

FEDERAL COURT OF AUSTRALIA

Section 1: Overview, appropriations and budget measures summary

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 Magistrate Court, decisions of the Supreme Court of Norfolk Island and certain decisions of State Supreme Courts exercising federal jurisdiction.

APPROPRIATIONS AND RESOURCING

The total appropriation for the Federal Court of Australia in the 2003–04 Budget is \$65.976m. Table 2.1.1 shows total resources for the Court's outcome for 2003–04.

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 2003–04

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 (A)	Special approps (B)	Total (C=A+B) 84%	(D)	(E=C+D)	Bill 1 (F)	Bill 2 (SPPs & NAOs) (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	65,976	-	65,976 84%	12,686	78,662	-	-	-	-	65,976
Total	65,976	-	65,976	12,686	78,662	-	-	-	-	65,976
Departmental capital (equity injections and loans)										-
Administered Capital										-
Total Appropriations										65,976

Notes:

- Columns C, E and I refer to information provided in Total Resources for Outcome Table 2.1.1.
- Under the appropriation structure, Bill 2 includes appropriations for Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
- Refer to Budgeted Departmental Statement of Financial Performance for application of agency revenue.
- Revenue from other sources includes other revenue from government (for example, resources received free of charge) and revenue from other sources (for example, sales of goods and services). Non-appropriated departmental and administered revenues are detailed in Table 1.3
- 84% in column C indicates the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

Table 1.3: Receipts from independent sources

	Estimated Actual 2002–03 (\$'000)	Budget Estimate 2003–04 (\$'000)
DEPARTMENTAL REVENUE		
Section 31 (FMA Act) receipts	1,917	1,269
Resources received free of charge	5,624	5,589
Liabilities assumed by other agencies	5,398	5,828
Total Estimated Departmental Revenue	12,939	12,686
ADMINISTERED REVENUE		
Court fees, fines and costs	4,848	4,363
Miscellaneous revenue	130	157
Total Estimated Administered Revenue	4,978	4,520

Notes

Resources received free of charge

This consists of rent and outgoings associated with the accommodation occupied by the Court in the Law Courts Building located in Sydney. This building is owned by Law Courts Limited, a joint venture between the NSW and Commonwealth Governments

Liabilities assumed by other departments

Under the *Judges' Pensions Act 1968*, Federal Court judges are entitled to a non-contributory pension of 60% of current judicial salary after reaching 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.

Total estimated departmental revenue

Table 2.1.1 – Total resources for Outcome 1 shows the total estimated departmental revenue receipts from independent sources.

SPECIAL ACCOUNTS

Table 1.5: Estimates of special account flows and balances

Special Accounts	Estimate - 2003-04, Heavy Figures			
	Opening Balance	Receipts	Payments	Closing Balance
	2003-04	2003-04	2003-04	2003-04
	2002-03	2002-03	2002-03	2002-03
	\$'000	\$'000	\$'000	\$'000
Other Trust Moneys – Section 20 FMA Act (D)	251 157	139 146	208 52	182 251
Services for other Government and non-agency bodies – Section 20 FMA Act (D)	17 36	66 60	71 79	12 17
Total Special Accounts	268 193	205 206	279 131	194 268

