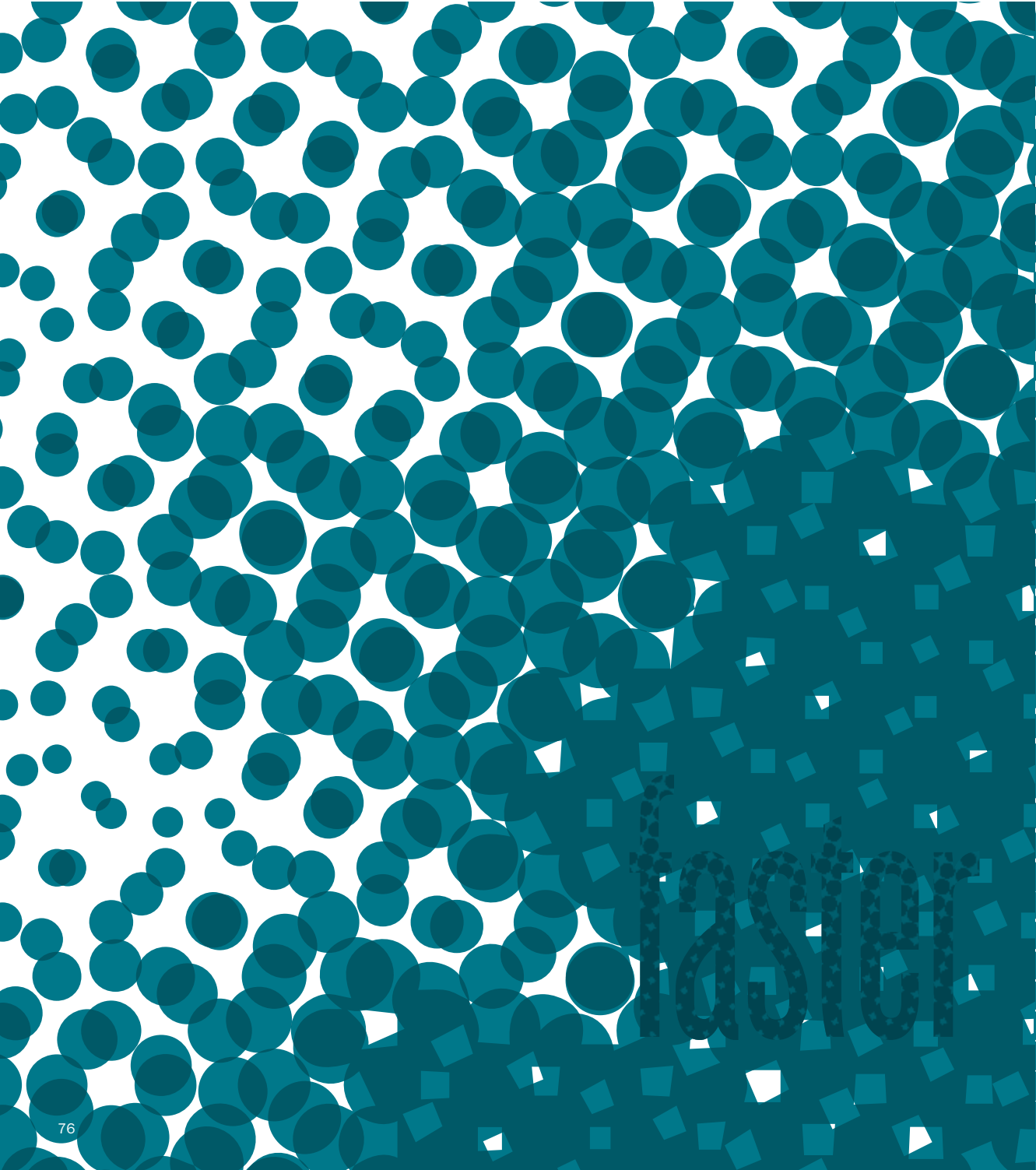


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Cohesive

Native Title

Intellectual Property

Regional

process

FEDERAL COURT OF AUSTRALIA

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

To the Attorney General

I have audited the accompanying annual financial statements of the Federal Court of Australia for the year ended 30 June 2015, which comprise:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Schedule of Commitments;
- Administered Schedule of Comprehensive Income;
- Administered Schedule Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statements;
- Schedule of Administered Commitments; and
- Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Registrar's Responsibility for the Financial Statements

The Registrar of the Federal Court of Australia is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The Registrar of the Federal Court of Australia is also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

GPO Box 707 CANBERRA ACT 2601
19 Federal Court BARTON ACT
Phone (02) 6203 7200 Fax (02) 6203 7777

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Registrar of the Federal Court of Australia, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

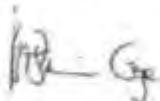
In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Federal Court of Australia:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2013*; and
- (b) present fairly the financial position of the Federal Court of Australia as at 30 June 2015 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Kristian Gage
Audit Principal
Delegate of the Auditor-General
Canberra
1 September 2015

FEDERAL COURT OF AUSTRALIA

STATEMENT BY THE REGISTRAR AND CHIEF FINANCE OFFICER

FEDERAL COURT OF AUSTRALIA

STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2015 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Court will be able to pay its debts as and when they fall due.

Signed 

Warwick Soden
Registrar
Accountable Authority

01 September 2015

Signed 

Peter Bowen
Chief Financial Officer

01 September 2015

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2015

	NOTES	2015 \$'000	2014 \$'000
NET COST OF SERVICES			
Expenses			
Judge benefits	4A	33,366	34,105
Employee benefits	4A	44,962	46,023
Suppliers	4B	49,128	47,730
Depreciation and amortisation	4C	4,702	4,691
Finance costs	4D	17	45
Write-down and impairment of assets	4E	661	133
Total expenses		132,836	132,727
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	5A	3,323	3,673
Total own-source revenue		3,323	3,673
Gains			
Gain on sale of assets		3	–
Other gains	5B	32,868	32,712
Total gains		32,871	32,712
Total own-source income		36,194	36,385
Net cost of services		(96,642)	(96,342)
Revenue from Government	5C	92,419	93,213
(Deficit) attributable to Australian Government		(4,223)	(3,129)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		–	5,490
Total other comprehensive income		–	5,490
Total comprehensive income/(loss)		(4,223)	2,361

The above statement should be read in conjunction with the accompanying notes.

FEDERAL COURT OF AUSTRALIA

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	NOTES	2015 \$'000	2014 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	7A	603	576
Trade and other receivables	7B	49,348	46,387
Total financial assets		49,951	46,963
Non-Financial Assets			
Land and buildings	8A	15,007	16,320
Property, plant and equipment	8B	7,022	7,489
Intangibles	8C	3,938	4,883
Other non-financial assets	8E	1,159	956
Total non-financial assets		27,126	29,648
Total Assets		77,077	76,611
LIABILITIES			
Payables			
Suppliers	9A	2,070	1,407
Other Payables	9B	2,455	2,772
Total payables		4,525	4,179
Interest Bearing Liabilities			
Leases	10	42	409
Total interest bearing liabilities		42	409
Provisions			
Judge and employee provisions	11A	20,614	20,061
Other provisions	11B	84	254
Total provisions		20,698	20,315
Total Liabilities		25,265	24,903
Net Assets		51,812	51,708
EQUITY			
Contributed equity		42,861	38,534
Reserves		7,074	7,074
Retained surplus		1,877	6,100
Total Equity		51,812	51,708

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2015

	RETAINED EARNINGS		ASSET REVALUATION SURPLUS		CONTRIBUTED EQUITY/ CAPITAL		TOTAL EQUITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Opening balance	6,100	9,229	7,074	1,584	38,534	35,368	51,708	46,181
Comprehensive Income								
Other Comprehensive Income	–	–	–	5,490	–	–	–	5,490
(Deficit) for period	(4,223)	(3,129)	–	–	–	–	(4,223)	(2,147)
Total comprehensive income	(4,223)	(3,129)	–	5,490	–	–	(4,223)	2,361
Transactions with owners								
Contributions by owners								
Departmental Capital Budget	–	–	–	–	4,327	3,166	4,327	3,166
Total transactions with owners	–	–	–	–	4,327	3,166	4,327	3,166
Closing balance as at 30 June	1,877	6,100	7,074	7,074	42,861	38,534	51,812	51,708
Closing balance attributable to the Australian Government	1,877	6,100	7,074	7,074	42,861	38,534	51,812	51,708

The above statement should be read in conjunction with the accompanying notes.

