

FEDERAL COURT OF AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The *Courts Administration Legislation Amendment Act 2016* established, from 1 July 2016, a single administrative body with a single appropriation known as the Federal Court of Australia (Federal Court).

The amalgamated corporate services body provides shared corporate services functions to the Federal Court of Australia, the Family Court of Australia and the Federal Circuit Court of Australia. By consolidating resources, streamlining processes and reducing duplication, this approach has improved the financial sustainability of the courts, while preserving their functional and judicial independence.

In 2019-20, the registry services functions for the Federal Court of Australia, the Family Court of Australia and the Federal Circuit Court of Australia have been amalgamated into a separate program under Outcome 4: Commonwealth Courts Corporate Services. This initiative provides the courts the opportunity to shape the delivery of administrative services across all federal courts in a more innovative and efficient manner. A focus on maximising registry operational effectiveness through streamlined structures and digital innovations will significantly contribute to the future financial sustainability of the courts.

In 2019-20, the Federal Court will continue to develop the digital court program and facilitate a coordinated technical approach to the courts' digital capabilities.

Federal Court of Australia

The Federal 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 and indictable criminal matters.

The Federal Court has a substantial and diverse appellate jurisdiction. It hears appeals from decisions of single judges of the court, decisions of the Federal Circuit Court in non-family matters, decisions of the Supreme Court of Norfolk Island and certain decisions of state and territory supreme courts exercising federal jurisdiction.

The objectives of the Federal Court are to:

- decide disputes according to law – as quickly, inexpensively and efficiently as possible and, in so doing, 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 for the community;
- manage the resources allotted by Parliament efficiently.

The Federal Court will continue to develop and implement a range of digital initiatives. The court's digital services are designed to deliver quicker, less expensive access to justice for court users.

Since July 2012, the court has had responsibility for corporate administration of the National Native Title Tribunal. The tribunal is an independent body established by the *Native Title Act 1993*.

In 2019-20, the court will receive funding for additional resources to support the proposed expansion of the court's jurisdiction to include corporate crime. This expansion will require legislation to be passed by Parliament before it is effective.

Since 2017-18, the court has been responsible for corporate administration of the Parenting Management Hearings. These are designed to be a fast, informal and less adversarial forum for resolving non-complex family law disputes between self-represented parties. The Parenting Management Hearings will help relieve the workload of the Family Court and the Federal Circuit Court. Legislation for Parenting Management Hearings is before Parliament.

Family Court of Australia

The Family Court helps Australians to resolve family disputes. The court's goal is to deliver excellence in service for children, families and litigants through effective judicial and non-judicial processes and high-quality and timely judgments, while respecting the needs of separating families.

The Family Court is a superior court of record, which:

- determines complex family law matters;
- covers specialised areas in family law;
- provides national coverage as the appellate court in family law matters.

At trial level, the court deals with complex parenting and financial cases and hears cases arising under the regulations implementing the Hague Convention on the Civil Aspects of Child Abduction. It has a substantial appellate jurisdiction and hears appeals from decisions of single judges of the court and from the Federal Circuit Court in family law matters.

Federal Circuit Court of Australia

The Federal Circuit Court provides a simpler and more accessible alternative to litigation in the Family Court and the Federal Court. It helps to relieve the workload of the superior federal courts. The Federal Circuit Court deals with a high volume of matters and delivers services to regional Australia through its regular circuit court program. It also manages the national network of family law registries.

The provisions of the *Federal Circuit Court of Australia Act 1999* enable the Federal Circuit Court to operate as informally as possible in the exercise of judicial powers, use streamlined procedures and make use of a range of dispute resolution processes to resolve matters without judicial decisions.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the Federal Court for its operations and to deliver programs and services on behalf of the government.

For more detailed information on special accounts and special appropriations, refer to Budget Paper No. 4: Agency Resourcing.

Table 1.1 is presented on a resourcing (appropriations and cash available) basis, while the budgeted expenses by outcome tables in section 2 and the financial statements in section 3 are presented on an accrual basis.

Table 1.1: Entity resource statement – Budget estimates for 2019-20 as at Budget April 2019

| | 2018-19 (a) Estimated actual \$'000 | 2019-20 Estimate \$'000 |
|---|---|-------------------------------|
| DEPARTMENTAL | | |
| Annual appropriations – ordinary annual services (b) | | |
| Prior year appropriations available | 77,755 | 66,307 |
| Departmental appropriation (c) | 257,227 | 272,868 |
| s74 External Revenue (d) | 3,894 | 3,939 |
| Departmental capital budget (e) | 12,295 | 24,103 |
| Annual appropriations – other services – non-operating (f) | | |
| Prior year appropriations available | 150 | 150 |
| Total departmental annual appropriations | 351,321 | 367,367 |
| Total departmental resourcing | 351,321 | 367,367 |
| ADMINISTERED | | |
| Annual appropriations – ordinary annual services (b) | | |
| Outcome 3 | 880 | 880 |
| Total administered annual appropriations | 880 | 880 |
| Total administered special appropriations | 900 | 900 |
| Total administered resourcing | 1,780 | 1,780 |
| Total resourcing for entity | 353,101 | 369,147 |
| | 2018-19 | 2019-20 |
| Average staffing level (number) (g) | 1,084 | 1,098 |

Prepared on a resourcing (appropriations available) basis.

