FAMILY COURT OF AUSTRALIA

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

The strategic direction statement for the Family Court of Australia can be found in the 2009–10 Portfolio Budget Statements. There has been no change to the Family Court's strategic direction as a result of additional estimates.

The Family Court is receiving additional funding for the increases in judicial and related offices salaries granted by the Remuneration Tribunal.

In the 2009–10 Budget, the Australian Government agreed to a restructure of the federal courts. This resulted in the reallocation of funding from the Federal Magistrates Court of Australia to the Family Court of Australia and the Federal Court of Australia from 1 January 2010.

The restructure has been delayed. The government is considering the implications of the High Court's decision in *Lane v Morrison* for the proposed restructure of the Federal Court, and the formulation of proposals for an appropriate jurisdiction to determine military justice matters, including the involvement of Chapter III courts.

Funding that was transferred from the Federal Magistrates Court to the Federal Court and the Family Court will be invoiced back by the Federal Magistrates Court for the period 1 January 2010 to 30 June 2010.

1.2 AGENCY RESOURCE STATEMENT

The agency resource statement details the resourcing for the Family Court at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2009–10 Budget year, including variations through Appropriation Bill No. 3.

Table 1.1: Agency resource statement—additional estimates for 2009–10 as at Additional Estimates, November 2009

	Estimate as at Budget 2009–10 ($'000)	+	Proposed Additional Estimates 2009–10 ($'000)	=	Total estimate at Additional Estimates 2009–10 ($'000)	Total available appropriation 2008–09 ($'000)
ORDINARY ANNUAL SERVICES[1]						
Departmental appropriation						
Prior year departmental appropriation	24,772		–		24,772	27,263
Departmental appropriation	146,658		1,261		147,919	134,508
Section 31 relevant agency receipts	2,000		–		2,000	4,715
Total	**173,430**		**1,261**		**174,691**	**166,486**
Administered expenses						
Outcome 1	430		–		430	–
Total	**430**		**–**		**430**	**–**
Total ordinary annual services	**173,860**		**1,261**		**175,121**	**166,486**
Total net resourcing for agency	**173,860**		**1,261**		**175,121**	**166,486**

All figures are GST exclusive.

1. Appropriation Bill (Nos 1 & 3) 2009–10.

1.3 Agency measures since Budget

The Family Court has no new measures.

1.4 Additional estimates and variations

Table 1.4 details additional estimates and variations for indexation and other adjustments.

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

	Program impacted	2009–10 ($'000)	2010–11 ($'000)	2011–12 ($'000)	2012–13 ($'000)
OUTCOME 1					
Increase in estimates (departmental)					
Supplementation for judicial and related offices salary increases (Remuneration Tribunal Determinations 2009/17 and 2009/21)	1.1	1,261	1,398	1,379	1,370
Decrease in estimates (departmental)					
Changes in wage and price indices	1.1	–	(509)	(899)	(1,036)
Gershon (ICT) Review Phase 2	1.1	–	(392)	(396)	(400)
Net impact on estimates for Outcome 1 (departmental)		**1,261**	**497**	**84**	**(66)**

1.5 Breakdown of additional estimates by appropriation bill

Table 1.5 details the additional estimates sought for the Family Court through Appropriation Bill No. 3. The Family Court has no additional estimates through Appropriation Bill No. 4.

Table 1.5: Appropriation Bill (No. 3) 2009–10

	2008–09 Available ($'000)[1]	2009–10 Budget ($'000)	2009–10 Revised ($'000)	Additional Estimates ($'000)	Reduced Estimates ($'000)
ADMINISTERED ITEMS					
Outcome 1					
As Australia's specialist superior family court, determine cases with complex law and facts, and provide national coverage as the appellate court in family law matters	–	430	430	–	–
Total	**–**	**430**	**430**	**–**	**–**
DEPARTMENTAL PROGRAMS					
Outcome 1					
As Australia's specialist superior family court, determine cases with complex law and facts, and provide national coverage as the appellate court in family law matters	127,658	146,658	147,919	1,261	–
Total	**127,658**	**146,658**	**147,919**	**1,261**	**–**
Total administered and departmental	**127,658**	**147,088**	**148,349**	**1,261**	**–**

1. Available appropriation for 2008–09 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 resources and planned performance

2.1 Outcomes and performance information

There are no changes to the Family Court's outcome and performance information as reported in the 2009–10 Portfolio Budget Statements.

