

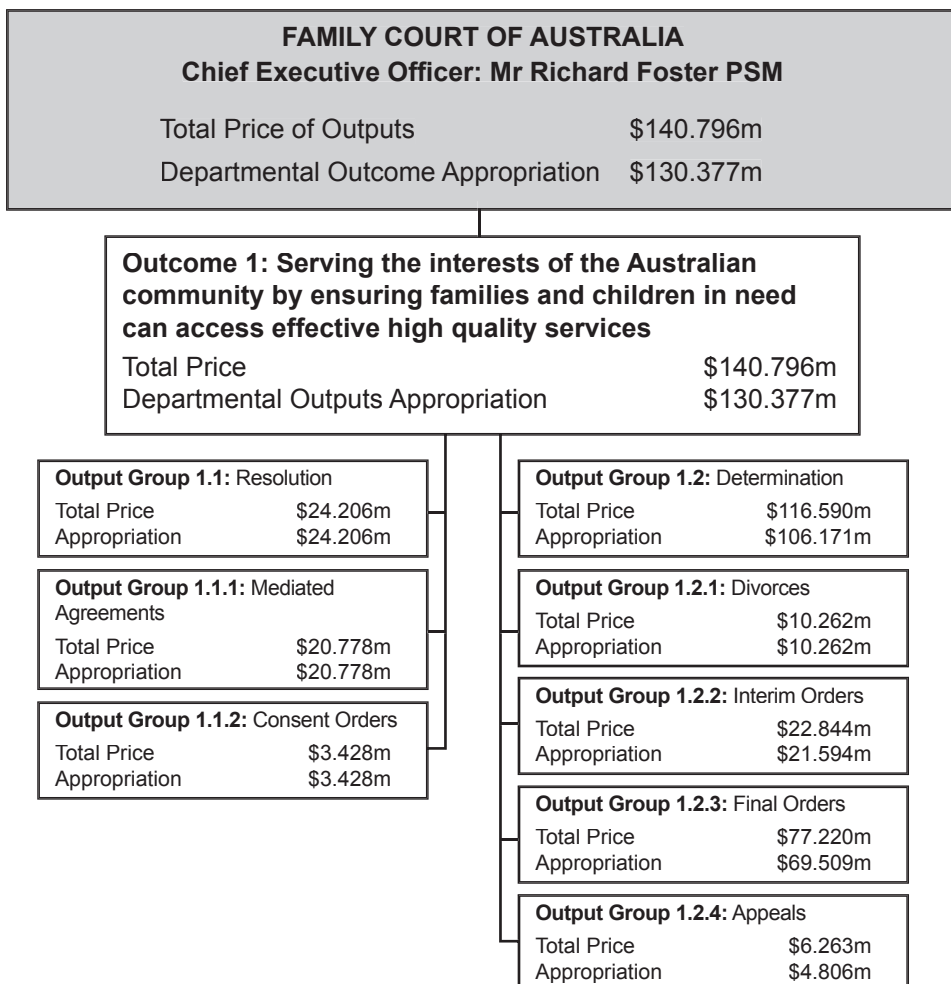
FAMILY COURT OF AUSTRALIA

Section 1: Agency overview and resources; variations and measures

OVERVIEW

There are no changes to the role, mission, or outcome and output structure of the Family Court of Australia (Family Court) as a result of additional estimates. However, the Family Court is currently revising the existing outcome and outputs structure to more appropriately reflect its changing role, as discussed in Section 1 'Overview' of the *Portfolio Budget Statements 2007-08*.

Figure 2: Outcome and output structure for Family Court of Australia



ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Variations—measures

The Family Court's revised budget and forward estimates have been adjusted to implement the election commitment savings measure of a one-off increase in the efficiency dividend of 2% commencing in 2007–08 of \$8.413m over four years. The forward estimates have been reduced by \$0.976m from the application of the annual 0.25% increase in the efficiency dividend. In addition, a judicial funding transfer to the Federal Magistrates Court of \$4.366m further reduces the funding for the Family Court.

Variations—other adjustments

Additional funding of \$2.904m has been provided over four years to meet the judicial and related offices salary increases determined by the Remuneration Tribunal for 2007–08. The additional estimates also include increases over a four-year period for wage cost indexation of \$0.758m.

