

FEDERAL MAGISTRATES COURT OF AUSTRALIA

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

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

The FMC 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 FMC 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 FMC to the Federal Court and the Family Court will be invoiced back by the FMC for the period 1 January 2010 to 30 June 2010.

Revised estimates of expenditure for the FMC for 2009–10 will be included in the 2010–11 Portfolio Budget Statements.

1.2 AGENCY RESOURCE STATEMENT

The agency resource statement details the resourcing for the FMC 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 SERVICES¹					
Departmental appropriation					
Prior year departmental appropriation	16,213	–		16,213	18,736
Departmental appropriation	27,808	322		28,130	59,185
Section 31 relevant agency receipts	–	–		–	4,855
Total	44,021	322		44,343	82,776
Administered expenses					
Outcome 1	430	–		430	873
Total	430	–		430	873
Total ordinary annual services	44,451	322		44,773	83,649
OTHER SERVICES					
Departmental non-operating					
Unspent equity injection	1,922	–		1,922	1,922
Total	1,922	–		1,922	1,922
Total other services	1,922	–		1,922	1,922
Total net resourcing for agency	46,373	322		46,695	85,571

All figures are GST exclusive.

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

1.3 AGENCY MEASURES SINCE BUDGET

The FMC has no new measures.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.4 details additional estimates and variations from Remuneration Tribunal Determinations.

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

	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	322	–	–	–
Net impact on estimates for Outcome 1 (departmental)		322	–	–	–

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5 details the additional estimates sought for the FMC through Appropriation Bill No. 3. The FMC 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					
To provide the Australian community with a simple and accessible forum for the resolution of less complex disputes within the jurisdiction of the Federal Magistrates Court of Australia	843	430	430	–	–
Total	843	430	430	–	–
DEPARTMENTAL PROGRAMS					
Outcome 1					
To provide the Australian community with a simple and accessible forum for the resolution of less complex disputes within the jurisdiction of the Federal Magistrates Court of Australia	56,524	27,808	28,130	322	–
Total	56,524	27,808	28,130	322	–
Total administered and departmental	57,367	28,238	28,560	322	–

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 FMC'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.

Budgeted expenses and resources for Outcome 1

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: To provide the Australian community with a simple and accessible forum for the resolution of less complex disputes within the jurisdiction of the Federal Magistrates Court of Australia	2008–09 Actual expenses (\$'000)	2009–10 Revised estimated expenses (\$'000)
Program 1.1: Provision of a Federal Magistrates Court		
Administered expenses		
Ordinary annual services (Appropriation Bill Nos 1 & 3)	349	430
Departmental expenses		
Ordinary annual services (Appropriation Bill Nos 1 & 3)	61,529	28,130
Revenues from independent sources (section 31)	5,029	–
Revenues from independent sources (section 30)	418	–
Expenses not requiring appropriation in the Budget year ¹	20,935	9,483
Total expenses for Outcome 1	88,260	38,043
	2008–09	2009–10
Average staffing level (number)	231	97

1. Includes liabilities assumed by related entities for the Federal Magistrates' Pension Scheme (invalidity), and resources received free of charge for Australian National Audit Office services and Family Court of Australia registry support 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					
Provision of a Federal Magistrates Court	66,976	28,130	–	–	–
Annual administered expenses					
Primary dispute resolution	349	430	–	–	–
Expenses not requiring appropriation in the Budget year	20,935	9,483	–	–	–
Total program expenses	88,260	38,043	–	–	–

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 FMC. The corresponding table in the 2009–10 Portfolio Budget Statements is Table 3.1.2.

Table 3.1.1: Estimates of special account flows

		Opening balance 2009–10 2008–09 Outcome	Receipts 2009–10 2008–09 (\$'000)	Payments 2009–10 2008–09 (\$'000)	Closing balance 2009–10 2008–09 (\$'000)
Litigants' Fund Special Account—	1	89	100	100	89
FMA Act s 20 (A) ¹	1	56	92	59	89
Other Trust Moneys—	1	–	–	–	–
FMA Act s 20 (A) ²	1	–	–	–	–
Total special accounts 2009–10 Budget estimate		89	100	100	89
Total special accounts 2008–09 estimate actual		56	92	59	89

(A) = Administered.

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

1. The purpose of this account is to hold and disburse money paid to the FMC in accordance with an order made by the FMC or a Federal Magistrate under section 15 of the *Federal Magistrates Act 1999*.
2. This 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.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Departmental

The FMC's budgeted departmental income statement has been updated:

- to reflect the 2008–09 operating result (an operating deficit of \$5.0m), and
- for the impact of judicial salary increases of \$0.3m in 2009–10 per Remuneration Tribunal Determinations 2009/17 and 2009/21.

The FMCs budgeted departmental balance sheet has been updated to reflect the impact of closing balances from 2008–09, which has resulted in an increase in equity of \$0.5m across the forward estimates. The change in equity is the result of an increase in net assets. Total assets have increased by \$2.8m, which is offset by a \$2.3m increase in total liabilities. Increases across other payables (\$1.2m) and employee provisions (\$1.2m) have driven the increases in liabilities. Increases in assets are mainly the result of increases in trade and other receivables (\$2.8m) offset by a reduction in non-financial assets (\$0.3m).