D = Departmental A = Administered

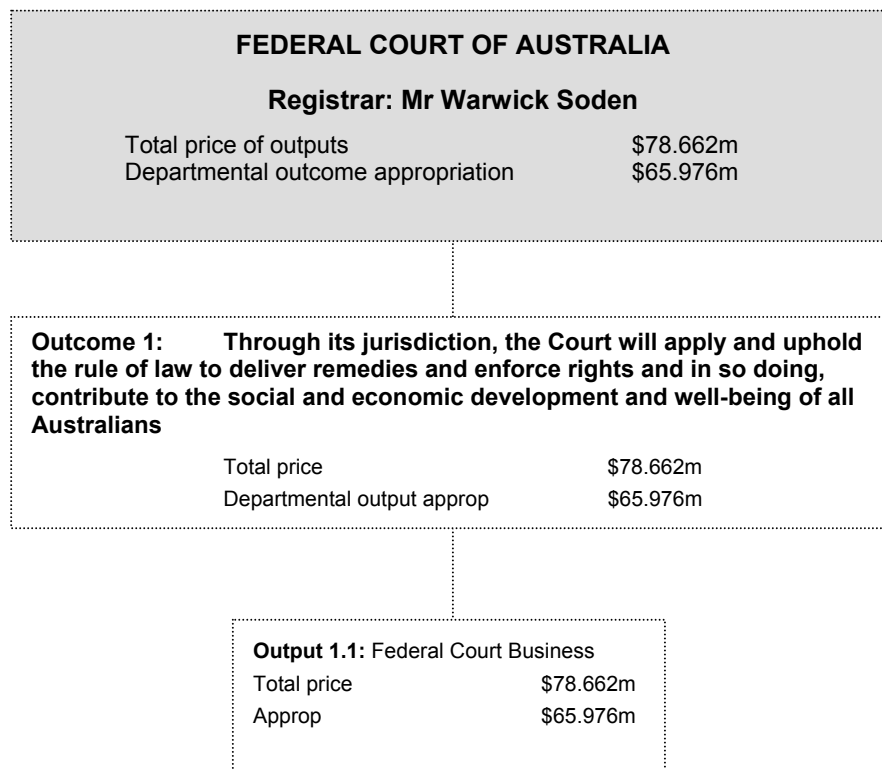
- Note 1. The opening balance for 2003-04 is the same as the closing balance for 2002-03.
 Note 2. Outflows (payments) are further specified in the Total Resources for Outcome Table 2.1.1.
 Note 3. FMA Act = *Financial Management and Accountability Act 1997*.
 Note 4. Other Trust Moneys consist of funds held by Commonwealth while acting as trustee for private moneys in its possession.
 Note 5. Services for other Government and non-agency bodies relate to Comcare Trust Account where moneys held in trust and advanced to the Federal Court by Comcare for the purpose of distributing compensation payments made in accordance with the *Safety Rehabilitation and Compensation Act 1988*.

Section 2: Outcomes and outputs information

OUTCOMES AND OUTPUT GROUPS

The Federal Court of Australia works to achieving the outcome specified below. The following section provides an overview. Map 2 shows the relationship between the outcome and output.

Map 2 Outcomes 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 objectives of the Court are to:

- decide disputes according to law - promptly courteously and effectively; and in so doing to interpret the statutory law and develop 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;
- provide an effective registry service to the community; and
- manage the resources allotted by Parliament efficiently.

OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2003-04 Budget appropriations translate to total resourcing for the Federal Court's outcome 1, including revenue from government (appropriation), revenue from other sources and the total price of the outputs. Table 1.1 Appropriation and other revenue and Table 1.3 Receipts from independent sources show departmental appropriations and revenues from other sources respectively.

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

	Estimated actual 2002–03 \$'000	Budget estimate 2003–04 \$'000
Departmental appropriations		
Output 1.1 – Federal Court Business	66,328	65,976
Total revenue from government (appropriations) contributing to price of departmental outputs	66,328	65,976
Revenue from other sources		
Output 1.1 – Federal Court Business	12,939	12,686
Total revenue from other sources	12,939	12,686
Total price from departmental outputs (Total revenue from government and from other sources)	79,267	78,662
from Special Accounts (estimated payments from Special Account balances)		
Other Trust Moneys – Section 20 FMA Act	52	208
Services for other Government and non-agency bodies – Section 20 FMA Act	79	71
Total Departmental Special Account outflows	131	279
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	79,267	78,662
Average staffing level	327	327

- Note 1. Total estimated resourcing for Outcome 1 (total price of output) for 2003–04 includes an amount of \$0.305m in relation to parameter adjustments.
- Note 2. Special Account outflows are also shown in the payments column of the Special Account Table 1.5. Flows into Special Accounts are not incorporated in this table, however these are shown in the receipts column of the Table 1.5.
- Note 3. Special Accounts do not form part of the 'Total estimated resourcing for Outcome 1' as these funds are held by the Commonwealth as trustees (further information can be found at the end of Table 1.5 – Notes 4 and 5).
- Note 4. FMA Act = *Financial Management and Accountability Act 1997*.