Table 1.2: Additional estimates and variations to outcomes—measures

	2007–08 (\$'000)	2008–09 (\$'000)	2009–10 (\$'000)	2010–11 (\$'000)
Outcome 1				
Decreases in estimates (departmental)				
Transfer to FMC for appointment of new federal magistrates	(1,093)	(1,092)	(1,091)	(1,090)
Election savings commitment: 2% efficiency dividend	(603)	(2,595)	(2,598)	(2,617)
Efficiency dividend: increase in rate from 1% to 1.25% per annum	–	(324)	(325)	(327)
Total changes in departmental appropriation	(1,696)	(4,011)	(4,014)	(4,034)

Table 1.3: Additional estimates and variations to outcomes—other variations

	2007–08 (\$'000)	2008–09 (\$'000)	2009–10 (\$'000)	2010–11 (\$'000)
Outcome 1				
Variations (departmental)				
Supplementation for judicial and related offices salary increases (Remuneration Tribunal Determination 2007/11)	1,004	640	633	627
Wage cost index adjustments	–	215	216	327
Total variations in departmental appropriation	1,004	855	849	954

MEASURES—AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007–08 Budget

Measure	Outcome	Output groups affected	Appropriations 2007–08 (\$'000)			Appropriations 2008–09 (\$'000)			Appropriations 2009–10 (\$'000)			Appropriations 2010–11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
EXPENSE MEASURES														
Transfer to FMC for appointment of new federal magistrates	1	1.1, 1.2	–	(1,093)	(1,093)	–	(1,092)	(1,092)	–	(1,091)	(1,091)	–	(1,090)	(1,090)
Election savings commitment: 2% efficiency dividend	1	1.1, 1.2	–	(603)	(603)	–	(2,595)	(2,595)	–	(2,598)	(2,598)	–	(2,617)	(2,617)
Efficiency dividend: increase in rate from 1% to 1.25% per annum	1	1.1, 1.2	–	–	–	–	(324)	(324)	–	(325)	(325)	–	(327)	(327)
Total expense measures			–	(1,696)	(1,696)	–	(4,011)	(4,011)	–	(4,014)	(4,014)	–	(4,034)	(4,034)
Total of all measures			–	(1,696)	(1,696)	–	(4,011)	(4,011)	–	(4,014)	(4,014)	–	(4,034)	(4,034)

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007–08

	2006–07 Available (\$'000)	2007–08 Budget (\$'000)	2007–08 Revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
DEPARTMENTAL OUTPUTS					
Outcome 1					
Serving the interests of the Australian community by ensuring families and children in need can access effective high quality services	129,605 ¹	131,069	130,377	–	(692)
Total Family Court of Australia	129,605¹	131,069	130,377	–	(692)

Note:

1. Page 169, Note 19A of the Family Court's Annual Report 2006–07.

OTHER RESOURCES AVAILABLE TO BE USED

Table 1.8 provides details of other resources available to be used, which include *Financial Management and Accountability Act 1997* s. 31 receipts, special accounts (non-appropriation receipts) and resources received free of charge.

Table 1.8: Other resources available to be used

	Budget estimate 2007–08 (\$'000)	Revised estimate 2007–08 (\$'000)
Departmental other resources		
Sales of goods and services—FMA Act s. 31 ¹	2,000	2,000
Resources received free of charge ²	90	90
Liabilities assumed by the Attorney-General's Department ³	7,551	8,329
Total departmental other resources available to be used	9,641	10,419

Acts glossary: FMA Act = *Financial Management and Accountability Act 1997*.

Notes:

1. Sales of goods and services revenue includes photocopying charges, copies of decrees and other minor revenue.

2. Resources received free of charge are for services provided by the Australian National Audit Office in conducting the annual financial statements audit.

3. Liabilities assumed by the Attorney-General's Department relate to the *Judges' Pensions Act 1968* and revised estimate based on Remuneration Tribunal Decision 2007/11.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.10: Estimates of special account flows

	Outcome no.	Opening balance 2007–08 ¹ 2006–07 ¹ (\$'000)	Receipts 2007–08 2006–07 (\$'000)	Payments 2007–08 2006–07 (\$'000)	Closing balance 2007–08 2006–07 (\$'000)
Other Trust Money— FMA Act s. 20 (D) ²	1	1 1	– –	– –	1 1
Services for Other Government and Non-Agency Bodies Account— Family Court—FMA Act s. 20 (D) ²	1	501 501	– –	– –	501 501
Other Trust Money— FMA Act s. 20 (A)	1	28 –	250 97	250 69	28 28
Family Court of Australia Litigants Fund—Special Account— FMA Act s. 20 (A)	1	(425) –	400 294	400 719	(425) (425)
Total special accounts		105 502	650 391	650 788	105 105

D = Departmental.