Note: All figures shown above are GST exclusive and may not match figures in the cash flow statement.

(a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3 and 4) 2018-19 as they had not been enacted at the time of publication.

(b) Appropriation Bill (No. 1) 2019-20.

(c) Excludes departmental capital budget (DCB).

(d) Estimated External Revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

(e) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(f) Appropriation Bill (No. 2) 2019-20.

(g) Excludes judges.

1.2 BUDGET MEASURES

Budget measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the Federal Court of Australia are detailed in Budget Paper No. 2 and summarised in Part 1 of Table 1.2.

Table 1.2: Entity 2019-20 Budget measures

Part 1: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)

| | Program | 2018-19 \$'000 | 2019-20 \$'000 | 2020-21 \$'000 | 2021-22 \$'000 | 2022-23 \$'000 |
|--|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Expense measures | | | | | | |
| Federal Court of Australia – additional resourcing | 1.1, 4.1, 4.2 | | | | | |
| Departmental expenses | | – | 7,000 | 7,039 | 7,072 | 6,036 |
| Total expense measures | | – | 7,000 | 7,039 | 7,072 | 6,036 |
| Capital measures (if applicable) | | | | | | |
| Federal Court of Australia – additional resourcing | 4.1 | | | | | |
| Departmental capital | | – | 11,498 | – | – | – |
| Total capital measures | | – | 11,498 | – | – | – |
| Total | | – | 18,498 | 7,039 | 7,072 | 6,036 |

Prepared on a Government Finance Statistics (fiscal) basis.

Part 2: Other measures not previously reported in a portfolio statement

The Federal Court has no other measures not previously reported in a portfolio statement.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs that contribute to government outcomes over the budget and forward years.

The Federal Court's outcomes are described below together with their related programs.

Note

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in annual reports – to provide an entity's complete performance story.

The most recent corporate plan for the Federal Court can be found at:
<http://www.fedcourt.gov.au/about/corporate-information/corporate-plan>

The most recent annual performance statements for the Federal Court, the Family Court and the Federal Circuit Court, respectively, can be found at:

<http://www.fedcourt.gov.au/about/corporate-information/annual-reports>

<http://www.familycourt.gov.au/wps/wcm/connect/fcoaweb/reports-and-publications/annual-reports>

<http://www.federalcircuitcourt.gov.au/wps/wcm/connect/fccweb/reports-and-publications/annual-reports>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Apply and uphold the rule of law for litigants in the Federal Court of Australia and parties in the National Native Title Tribunal through the resolution of matters according to law and through the effective management of the administrative affairs of the Court and Tribunal.

Budgeted expenses for Outcome 1

Table 2.1.1 shows how much the Federal Court intends to spend (on an accrual basis) on achieving Outcome 1, broken down by program and by administered and departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

| | 2018-19 Estimated actual \$'000 | 2019-20 Budget \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 | 2022-23 Forward estimate \$'000 |
|---|--|-----------------------------|--|--|--|
| Program 1.1: Federal Court of Australia | | | | | |
| Administered expenses | | | | | |
| Special appropriations | | | | | |
| <i>Public Governance, Performance and Accountability Act 2013</i> | 600 | 600 | 600 | 600 | 600 |
| Expenses not requiring appropriation in the budget year (a) | 1,200 | 1,200 | 1,200 | 1,550 | 1,550 |
| Administered total | 1,800 | 1,800 | 1,800 | 2,150 | 2,150 |
| Departmental expenses | | | | | |
| Departmental appropriation | 70,365 | 67,099 | 67,405 | 67,710 | 67,173 |
| s74 External Revenue (b) | 2,919 | 2,678 | 2,678 | 2,678 | 2,678 |
| Expenses not requiring appropriation in the budget year (a) | 15,439 | 15,788 | 15,788 | 15,788 | 15,788 |
| Departmental total | 88,723 | 85,565 | 85,871 | 86,176 | 85,639 |
| Total expenses for program 1.1 | 90,523 | 87,365 | 87,671 | 88,326 | 87,789 |
| | 2018-19 | 2019-20 | | | |
| Average staffing level (number) (c) | 342 | 303 | | | |

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

- (a) Expenses not requiring appropriation in the budget year are made up of liabilities assumed by other agencies.
- (b) Estimated expenses incurred in relation to receipts retained under section 74 of the *Public Governance, Performance and Accountability Act 2013*.
- (c) Excludes judges.

