1: Appropriations and other revenue (\$'000)

Outcome	Departmental (price of outputs)					Administered			Total appropriations	
	Revenue from Government (appropriations)			Revenue from other sources	Price of outputs	Annual appropriations	Special approps	Total administered appropriations		
	Bill 1	Special approps	Total			Bill 1	Bill 2 (SPPs & NAOs)			
	(A)	(B)	(C=A+B)	(D)	(E=C+D)	(F)	(G)	(H)		(I=F+G+H)
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	65,440	-	65,440 84%	12,637	78,077	-	-	-	-	65,440
Total	65,440	-	65,440	12,637	78,077	-	-	-	-	65,440
Non-operating: equity injections, loans and previous years' outputs									-	
Administered assets and liabilities									-	
Total appropriations									65,440	

Notes:

- Columns C, D, E and I refer to information provided in Table 2.1.1.
- Under the appropriation structure, Bill 2 includes appropriations for Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered assets and liabilities and equity injections, loans and previous years' outputs.
- Refer to Budgeted Departmental Statement of Financial Performance for application of agency revenue.
- Revenue from other sources includes other revenue from government (eg resources free of charge) and revenue from other sources (eg sales of goods and services). Non-appropriated departmental and administered revenues are detailed in Appendix 1.
- 84% in column C indicates the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

Section 2: Outcomes and outputs information

OUTCOMES AND OUTPUT GROUPS

The Federal Court of Australia has one outcome:

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.

There is one output for the Federal Court's outcome:

Federal Court Business

Financial and non-financial information is provided as follows:

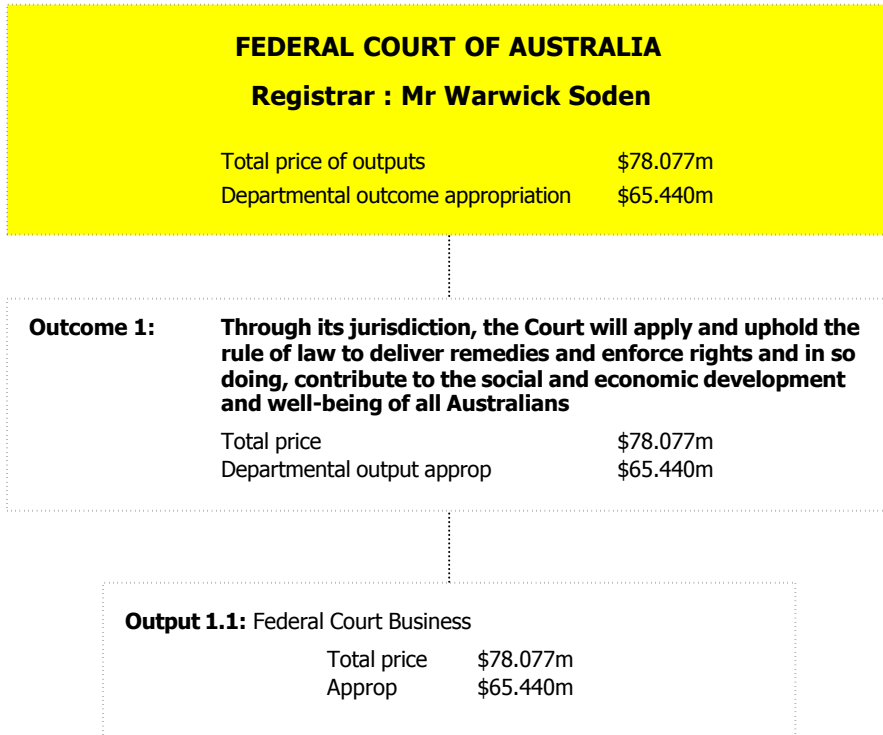
- Map 2.1 - details outcome and output resourcing and illustrates the relationship between the outcome and contributing outputs.
- Table 2.1.1 - details changes to the outcome and outputs structure
- Table 2.2.1 - details financial information for outcome 1.
- Table 2.2.1 - details non-financial information for outcome 1.

CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to the Federal Court of Australia's outcome, however the Court's output structure has been revised since the 2001–02 Budget. The table below maps the current output structure to the previous output structure.

Current Output	Previous Outputs
Output 1.1 Federal Court Business	Output 1.1 Management of cases and deciding disputes according to law – Federal Court
	Output 1.2 Management of cases and deciding disputes according to law – Tribunals
	Output 1.3 Service to government
	Output 1.4 Services provided to international jurisdictions
	Output 1.5 Ensuring the quality of, and access to the system of justice

Map 2.1: Outcome and output groups



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

The Federal Court has a number of intermediate outcomes which in aggregate results in the achievement of the outcome. The intermediate outcomes are:

- (a) enhancing the effectiveness of the judicial system;
- (b) fair and legal business dealings for Australians and certainty which improves national business outcomes;
- (c) national social and economic well-being;
- (d) access to justice and the enforcement of rights;
- (e) ensuring public accountability and transparent processes of government; and
- (f) enhancement of Australia's international relations.

OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2002–03 appropriations translate to total resourcing for the Federal Court's outcome 1: revenue from government (appropriation), revenue from other sources and the total price of the outputs.

Table 2.1.1: Total resources for outcome 1 (\$'000)

	Estimated Actual 2001- 02 (\$'000)	Budget Estimate 2002–03 (\$'000)
DEPARTMENTAL APPROPRIATIONS		
Output 1.1: Federal Court Business	64,931	65,440
Total revenue from government (appropriations) contributing to price of departmental outputs	64,931 83%	65,440 84%
REVENUE FROM OTHER SOURCES		
Output 1.1: Federal Court Business	13,239	12,637
Total revenue from other sources	13,239	12,637
Total price of departmental outputs (Total revenue from government and other sources)	78,170	78,077
Total estimated resourcing for outcome 1 (Total price of outputs and administered expenses)	78,170	78,077
AVERAGE STAFFING LEVEL	342	335

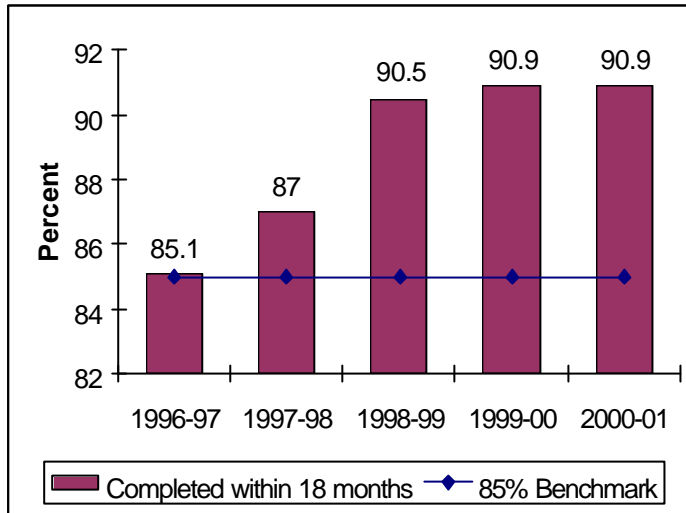
OUTCOME 1 — PERFORMANCE INFORMATION

Table 2.2.1 provides information on the strategies chosen to deliver outcome 1, and shows the links between the output and the outcome.

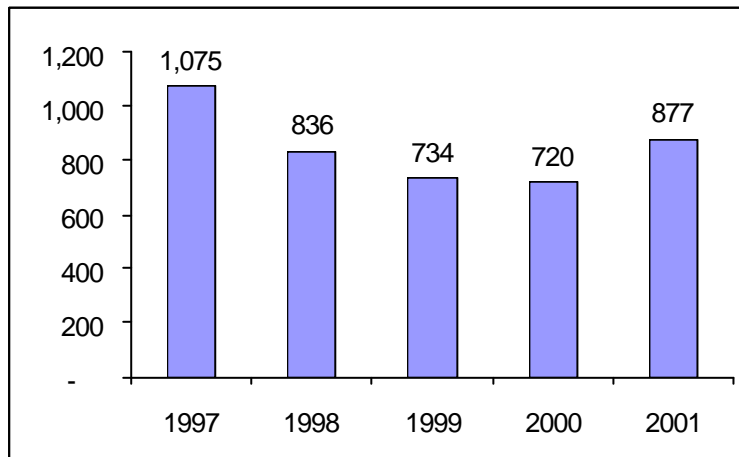
Table 2.2.1 Performance information for outcome 1