A = Administered.

Acts glossary: FMA Act = *Financial Management and Accountability Act 1997*.

Notes:

1. The revised opening balance for 2007–08 is the same as the final closing balance for 2006–07. This balance has changed from that shown in the *Portfolio Budget Statements 2007–08* as the actual for 2006–07 has been updated to reflect the final budget outcome for that year.

2. The opening balances for the Departmental Special Account should be the opening balance for the Administered Special Account. This will be corrected at the next opportunity.

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Figure 2 displays the outcome statements and output groups for the Family Court.

There are no changes to the outcome and output structure as a result of additional estimates.

Apart from price as shown in Figure 2 there have been no changes to performance information.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental

Budgeted departmental income statement

Revenue has increased by a net \$0.086m. This is attributable to decreased appropriations of \$0.692 and an increase in other revenue of \$0.778m. The decrease in appropriations is comprised of a judicial transfer (\$1.093m) and the application of an additional 2% efficiency dividend (\$0.603m) offset by supplementation for a judicial pay rise (\$1.004m). The increase in other revenue is related to increases in liabilities assumed by related entities (\$0.778) for the judicial pay rise, primarily being for the Judges Pension Scheme contribution. Expenditure has decreased by \$0.931m as a result of these changes and reduced expenditure for activities associated with the de facto property Budget measure, which is attributable to delays in the passing of the de facto legislation.

Budgeted departmental balance sheet

The overall net change of \$0.687m from Budget reflects the flow-through impact of the 2006–07 operating result and balance sheet movements. This is made up of a reduction of \$2.201m in assets, primarily due to a decrease in non-financial assets of \$2.905m as a result of a decrease in land and buildings (\$2.044m). This is offset by an increase in financial assets of \$0.704m in the form of receivables (\$2.003m) offset with a decrease in cash (\$1.469m). There has also been a reduction of \$2.888m in liabilities arising from reduced payables (\$1.612m) and a decrease in provisions (\$1.276m).

Budgeted departmental statement of cash flows

The overall decrease of \$1.469m from Budget reflects the impact of the 30 June 2007 actual cash balance.

Departmental statement of changes in equity

The overall increase of \$0.687m from Budget reflects the flow-through impact of the 30 June 2007 actual accumulated results totalling \$0.857m (actual \$0.160m deficit in 2006–07 and budgeted \$1.017m surplus in 2007–08), and a reduction in contributed equity of \$0.170m.

Departmental property, plant, equipment and intangibles

The overall decrease from Budget of \$2.128m in the opening asset balances reflects the impact of the 30 June 2007 actuals.

Administered

Schedule of budgeted assets and liabilities administered on behalf of Government

The overall reduction of \$0.003m from Budget reflects the impact of the 30 June 2007 actual cash balance.

BUDGETED FINANCIAL STATEMENTS TABLES

Departmental financial statements

Table 3.1: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
INCOME					
Revenue					
Revenue from Government	129,448	130,377	127,028	127,217	128,217
Goods and services	724	2,000	2,000	2,000	2,000
Interest	3	–	–	–	–
Other	2,357	–	–	–	–
Total revenue	132,532	132,377	129,028	129,217	130,217
Gains					
Other	7,583	8,419	8,419	8,419	8,419
Total gains	7,583	8,419	8,419	8,419	8,419
Total income	140,115	140,796	137,447	137,636	138,636
EXPENSES					
Employees	76,683	76,245	75,141	75,096	75,638
Suppliers	56,722	54,516	53,333	53,575	54,033
Depreciation and amortisation	6,739	9,018	8,973	8,965	8,965
Impairment of assets	12	–	–	–	–
Net losses from sale of assets	101	–	–	–	–
Other	18	–	–	–	–
Total expenses	140,275	139,779	137,447	137,636	138,636
Net surplus or (deficit) attributable to the Australian Government	(160)	1,017	–	–	–