Administered

The FMC'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	36,574	15,831	–	–	–
Suppliers	49,499	21,315	–	–	–
Depreciation and amortisation	1,624	467	–	–	–
Losses from asset sales	165	–	–	–	–
Finance costs	49	–	–	–	–
Total expenses	87,911	37,613¹	–	–	–
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	5,029	–	–	–	–
Other revenue	418	–	–	–	–
Total revenue	5,447	–	–	–	–
Gains					
Other gains	20,935	9,483	–	–	–
Total gains	20,935	9,483	–	–	–
Total own-source income	20,935	9,483	–	–	–
Net cost of (contribution by) services	(61,529)	(28,130)	–	–	–
Appropriation revenue	56,524	28,130	–	–	–
Surplus (deficit)	(5,005)	–	–	–	–
Surplus (deficit) attributable to the Australian Government	(5,005)	–	–	–	–

Prepared on Australian Accounting Standards basis.

1. Funding that was transferred from the FMC to the Federal Court and the Family Court will be invoiced back by the FMC for the period 1 January 2010 to 30 June 2010. Revised estimates of expenditure for the FMC for 2009–10 will be included in the 2010–11 Portfolio Budget Statements.

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	649	649	649	649	649
Trade and other receivables	18,328	18,510	18,510	18,510	18,510
Other	208	208	208	208	208
Total financial assets	19,185	19,367	19,367	19,367	19,367
Non-financial assets					
Land and buildings	3,188	3,188	3,188	3,188	3,188
Infrastructure, plant and equipment	1,021	1,021	1,021	1,021	1,021
Intangibles	95	95	95	95	95
Other	351	351	351	351	351
Total non-financial assets	4,655	4,655	4,655	4,655	4,655
Total assets	23,840	24,022	24,022	24,022	24,022
LIABILITIES					
Provisions					
Employees	6,520	6,520	6,520	6,520	6,520
Other	724	724	724	724	724
Total provisions	7,244	7,244	7,244	7,244	7,244
Payables					
Suppliers	1,837	2,019	2,019	2,019	2,019
Other	1,241	1,241	1,241	1,241	1,241
Total payables	3,078	3,260	3,260	3,260	3,260
Total liabilities	10,322	10,504	10,504	10,504	10,504
Net assets	13,518	13,518	13,518	13,518	13,518
EQUITY					
Parent entity interest					
Contributed equity	4,548	4,548	4,548	4,548	4,548
Reserves	761	761	761	761	761
Retained surpluses or accumulated deficits	8,209	8,209	8,209	8,209	8,209
Total parent entity interest	13,518	13,518	13,518	13,518	13,518
Total equity	13,518	13,518	13,518	13,518	13,518
Current assets	19,536	19,718	19,718	19,718	19,718
Non-current assets	4,304	4,304	4,304	4,304	4,304
Current liabilities	8,522	8,704	8,704	8,704	8,704
Non-current liabilities	1,800	1,800	1,800	1,800	1,800

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	4,869	–	–	–	–
Appropriations	58,939	29,413	–	–	–
Other	2,884	1,546	–	–	–
Total cash received	66,692	30,959	–	–	–
Cash used					
Employees	34,107	13,728	–	–	–
Suppliers	31,949	15,218	–	–	–
Other	–	1,546	–	–	–
Total cash used	66,056	30,492	–	–	–
Net cash from (used by) operating activities	636	467	–	–	–
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	507	467	–	–	–
Total cash used	507	467	–	–	–
Net cash from (used by) investing activities	(507)	(467)	–	–	–
Net increase (decrease) in cash held	129	–	–	–	–
Cash at the beginning of the reporting period	520	649	649	649	649
Cash at the end of the reporting period	649	649	649	649	649

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	4,548	761	8,209	13,518
Income and expenses				
Surplus (deficit) for the period	–	–	–	–
Total income and expenses	–	–	–	–
Estimated closing balance as at 30 June 2010	4,548	761	8,209	13,518

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

There has been no change to the FMC'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 FMC'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 FMC 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					
Other sources of non-taxation revenue	19,316	8,500	–	–	–
Total non-taxation	19,316	8,500	–	–	–
Total revenue administered on behalf of government	19,316	8,500	–	–	–
Total income administered on behalf of government	19,316	8,500	–	–	–
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	208	430	–	–	–
Write-down and impairment of assets	1	–	–	–	–
Other	140	–	–	–	–
Total expenses administered on behalf of government	349	430	–	–	–

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	206	206	206	206	206
Receivables	12	12	12	12	12
Total financial assets	218	218	218	218	218
Total assets administered on behalf of government	218	218	218	218	218
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					
Cash from Official Public Account	572	430	-	-	-
Net GST received	24	-	-	-	-
Other	19,417	8,500	-	-	-
Total cash received	20,013	8,930	-	-	-
Cash used					
Suppliers	425	430	-	-	-
Cash to Official Public Account	19,323	8,500	-	-	-
Other	148	-	-	-	-
Total cash used	19,896	8,930	-	-	-
Net cash from (used by) operating activities	117	-	-	-	-
Net increase (decrease) in cash held	117	-	-	-	-
Cash at the beginning of the reporting period	89	206	206	206	206
Cash at the end of the reporting period	206	206	206	206	206

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.

Revenue from government

Appropriations for departmental programs are recognised as revenue. Appropriations receivable are recognised at their nominal amount. The FMC also receives resources free of charge from the Family Court of Australia and the Australian National Audit Office. These are included in the budgeted departmental income statement based on estimates.

Employee expenses

Employee expenses consist of salaries, leave entitlements, superannuation and other employee entitlements.

Supplier expenses

Supplier expenses consist of office expenses, travel expenses, consultant and contract costs, and administrative costs.

Cash

Cash includes notes and coins held and any deposits held at call with a bank or other financial institution.

Infrastructure, plant and equipment, and intangibles

Infrastructure, plant and equipment, and intangibles include purchases of leasehold improvements, computer equipment, office equipment, furniture and software that have been capitalised.

Provisions

Employee provisions are for annual leave and long service leave. Other provisions are for make-good costs.