Effectiveness – overall achievement of the outcome	
Effectiveness indicators	Measures
Increase in the percentage of matters disposed of in less than 18 months	<p>The Federal Court has set the period of 18 months from commencement as the goal within which it should dispose of at least 85% of its cases.</p> <p>Figure 1 shows the percentage of matters completed within 18 months for the period 1996–97 to 2000–01. This figure shows a steady rise leading to 90.9% of matters in 1999–00 and 2000–01 completed within 18 months. This indicator excludes Native Title cases which by virtue of their nature can take in excess of three years to dispose.</p>
Reduce the number of cases over 18 months old	<p>Figure 2 shows the current trend in relation to the number of cases over 18 months old. The Court plans to reduce the number of cases over 18 months during 2002–03 through the continued enhancement of the individual docket system and variations/or changes to the Court's practices and procedures. This indicator also excludes Native Title cases.</p>
Maintain an annual disposition rate of greater than 4000 cases	<p>The Court plans to maintain a disposition rate of greater than 4000 cases during the 2002–03 financial year. It should be noted that this is lower than that specified in the Court's 2001–02 Budget Statements. Simple and quick cases (such as bankruptcy) continue to be commenced in the Federal Magistrates Service. This enables the Federal Court to focus on longer and more complex cases.</p>
The number of Assisted Dispute Resolution (ie. matters referred for mediation) will be maintained at current levels	<p>Figure 3 shows the number of matters referred to mediation since 1995–96, as well as the average number of matters referred each financial year over the 6 year period. The figure shows the Court's program of Assisted Dispute Resolution is popular with litigants and it is planned that the use of this program will continue to be maintained at current levels.</p>
Performance information for departmental outputs	
<i>Output description</i>	<i>Performance measure</i>
Output 1.1: Federal Court Business	<p>Quality: The number of complaints are less than 1% of all matters disposed</p> <p>Efficiency: In terms of resource use against priorities and cost-effectiveness</p>

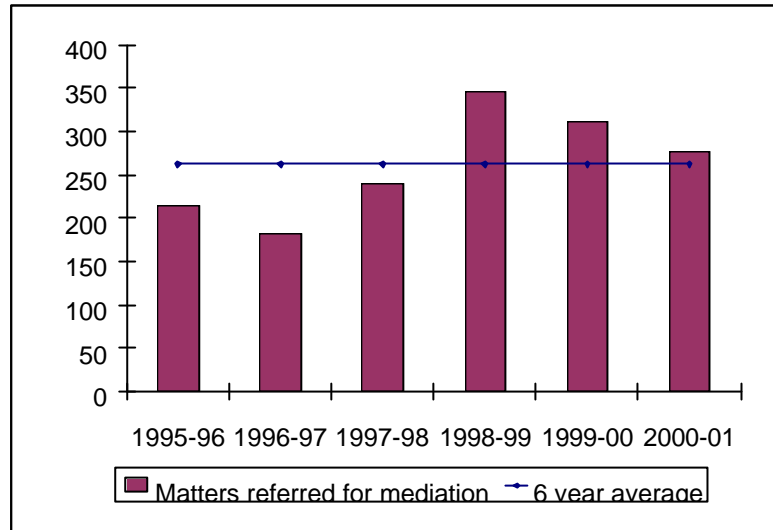
**Figure 1: Time span to complete cases 1996–97 to 2000-01
(including bankruptcy matters from 16 December 1996
and excluding Native Title matters)**



**Figure 2: Current matters over 18 months as at 30 June 1997 to 2001
(excluding Native Title matters)**



**Figure 3: Assisted Dispute Resolution (ADR) 1994-95 to 2000-2001
(matters referred for mediation)**



EVALUATIONS

There are no evaluations planned for 2002-03.