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

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

- Federal Court Business

PERFORMANCE INFORMATION FOR OUTCOME 1

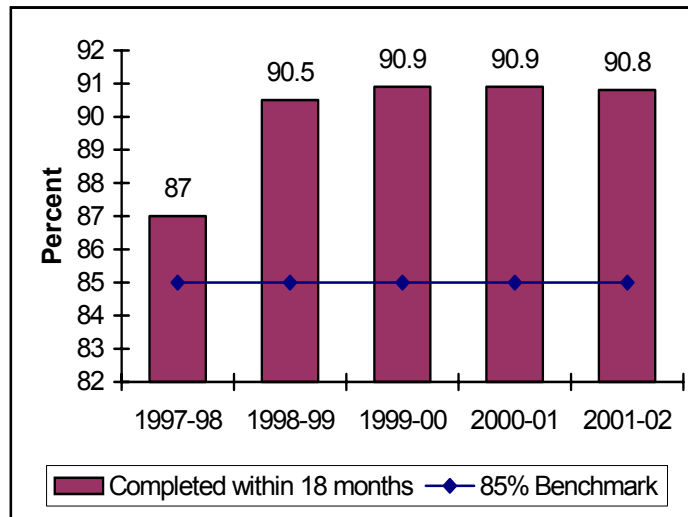
Table 2.2.1 provides information on the strategies chosen to deliver outcome 1.

Table 2.2.1: Performance information for Outcome 1

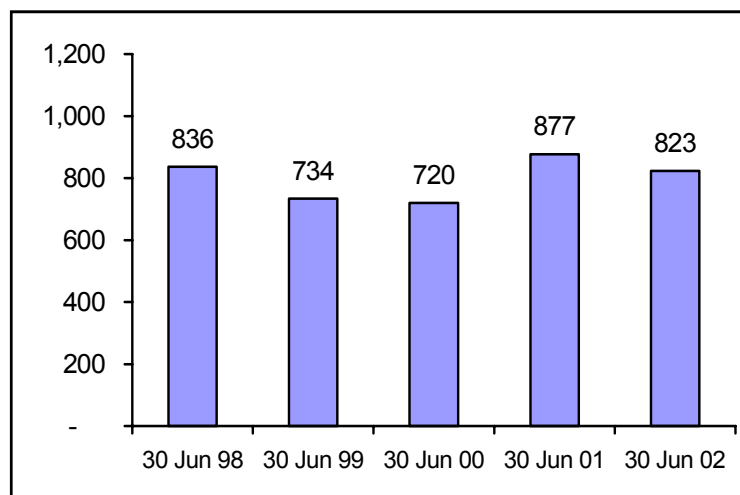
The Court continues to maintain its performance strategies, which include:

Effectiveness – overall achievement of the outcome	
<i>Effectiveness indicators</i>	<i>Measures</i>
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 from 1997–98 to 2001–02. During 2003–04, the Court plans to continue to perform well above its benchmark of 85%. 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. During 2003–04, the Court plans to continue to minimise the caseload over 18 months old, 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 2003–04 financial year. Simple and quick cases (such as bankruptcy) continue to be filed 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 1996–97, 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>

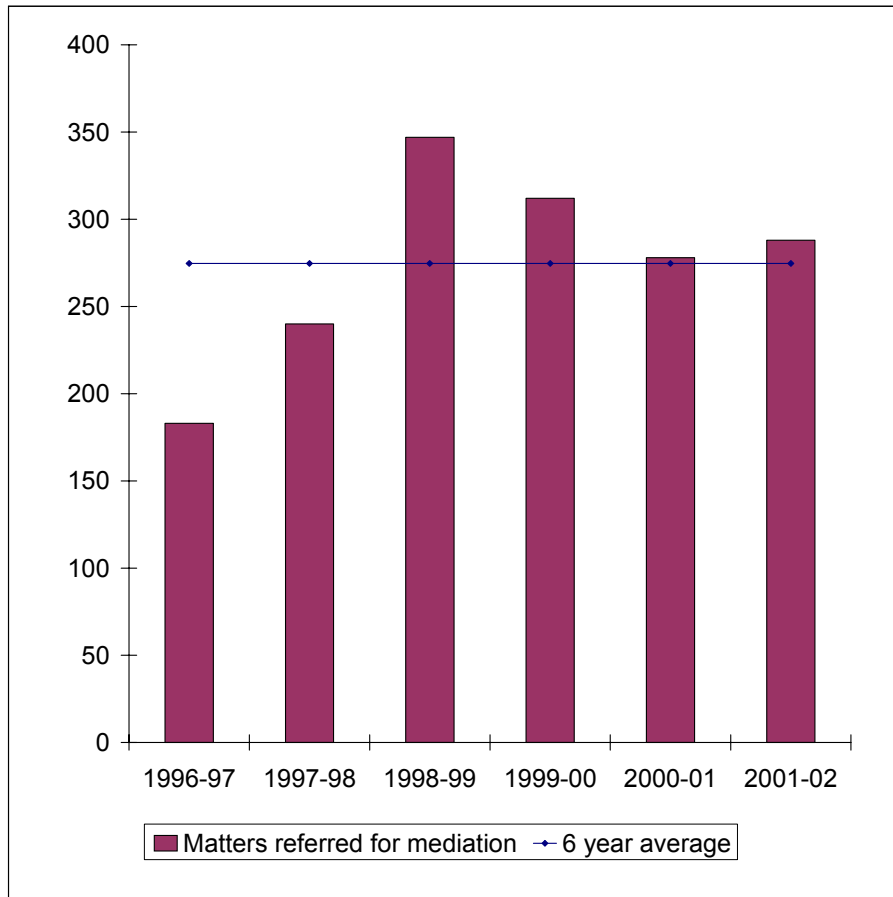
**Figure 1: Time span to complete cases 1997-98 to 2001-02
(including bankruptcy matters but excluding Native Title matters)**