FEDERAL COURT OF AUSTRALIA

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2015

	NOTES	2015 \$'000	2014 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		92,443	96,437
Sale of goods and rendering of services		3,408	3,272
Receipts from Government		341	35
Net GST received		677	106
Total cash received		96,869	99,850
Cash used			
Judges and employees		65,881	67,550
Suppliers		28,416	27,799
Borrowing costs		17	46
Section 74 receipts transferred to OPA		3,300	3,546
Total cash used		97,614	98,941
Net cash from / (used by) operating activities	12	(745)	909
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		4	–
Total cash received		4	–
Cash used			
Purchase of property, plant and equipment		2,267	2,482
Purchase of intangibles		364	2,725
Total cash used		2,631	5,207
Net cash (used by) investing activities		(2,627)	(5,207)
FINANCING ACTIVITIES			
Cash received			
Appropriations – contributed equity		3,766	4,998
Total cash received		3,766	4,998
Cash used			
Payment of finance lease liabilities		367	403
Total cash used		367	403
Net cash from financing activities		3,399	4,595
Net increase / (decrease) in cash held		27	297
Cash at the beginning of the reporting period		576	279
Cash at the end of the reporting period	7A	603	576

The above statement should be read in conjunction with the accompanying notes.

FEDERAL COURT OF AUSTRALIA

SCHEDULE OF COMMITMENTS

AS AT 30 JUNE 2015

	2015 \$'000	2014 \$'000
BY TYPE		
Commitments receivable		
Net GST recoverable on commitments	137	251
Total commitments receivable	137	251
Commitments payable		
Capital commitments		
Property, plant and equipment ¹	–	123
Total capital commitments	–	123
Other commitments		
Operating leases ²	1,141	2,318
Other ³	369	314
Total other commitments	1,510	2,632
Total commitments payable	1,510	2,755
Net commitments by type	1,373	2,504
BY MATURITY		
Commitments receivable		
Within 1 year	111	111
Between 1 and 5 years	26	85
Total commitments receivable	137	251
Commitments payable		
Capital commitments		
Within 1 year	–	123
Total capital commitments	–	123
Operating lease commitments		
Within 1 year	857	1,386
Between 1 and 5 years	284	932
Total operating lease commitments	1,141	2,318
Other commitments		
Within 1 year	369	311
Between 1 and 5 years	–	3
Total other commitments	369	314
Net Commitments by Maturity	1,373	2,504

NB: Commitments are GST inclusive where relevant.

FEDERAL COURT OF AUSTRALIA

SCHEDULE OF COMMITMENTS

AS AT 30 JUNE 2015

1. Plant and equipment commitments are primarily contracts for the purchase of furniture and fittings.

Nature of leases/General description

2. Operating leases included are effectively non-cancellable and comprise:

Leases for judicial and other accommodation.

These commitments are mainly for rental of special purpose court buildings which are occupied by the Court's registries. The court buildings are owned by the Commonwealth of Australia, except for the New South Wales court building, which is owned by Law Courts Limited, a joint venture between the NSW State and Commonwealth Governments. In the Northern Territory, space is leased from the Northern Territory Government. The Court also leases commercial premises in Cairns for the National Native Title Tribunal. As at 30 June 2015, the Court had no signed leases for the Commonwealth Law Courts Buildings and therefore has no commitment for future expenditure for these premises.

Agreements for the provision of motor vehicles to judges and senior officers.

From February 2013 vehicles are leased from sgFleet under contractual terms. These vehicles are leased under individual operating leases.

3. Other commitments - The Court has entered into commitments for the provision of information technology and library goods and services.

The above schedule should be read in conjunction with the accompanying notes.

ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2015

	NOTES	2015 \$'000	2014 \$'000
NET COST OF SERVICES			
Expenses			
Refund of Court Fees and Fines	16	568	411
Write-down and impairment of assets	16	400	426
Total expenses		968	837
Income			
Revenue			
Non-taxation Revenue			
Fees (filing and hearing fees)	17	17,158	19,135
Fines	17	486	739
Other revenue	17	102	195
Total non-taxation revenue		17,746	20,069
Total revenue		17,746	20,069
Net contribution by services		16,778	19,232
OTHER COMPREHENSIVE INCOME			
		–	–
Total comprehensive income		16,778	19,232

The above statement should be read in conjunction with the accompanying notes.

FEDERAL COURT OF AUSTRALIA

ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES FOR THE PERIOD ENDED 30 JUNE 2015

	NOTES	2015 \$'000	2014 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	18A	59	29
Receivables	18B	2,838	1,926
Total assets administered on behalf of Government		2,897	1,955
LIABILITIES			
Payables			
Other payables	19A	1,168	132
Total payables		1,168	132
Total liabilities administered on behalf of Government		1,168	132
Net assets		1,729	1,823
ADMINISTERED RECONCILIATION SCHEDULE			
Opening assets less liabilities as at 1 July		1,823	2,639
Net contribution by services			
Income		17,746	20,069
Expenses		(968)	(837)
Transfers to/from the Australian Government:			
Administered assets and liabilities appropriations		580	420
Transfers to OPA		(17,452)	(20,468)
Closing assets less liabilities as at 30 June		1,729	1,823

This schedule should be read in conjunction with the accompanying notes.

ADMINISTERED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2015

	NOTES	2015 \$'000	2014 \$'000
OPERATING ACTIVITIES			
Cash received			
Fees		16,874	19,514
Fines		486	739
Other		102	195
Total cash received		17,462	20,448
Cash used			
Refund of court fees and fines		560	411
Total cash used		560	411
Net cash from operating activities		16,902	20,037
Net increase in cash held	20	16,902	20,037
Cash at the beginning of the reporting period		29	40
Cash from Official Public Account			
Appropriations		580	420
		580	420
Cash to Official Public Account		(17,452)	(20,468)
		(17,452)	(20,468)
Cash at the end of the reporting period	18A	59	29
Schedule of Administered Commitments as at 30 June 2015			
There were no Administered commitments as at 30 June 2015. (2014: nil)			

This schedule should be read in conjunction with the accompanying notes.

FEDERAL COURT OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1:	Summary of Significant Accounting Policies
Note 2:	Events After the Reporting Period
Note 3:	Net Cash Appropriation Arrangements
Note 4:	Expenses
Note 5:	Own-Source Income
Note 6:	Fair Value Measurements
Note 7:	Financial Assets
Note 8:	Non-Financial Assets
Note 9:	Payables
Note 10:	Interest Bearing Liabilities
Note 11:	Provisions
Note 12:	Cash Flow Reconciliation
Note 13:	Senior Management Personnel Remuneration
Note 14:	Financial Instruments
Note 15:	Financial Assets Reconciliation
Note 16:	Administered - Expenses
Note 17:	Administered - Income
Note 18:	Administered - Financial Assets
Note 19:	Administered - Payables
Note 20:	Administered - Cash Flow Reconciliation
Note 21:	Administered Financial Instruments
Note 22:	Administered Financial Assets Reconciliation
Note 23:	Appropriations
Note 24:	Special Accounts
Note 25:	Reporting of Outcomes
Note 26:	Budgetary Reports and Explanations of Major Variances

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 OBJECTIVES OF THE COURT

The Federal Court of Australia is an Australian Government controlled entity. The Court is a not for profit entity. The objectives of the Court are to:

- decide disputes according to law promptly, courteously and effectively; and in so doing to interpret the statutory law and develop the general law of the Commonwealth, so as to fulfil the role of a court exercising the judicial power of the Commonwealth under the Constitution;
- provide an effective registry service to the community; and
- manage the resources allotted by Parliament efficiently.