COMPETITIVE TENDERING AND CONTRACTING

The Federal Court utilises competitive tendering and contracting where appropriate.

Section 3: Budgeted Financial Statements

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

	Estimated 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	65,440	66,413	67,090	65,768
Sales of goods and services	443	198	253	283	323
Interest	861	880	798	802	805
Liabilities assumed by other agencies	4,886	5,216	5,426	5,644	5,870
Other	7,049	6,343	5,925	6,225	6,225
Total revenues from ordinary activities	78,170	78,077	78,815	80,044	78,991
Expenses from ordinary activities (excluding borrowing costs expense)					
Judges and employees	38,237	38,808	39,483	40,205	40,305
Suppliers	37,075	35,048	34,404	35,270	34,207
Depreciation and amortisation	2,185	1,950	2,183	2,278	2,227
Write-down of assets	3,288	-	-	59	-
Net losses from sales of assets	613	61	535	22	42
Total expenses from ordinary activities (excluding borrowing costs expense)	81,398	75,867	76,605	77,834	76,781
Borrowing costs expense	-	-	-	-	-
Net surplus or (deficit) from ordinary activities	(3,228)	2,210	2,210	2,210	2,210
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or (deficit)	(3,228)	2,210	2,210	2,210	2,210
Capital use charge paid	2,914	2,210	2,210	2,210	2,210
Net surplus or (deficit) after capital use charge	(6,142)	-	-	-	-

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

	Estimated 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	6,445	6,156	5,497	6,705	6,711
Receivables	430	422	429	442	452
Total financial assets	6,875	6,578	5,926	7,147	7,163
Non-financial assets					
Land and buildings	3,814	3,578	3,047	3,551	3,703
Infrastructure, plant and equipment	7,165	6,946	7,160	7,162	7,504
Intangibles	585	2,189	1,668	1,275	869
Other	13,133	12,157	13,010	12,299	12,090
Total non-financial assets	24,697	24,870	24,885	24,287	24,166
Total assets	31,572	31,448	30,811	31,434	31,329
LIABILITIES					
Debt					
Leases	750	547	-	-	-
Total debt	750	547	-	-	-
Provisions and payables					
Judges and employees	12,450	12,630	12,541	13,152	13,047
Suppliers	490	389	389	400	400
Other	-	-	-	-	-
Total provisions and payables	12,940	13,019	12,930	13,552	13,447
Total liabilities	13,690	13,566	12,930	13,552	13,447
EQUITY					
Capital	4,585	4,585	4,585	4,585	4,585
Reserves	-	-	-	-	-
Accumulated surpluses or (deficits)	13,297	13,297	13,297	13,297	13,297
Total equity	17,882	17,882	17,882	17,882	17,882
Liabilities and equity	31,572	31,448	30,811	31,434	31,329

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

	Estimated 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	65,440	66,413	67,090	65,768
Sales of goods and services	1,175	889	472	831	891
Interest	489	450	400	410	415
Other	572	-	-	-	-
Total cash received	67,167	66,779	67,285	68,331	67,074
Cash used					
Judges and employees	32,699	33,167	34,146	33,950	34,541
Suppliers	30,259	30,677	29,976	28,741	28,212
Total cash used	62,958	63,844	64,122	62,691	62,753
Net cash from operating activities	4,209	2,935	3,163	5,640	4,321
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	115	20	75	45	25
Total cash received	115	20	75	45	25
Cash used					
Purchase of property, plant and equipment	1,175	1,034	1,687	2,267	2,130
Total cash used	1,175	1,034	1,687	2,267	2,130
Net cash from investing activities	(1,060)	(1,014)	(1,612)	(2,222)	(2,105)
FINANCING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Capital use charge	3,268	2,210	2,210	2,210	2,210
Total cash used	3,268	2,210	2,210	2,210	2,210
Net cash from financing activities	(3,268)	(2,210)	(2,210)	(2,210)	(2,210)
Net increase in cash held	(119)	(289)	(659)	1,208	6
Cash at the beginning of the reporting period	6,564	6,445	6,156	5,497	6,705
Cash at the end of the reporting period	6,445	6,156	5,497	6,705	6,711