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

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
ASSETS					
Financial assets					
Cash and cash equivalents	2,390	2,390	2,390	2,390	2,390
Receivables	23,770	26,605	28,378	30,143	31,908
Accrued revenues	597	597	597	597	597
Total financial assets	26,757	29,592	31,365	33,130	34,895
Non-financial assets					
Land and buildings	9,232	8,707	8,112	7,525	6,938
Infrastructure, plant and equipment	7,144	6,789	6,361	5,933	5,505
Inventories	172	172	172	172	172
Intangibles	2,083	2,633	3,183	3,733	4,283
Other	2,503	2,503	2,503	2,503	2,503
Total non-financial assets	21,134	20,804	20,331	19,866	19,401
Total assets	47,891	50,396	51,696	52,996	54,296
LIABILITIES					
Payables					
Suppliers	3,764	3,764	3,764	3,764	3,764
Other payables	1,155	1,155	1,155	1,155	1,155
Total payables	4,919	4,919	4,919	4,919	4,919
Provisions					
Employees	21,719	23,019	24,319	25,619	26,919
Other provisions	2,359	2,359	2,359	2,359	2,359
Total provisions	24,078	25,378	26,678	27,978	29,278
Total liabilities	28,997	30,297	31,597	32,897	34,197
EQUITY					
Parent entity interest					
Contributed equity	4,456	4,644	4,644	4,644	4,644
Reserves	4,751	4,751	4,751	4,751	4,751
Retained surpluses or accumulated deficits	9,687	10,704	10,704	10,704	10,704
Total parent entity interest	18,894	20,099	20,099	20,099	20,099
Total equity	18,894	20,099	20,099	20,099	20,099
Current assets	26,929	29,764	31,537	33,302	35,067
Non-current assets	20,962	20,632	20,159	19,694	19,229
Current liabilities	6,005	6,070	6,135	6,200	6,265
Non-current liabilities	22,992	24,227	25,462	26,697	27,932

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
OPERATING ACTIVITIES					
Cash received					
Goods and services	3,034	2,000	2,000	2,000	2,000
Appropriations	126,505	127,542	125,255	125,452	126,452
Net GST received	7,918	4,396	4,396	4,867	4,867
Other cash received	3	–	–	–	–
Total cash received	137,460	133,938	131,651	132,319	133,319
Cash used					
Employees	69,943	66,966	65,862	65,817	66,009
Suppliers	57,021	54,076	52,893	53,135	53,943
Net GST paid	7,622	4,396	4,396	4,867	4,867
Total cash used	134,586	125,438	123,151	123,819	124,819
Net cash from or (used by) operating activities	2,874	8,500	8,500	8,500	8,500
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	7	–	–	–	–
Total cash received	7	–	–	–	–
Cash used					
Purchase of property, plant and equipment	4,350	8,688	8,500	8,500	8,500
Total cash used	4,350	8,688	8,500	8,500	8,500
Net cash from or (used by) investing activities	(4,343)	(8,688)	(8,500)	(8,500)	(8,500)
FINANCING ACTIVITIES					
Cash received					
Appropriations—contributed equity	–	188	–	–	–
Total cash received	–	188	–	–	–
Net cash from or (used by) financing activities	–	188	–	–	–
Net increase or (decrease) in cash held	(1,469)	–	–	–	–
Cash at the beginning of the reporting period	3,859	2,390	2,390	2,390	2,390
Cash at the end of the reporting period	2,390	2,390	2,390	2,390	2,390

Table 3.4: Departmental statement of changes in equity—summary of movement (Budget year 2007–08)

	Accumulated results (\$'000)	Asset revaluation reserve (\$'000)	Contributed equity/ capital (\$'000)	Total equity (\$'000)
Opening balance as at 1 July 2007				
Balance carried forward from previous period	9,687	4,751	4,456	18,894
Adjusted opening balance	9,687	4,751	4,456	18,894
Income and expenses				
Net operating result	1,017	–	–	1,017
Total income and expenses	1,017	–	–	1,017
Transactions with owners				
Contribution by owners				
<i>Appropriation (equity injection)</i>	–	–	188	188
Sub-total transactions with owners	–	–	188	188
Estimated closing balance as at 30 June 2008	10,704	4,751	4,644	20,099