The Court is structured to meet one Outcome:

Outcome: To apply and uphold the rule of law to deliver remedies and enforce rights and in so doing, contribute to the social and economic development and well-being of all Australians.

The Court's activities contributing toward this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenue and expenses controlled or incurred by the Court in its own right. Administered activities involve the management or oversight by the Court, on behalf of the Government, of items controlled or incurred by the Government.

The Court conducts the following administered activity on behalf of the Government:

The collection of fees and fines.

The continued existence of the Court in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the Court's administration and programs.

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision in *Williams v Commonwealth* [2014] HCA 23, as they contribute

to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

1.2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements and notes have been prepared in accordance with:

- Financial Reporting Rule (FRR) for reporting periods ending on or after 1 July 2014; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless alternative treatment is specifically required by an Accounting Standard or the FRR, assets and liabilities are recognised in the statement of financial position when and only when it is probable that future economic benefits will flow to the Court or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments and the schedule of contingencies.

FEDERAL COURT OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.4 CHANGES IN AUSTRALIAN ACCOUNTING STANDARDS

Adoption of new Australian Accounting Standard requirements

The Court has elected to early adopt AASB2015-7 which provides relief for not-for-profit public sector entities from making certain specified disclosures about the fair value measurement of assets measured at fair value and categorised within Level 3 of the fair value hierarchy.

All other standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect, and are not expected to have a future material effect, on the entity's financial statements.

Future Australian Accounting Standard requirements

New standards, amendments to standards, and interpretations that are applicable to future periods have been issued by the Australian Accounting Standards Board.

ACCOUNTING STANDARD	SUMMARY OF CHANGES	EFFECTIVE DATE	POSSIBLE IMPACT
AASB 15 Revenue from Contracts with Customers	AASB 15:- establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers, with revenue recognised as 'performance obligations' are satisfied; and- will apply to contracts of Not For Profit entities that are exchange transactions. AASB 1004 Contributions will continue to apply to non-exchange transactions until the Income for Not For Profit project is completed.	1 Jan 2017	Depending on the nature of the transaction the new Standard may have a significant impact on the timing of the recognition of revenue. Final outcome will need to be considered once the related Income for Not For Profit project is completed.

1.5 REVENUE

Revenue from the sale of goods is recognised when:

- a) the risks and rewards of ownership have been transferred to the buyer;
- b) the Court retains no managerial involvement or effective control over the goods;
- c) the revenue and transaction costs incurred can be reliably measured; and
- d) it is probable that the economic benefits associated with the transaction will flow to the Court.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- a) The amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- b) The probable economic benefits associated with the transaction will flow to the Court.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the balance date. Allowances are made when collection of the debt is no longer probable.

Revenue from Government

Amounts appropriated for departmental outputs appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Court gains control of the appropriation, except for certain amounts that relate to activities which are reciprocal in nature, in which case revenue has been recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

1.6 GAINS

Resources Received Free of Charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of these resources is recognised as an expense. Resources received free of charge are recognised as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructure of administrative arrangements.

Sale of Assets

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

1.7 TRANSACTIONS WITH THE GOVERNMENT AS OWNER

Equity Injections

Amounts appropriated which are designated as 'equity injections' (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Other Distributions to owners

The FRR require that distributions to owners be debited to contributed equity unless it is in the nature of a dividend.

1.8 JUDGE AND EMPLOYEE BENEFITS

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long term judge and employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Court is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that applied at the time the leave is taken. This includes the Court's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

FEDERAL COURT OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The long service leave provision is based on the Court's estimated liability at balance date. Court staff employed under the *Public Service Act 1999* accrue 3 months long service leave after 10 years service, and proportionally thereafter. The estimate of the present liability takes into account attrition rates and pay increases through promotion and inflation. Judges accrue 6 months long leave after 5 years of service. In recognition of the nature of Judges' tenure, a provision is accrued from the first year of service.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Court recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Staff of the Court are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap). Some staff members elect to have contributions made to another superannuation fund of their choice.

The CSS and PSS are defined benefit schemes for the Commonwealth. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedule and notes.

The Court makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Court accounts for the contributions as if they were contributions to defined contribution plans. For those staff members who have elected to have contributions made to a scheme of their choice, the Court makes payments of at least the amount required under Commonwealth legislation.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

Judges' Pension

Under the *Judges' Pension Act 1968*, Federal Court Judges are entitled to a non-contributory pension upon retirement after 6 years service. Where entitlements are not available under the Judges Pension Act 1968, entitlements are available under the *Superannuation (Productivity Benefit) Act 1988*. As the liability for these pension payments is assumed by the Australian Government, the Court has not recognised a liability for unfunded superannuation liability. The Court does, however, recognise an expense and a corresponding revenue item, "Liabilities assumed by other agencies", in respect of the notional amount of the employer contributions to Judges' pensions for the reporting period amounting to \$12,739,899 (2013-14: \$12,567,170). The contribution rate has been provided by the Australian Government Actuary.

1.9 LEASES

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

1.10 FAIR VALUE MEASUREMENT

The Court deems transfers between levels of the fair value hierarchy to have occurred when advised by an independent valuer of a change in the market for particular items.

1.11 CASH

Cash means notes and coins held and any deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.12 FINANCIAL ASSETS

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. The Court does not have any loans at 30 June 2015. Receivables are recognised at their nominal amount.

Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

- Financial assets carried at cost – If there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.13 FINANCIAL LIABILITIES

Supplier and other payables

Supplier and other payables are recognised at nominal cost. Liabilities are recognised to the extent that the goods or services have been received, irrespective of having been invoiced.

1.14 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.15 ACQUISITION OF ASSETS

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

1.16 PROPERTY, PLANT AND EQUIPMENT

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases of:

- assets other than information technology equipment costing less than \$2,000; and
- information technology equipment costing less than \$1,500.

which are expensed in the year of acquisition other than where they form part of a group of similar items, which are significant in total.

FEDERAL COURT OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Revaluations

Following initial recognition at cost, buildings, infrastructure, plant and equipment were carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class previously recognised in the surplus / (deficit). Revaluation decrements for a class of assets are recognised directly through the Income Statement except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the valuation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Court using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation and amortisation rates for each class of depreciable asset are based on the following useful lives:

	2015	2014
Leasehold improvements	10 to 20 years or Lease term	10 to 20 years or Lease term
Plant and equipment – excluding library materials	3 to 100 years	3 to 100 years
Plant and equipment – library materials	5 to 10 years	5 to 10 years

Impairment

All assets are assessed for impairment at 30 June. Where indications of impairment exist, the asset's recoverable amount is estimated and an adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Court were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

1.17 INTANGIBLES

The Court's intangibles comprise externally and internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment loss.

Software is amortised on a straight line basis over its anticipated useful life of 5 years (2013-14: 5 years).

All software assets were assessed for indications of impairment at 30 June 2015.

1.18 TAXATION

The Court is exempt from all forms of taxation except fringe benefits tax (FBT) and goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australia Taxation Office; and
- for receivables and payables.

1.19 RESOURCES PROVIDED FREE OF CHARGE

For the period 1 July 2014 to 30 June 2015, the Court provided \$9,865,653 worth of resources free of charge to the Federal Circuit Court. (2014: \$9,770,598).