Table 3.4: Departmental Capital Budget Statement

	Estimated 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	1,175	1,034	1,687	2,267	2,130
Total	1,175	1,034	1,687	2,267	2,130

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	-	3,814	3,814	7,165	7,165	585	11,564
Additions	-	100	100	904	904	30	1,034
Disposals	-	-	-	(61)	(61)	-	(61)
Depreciation/amortisation expenses	-	(605)	(605)	(1,042)	(1,042)	(303)	(1, 950)
Other movements	-	269	269	(20)	(20)	1,877	2,126
Write-off of assets	-	-	-	-	-	-	-
Carrying amount at the end of the year	-	3,578	3,578	6,946	6,946	2,189	12,713
Total Additions							
Self funded	-	100	100	904	904	30	1,034
Appropriations	-	-	-	-	-	-	-
Total	-	100	100	904	904	30	1,034

Table 3.7: Note of Budgeted Revenues and Expenses Administered on Behalf of the Government for the period ended 30 June

	Estimated 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	4,376	4,053	4,083	4,083	4,083
Total taxation	4,376	4,053	4,083	4,083	4,083
Non-taxation					
Other sources of non-taxation revenues	175	175	175	175	175
Total non-taxation	175	175	175	175	175
Total revenues administered on behalf of the Government	4,551	4,228	4,258	4,258	4,258
EXPENSES					
Other	68	68	68	68	68
Total expenses administered on behalf of the Government	68	68	68	68	68
Extraordinary items	-	-	-	-	-

Table 3.8: Note of Budgeted Assets and Liabilities Administered on Behalf of the Government as at 30 June

	Estimated 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	64	64	64	64	64
Receivables	225	225	225	225	225
Total financial assets	289	289	289	289	289
Non-financial assets					
Other	-	-	-	-	-
Total non-financial assets	-	-	-	-	-
Total assets	289	289	289	289	289
LIABILITIES					
Provisions and payables					
Other	-	-	-	-	-
Total provisions and payables	-	-	-	-	-
Total liabilities	-	-	-	-	-

**Table 3.9: Note of Budgeted Administered Cash Flows
for the period ended 30 June**

	Estimated 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	4,536	4,083	4,083	4,083	4,083
Other	255	255	255	255	255
Total cash received	4,791	4,338	4,338	4,338	4,338
Cash used					
Cash to Official Public Account	4,685	4,262	4,270	4,270	4,270
Other	76	76	68	68	68
Total cash used	4,761	4,338	4,338	4,338	4,338
Net cash from operating activities	30	-	-	-	-
Net increase in cash held	30	-	-	-	-
Cash at the beginning of the reporting period	34	64	64	64	64
Cash at the end of the reporting period	64	64	64	64	64

NOTES TO THE FINANCIAL STATEMENTS

Revenues from government

Table 3.1 - Budgeted Departmental Statement of Financial Performance shows the Court's revenues from government decreasing in 2005–06. This decrease is due to the Court's additional native title funding arising out of the 2001–02 Budget ceasing.

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.

APPENDIX 1**Receipts from Independent Sources**

	Estimated Revenue 2001–02 \$'000	Estimated Revenue 2002–03 \$'000
DEPARTMENTAL REVENUE		
Section 31 (FMA Act) receipts	2,729	1,796
Resources received free of charge	5,625	5,625
Liabilities assumed by other agencies	4,886	5,216
Total Estimated Departmental Revenue	13,240	12,637
ADMINISTERED REVENUE		
Court fees, fines and costs	4,376	4,053
Miscellaneous revenue	175	175
Total Estimated Administered Revenue	4,551	4,228