Outcome 1

Outcome 1 strategy

There are no changes to the strategy for Outcome 1 as reported in the 2009–10 Portfolio Budget Statements.

Outcome 1 budgeted expenses and resources

Table 2.1 provides an overview of the revised total expenses for Outcome 1 by program.

Table 2.1: Budgeted expenses and resources for Outcome 1

Outcome 1: As Australia's specialist superior family court, determine cases with complex law and facts, and provide national coverage as the appellate court in family law matters	2008–09 Actual expenses ($'000)	2009–10 Revised estimated expenses ($'000)
Program 1.1: Provision of a Family Court		
Administered expenses		
Ordinary annual services (Appropriation Bill Nos 1 & 3)	–	430
Departmental expenses		
Ordinary annual services (Appropriation Bill Nos 1 & 3)	126,766	147,919
Revenues from independent sources (section 31)	751	2,000
Revenues from independent sources (section 30)	4,583	–
Expenses not requiring appropriation in the Budget year[1]	7,446	8,147
Total for Outcome 1	**139,546**	**158,496**
	2008–09	**2009–10**
Average staffing level (number)	601	716

1. Includes liabilities assumed by related entities for the Judges' Pension Scheme and resources received free of charge for Australian National Audit Office services.

Program 1.1 expenses

($'000)	2008–09 Actuals	2009–10 Revised budget	2010–011 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
Annual departmental expenses					
Departmental item—Provision of a Family Court	132,100	149,919	169,700	170,375	171,176
Annual administered expenses					
Primary dispute resolution	–	430	859	876	876
Expenses not requiring appropriation in the Budget year	7,446	8,147	8,465	8,465	8,465
Total program expenses	**139,546**	**158,496**	**179,024**	**179,716**	**180,517**

Section 3: Explanatory tables and budgeted financial statements

3.1 Explanatory tables

3.1.1 Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by the Family Court. The corresponding table in the 2009–10 Portfolio Budget Statements is Table 3.1.2.

Table 3.1.1: Estimates of special account flows

	Outcome	Opening balance 2009–10 *2008–09* ($'000)	Receipts 2009–10 *2008–09* ($'000)	Payments 2009–10 *2008–09* ($'000)	Closing balance 2009–10 *2008–09* ($'000)
Other Trust Moneys—	1	–	250	250	–
FMA Act s 20 (A)[1]	*1*	*1*	*296*	*297*	–
Litigants' Fund Special Account—FMA	1	298	500	500	298
Act s 20 (A)[2]	*1*	*450*	*530*	*682*	*298*
Total special accounts 2009–10 Budget estimate		**298**	**750**	**750**	**298**
Total special accounts 2008–09 estimate actual		***451***	***826***	***979***	***298***

(A) = Administered.

FMA Act = *Financial Management and Accountability Act 1997*.

1. The Other Trust Moneys account is primarily used for the moneys held on behalf of the public and can include moneys received from Comcare, held in trust until assigned by the employee.
2. The Litigants' Fund Special Account is a holding account for client moneys paid as a surety following the issuance of court orders.

3.2 Budgeted financial statements

3.2.1 Analysis of budgeted financial statements

Departmental

The Family Court's budgeted departmental income statement has been updated:

- to reflect the 2008–09 operating result (an operating surplus of $0.527m)
- for the impact of judicial salary increases of approximately $1.3m in 2009–10 and $1.4m per year across the forward estimates (per Remuneration Tribunal Determinations 2009/17 and 2009/21)
- for indexation changes across the forward estimates, and
- for Gershon (ICT) Review Phase 2 savings across the forward estimates of approximately $0.4m per year.