**Figure 2: Current matters over 18 months as at 30 June 1998 to 30 June 2002
(excluding Native Title matters)**



**Figure 3: Assisted Dispute Resolution (ADR) 1996–97 to 2001–02
(matters referred for mediation)**



EVALUATIONS

The evaluation is against the targets set in Table 2.2.1.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the Court's budgeted financial statements in Section 3 is provided below:

Budgeted Departmental Statement of Financial Performance

Operating result

The Court is budgeting for a nil operating result for the 2003–04 Budget and forward years. As a result, the appropriation revenue from government and revenue from other sources represent the funding required to meet all expenses.

Revenue from government

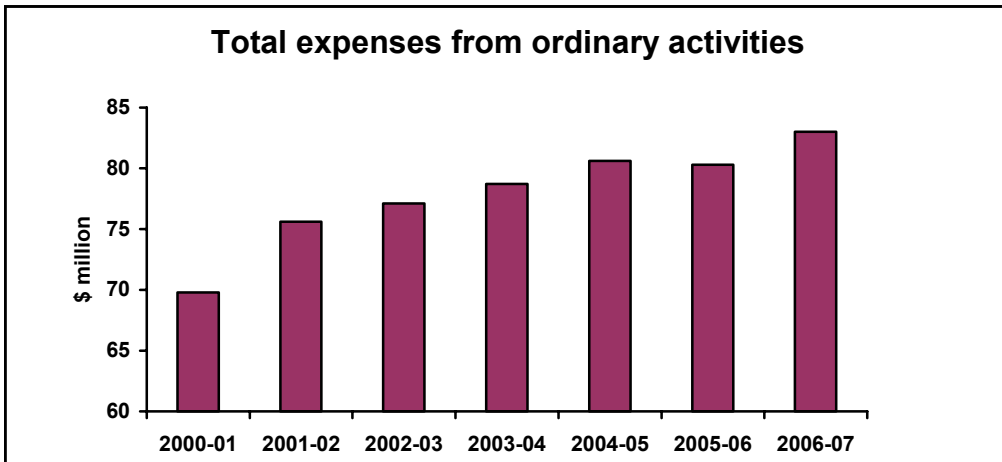
The statement shows the Court's revenues from government decreasing in 2003–04 and 2005–06.

The decrease in 2003–04 relates to the withdrawal of Capital Use Charge funding, which is included in the 2002–03 revenues from government.

The decrease of revenues in 2005–06 is mainly due to the cessation of the Court's additional native title funding.

Total expenses from ordinary activities

An increase of 2% in the total expenses from 2002–03 to 2003–04 is primarily due to the general price increase. The following chart shows the total expenses from ordinary activities from 2000–01:



Budgeted Departmental Statement of Financial Position

Total assets

The Court's total non-financial assets are expected to increase in 2003-04. This increase is due to the Court's investment in information technology. The investment is expected to be self funded, which reflects in the reduction of cash balance. The following chart shows the details of the total assets for 2003-04.