Table 2.1.2: Program components of Outcome 1

| Program 1.1: Federal Court of Australia | | | | | |
|---|--|--------------------------------------|--|--|--|
| | 2018-19 Estimated actual \$'000 | 2019-20 Budget \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 | 2022-23 Forward estimate \$'000 |
| 1.1.1 Component 1 Federal Court Jurisdiction | | | | | |
| Annual administered expense | | | | | |
| Special appropriations | | | | | |
| <i>Public Governance, Performance and Accountability Act 2013</i> | 600 | 600 | 600 | 600 | 600 |
| Departmental item | 61,704 | 58,899 | 59,140 | 59,381 | 58,788 |
| s74 External Revenue (a) | 2,919 | 2,678 | 2,678 | 2,678 | 2,678 |
| Total component 1 expenses | 65,223 | 62,177 | 62,418 | 62,659 | 62,066 |
| 1.1.2 Component 2: National Native Title Tribunal | | | | | |
| Annual departmental expenses | | | | | |
| Departmental item | 8,661 | 8,200 | 8,265 | 8,329 | 8,385 |
| Total component 2 expenses | 8,661 | 8,200 | 8,265 | 8,329 | 8,385 |
| Expenses not requiring appropriation in the budget year | 16,639 | 16,988 | 16,988 | 17,338 | 17,338 |
| Total program expenses | 90,523 | 87,365 | 87,671 | 88,326 | 87,789 |

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

Performance criteria for Outcome 1

Table 2.1.3 shows the performance criteria for the program associated with Outcome 1. It also summarises how the program is delivered.

Table 2.1.3: Performance criteria for Outcome 1

| Outcome 1: Apply and uphold the rule of law for litigants in the Federal Court of Australia and parties in the National Native Title Tribunal through the resolution of matters according to law and through the effective management of the administrative affairs of the Court and Tribunal. | | |
|---|--|---|
| Program 1.1: Federal Court of Australia | | |
| Delivery | <ul style="list-style-type: none"> Exercising the jurisdiction of the Federal Court of Australia. Supporting the operations of the National Native Title Tribunal. | |
| Performance information | | |
| Year | Performance criteria | Targets |
| 2018-19 | Timely completion of cases. | 85% of cases completed within 18 months of commencement. Judgements to be delivered within three months. Expected results: Targets are expected to be met. |
| 2019-20 | Timely completion of cases. | 85% of cases completed within 18 months of commencement. Judgements to be delivered within three months. |
| 2020-21 and beyond | Same as for 2019-20. | Same as for 2019-20. |
| Purpose | To decide disputes according to law as quickly, inexpensively and efficiently as possible. | |

2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 2

Outcome 2: Apply and uphold the rule of law for litigants in the Family Court of Australia through the resolution of family law matters according to law, particularly more complex family law matters and through the effective management of the administrative affairs of the Court.

Budgeted expenses for Outcome 2

Table 2.2.1 shows how much the Federal Court intends to spend (on an accrual basis) on achieving Outcome 2, broken down by program and by administered and departmental funding sources.

Table 2.2.1: Budgeted expenses for Outcome 2

| | 2018-19 Estimated actual \$'000 | 2019-20 Budget \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 | 2022-23 Forward estimate \$'000 |
|---|--|-----------------------------|--|--|--|
| Program 2.1: Family Court of Australia | | | | | |
| Administered expenses | | | | | |
| Special appropriations <i>Public Governance, Performance and Accountability Act 2013</i> | 100 | 100 | 100 | 100 | 100 |
| Expenses not requiring appropriation in the budget year (a) | 300 | 300 | 300 | 300 | 300 |
| Administered total | 400 | 400 | 400 | 400 | 400 |
| Departmental expenses | | | | | |
| Departmental appropriation | 33,314 | 29,644 | 29,740 | 29,839 | 29,944 |
| Expenses not requiring appropriation in the budget year (a) | 11,339 | 11,339 | 11,339 | 11,339 | 11,339 |
| Departmental total | 44,653 | 40,983 | 41,079 | 41,178 | 41,283 |
| Total expenses for program 2.1 | 45,053 | 41,383 | 41,479 | 41,578 | 41,683 |

| | 2018-19 | 2019-20 |
|--|---------|---------|
| Average staffing level (number) (b) | 92 | 79 |

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

(a) Expenses not requiring appropriation in the budget year are made up of liabilities assumed by other agencies.

(b) Excludes judges.

Performance criteria for Outcome 2

Table 2.2.2 shows the performance criteria for the program associated with Outcome 2. It also summarises how the program is delivered.

Table 2.2.2: Performance criteria for Outcome 2

| | | |
|--|---|--|
| Outcome 2: Apply and uphold the rule of law for litigants in the Family Court of Australia through the resolution of family law matters according to law, particularly more complex family law matters and through the effective management of the administrative affairs of the Court. | | |
| Program 2.1: Family Court of Australia | | |
| Delivery | Exercising the jurisdiction of the Family Court of Australia. | |
| Performance information | | |
| Year | Performance criteria | Targets |
| 2018-19 | Timely completion of cases. | Clearance rate of 100%. 75% of judgments to be delivered within three months. 75% of cases pending conclusion to be less than 12 months old. Expected results: Targets are expected to be met. |
| 2019-20 | Timely completion of cases. | Clearance rate of 100%. 75% of judgments to be delivered within three months. 75% of cases pending conclusion to be less than 12 months old. |
| 2020-21 and beyond | Same as for 2019-20. | Same as for 2019-20. |
| Purpose | To help Australians resolve their most complex family disputes by deciding matters according to the law, promptly, courteously and effectively. | |

2.3 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 3

Outcome 3: Apply and uphold the rule of law for litigants in the Federal Circuit Court of Australia through more informal and streamlined resolution of family and general federal law matters according to law, through the encouragement of appropriate dispute resolution processes and through the effective management of the administrative affairs of the Court.