The Family Court's budgeted departmental balance sheet has been updated to reflect the impact of the closing balances from 2008–09, which has resulted in an increase in equity of approximately $5.1m across the forward estimates. The change in equity is the result of a net increase in assets and a net decrease in liabilities. The increase in total assets of $3.3m is primarily attributable to land and buildings, and infrastructure, plant and equipment, which had increases of $4.3m and $2.8m respectively, offset by a decrease in cash and receivables by $0.7m and $3.7m respectively. The decrease in total liabilities of $1.7m is attributable to a decrease in employee provisions and other provisions by $2.6m and $1.0m respectively with an offsetting increase in supplier payables of $1.9m.

Administered

The Family Court's schedule of budgeted income and expenses administered on behalf of government and schedule of budgeted assets and liabilities administered on behalf of government have been updated for the respective results and closing balances from 2008–09. This update has resulted in a flow-through impact on the schedule of budgeted assets and liabilities administered on behalf of government across the forward estimates.

3.2.2 Budgeted financial statements tables

Departmental

Table 3.2.1: Budgeted departmental comprehensive income statement (showing net cost of services) for the period ended 30 June

	Actual 2008–09 ($'000)	Revised budget 2009–10 ($'000)	Forward estimate 2010–11 ($'000)	Forward estimate 2011–12 ($'000)	Forward estimate 2012–13 ($'000)
EXPENSES					
Employee benefits	73,519	88,403	101,321	101,799	102,322
Suppliers	60,221	60,700	67,881	68,078	68,356
Depreciation and amortisation	5,346	8,963	8,963	8,963	8,963
Write-down and impairment of assets	130	–	–	–	–
Losses from asset sales	163	–	–	–	–
Finance costs	167	–	–	–	–
Total expenses	**139,546**	**158,066**	**178,165**	**178,840**	**179,641**
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	746	2,000	2,000	2,000	2,000
Other revenue	4,588	–	–	–	–
Total revenue	**5,334**	**2,000**	**2,000**	**2,000**	**2,000**
Gains					
Other gains	7,446	8,147	8,465	8,465	8,465
Total gains	**7,446**	**8,147**	**8,465**	**8,465**	**8,465**
Total own-source income	**12,780**	**10,147**	**10,465**	**10,465**	**10,465**
Net cost of (contribution by) services	**(126,766)**	**(147,919)**	**(167,700)**	**(168,375)**	**(169,176)**
Appropriation revenue	127,293	147,919	167,700	168,375	169,176
Surplus (deficit)	**527**	**–**	**–**	**–**	**–**
Surplus (deficit) attributable to the Australian Government	**527**	**–**	**–**	**–**	**–**

Prepared on Australian Accounting Standards basis.

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

	Actual 2008–09 ($'000)	Revised budget 2009–10 ($'000)	Forward estimate 2010–11 ($'000)	Forward estimate 2011–12 ($'000)	Forward estimate 2012–13 ($'000)
ASSETS					
Financial assets					
Cash and cash equivalents	1,238	1,238	1,238	1,238	1,238
Trade and other receivables	23,241	25,004	26,767	28,530	30,293
Tax assets	683	683	683	683	683
Other	521	521	521	521	521
Total financial assets	**25,683**	**27,446**	**29,209**	**30,972**	**32,735**
Non-financial assets					
Land and buildings	14,749	14,162	13,575	12,988	12,401
Infrastructure, plant and equipment	9,974	9,548	9,122	8,696	8,270
Inventories	51	51	51	51	51
Intangibles	2,893	3,443	3,993	4,543	5,093
Other	3,125	3,125	3,125	3,125	3,125
Total non-financial assets	**30,792**	**30,329**	**29,866**	**29,403**	**28,940**
Total assets	**56,475**	**57,775**	**59,075**	**60,375**	**61,675**
Provisions					
Employees	21,089	22,389	23,689	24,989	26,289
Other	2,878	2,878	2,878	2,878	2,878
Total provisions	**23,967**	**25,267**	**26,567**	**27,867**	**29,167**
Payables					
Suppliers	3,875	3,875	3,875	3,875	3,875
Other	710	710	710	710	710
Total payables	**4,585**	**4,585**	**4,585**	**4,585**	**4,585**
Total liabilities	**28,552**	**29,852**	**31,152**	**32,452**	**33,752**
Net assets	**27,923**	**27,923**	**27,923**	**27,923**	**27,923**
EQUITY					
Parent entity interest					
Contributed equity	4,814	4,814	4,814	4,814	4,814
Reserves	13,115	13,115	13,115	13,115	13,115
Retained surpluses or accumulated deficits	9,994	9,994	9,994	9,994	9,994
Total parent entity interest	**27,923**	**27,923**	**27,923**	**27,923**	**27,923**
Total equity	**27,923**	**27,923**	**27,923**	**27,923**	**27,923**
Current assets	**28,859**	**30,622**	**32,385**	**34,148**	**35,911**
Non-current assets	**27,616**	**27,153**	**26,690**	**26,227**	**25,764**
Current liabilities	**20,795**	**21,701**	**22,676**	**23,651**	**24,626**
Non-current liabilities	**7,757**	**8,151**	**8,476**	**8,801**	**9,126**