1.20 REPORTING OF ADMINISTERED ACTIVITIES

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

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

Administered Cash Transfers to and from Official Public Account (OPA)

Revenue collected by the Court for use by the Government rather than the Court is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. 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 Court on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

Revenue

All administered revenues are revenues relating to the course of ordinary activities performed by the Court on behalf of the Australian Government. As such, administered appropriations are not revenues of the Court.

Fees are charged for services provided by the Court to litigants under the Federal Court and Federal Magistrates Court Regulation 2012.

Revenue from fees is recognised at the time the services are performed. The services are performed at the same time as, or within two days of, the fees becoming due and payable. It is recognised at its nominal amount due less any impairment allowance. Collectability of debts is reviewed at the end of the reporting period. Impairment allowances are made when collectability of the debt is judged to be less, rather than more, likely. Revenue from fines is recognised in the period in which the invoice for the fine is raised.

FEDERAL COURT OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 2: EVENTS AFTER THE REPORTING PERIOD

DEPARTMENTAL

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the Court.

ADMINISTERED

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the Court.

NOTE 3: NET CASH APPROPRIATION ARRANGEMENTS

	2015 \$'000	2014 \$'000
Total comprehensive income (loss) less depreciation / amortisation expenses previously funded through revenue appropriations¹	479	7,052
Plus: depreciation/ amortisation expenses previously funded through revenue appropriation	(4,702)	(4,691)
Total comprehensive income (loss) as per the Statement of Comprehensive Income	(4,223)	2,361

1. From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

NOTE 4: EXPENSES

NOTE 4A: JUDGE AND EMPLOYEE BENEFITS

	2015 \$'000	2014 \$'000
Judge remuneration	20,626	21,538
Judge notional superannuation	12,740	12,567
	33,366	34,105
Employee wage & salaries	34,753	35,419
Employee superannuation	5,664	6,099
Leave and other entitlements	3,699	3,436
Employee separation and redundancies	846	1,069
	44,962	46,023
Total judge and employee benefits	78,328	80,128

NOTE 4B: SUPPLIERS

	2015 \$'000	2014 \$'000
Goods and services supplied or rendered		
Property operating costs	2,352	2,506
Library purchases	4,180	4,080
Information technology expenditure	4,472	4,003
Travel expenditure	3,698	3,553
Contractors and consultants	3,399	2,524
Other goods and services	4,186	3,875
Total goods and services supplied or rendered	22,287	20,541
Goods and services supplied or rendered in connection with		
Provision of goods - external parties	2,975	2,777
Rendering of services - related entities	1,001	1,482
Rendering of services - external parties	18,311	16,282
Total goods and services supplied or rendered	22,287	20,541
Other suppliers		
Operating lease rentals in connection with external parties:		
Minimum lease payments	26,270	26,715
Workers compensation premiums	571	474
Total other supplier expenses	26,841	27,189
Total supplier expenses	49,128	47,730

NOTE 4C: DEPRECIATION AND AMORTISATION

	2015 \$'000	2014 \$'000
Depreciation:		
Buildings	1,623	2,022
Property, plant and equipment	1,425	1,588
Total depreciation	3,048	3,610
Amortisation:		
Intangibles	1,314	692
Leased plant and equipment	340	389
Total amortisation	1,654	1,081
Total depreciation and amortisation	4,702	4,691

NOTE 4D: FINANCE COSTS

	2015 \$'000	2014 \$'000
Finance leases	17	45
Total finance costs	17	45

FEDERAL COURT OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 4E: WRITE-DOWN AND IMPAIRMENT OF ASSETS

	2015 \$'000	2014 \$'000
Financial assets		
Impairment on financial instruments	3	4
Non-financial assets		
Impairment of property, plant & equipment	658	109
Revaluation decrements		
Property, plant and equipment	–	20
Total write-down and impairment of assets	661	133

NOTE 5: OWN-SOURCE INCOME

Own-Source Revenue

NOTE 5A: SALE OF GOODS AND RENDERING OF SERVICES

	2015 \$'000	2014 \$'000
Rendering of services in connection with		
Related parties	852	863
External parties	2,471	2,810
Total sale of goods and rendering of services	3,323	3,673

Gains

NOTE 5B: OTHER GAINS

	2015 \$'000	2014 \$'000
Liabilities assumed by other agencies	12,740	12,567
Resources received free of charge	20,128	20,145
	32,868	32,712

Resources received free of charge includes an amount of \$9,291,420 (2013-14: \$9,291,420) in respect of rent and outgoings associated with the accommodation occupied by the Court in the Law Courts Building located in Sydney, New South Wales. This building is owned by Law Courts Limited, a joint venture between the NSW State and Commonwealth Governments.

It also includes an amount in respect of rent and outgoings for Commonwealth Law Courts Buildings throughout Australia. The Court receives free rental and some outgoings for areas in Commonwealth Law Courts Buildings occupied by court rooms and judicial accommodation. These resources are provided by the Department of Finance. This arrangement commenced on 1 July 2012.

An amount of \$104,000 for audit services provided by the Australian National Audit Office is also included.

NOTE 5C: REVENUE FROM GOVERNMENT

	2015 \$'000	2014 \$'000
Appropriations:		
Departmental appropriations	92,419	93,213
Total revenue from Government	92,419	93,213

NOTE 6: FAIR VALUE MEASUREMENTS

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the hierarchy are defined below.

- Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3:** Unobservable inputs for the asset or liability.

NOTE 6A: FAIR VALUE MEASUREMENTS

	FAIR VALUE \$000	FAIR VALUE MEASUREMENTS AT THE END OF THE REPORTING PERIOD USING		
		LEVEL 1 INPUTS \$000	LEVEL 2 INPUTS \$000	LEVEL 3 INPUTS \$000
Leasehold Improvements	15,007	–	–	15,007
Plant and Equipment	7,022	–	4,035	2,987
	22,029	–	4,035	17,994

The Court's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of these assets is considered to be the highest and best use.

There have been no transfers between the levels of the hierarchy during the year.

There have been no transfers between the levels of the hierarchy during the year. The Court's policy for determining when transfers between levels are deemed to have occurred can be found in note 1.

FEDERAL COURT OF AUSTRALIA

NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS

NOTE 7: FINANCIAL ASSETS

NOTE 7A: CASH AND CASH EQUIVALENTS

	2015 \$'000	2014 \$'000
Cash on hand or on deposit	603	576
Total cash and cash equivalents	603	576

NOTE 7B: TRADE AND OTHER RECEIVABLES

	2015 \$'000	2014 \$'000
Goods and services receivables in connection with		
Related parties	45	–
External parties	358	765
Total goods and services receivable	403	765
Appropriations receivable		
Existing programs - operating	47,236	43,959
Existing programs - capital	1,315	755
Total appropriations receivable	48,551	44,714
Other receivables		
GST receivable from the Australian Taxation Office	397	911
Total other receivables	397	911
Total trade and other receivables (gross)	49,351	46,390
Less impairment allowance		
Goods and services	3	3
Total impairment allowance	3	3
Total trade and other receivables (net)	49,348	46,387
Receivables are aged as follows:		
Not overdue		
Overdue by:	49,339	46,370
Less than 30 days	–	2
31 to 60 days	5	2
61 to 90 days	1	1
More than 90 days	6	15
Total receivables (gross)	49,351	46,390
Total other receivables	397	911
All receivables are expected to be recovered within 12 months. Credit terms are net 30 days (2014: 30 days).		
Reconciliation of the impairment allowance account:		
Opening balance	3	3
Amounts written off	–	(3)
Increase recognised in net surplus	–	3
Closing balance	3	3

The impairment allowance is all aged over 90 days.