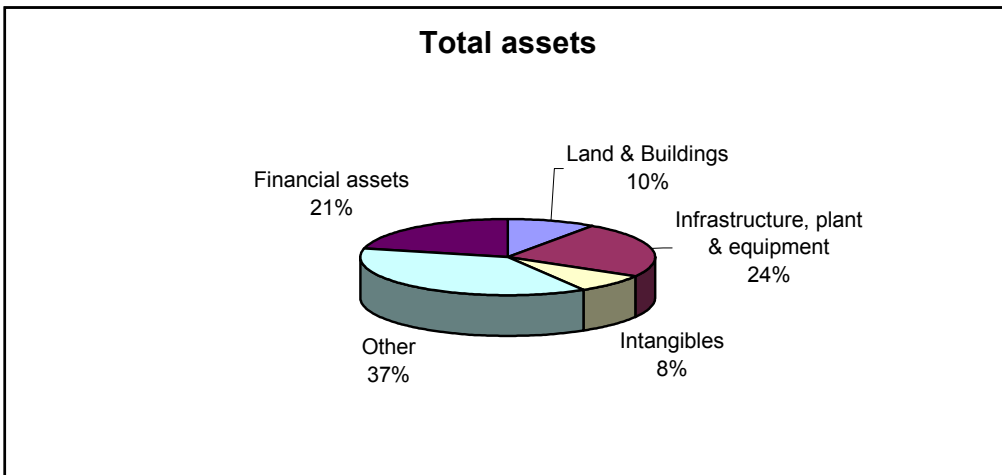


Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

	Estimated Actual 2002-03 \$'000	Budget Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from government	66,328	65,976	67,419	66,786	68,931
Goods and services	286	295	302	309	315
Interest	860	370	352	335	301
Revenue from sales of assets	189	22	47	63	85
Other	11,604	11,999	12,412	12,785	13,358
Revenues from ordinary activities	79,267	78,662	80,532	80,278	82,990
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Judges and Employees	39,581	40,811	41,659	42,198	42,706
Suppliers	34,773	35,317	36,724	35,696	37,768
Depreciation and amortisation	2,199	2,178	2,082	2,252	2,417
Write-down of assets	21	301	-	-	-
Value of assets sold	565	55	67	132	99
Expenses from ordinary activities (excluding borrowing costs expense)	77,139	78,662	80,532	80,278	82,990
Borrowing costs expense	-	-	-	-	-
Operating surplus or deficit from ordinary activities	2,128	-	-	-	-
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or deficit	2,128	-	-	-	-
Capital Use Charge Paid *	2,737	-	-	-	-
Net surplus or deficit after CUC	(609)	-	-	-	-

*The Capital Use Charge will be discontinued from 1 July 2003.

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

	Estimated Actual 2002–03 \$'000	Budget Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000
ASSETS					
Financial assets					
Cash	8,495	7,529	6,925	6,970	6,925
Receivables	856	432	443	455	466
Total financial assets	9,351	7,961	7,368	7,425	7,391
Non-financial assets					
Land and buildings	4,054	3,613	3,832	3,877	3,728
Infrastructure, plant and equipment	9,703	8,758	9,229	9,498	9,674
Heritage and cultural assets	239	239	239	239	239
Intangibles	675	2,730	2,488	2,492	2,418
Other	14,092	13,860	14,218	13,988	13,734
Total non-financial assets	28,763	29,200	30,006	30,094	29,793
Total assets	38,114	37,161	37,374	37,519	37,184
LIABILITIES					
Interest bearing liabilities					
Leases	547	-	-	-	-
Provisions					
Judges and Employees	13,054	12,600	12,756	12,832	12,414
Payables					
Suppliers	241	289	346	415	498
Total liabilities	13,842	12,889	13,102	13,247	12,912
EQUITY					
Parent entity interest					
Contributed equity	4,585	4,585	4,585	4,585	4,585
Reserves	1,245	1,245	1,245	1,245	1,245
Retained surpluses	18,442	18,442	18,442	18,442	18,442
Total parent entity interest	24,272	24,272	24,272	24,272	24,272
Outside equity interest					
Total equity	24,272	24,272	24,272	24,272	24,272
Total assets and liabilities by maturity					
Current assets	18,121	16,282	15,820	15,437	14,972
Non-current assets	19,993	20,879	21,554	22,082	22,212
Current liabilities	4,237	2,907	2,778	2,821	2,696
Non-current liabilities	9,605	9,982	10,324	10,426	10,216