Prepared on Australian Accounting Standards basis.
Note: '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 2008–09 ($'000)	Revised budget 2009–10 ($'000)	Forward estimate 2010–11 ($'000)	Forward estimate 2011–12 ($'000)	Forward estimate 2012–13 ($'000)
OPERATING ACTIVITIES					
Cash received					
Goods and services	5,130	2,000	2,000	2,000	2,000
Appropriations	129,544	146,156	165,935	166,609	167,409
Interest	5	–	–	–	–
Other	6,004	4,867	4,867	4,867	4,867
Total cash received	**140,683**	**153,023**	**172,802**	**173,476**	**174,276**
Cash used					
Employees	66,325	79,288	91,430	91,907	91,679
Suppliers	59,504	60,368	68,005	68,202	69,230
Other	6,108	4,867	4,867	4,867	4,867
Total cash used	**131,937**	**144,523**	**164,302**	**164,976**	**165,776**
Net cash from (used by) operating activities	**8,746**	**8,500**	**8,500**	**8,500**	**8,500**
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	21	–	–	–	–
Total cash received	**21**	**–**	**–**	**–**	**–**
Cash used					
Purchase of property, plant and equipment	9,426	8,500	8,500	8,500	8,500
Total cash used	**9,426**	**8,500**	**8,500**	**8,500**	**8,500**
Net cash from (used by) investing activities	**(9,405)**	**(8,500)**	**(8,500)**	**(8,500)**	**(8,500)**
Net increase (decrease) in cash held	**(659)**	**–**	**–**	**–**	**–**
Cash at the beginning of the reporting period	1,897	1,238	1,238	1,238	1,238
Cash at the end of the reporting period	**1,238**	**1,238**	**1,238**	**1,238**	**1,238**

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity—summary of movement (Budget year 2009–10)

	Retained earnings ($'000)	Asset revaluation reserve ($'000)	Contributed equity/capital ($'000)	Total equity ($'000)
Opening balance as at 1 July 2009				
Balance carried forward from previous period	9,994	13,115	4,814	27,923
Income and expenses				
Surplus (deficit) for the period	–	–	–	–
Total income and expenses	**–**	**–**	**–**	**–**
Estimated closing balance as at 30 June 2010	**9,994**	**13,115**	**4,814**	**27,923**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

There has been no change to the Family Court's departmental capital budget as a result of additional estimates.

Table 3.2.6: Statement of departmental asset movements (2009–10)

There has been no change to the Family Court's departmental asset movements as a result of additional estimates.

Table 3.2.7: Capital budget statement—reconciliation of heritage and cultural asset funding

This table is not applicable to the Family Court because it is not a designated collecting institution.