FEDERAL COURT OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 8: NON-FINANCIAL ASSETS

NOTE 8A: LAND AND BUILDINGS

	2015 \$'000	2014 \$'000
Leasehold improvements		
Fair value	16,403	16,523
Accumulated depreciation	(1,396)	(203)
Total leasehold improvements	15,007	16,320
Total land and buildings	15,007	16,320

No indications of impairment were found for land and buildings

NOTE 8B: PROPERTY, PLANT AND EQUIPMENT

	2015 \$'000	2014 \$'000
Property, plant and equipment		
Fair value	10,193	8,948
Accumulated depreciation	(3,171)	(1,459)
Total property, plant and equipment	7,022	7,489
Total property, plant and equipment	7,022	7,489

All revaluations are conducted in accordance with the valuation policy stated in Note 1. In 2013-14, formal valuations were conducted by an independent valuer, Australian Valuation Solutions.

No indications of impairment were found for infrastructure, plant and equipment.

NOTE 8C: INTANGIBLE ASSETS

	2015 \$'000	2014 \$'000
Computer software at cost		
Internally developed – in progress	135	3,026
Internally developed – in use	5,848	2,763
Purchased – in use	1,854	1,680
Accumulated amortisation	(3,899)	(2,586)
Total intangibles	3,938	4,883

No indication of impairment was found for intangibles.

NOTE 8D: ANALYSIS OF INFRASTRUCTURE, PROPERTY, PLANT, AND EQUIPMENT

TABLE A – Reconciliation of the opening and closing balances of property, plant, and equipment (2014-15)

ITEM	LEASEHOLD IMPROVEMENT – TOTAL LAND AND BUILDINGS \$'000	INFRASTRUCTURE, PLANT AND EQUIPMENT \$'000	COMPUTER SOFTWARE – INTANGIBLES \$'000	TOTAL \$'000
As at 1 July 2014				
Gross book value	16,523	8,948	7,469	32,940
Accumulated depreciation/amortisation	(203)	(1,459)	(2,586)	(4,248)
Net book value 1 July 2013	16,320	7,489	4,883	28,692
Additions:				
Purchase	932	1,335	369	2,636
Impairments recognised in net cost of services	(622)	(36)	–	(658)
Depreciation/amortisation expense	(1,623)	(1,765)	(1,314)	(4,702)
Disposals:				
Other disposals	–	(1)	–	(1)
Net Book value 30 June 2015	15,007	7,022	3,938	25,967
Net book value as of 30 June 2015 represented by:				
Gross book value	16,403	10,193	7,837	34,433
Accumulated depreciation/amortisation	(1,396)	(3,171)	(3,899)	(8,466)
	15,007	7,022	3,938	25,967

FEDERAL COURT OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

TABLE A – Reconciliation of the opening and closing balances of property, plant, and equipment (2013-14)

ITEM	LEASEHOLD IMPROVEMENT – TOTAL LAND AND BUILDINGS \$'000	PROPERTY, PLANT AND EQUIPMENT \$'000	COMPUTER SOFTWARE – INTANGIBLES \$'000	TOTAL \$'000
As at 1 July 2013				
Gross book value	16,064	11,396	4,745	32,205
Accumulated depreciation/amortisation	(4,065)	(3,430)	(1,894)	(9,389)
Net book value 1 July 2013	11,999	7,966	2,851	22,816
Additions:				
By purchase	1,555	927	2,724	5,206
Revaluations recognised in comprehensive income	4,822	668	–	5,490
Revaluations recognised in net cost of services	–	(20)	–	(0)
Impairments recognised in net cost of services	(34)	(75)	–	(109)
Depreciation/amortisation expense	(2,022)	(1,977)	(692)	(4,691)
Disposals:				
Other disposals	–	(42)	–	(42)
Net Book value 30 June 2014	16,320	7,489	4,883	28,692
Net book value as of 30 June 2014 represented by:				
Gross book value	16,523	8,948	7,469	32,940
Accumulated depreciation/amortisation	(203)	(1,459)	(2,586)	(4,248)
	16,320	7,489	4,883	28,692

NOTE 8E: OTHER NON-FINANCIAL ASSETS

	2015 \$'000	2014 \$'000
Prepayments	1,159	956
Total other non-financial assets	1,159	956
Total other non-financial assets are expected to be recovered in:		
No more than 12 months	1,154	941
More than 12 months	5	15
Total other non-financial assets	1,159	956

No indicators of impairment were found for other non-financial assets.

NOTE 9: PAYABLES

NOTE 9A: SUPPLIERS

	2015 \$'000	2014 \$'000
Operating Lease Rentals	29	–
Trade creditors and accruals	2,041	1,407
Total supplier payables	2,070	1,407

All supplier payables are expected to be settled within 12 months.

All supplier payables are in connection with external parties.

Settlement is usually made net 30 days.

NOTE 9B: OTHER PAYABLES

	2015 \$'000	2014 \$'000
Salaries and wages	1,302	1,371
Unearned Income	99	75
Separation and redundancies	19	274
Superannuation	1,035	1,052
Total other payables	2,455	2,772

All other payables are expected to be settled within 12 months.

FEDERAL COURT OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 10: INTEREST BEARING LIABILITIES

NOTE 10: LEASES

	2015 \$'000	2014 \$'000
Finance leases	42	409
Total finance leases	42	409
Leases expected to be settled		
Within one year:		
Minimum lease payments	42	385
Deduct: future finance charges	–	(17)
Between one and five years:		
Minimum lease payments	–	42
Deduct: future finance charges	–	(1)
Finance leases recognised on the balance sheet	42	409

All other payables are expected to be settled within 12 months.

Finance leases are for certain IT equipment assets and some office equipment. The leases are non-cancellable and for fixed terms averaging four years, with a maximum of five years. The interest rate implicit in the leases averaged 4.22% (2014: 4.31%). The leased assets secure the lease liabilities. The Court guarantees the residual values of all assets leased. There are no contingent rentals.

NOTE 11: PROVISIONS

NOTE 11A: JUDGE & EMPLOYEE PROVISIONS

	2015 \$'000	2014 \$'000
Long Leave (Judges)	10,919	10,033
Leave	9,695	10,028
Total judge and employee provisions	20,614	20,061
Employee provisions are expected to be settled in:		
No more than 12 months	5,221	4,913
More than 12 months	15,393	15,148
Total judge and employee provisions	20,614	20,061

NOTE 11B: OTHER PROVISIONS

	2015 \$'000	2014 \$'000
Provision for restoration	84	254
Total other provisions	84	254
Other provisions are expected to be settled in:		
No more than 12 months	84	170
More than 12 months	–	84
Total other	84	254
Provision for Restoration		
Carrying Amount 1 July	254	252
Additional Provisions Made	–	2
Amounts Used	(170)	–
Closing Balance 30 June	84	254

The Court has made provision to restore leased premises in Cairns to its original state at the end of the lease periods.