Budgeted expenses for Outcome 3

Table 2.3.1 shows how much the Federal Court intends to spend (on an accrual basis) on achieving Outcome 3, broken down by program and by administered and departmental funding sources.

Table 2.3.1: Budgeted expenses for Outcome 3

| | 2018-19 Estimated actual \$'000 | 2019-20 Budget \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 | 2022-23 Forward estimate \$'000 |
|---|--|-----------------------------|--|--|--|
| Program 3.1: Federal Circuit Court of Australia | | | | | |
| Administered expenses | | | | | |
| Ordinary annual services | 880 | 880 | 886 | 892 | 898 |
| Special appropriations <i>Public Governance, Performance and Accountability Act 2013</i> | 200 | 200 | 200 | 200 | 200 |
| Expenses not requiring appropriation in the budget year (a) | 1,700 | 1,700 | 1,700 | 1,700 | 1,700 |
| Administered total | 2,780 | 2,780 | 2,786 | 2,792 | 2,798 |
| Departmental expenses | | | | | |
| Departmental appropriation | 92,942 | 62,831 | 63,742 | 63,423 | 63,113 |
| s74 External Revenue (b) | 640 | - | - | - | - |
| Expenses not requiring appropriation in the budget year (a) | 651 | 651 | 651 | 651 | 651 |
| Departmental total | 94,233 | 63,482 | 64,393 | 64,074 | 63,764 |
| Total expenses for program 3.1 | 97,013 | 66,262 | 67,179 | 66,866 | 66,562 |

| | 2018-19 | 2019-20 |
|--|---------|---------|
| Average staffing level (number) (c) | 526 | 278 |

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

- (a) Expenses not requiring appropriation in the budget year are made up of liabilities assumed by other agencies.
- (b) Estimated expenses incurred in relation to receipts retained under section 74 of the *Public Governance, Performance and Accountability Act 2013*.
- (c) Excludes judges.

Performance criteria for Outcome 3

Table 2.3.2 shows the performance criteria for the program associated with Outcome 3. It also summarises how the program is delivered.

Table 2.3.2: Performance criteria for Outcome 3

| | | |
|--|---|--|
| Outcome 3: Apply and uphold the rule of law for litigants in the Federal Circuit Court of Australia through more informal and streamlined resolution of family and general federal law matters according to law, through the encouragement of appropriate dispute resolution processes and through the effective management of the administrative affairs of the Court. | | |
| Program 3.1: Federal Circuit Court of Australia | | |
| Delivery | Exercising the jurisdiction of the Federal Circuit Court of Australia. | |
| Performance information | | |
| Year | Performance criteria | Targets |
| 2018-19 | Timely completion of cases. | 90% of final order applications disposed of within 12 months. 90% of all other applications disposed of within six months. 70% of matters resolved prior to trial. Expected results: Targets are expected to be met. |
| 2019-20 | Timely completion of cases. | 90% of final order applications disposed of within 12 months. 90% of all other applications disposed of within six months. 70% of matters resolved prior to trial. |
| 2020-21 and beyond | Same as for 2019-20. | Same as for 2019-20. |
| Purpose | To provide a simple and accessible alternative to litigation in the Family Court and Federal Court. | |

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 4

Outcome 4: Improved administration and support of the resolution of matters according to law for litigants in the Federal Court of Australia, the Family Court of Australia and the Federal Circuit Court of Australia and parties in the National Native Title Tribunal through efficient and effective provision of shared corporate and registry services.

Program changes for Outcome 4

Figure 2: Changes to the outcome and program structures since the last portfolio statement

| Program No. | Program title | Description of change |
|--------------------|---------------------------------------|---|
| 4.2 | Commonwealth Courts Registry Services | New program created from parts of each of the Court programs. |

Budgeted expenses for Outcome 4

Table 2.4.1 shows how much the Federal Court intends to spend (on an accrual basis) on achieving Outcome 4, broken down by program and by administered and departmental funding sources.