Table 3.5: Departmental capital budget statement

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
CAPITAL APPROPRIATIONS					
Total equity injections	–	188	–	–	–
Total capital appropriations	–	188	–	–	–
Represented by					
Purchase of non-financial assets	–	188	–	–	–
Total represented by	–	188	–	–	–
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	–	188	–	–	–
Funded internally by departmental resources	4,350	8,500	8,500	8,500	8,500
Total	4,350	8,688	8,500	8,500	8,500

Table 3.6: Departmental property, plant, equipment and intangibles—summary of movement (Budget year 2007–08)

	Buildings (\$'000)	Other infrastructure, plant and equipment (\$'000)	Computer software (\$'000)	Total (\$'000)
As at 1 July 2007				
Gross book value	13,637	8,895	14,847	37,379
Accumulated depreciation	(4,405)	(1,751)	(12,764)	(18,920)
Opening net book value	9,232	7,144	2,083	18,459
Additions				
<i>By purchase</i>	2,115	3,073	3,500	8,688
Depreciation/amortisation expense	(2,640)	(3,428)	(2,950)	(9,018)
As at 30 June 2008				
Gross book value	15,752	11,968	18,347	46,067
Accumulated depreciation	(7,045)	(5,179)	(15,714)	(27,938)
Estimated closing net book value	8,707	6,789	2,633	18,129

Note: Table excludes 'gross value disposals—cash consideration' of \$2.200m offset by related accumulated depreciation of \$2.200m.

Schedule of administered activity

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

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Goods and services	1,936				
Other sources of non-taxation revenue		2,500	2,500	2,500	2,500
Total non-taxation	1,936	2,500	2,500	2,500	2,500
Total revenue administered on behalf of Government	1,936	2,500	2,500	2,500	2,500
Total income administered on behalf of Government	1,936	2,500	2,500	2,500	2,500
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Other	21	—	—	—	—
Total expenses administered on behalf of Government	21	—	—	—	—

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

	Actual 2006-07 (\$'000)	Revised budget 2007-08 (\$'000)	Forward estimate 2008-09 (\$'000)	Forward estimate 2009-10 (\$'000)	Forward estimate 2010-11 (\$'000)
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	32	32	32	32	32
Total financial assets	32	32	32	32	32
Total assets administered on behalf of Government	32	32	32	32	32

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

	Actual 2006-07 (\$'000)	Revised budget 2007-08 (\$'000)	Forward estimate 2008-09 (\$'000)	Forward estimate 2009-10 (\$'000)	Forward estimate 2010-11 (\$'000)
OPERATING ACTIVITIES					
Cash received					
Sales of goods	1,936	–	–	–	–
Other	49	2,500	2,500	2,500	2,500
Total cash received	1,985	2,500	2,500	2,500	2,500
Cash used					
Cash to Official Public Account	1,965	2,500	2,500	2,500	2,500
Other	20	–	–	–	–
Total cash used	1,985	2,500	2,500	2,500	2,500
Net cash from operating activities	–	–	–	–	–
Net increase or (decrease) in cash held	–	–	–	–	–
Cash at beginning of reporting period	32	32	32	32	32
Cash at end of reporting period	32	32	32	32	32

NOTES TO THE FINANCIAL STATEMENTS

Departmental

Basis of accounting

The department's budgeted financial statements have been prepared in accordance with Finance Minister's Orders for reporting periods ending on or after 1 July 2006; and Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that apply for the reporting period.

The statements have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or financial position.

Revenue from Government

Amounts appropriated for departmental outputs appropriations for the year (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.

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

Services provided free of charge

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

- Family Court staff perform work on behalf of the FMC, and
- accommodation, including access to courtrooms.

It is estimated that the cost of resources provided free of charge by the Family Court to the FMC during 2007-08 will be \$14.885m.

The Family Court also provided resources free of charge to the Federal Court of Australia. It is estimated that the cost of these resources in 2007–08 will be \$0.546m. The resources provided free of charge included accommodation and other property costs for Sydney Commonwealth Law Courts.

The Family Court provides similar levels of support to the Federal Court of Australia and the Federal Magistrates Court across all financial years as shown in the budgeted financial statements.

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

The Family Court's assets are made up of cash, receivables, prepayments, intangibles, computer software, inventories, land and buildings, 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

Basis of accounting

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

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 (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA 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 the service is lodged with the Family Court. It is recognised at its nominal amount. Collectibility of debts is reviewed at balance date. Provisions are made when collection of a debt is no longer probable.