FEDERAL COURT OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 12: CASH FLOW RECONCILIATION

	2015 \$'000	2014 \$'000
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement		
Report cash and cash equivalents as per:		
Cash Flow Statement	603	576
Statement of Financial Position	603	576
Difference	—	—
Reconciliation of net cost of services to net cash from operating activities		
Net (cost of) services	(96,642)	(96,342)
Revenue from Government	92,419	93,213
Adjustments for non-cash items		
Depreciation/amortisation	4,702	4,691
Net write down of non-financial assets	658	129
Gain on disposal of assets	(3)	—
Movements in assets and liabilities		
Assets		
(Increase) in net operating receivables	(2,405)	(516)
(Increase) in prepayments	(204)	(434)
Liabilities		
Increase/(decrease) in suppliers payables	663	(488)
Increase/ (decrease) in judge and employee provisions	553	151
Increase/(decrease) in other provisions	(170)	2
Increase/(decrease) in other payables	(316)	503
Net cash from/(used by) operating activities	(745)	909

NOTE 13: SENIOR MANAGEMENT PERSONNEL REMUNERATION

NOTE 13A: SENIOR EXECUTIVE REMUNERATION EXPENSE FOR THE REPORTING PERIOD

	2015 \$'000	2014 \$'000
Short term employee benefits:		
Salary (including annual leave taken)	2,746,588	2,587,063
Performance bonus		27,500
Motor vehicle and other allowances	274,998	238,482
Total Short-term employee benefits	3,021,586	2,853,045
Post-employment benefits:		
Superannuation	471,057	415,163
Total Post-employment benefits	471,057	415,163
Other long term employee benefits		
Annual leave	231,903	217,646
Long service leave	74,622	71,304
Total other long term benefits	306,525	288,950
Termination benefits		
Redundancy payments	148,840	–
Total Termination Benefits	148,840	–
Total senior executive remuneration expenses	3,948,008	3,557,158

The total number of senior management personnel that are included in the above table are 16 (2014: 13)

FEDERAL COURT OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 14: FINANCIAL INSTRUMENTS

NOTE 14A CATEGORIES OF FINANCIAL INSTRUMENTS

	2015 \$'000	2014 \$'000
Loans and receivables		
Loans and receivables		
Cash on hand or on deposit	603	576
Trade receivables	403	762
Carrying amount of financial assets	1,006	1,338
Financial Liabilities		
At amortised cost:		
Finance leases	42	409
Trade creditors	2,070	1,407
Carrying amount of financial liabilities	2,112	1,816

NOTE 14B FAIR VALUE OF FINANCIAL INSTRUMENTS

ITEM	CARRYING AMOUNT 2015 \$'000	FAIR VALUE 2015 \$'000	CARRYING AMOUNT 2014 \$'000	FAIR VALUE 2014 \$'000
FINANCIAL LIABILITIES				
Other Liabilities				
Finance leases	42	42	409	409
Total	42	42	409	409

Fair value for Finance leases which was determined for disclosure purposes was calculated based on the present value of future principal and interest cash flows, discounted at 4.22% at the reporting date. (2014: 4.31%)

NOTE 14C NET GAINS OR LOSSES ON FINANCIAL LIABILITIES

	2015 \$'000	2014 \$'000
Loans and receivables		
Interest expense	17	45
Net losses on financial liabilities measured at amortised cost	17	45

NOTE 14D CREDIT RISK

The Court is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2015: \$406,000 and 2014: \$765,000). The Court has assessed the risk of default on payment and has allocated \$3,000 in 2015 (2013: \$3,000) to an impairment allowance account.

The Court manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship. In addition, the Court has policies and procedures that are to be applied by employees who perform debt recovery duties.

The Court holds no collateral to mitigate credit risk.

CREDIT QUALITY OF FINANCIAL INSTRUMENTS NOT PAST DUE OR INDIVIDUALLY DETERMINED AS IMPAIRED.

	NOT PAST DUE NOR IMPAIRED 2015 \$'000	NOT PAST DUE NOR IMPAIRED 2014 \$'000	NOT PAST DUE NOR IMPAIRED 2015 \$'000	NOT PAST DUE NOR IMPAIRED 2014 \$'000
Loans and receivables				
Cash	603	576	–	–
Trade receivables	391	745	12	20
Total	994	1,321	12	20

Ageing of financial assets that are past due but not impaired for 2015

	0 TO 30 DAYS \$'000	31 TO 60 DAYS \$'000	61 TO 90 DAYS \$'000	90+ DAYS \$'000	TOTAL \$'000
Loans and receivables					
Trade receivables	–	5	1	3	9
Total	–	5	1	3	9

All amounts assessed as impaired are aged greater than 90 days.

Ageing of financial assets that are past due but not impaired for 2014

	0 TO 30 DAYS \$'000	31 TO 60 DAYS \$'000	61 TO 90 DAYS \$'000	90+ DAYS \$'000	TOTAL \$'000
Loans and receivables					
Trade receivables	2	2	1	12	17
Total	2	2	1	12	17

FEDERAL COURT OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 14E LIQUIDITY RISK

The Court's financial liabilities are payables, loans from government, finance leases and other interest bearing liabilities. The exposure to liquidity risk is based on the notion that the Court will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely as the Court is appropriated funding from the Australian Government and the Court manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the Court has policies in place to ensure timely payments were made when due and has no past experience of default.

MATURITIES FOR NON-DERIVATIVE FINANCIAL LIABILITIES 2015.

	WITHIN 1 YEAR 2015 \$'000	1 TO 5 YEARS 2015 \$'000	TOTAL 2015 \$'000
Other liabilities			
Payables – Suppliers	2,070		2,070
Finance leases	42	–	42
Total	2,112	–	2,112

MATURITIES FOR NON-DERIVATIVE FINANCIAL LIABILITIES 2014

	WITHIN 1 YEAR 2015 \$'000	1 TO 5 YEARS 2015 \$'000	TOTAL 2015 \$'000
Other liabilities			
Payables - Suppliers	1,407	–	1,407
Finance leases	367	42	409
Total	1,774	42	1,816

Interest Rate Risk

The only interest-bearing item on the statement of financial position is the 'Finance lease'. All bear interest at a fixed interest rate and will not fluctuate due to changes in the market interest rate.

NOTE 15: FINANCIAL ASSETS RECONCILIATION

	2015 \$'000	2014 \$'000
Total financial assets as per statement of financial position	49,951	46,963
Less: non-financial instrument components		
Appropriations receivable	48,551	44,714
GST receivable	396	911
Carrying amount of financial assets	48,948	45,625
Total financial assets as per financial instruments note	1,003	1,338

NOTE 16: ADMINISTERED – EXPENSES

	2015 \$'000	2014 \$'000
Expenses		
Refund of Court Fees and fines	568	411
Fees and fines – write down	10	188
Fees and fines – provision for doubtful debts	390	238
Total expenses administered on behalf of government	968	837

NOTE 17: ADMINISTERED - INCOME

	2015 \$'000	2014 \$'000
Non-Taxation revenue		
Fees (filing and hearing fees)	17,158	19,135
Fines	486	739
Other	102	195
Total revenue administered on behalf of government	17,746	20,069

FEDERAL COURT OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 18: ADMINISTERED – FINANCIAL ASSETS

NOTE 18A: CASH AND CASH EQUIVALENTS

	2015 \$'000	2014 \$'000
Cash on hand or on deposit	59	29
Total cash and cash equivalents	59	29

NOTE 18B: RECEIVABLES

	2015 \$'000	2014 \$'000
Fees (filing and hearing fees)	3,336	2,190
Less: Impairment allowance account	(498)	(264)
Total receivables (net)	2,838	1,926
All receivables are expected to be recovered within 12 months.		
Receivables are aged as follows:		
Not overdue	1,114	520
Overdue by:		
- Less than 30 days	1,000	628
- 30 to 60 days	313	256
- 60 to 90 days	235	100
- More than 90 days	674	686
Total receivables (gross)	3,336	2,190

The total of the impairment allowance is aged over 90 days.

Receivables are with entities external to the Australian Government. Credit terms are net 30 days (2014: 30 days).

	2015 \$'000	2014 \$'000
Reconciliation of the impairment allowance account:		
Opening balance	264	80
Increase/decrease recognised in net cost of services	405	238
Amounts recovered and reversed	(16)	–
Amounts written off	(155)	(54)
Closing balance	498	264

NOTE 19: ADMINISTERED – PAYABLES

NOTE 19A: SUPPLIERS

	2015 \$'000	2014 \$'000
Other payables	1,168	132
Total suppliers	1,168	132

NOTE 20: ADMINISTERED – CASH FLOW RECONCILIATION

	2015 \$'000	2014 \$'000
Reconciliation of cash and cash equivalents as per Administered Schedule of assets and liabilities to administered cash flow statement		
Cash and cash equivalents as per:		
Schedule of administered cash flows	59	29
Schedule of administered assets and liabilities	59	29
Difference	–	–
Reconciliation of net cost of services to net cash from operating activities:		
Net contribution by services	16,778	19,232
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(912)	977
Increase/(decrease) in payables	1,036	(172)
Net cash from operating activities	16,902	20,037

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 21: ADMINISTERED FINANCIAL INSTRUMENTS

NOTE 21A CATEGORIES OF FINANCIAL INSTRUMENTS

	2015 \$'000	2014 \$'000
Financial assets		
Loans and receivables		
Cash	59	29
Trade receivables	2,838	1,926
Carrying amount of financial assets	2,897	1,955

NOTE 21B CREDIT RISK

The administered activities of the Court are not exposed to a high level of credit risk as the majority of financial assets are receivables. The Court has policies and procedures that guide employees who perform debt recovery functions.