Table 2.4.1: Budgeted expenses for Outcome 4

| | 2018-19 Estimated actual \$'000 | 2019-20 Budget \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 | 2022-23 Forward estimate \$'000 |
|---|--|-----------------------------|--|--|--|
| Program 4.1: Commonwealth Courts Corporate Services | | | | | |
| Departmental expenses | | | | | |
| Departmental appropriation | 68,731 | 78,289 | 72,818 | 73,145 | 73,325 |
| s74 External Revenue (a) | 335 | 417 | 449 | 449 | 387 |
| Expenses not requiring appropriation in the budget year (b) | 57,721 | 57,636 | 57,711 | 57,868 | 57,868 |
| Departmental total | 126,787 | 136,342 | 130,978 | 131,462 | 131,580 |
| Total expenses for program 4.1 | 126,787 | 136,342 | 130,978 | 131,462 | 131,580 |
| Program 4.2: Commonwealth Courts Registry Services | | | | | |
| Departmental expenses | | | | | |
| Departmental appropriation | – | 34,514 | 35,001 | 34,792 | 34,481 |
| s74 External Revenue (a) | – | 844 | 844 | 844 | 844 |
| Departmental total | – | 35,358 | 35,845 | 35,636 | 35,325 |
| Total expenses for program 4.2 | – | 35,358 | 35,845 | 35,636 | 35,325 |
| Outcome 4 totals by appropriation type | | | | | |
| Departmental expenses | | | | | |
| Departmental appropriation | 68,731 | 112,803 | 107,819 | 107,937 | 107,806 |
| s74 External Revenue (a) | 335 | 1,261 | 1,293 | 1,293 | 1,231 |
| Expenses not requiring appropriation in the budget year (b) | 57,721 | 57,636 | 57,711 | 57,868 | 57,868 |
| Departmental total | 126,787 | 171,700 | 166,823 | 167,098 | 166,905 |
| Total expenses for Outcome 4 | 126,787 | 171,700 | 166,823 | 167,098 | 166,905 |
| | 2018-19 | 2019-20 | | | |
| Average staffing level (number) (c) | 123 | 438 | | | |

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

(b) Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, audit fees and other resources provided free of charge.

(c) Excludes judges.

Performance criteria for Outcome 4

Table 2.4.2 shows the performance criteria for the program associated with Outcome 4. It also summarises how the program is delivered.

Table 2.4.2: Performance criteria for Outcome 4

| Outcome 4: Improved administration and support of the resolution of matters according to law for litigants in the Federal Court of Australia, the Family Court of Australia and the Federal Circuit Court of Australia and parties in the National Native Title Tribunal through efficient and effective provision of shared corporate and registry services | | |
|---|---|---|
| Program 4.1: Commonwealth Courts Corporate Services | | |
| Delivery | Providing efficient and effective corporate services for the Commonwealth courts and tribunals. | |
| Performance information | | |
| Year | Performance criteria | Targets |
| 2018-19 | Efficient and effective corporate services. | Corporate services to be provided within the agreed funding. Expected results: Targets are expected to be met. |
| 2019-20 | Efficient and effective corporate services. | Corporate services to be provided within the agreed funding. |
| 2020-21 and beyond | Same as for 2019-20. | Same as for 2019-20. |
| Purpose | To provide efficient and effective corporate services to the Commonwealth courts and tribunals. | |
| Program 4.2: Commonwealth Courts Registry Services | | |
| Delivery | Providing efficient and effective registry services for the Commonwealth courts and tribunals. | |
| Performance information (a) | | |
| Year | Performance criteria | Targets |
| 2019-20 | Correct information. Timely processing of documents. Efficient registry services. | Less than 1% of enquiries result in a complaint about registry services. 75% of documents processed within three working days. 90% of documents processed within five working days. All registry services provided within the agreed funding and staffing level. |
| 2020-21 and beyond | Same as for 2019-20. | Same as for 2019-20. |
| Purpose | To provide efficient and effective registry services to the Commonwealth courts and tribunals. | |

(a) 2019-20 will be the first year of operation of the Commonwealth Courts Registry Services program.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements that provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The most significant difference between the entity resourcing table and the financial statements that follow is that resources provided free of charge and liabilities assumed by other agencies are not recognised in Table 1.1 as revenue. This difference should be noted when comparing this table with the financial statements. These revenue sources are notional only and do not reflect any cash received. The notional revenue recognised in the financial statements is offset by equivalent notional expenditure.

The agency resourcing table displays higher amounts for operating and capital appropriation in the 2019-20 year than displayed in the financial statements. This is due to funds relating to the 2018-19 year being appropriated to the Federal Court in the 2019-20 year. The financial statements display the appropriation in the financial year for which the revenue has been provided. This funding is for an additional judge to deal with the workload arising from industrial relations reforms.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The Federal Court is budgeting for a balanced budget for each year of the forward estimates. Since the Portfolio Additional Estimates Statements were published, the Federal Court has received funding in relation to the following items:

- \$5.292 million over the forward estimates for an additional judge appointed to the Federal Court to deal with the workload arising from industrial relations reforms. This includes \$1.639 million of operating funding and \$0.345 million of capital funding that will be appropriated to the Federal Court in the 2019-20 financial year.
- \$35.460 million over the forward estimates for judicial resourcing related to an expanded criminal jurisdiction for the Federal Court. This includes \$11.498 million in capital funding for additional judicial chambers and changes to courtrooms to accommodate juries.
- \$3.185 million between 2019-20 and 2021-22 to replenish judicial resourcing in the Federal Court.