Administered

Table 3.2.8: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual 2008–09 ($'000)	Revised budget 2009–10 ($'000)	Forward estimate 2010–11 ($'000)	Forward estimate 2011–12 ($'000)	Forward estimate 2012–13 ($'000)
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Goods and services	1,083	–	–	–	–
Other sources of non-taxation revenue	–	9,750	18,250	18,250	18,250
Total non-taxation	**1,083**	**9,750**	**18,250**	**18,250**	**18,250**
Total revenue administered on behalf of government	**1,083**	**9,750**	**18,250**	**18,250**	**18,250**
Total income administered on behalf of government	**1,083**	**9,750**	**18,250**	**18,250**	**18,250**
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	–	430	859	876	876
Other	9	–	–	–	–
Total expenses administered on behalf of government	**9**	**430**	**859**	**876**	**876**

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Actual 2008–09 ($'000)	Revised budget 2009–10 ($'000)	Forward estimate 2010–11 ($'000)	Forward estimate 2011–12 ($'000)	Forward estimate 2012–13 ($'000)
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	6	6	6	6	6
Total financial assets	**6**	**6**	**6**	**6**	**6**
Total assets administered on behalf of government	**6**	**6**	**6**	**6**	**6**
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Total liabilities administered on behalf of government	**–**	**–**	**–**	**–**	**–**

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Actual 2008–09 ($'000)	Revised budget 2009–10 ($'000)	Forward estimate 2010–11 ($'000)	Forward estimate 2011–12 ($'000)	Forward estimate 2012–13 ($'000)
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	1,083	–	–	–	–
Cash from Official Public Account	40	430	859	876	876
Other	–	9,750	18,250	18,250	18,250
Total cash received	**1,123**	**10,180**	**19,109**	**19,126**	**19,126**
Cash used					
Cash to Official Public Account	1,126	9,750	18,250	18,250	18,250
Suppliers	–	430	859	876	876
Other	9	–	–	–	–
Total cash used	**1,135**	**10,180**	**19,109**	**19,126**	**19,126**
Net cash from (used by) operating activities	**(12)**	**–**	**–**	**–**	**–**
Net increase (decrease) in cash held	**(12)**	**–**	**–**	**–**	**–**
Cash at the beginning of the reporting period	18	6	6	6	6
Cash at the end of the reporting period	**6**	**6**	**6**	**6**	**6**

Prepared on Australian Accounting Standards basis.

3.2.3 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual basis, in accordance with historical cost convention and consistent with Australian Accounting Standards.

Departmental

Revenue from government

Appropriations for departmental programs (adjusted for any formal additions and reductions) are recognised as revenue, except for certain amounts which relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Income— resources received free of charge

Resources received free of charge are recorded as either revenue or gains depending on their nature, that is, whether they have been generated in the course of ordinary activities.

Expenses—resources provided free of charge

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

- court staff, who perform work on behalf of the Federal Magistrates Court, and
- accommodation, including access to courtrooms.

It is estimated that the cost of resources provided free of charge by the Family Court to the Federal Magistrates Court during 2009–10 will be $9.09m.

The Family Court also provides resources free of charge to the Federal Court of Australia. It is estimated that the cost of these resources in 2009–10 will be $0.535m. The resources provided free of charge include accommodation and other property costs for Sydney Commonwealth Law Courts.

The Family Court provides similar levels of support to the Federal Court across all financial years indicated.

Employee expenses

Employee expenses consist of wages and salaries, superannuation, leave and other entitlements, separations and redundancies and other employee benefits.

Supplier expenses

Supplier expenses consist of administrative expenses including operating lease rentals and supply of goods and services to the Family Court.

Assets

Assets are made up of cash, receivables, prepayments, intangibles (computer software), inventories, land and buildings, and infrastructure, plant and equipment.

Liabilities

The Family Court's liabilities are made up of employee salaries, superannuation and leave entitlements, property lease make-good provisions and amounts owed to creditors.

Administered

Administered cash transfers to and from Official Public Account

Revenue collected by the Family Court for use by the government rather than the Family Court is administered revenue. Collections are transferred to the Official Public Account maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the Official Public Account to make payments under parliamentary appropriation on behalf of government.

These transfers to and from the Official Public Account are adjustments to the administered cash held by the Family Court on behalf of the government and reported as such in the statement of cash flows.

Revenue

All administered revenues are revenues relating to the core operating activities performed by the Family Court on behalf of the Australian Government.

Fees are charged for access to the Family Court's services. Administered fee revenue is recognised when an application for service is lodged with the Family Court. It is recognised at its nominal amount. Collectability of debts is reviewed at balance date. Allowances are made when collection of a debt is no longer probable.