The maximum exposure to credit risk is outlined in the table below

	2015 \$'000	2014 \$'000
Financial assets		
Loans and receivables		
Receivables	3,336	2,190
Total	3,336	2,190

The Court has assessed the risk of default on payment and has allocated \$498,000 to an allowance for doubtful debts account. (2014: \$264,000)

CREDIT QUALITY OF FINANCIAL INSTRUMENTS NOT PAST DUE OR INDIVIDUALLY DETERMINED AS IMPAIRED.

	NOT PAST DUE NOR IMPAIRED 2015 \$'000	NOT PAST DUE NOR IMPAIRED 2014 \$'000	NOT PAST DUE NOR IMPAIRED 2015 \$'000	NOT PAST DUE NOR IMPAIRED 2014 \$'000
Loans and receivables				
Cash	59	29	—	—
Trade receivables	1,114	520	2,222	1,670
Total	1,173	549	2,222	1,670

Ageing of financial assets that are past due but not impaired for 2015

	0 TO 30 DAYS \$'000	31 TO 60 DAYS \$'000	61 TO 90 DAYS \$'000	90+ DAYS \$'000	TOTAL \$'000
Loans and receivables					
Receivables	1,000	313	235	176	1,724
Total	1,000	313	235	176	1,724

All amounts assessed as impaired are aged greater than 90 days.

Ageing of financial assets that are past due but not impaired for 2014

	0 TO 30 DAYS \$'000	31 TO 60 DAYS \$'000	61 TO 90 DAYS \$'000	90+ DAYS \$'000	TOTAL \$'000
Loans and receivables					
Receivables	628	256	100	422	1,406
Total	628	256	100	422	1,406

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NOTE 22: ADMINISTERED FINANCIAL ASSETS RECONCILIATION

	2015 \$'000	2014 \$'000
Total financial assets as per administered schedule of assets and liabilities	2,897	1,955
Less: non-financial instrument components	–	–
Carrying amount of financial assets	2,897	1,955
Total financial assets as per financial instruments note	2,897	1,955

NOTE 23: APPROPRIATIONS

NOTE 23A: ANNUAL APPROPRIATIONS ('RECOVERABLE GST EXCLUSIVE')

ANNUAL APPROPRIATIONS FOR 2015

	APPROPRIATION ACT		PGPA ACT		TOTAL APPROPRIATION \$'000	APPROPRIATION APPLIED IN 2015 (CURRENT AND PRIOR YEARS) \$'000	VARIANCE \$'000
	ANNUAL APPROPRIATION \$'000	APPROPRIATIONS REDUCED ^(A)	SECTION 30 \$'000	SECTION 31 \$'000			
DEPARTMENTAL							
Ordinary Annual Services	96,746	–	3,412	–	100,158	(97,313)	2,845
Total departmental	96,746	–	3,412	–	100,158	(97,313)	2,845

Notes:

(a): Appropriations reduced under Appropriation Act (No 1) 2014-15: section 10. Departmental appropriations do not lapse at year end. However, the responsible minister may decide that part or all of an appropriation is not required and request that the Finance Minister reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

ANNUAL APPROPRIATIONS FOR 2014

	APPROPRIATION ACT		FMA ACT		TOTAL APPROPRIATION	APPROPRIATION APPLIED IN 2013 (CURRENT AND PRIOR YEARS)	VARIANCE
	ANNUAL APPROPRIATION	APPROPRIATIONS REDUCED ^(A)	SECTION 30	SECTION 31			
	\$'000		\$'000	\$'000			
DEPARTMENTAL							
Ordinary Annual Services	96,379	–	35	3,272	99,686	(101,004)	(1,318)
Other Services							
Equity	–	–	–	–		–	
Total departmental	96,379	–	35	3,272	99,686	(101,004)	(1,318)

Notes:

(a): Appropriations reduced under Appropriation Act (No 1) 2012-13: section 10. Departmental appropriations do not lapse at year end. However, the responsible minister may decide that part or all of an appropriation is not required and request that the Finance Minister reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 23B: DEPARTMENTAL CAPITAL BUDGETS ('RECOVERABLE GST EXCLUSIVE')

			CAPITAL BUDGET APPROPRIATIONS APPLIED IN 2015 (CURRENT AND PRIOR YEARS)		
2015 CAPITAL BUDGET APPROPRIATIONS			\$'000		
APPROPRIATION ACT					
ANNUAL CAPITAL BUDGET		TOTAL CAPITAL BUDGET APPROPRIATION	PAYMENTS FOR NON-FINANCIAL ASSETS ²	VARIANCE	
\$'000	APPROPRIATIONS REDUCED	\$'000	\$'000	\$'000	
DEPARTMENTAL					
Ordinary Annual Services					
Departmental Capital Budget ¹	4,327	—	4,327	(2,998)	1,329

Notes:

1. Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.

2. Payments made on non-financial assets include purchase of assets, expenditure on assets which have been capitalised, and the capital repayment component of finance leases.

			CAPITAL BUDGET APPROPRIATIONS APPLIED IN 2013 (CURRENT AND PRIOR YEARS)		
2014 CAPITAL BUDGET APPROPRIATIONS			\$'000		
APPROPRIATION ACT					
ANNUAL CAPITAL BUDGET		TOTAL CAPITAL BUDGET APPROPRIATION	PAYMENTS FOR NON-FINANCIAL ASSETS ²	VARIANCE	
\$'000	APPROPRIATIONS REDUCED	\$'000	\$'000	\$'000	
DEPARTMENTAL					
Ordinary Annual Services					
Departmental Capital Budget ¹	3,166	—	3,166	(5,609)	(2,443)

Notes:

1 Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.

2. Payments made on non-financial assets include purchase of assets, expenditure on assets which have been capitalised, and the capital repayment component of finance leases.

NOTE 23C: UNSPENT DEPARTMENTAL ANNUAL APPROPRIATIONS ('RECOVERABLE GST EXCLUSIVE')

AUTHORITY	2015 \$'000	2014 \$'000
Appropriation Act (No 2) 2012-13	4	19
Appropriation Act (No 1) 2013-14	–	44,904
Appropriation Act (No 3) 2013-14	–	367
Appropriation Act (No 1) 2014-15	48,547	–
Cash at bank	603	576
Total	49,114	45,866

NOTE 24: SPECIAL ACCOUNTS

NOTE 24A: SPECIAL ACCOUNTS (RECOVERABLE GST EXCLUSIVE)

	SERVICES FOR OTHER ENTITIES AND TRUST MONEYS SPECIAL ACCOUNT ¹		FEDERAL COURT OF AUSTRALIA LITIGANTS FUND ²	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Balance brought forward from previous period	–	48	22,853	37,952
Increases:				
Other receipts	46	402	10,152	38,207
Total increases	46	402	10,152	38,207
Available for payments	46	450	33,005	76,159
Decreases:				
Payments made to others	46	450	18,451	53,306
Total decreases	46	450	18,451	53,306
Total balance carried to the next period	–	–	14,554	22,853

- Appropriation: *Public Governance, Performance and Accountability Act, 2013*, section 78
Establishing Instrument: FMA Determination 2012/11
Purpose: To disburse amounts held on trust or otherwise for the benefit of a person other than the Commonwealth.
- Appropriation: *Public Governance, Performance and Accountability Act, 2013*, section 78
Establishing Instrument: FMA determination 2004/07
Purpose: The purposes of the Federal Court of Australia Litigant's Fund Special Account, in relation to which amounts may be debited from the Special Account are:

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- a) In accordance with:
 - (i) An order of the Federal Court of Australia or a Judge of that Court under Rule 2.43 of the Federal Court Rules; or
 - (ii) A direction of a Registrar under that Order; and
- b) In any other case in accordance with the order of the Federal Court of Australia or a Judge of that Court.