The Court received \$14,007 million in funding over three years commencing from 2017-18 to assist in the continuing development and implementation of the digital court program across all of the courts. This funding will cease after 2019-20, leading to a decrease in appropriation in 2020-21.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

| | 2018-19 Estimated actual \$'000 | 2019-20 Budget \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 | 2022-23 Forward estimate \$'000 |
|--|--|-----------------------------|--|--|--|
| EXPENSES | | | | | |
| Employee benefits | 217,986 | 222,962 | 222,046 | 222,939 | 223,009 |
| Suppliers | 121,180 | 123,511 | 120,857 | 119,964 | 118,854 |
| Depreciation and amortisation (a) | 14,956 | 14,871 | 14,946 | 15,103 | 15,103 |
| Finance costs | 274 | 331 | 317 | 520 | 625 |
| Total expenses | 354,396 | 361,675 | 358,166 | 358,526 | 357,591 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Own-source revenue | | | | | |
| Sale of goods and rendering of services | 3,894 | 3,939 | 3,971 | 3,971 | 3,909 |
| Total own-source revenue | 3,894 | 3,939 | 3,971 | 3,971 | 3,909 |
| Gains | | | | | |
| Other | 70,194 | 70,543 | 70,543 | 70,543 | 70,543 |
| Total gains | 70,194 | 70,543 | 70,543 | 70,543 | 70,543 |
| Total own-source income | 74,088 | 74,482 | 74,514 | 74,514 | 74,452 |
| Net (cost of)/contribution by services | (280,308) | (287,193) | (283,652) | (284,012) | (283,139) |
| Revenue from government | 265,352 | 272,322 | 268,706 | 268,909 | 268,036 |
| Surplus/(deficit) attributable to the Australian Government | (14,956) | (14,871) | (14,946) | (15,103) | (15,103) |
| Total comprehensive income/(loss) attributable to the Australian Government | (14,956) | (14,871) | (14,946) | (15,103) | (15,103) |

Note: Impact of net cash appropriation arrangements

| | 2018-19 \$'000 | 2019-20 \$'000 | 2020-21 \$'000 | 2021-22 \$'000 | 2022-23 \$'000 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations | - | - | - | - | - |
| Less depreciation/amortisation expenses previously funded through revenue appropriations (a) | 14,956 | 14,871 | 14,946 | 15,103 | 15,103 |
| Total comprehensive income/(loss) – as per the statement of comprehensive income | (14,956) | (14,871) | (14,946) | (15,103) | (15,103) |

Prepared on Australian Accounting Standards basis.

(a) From 2010-11, the government introduced net cash appropriation arrangements. Bill (No.1) revenue appropriations for the depreciation and amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the departmental capital budget, or DCB) provided through Bill (No.1) equity appropriations. For information regarding DCBs, see Table 3.5: Departmental capital budget statement.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

| | 2018-19 Estimated actual \$'000 | 2019-20 Budget \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 | 2022-23 Forward estimate \$'000 |
|---|--|-----------------------------|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 807 | 1,353 | 1,353 | 1,353 | 1,353 |
| Trade and other receivables | 68,092 | 67,396 | 67,771 | 67,771 | 67,771 |
| Other financial assets | 14 | 14 | 14 | 14 | 14 |
| Total financial assets | 68,913 | 68,763 | 69,138 | 69,138 | 69,138 |
| Non-financial assets | | | | | |
| Land and buildings | 40,863 | 47,503 | 45,470 | 42,766 | 40,062 |
| Property, plant and equipment | 13,131 | 10,675 | 9,247 | 9,050 | 8,938 |
| Intangibles | 16,860 | 20,721 | 20,600 | 19,835 | 19,070 |
| Inventories | 39 | 39 | 39 | 39 | 39 |
| Other non-financial assets | 3,383 | 3,383 | 3,383 | 3,383 | 3,383 |
| Total non-financial assets | 74,276 | 82,321 | 78,739 | 75,073 | 71,492 |
| Total assets | 143,189 | 151,084 | 147,877 | 144,211 | 140,630 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Suppliers | 7,722 | 7,925 | 8,128 | 8,331 | 7,859 |
| Other payables | 2,268 | 2,268 | 2,268 | 2,268 | 2,268 |
| Total payables | 9,990 | 10,193 | 10,396 | 10,599 | 10,127 |
| Interest bearing liabilities | | | | | |
| Leases | 2,131 | 1,756 | 1,756 | 561 | 41 |
| Total interest bearing liabilities | 2,131 | 1,756 | 1,756 | 561 | 41 |
| Provisions | | | | | |
| Employee provisions | 59,915 | 59,915 | 59,915 | 59,915 | 59,915 |
| Other provisions | 2,811 | 1,991 | 1,171 | 1,171 | 1,171 |
| Total provisions | 62,726 | 61,906 | 61,086 | 61,086 | 61,086 |
| Total liabilities | 74,847 | 73,855 | 73,238 | 72,246 | 71,254 |
| Net assets | 68,342 | 77,229 | 74,639 | 71,965 | 69,376 |
| EQUITY (a) | | | | | |
| Parent entity interest | | | | | |
| Contributed equity | 95,872 | 119,630 | 131,986 | 144,415 | 156,929 |
| Reserves | 8,680 | 8,680 | 8,680 | 8,680 | 8,680 |
| Retained surplus (accumulated deficit) | (36,210) | (51,081) | (66,027) | (81,130) | (96,233) |
| Total parent entity interest | 68,342 | 77,229 | 74,639 | 71,965 | 69,376 |
| Total equity | 68,342 | 77,229 | 74,639 | 71,965 | 69,376 |

Prepared on Australian Accounting Standards basis.