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

	Estimated Actual 2002–03 \$'000	Budget Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	66,062	66,243	67,419	66,786	68,931
Sales of goods and services	396	289	295	302	309
Interest	467	-	-	-	-
Other	368	582	582	582	582
Total cash received	67,293	67,114	68,296	67,670	69,822
Cash used					
Judges and employees	33,870	35,376	35,203	35,453	35,881
Suppliers	28,440	29,522	31,147	29,535	31,601
Total cash used	62,310	64,898	66,350	64,988	67,482
Net cash from operating activities	4,983	2,216	1,946	2,682	2,340
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	189	22	47	63	85
Total cash received	189	22	47	63	85
Cash used					
Purchase of property, plant and equipment	2,114	3,204	2,597	2,700	2,470
Total cash used	2,114	3,204	2,597	2,700	2,470
Net cash from investing activities	(1,925)	(3,182)	(2,550)	(2,637)	(2,385)
FINANCING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Capital use charge	2,789	-	-	-	-
Total cash used	2,789	-	-	-	-
Net cash from financing activities	(2,789)	-	-	-	-
Net increase in cash held	269	(966)	(604)	45	(45)
Cash at the beginning of the reporting period	8,226	8,495	7,529	6,925	6,970
Cash at the end of the reporting period	8,495	7,529	6,925	6,970	6,925

Table 3.4: Departmental Capital Budget Statement

	Estimated Actual 2002-03 \$'000	Budget Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'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	2,114	3,204	2,597	2,700	2,470
Total	2,114	3,204	2,597	2,700	2,470

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

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Other infrastructure plant and equipment \$'000	Total infrastructure plant and equipment \$'000	Computer software \$'000	Other intangibles \$'000	Total \$'000
Carrying amount at the start of year	-	4,054	4,054	9,703	9,703	675	239	14,671
Additions	-	450	450	1,179	1,179	1,575	-	3,204
Disposals	-	-	-	(55)	(55)	-	-	(55)
Depreciation/amortisation expense	-	(653)	(653)	(856)	(856)	(669)	-	(2,178)
Write-off of assets	-	(238)	(238)	(64)	(64)	-	-	(302)
Other movements	-	-	-	(1,149)	(1,149)	1,149	-	-
Carrying amount at the end of year	-	3,613	3,613	8,758	8,758	2,730	239	15,340
Total additions								
Self funded	-	450	450	1,179	1,179	1,575	-	3,204
Appropriations	-	-	-	-	-	-	-	-
Total	-	450	450	1,179	1,179	1,575	-	3,204

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

	Estimated Actual 2002-03 \$'000	Budget Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
REVENUE					
Taxation					
Other taxes, fees and fines	4,848	4,363	4,363	4,363	4,363
Total taxation	4,848	4,363	4,363	4,363	4,363
Non-taxation					
Other sources of non-taxation revenues	130	157	157	157	157
Total non-taxation	130	157	157	157	157
Total revenues administered on behalf of the Government	4,978	4,520	4,520	4,520	4,520
EXPENSES					
Other	69	69	69	69	69
Total expenses administered on behalf of the Government	69	69	69	69	69

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

	Estimated Actual 2002-03 \$'000	Budget Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
ASSETS					
Financial assets					
Cash	59	64	64	64	64
Receivables	229	183	183	183	183
Total financial assets	288	247	247	247	247
Non-financial assets					
Total assets administered on behalf of the Government	288	247	247	247	247
LIABILITIES					
Total liabilities administered on behalf of the Government	-	-	-	-	-

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

	Estimated Actual 2002–03 \$'000	Budget Estimate 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	4,925	4,425	4,363	4,363	4,363
Other	110	140	157	157	157
Total cash received	5,035	4,565	4,520	4,520	4,520
Cash used					
Cash to Official Public Account	4,935	4,491	4,451	4,451	4,451
Other	69	69	69	69	69
Total cash used	5,004	4,560	4,520	4,520	4,520
Net cash from operating activities	31	5	-	-	-
Net increase in cash held	31	5	-	-	-
Cash at the beginning of the reporting period	28	59	64	64	64
Cash at the end of the reporting period	59	64	64	64	64

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The budgeted financial statements have been prepared on an accrual basis and in accordance with the historical cost convention.

Other revenue

Other revenue includes liabilities assumed by other agencies and resources received free of charge.

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 reaching 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 received free of charge

This consists of rent and outgoings associated with the accommodation occupied by the Court in the Law Courts Building located in Sydney. This building is owned by Law Courts Limited, a joint venture between the NSW and Commonwealth Governments

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.

Resources provided free of charge

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

- work performed by Court staff on behalf of the Federal Magistrates Service; and
- accommodation, including access to the courtrooms.

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.