(a) Equity is the residual interest in assets after deduction of liabilities.

Table 3.3: Departmental statement of changes in equity – summary of movement (2019-20 budget year)

| | Retained earnings \$'000 | Asset revaluation reserve \$'000 | Contributed equity/ capital \$'000 | Total equity \$'000 |
|--|--------------------------------|---|---|---------------------------|
| Opening balance as at 1 July 2019 | | | | |
| Balance carried forward from previous period | (36,210) | 8,680 | 95,872 | 68,342 |
| Adjusted opening balance | (36,210) | 8,680 | 95,872 | 68,342 |
| Comprehensive income | | | | |
| Surplus/(deficit) for the period | (14,871) | – | – | – |
| Total comprehensive income | (14,871) | – | – | (14,871) |
| Transactions with owners | | | | |
| Contributions by owners | | | | |
| Departmental capital budget | – | – | 23,758 | 23,758 |
| Sub-total transactions with owners | – | – | 23,758 | 23,758 |
| Estimated closing balance as at 30 June 2020 | (51,081) | 8,680 | 119,630 | 77,229 |
| Closing balance attributable to the Australian Government | (51,081) | 8,680 | 119,630 | 77,229 |

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | 2018-19 Estimated actual \$'000 | 2019-20 Budget \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 | 2022-23 Forward estimate \$'000 |
|---|--|-----------------------------|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations | 264,806 | 273,018 | 268,706 | 268,909 | 268,036 |
| Sale of goods and rendering of services | 3,894 | 3,939 | 3,971 | 3,971 | 3,909 |
| Net GST received | – | – | (375) | – | – |
| Total cash received | 268,700 | 276,957 | 272,302 | 272,880 | 271,945 |
| Cash used | | | | | |
| Employees | 191,177 | 195,184 | 194,268 | 195,161 | 195,231 |
| Suppliers | 78,306 | 80,997 | 78,034 | 77,719 | 76,194 |
| Borrowing costs | 71 | 80 | – | – | 520 |
| Total cash used | 269,554 | 276,261 | 272,302 | 272,880 | 271,945 |
| Net cash from/(used by) operating activities | (854) | 696 | – | – | – |
| INVESTING ACTIVITIES | | | | | |
| Cash used | | | | | |
| Purchase of property, plant and equipment and intangibles | 22,892 | 22,916 | 11,364 | 11,437 | 11,522 |
| Total cash used | 22,892 | 22,916 | 11,364 | 11,437 | 11,522 |
| Net cash from/(used by) investing activities | (22,892) | (22,916) | (11,364) | (11,437) | (11,522) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Contributed equity | 24,087 | 23,758 | 12,356 | 12,429 | 12,514 |
| Total cash received | 24,087 | 23,758 | 12,356 | 12,429 | 12,514 |
| Cash used | | | | | |
| Repayments of borrowings | 887 | 992 | 992 | 992 | 992 |
| Total cash used | 887 | 992 | 992 | 992 | 992 |
| Net cash from/(used by) financing activities | 23,200 | 22,766 | 11,364 | 11,437 | 11,522 |
| Net increase/(decrease) in cash held | (546) | 546 | – | – | – |
| Cash and cash equivalents at the beginning of the reporting period | 1,353 | 807 | 1,353 | 1,353 | 1,353 |
| Cash and cash equivalents at the end of the reporting period | 807 | 1,353 | 1,353 | 1,353 | 1,353 |

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

| | 2018-19 Estimated actual \$'000 | 2019-20 Budget \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 | 2022-23 Forward estimate \$'000 |
|--|--|-----------------------------|--|--|--|
| NEW CAPITAL APPROPRIATIONS | | | | | |
| Capital budget – Bill No.1 (DCB) | 12,640 | 23,758 | 12,356 | 12,429 | 12,514 |
| Total new capital appropriations | 12,640 | 23,758 | 12,356 | 12,429 | 12,514 |
| Provided for: | | | | | |
| Purchase of non-financial assets | 11,753 | 22,766 | 11,364 | 11,437 | 11,522 |
| Annual finance lease costs | 887 | 992 | 992 | 992 | 992 |
| Total items | 12,640 | 23,758 | 12,356 | 12,429 | 12,514 |
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations (a) | - | 150 | - | - | - |
| Funded by capital appropriation – DCB (b) | 22,892 | 22,766 | 11,364 | 11,437 | 11,522 |
| Total | 22,892 | 22,916 | 11,364 | 11,437 | 11,522 |
| RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE | | | | | |
| Total purchases | 22,892 | 22,916 | 11,364 | 11,437 | 11,522 |
| Plus annual finance lease costs | 887 | 992 | 992 | 992 | 992 |
| Total cash used to acquire assets | 23,779 | 23,908 | 12,356 | 12,429 | 12,514 |

Prepared on Australian Accounting Standards basis.

(a) Includes current Bill (No. 2) and prior Acts (No. 2, 4 and 6) appropriations.

(b) Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets (DCBs).

Table 3.6: Statement of asset movements (2019-20 budget year)

| | Buildings \$'000 | Other property, plant and equipment \$'000 | Computer software and intangibles \$'000 | Total \$'000 |
|---|---------------------|--|--|-----------------|
| As at 1 July 2019 | | | | |
| Gross book value | 54,689 | 27,574 | 36,650 | 118,913 |
| Accumulated depreciation/ amortisation and impairment | (13,826) | (14,443) | (19,790) | (48,059) |
| Opening net book balance | 40,863 | 13,131 | 16,860 | 70,854 |
| CAPITAL ASSET ADDITIONS | | | | |
| Estimated expenditure on new or replacement assets | | | | |
| By purchase – appropriation equity (a) | 12,498 | 3,736 | 6,682 | 22,916 |
| Total additions | 12,498 | 3,736 | 6,682 | 22,916 |
| Other movements | | | | |
| Depreciation/amortisation expense | (5,858) | (6,192) | (2,821) | (14,871) |
| Total other movements | (5,858) | (6,192) | (2,821) | (14,871) |
| As at 30 June 2020 | | | | |
| Gross book value | 67,187 | 31,310 | 43,332 | 141,829 |
| Accumulated depreciation/amortisation and impairment | (19,684) | (20,635) | (22,611) | (62,930) |
| Closing net book balance | 47,503 | 10,675 | 20,721 | 78,899 |

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2019-20, including collection development acquisition budgets.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

| | 2018-19 Estimated actual \$'000 | 2019-20 Budget \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 | 2022-23 Forward estimate \$'000 |
|--|--|-----------------------------|--|--|--|
| EXPENSES | | | | | |
| Suppliers | 880 | 880 | 886 | 892 | 898 |
| Write-down and impairment of assets | 3,200 | 3,200 | 3,200 | 3,550 | 3,550 |
| Other expenses | 900 | 900 | 900 | 900 | 900 |
| Total expenses administered on behalf of government | 4,980 | 4,980 | 4,986 | 5,342 | 5,348 |
| LESS: | | | | | |
| Non-taxation revenue | | | | | |
| Other revenue | 81,751 | 83,419 | 84,167 | 85,903 | 87,450 |
| Total non-taxation revenue | 81,751 | 83,419 | 84,167 | 85,903 | 87,450 |
| Total own-source revenue administered on behalf of government | 81,751 | 83,419 | 84,167 | 85,903 | 87,450 |
| Total own-sourced income administered on behalf of government | 81,751 | 83,419 | 84,167 | 85,903 | 87,450 |
| Net (cost of)/contribution by services | (76,771) | (78,439) | (79,181) | (80,561) | (82,102) |
| Total comprehensive income/(loss) | (76,771) | (78,439) | (79,181) | (80,561) | (82,102) |

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

| | 2018-19 Estimated actual \$'000 | 2019-20 Budget \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 | 2022-23 Forward estimate \$'000 |
|---|--|-----------------------------|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 136 | 136 | 136 | 136 | 136 |
| Trade and other receivables | 4,599 | 4,599 | 4,599 | 4,599 | 4,599 |
| Total financial assets | 4,735 | 4,735 | 4,735 | 4,735 | 4,735 |
| Total assets administered on behalf of government | 4,735 | 4,735 | 4,735 | 4,735 | 4,735 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Other payables | 513 | 513 | 513 | 513 | 513 |
| Total payables | 513 | 513 | 513 | 513 | 513 |
| Total liabilities administered on behalf of government | 513 | 513 | 513 | 513 | 513 |
| Net assets/(liabilities) | 4,222 | 4,222 | 4,222 | 4,222 | 4,222 |

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

| | 2018-19 Estimated actual \$'000 | 2019-20 Budget \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 | 2022-23 Forward estimate \$'000 |
|---|--|-----------------------------|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Other | 78,551 | 80,219 | 80,967 | 82,353 | 83,900 |
| Total cash received | 78,551 | 80,219 | 80,967 | 82,353 | 83,900 |
| Cash used | | | | | |
| Suppliers | 880 | 880 | 886 | 892 | 898 |
| Other | 900 | 900 | 900 | 900 | 900 |
| Total cash used | 1,780 | 1,780 | 1,786 | 1,792 | 1,798 |
| Net cash from/(used by) operating activities | 76,771 | 78,439 | 79,181 | 80,561 | 82,102 |
| Net increase/(decrease) in cash held | 76,771 | 78,439 | 79,181 | 80,561 | 82,102 |
| Cash and cash equivalents at beginning of reporting period | 136 | 136 | 136 | 136 | 136 |
| Cash from Official Public Account for appropriations | 1,780 | 1,780 | 1,786 | 1,792 | 1,798 |
| Cash to Official Public Account for appropriations | (78,551) | (80,219) | (80,967) | (82,353) | (83,900) |
| Cash and cash equivalents at end of reporting period | 136 | 136 | 136 | 136 | 136 |

Prepared on Australian Accounting Standards basis.