NOTE 25: REPORTING OF OUTCOMES

NOTE 25A: NET COST OF OUTCOME DELIVERY

The Court has one Output and Outcome:

To apply and uphold the rule of law to deliver remedies and enforce rights and in so doing, contribute to the social and economic development and well-being of all Australians.

OUTCOME 1	OUTCOME 1	
	2015 \$'000	2014 \$'000
Departmental		
Expenses	132,825	132,727
Own-source Income	36,194	36,385
Administered		
Expenses	968	837
Income	17,746	20,069
Net cost/(contribution) of outcome delivery	79,853	77,110

NOTE 26: BUDGETARY REPORTS AND EXPLANATIONS OF MAJOR VARIANCES

The following tables provide a comparison of the original budget as presented in the 2014-15 Portfolio Budget Statements (PBS) to the 2014-15 final outcome as presented in accordance with Australian Accounting Standards for the entity. The Budget is not audited.

NOTE 26A DEPARTMENTAL BUDGETARY REPORTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2015

	ACTUAL \$'000	BUDGET ESTIMATE \$'000	VARIANCE \$'000
NET COST OF SERVICES			
Expenses			
Judge benefits	33,366	34,656	(1,190)
Employee benefits	44,962	46,546	(1,584)
Suppliers	49,127	46,930	2,197
Depreciation and amortisation	4,702	4,696	6
Finance costs	17	17	–
Write-down and impairment of assets	661	–	661
Total expenses	132,836	132,845	9
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	3,323	2,733	590
Total own-source revenue	3,323	2,733	590
Gains			
Gain from sale of assets	3	–	3
Other gains	32,868	32,997	(129)
Total gains	32,871	32,997	(126)
Total own-source income	36,194	35,730	464
Net cost of services	(96,642)	(97,115)	473
Revenue from Government	92,419	92,419	–
(Deficit)	(4,223)	(4,696)	473
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus	–	–	–
Total other comprehensive income	–	–	–
Total comprehensive income	(4,223)	(4,696)	473

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

STATEMENT OF STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

This statement should be read in conjunction with the accompanying notes

	ACTUAL \$'000	BUDGET ESTIMATE \$'000	VARIANCE \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	603	279	324
Trade and other receivables	49,348	48,306	1,042
Total financial assets	49,951	48,585	1,366
Non-Financial Assets			
Land and buildings	15,007	10,350	4,657
Property, plant and equipment	7,022	5,856	1,166
Intangibles	3,938	4,153	(219)
Other non-financial assets	1,159	625	534
Total non-financial assets	27,126	20,984	6,142
Total Assets	77,077	69,569	7,508
LIABILITIES			
Payables			
Suppliers	2,070	1,895	175
Other Payables	2,455	–	2,455
Total payables	4,525	1,895	2,630
Interest Bearing Liabilities			
Leases	42	59	(17)
Total interest bearing liabilities	42	59	(17)
Provisions			
Judge and employee provisions	20,614	22,104	(1,490)
Other provisions	84	471	(387)
Total provisions	20,698	22,575	(1,877)
Total Liabilities	25,265	24,529	736
Net Assets	51,812	45,040	6,772
EQUITY			
Contributed equity	42,861	42,861	–
Reserves	7,074	1,584	5,490
Retained surplus	1,877	595	1,282
Total Equity	51,812	45,040	6,772

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2015

	RETAINED EARNINGS			ASSET REVALUATION SURPLUS			CONTRIBUTED EQUITY/ CAPITAL			TOTAL EQUITY		
	ACTUAL \$'000	BUDGET ESTIMATE \$'000	VARIANCE	ACTUAL \$'000	BUDGET ESTIMATE \$'000	VARIANCE	ACTUAL \$'000	BUDGET ESTIMATE \$'000	VARIANCE	ACTUAL \$'000	BUDGET ESTIMATE \$'000	VARIANCE
Opening balance	6,100	5,291	809	7,074	1,584	5,490	38,534	38,534	—	51,708	45,409	6,299
Comprehensive Income												
Other Comprehensive Income	—	—	—	—	—	—	—	—	—	—	—	—
(Deficit) for period	(4,223)	(4,696)	473							(4,223)	(4,696)	473
Total comprehensive income	(4,223)	(4,696)	473							(4,223)	(4,696)	473
Transactions with owners												
Contributions by owners												
Departmental Capital Budget							4,327	4,327	—	4,327	4,327	—
Total transactions with owners	—	—		—	—		4,327	4,327	—	4,327	4,327	—
Closing balance as at 30 June	1,877	595	1,282	7,074	1,584	5,490	42,861	42,861	—	51,812	45,040	6,772
Closing balance attributable to the Australian Government	1,877	595	1,282	7,074	1,584	5,490	42,861	42,861	—	51,812	45,040	6,772

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CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2015

	ACTUAL \$'000	BUDGET ESTIMATE \$'000	VARIANCE \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	92,442	92,280	162
Sale of goods and rendering of services	3,408	2,733	675
Receipts from Government	341	–	341
Net GST received	677	–	677
Total cash received	96,869	95,013	1,856
Cash used			
Judges and employees	65,881	67,473	(1,592)
Suppliers	28,416	27,523	893
Borrowing costs	17	17	–
Net GST paid	–	–	–
Section 31 receipts transferred to OPA	3,299	–	3,299
Total cash used	97,614	95,013	2,601
Net cash from / (used by) operating activities	(745)	–	(745)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment	4	–	4
Total cash received	4	–	4
Cash used			
Purchase of property, plant and equipment	2,267	3,236	(969)
Purchase of intangibles	364	732	(368)
Total cash used	2,631	3,968	(1,337)
Net cash (used by) investing activities	(2,627)	(3,968)	1,341
FINANCING ACTIVITIES			
Cash received			
Appropriations – contributed equity	3,767	4,327	(560)
Total cash received	3,767	4,327	(560)
Cash used			
Payment of finance lease liabilities	367	359	8
Total cash used	367	359	8
Net cash from financing activities	3,399	3,968	(569)
Net increase / (decrease) in cash held	27	–	27
Cash at the beginning of the reporting period	576	279	297
Cash at the end of the reporting period	603	279	324

NOTE 26B: DEPARTMENTAL MAJOR BUDGET VARIANCES FOR 2015

EXPLANATIONS OF MAJOR VARIANCES	AFFECTED LINE ITEMS (AND STATEMENT)
There is a variance in the carrying amount of non-financial assets and the asset revaluation reserve. This is due to a revaluation increment of \$5.980m charged to the Court, following an independent revaluation of the Court's assets after the presentation of the 2014-15 Portfolio Budget Statements	Statement of Financial Position – Land and Buildings; Property, Plant and Equipment and Equity – Reserves
There is a variance in the allocation of expenses in the income statement. This is due to judicial and staff vacancies and leave being greater than budgeted for, leading to expenses for these areas being lower than budgeted. This was offset by higher expense in suppliers, with the highest contributor being contract staff and other information technology expenses.	Statement of Comprehensive Income – Judge benefits, Employee benefits, Suppliers. Cashflow Statement – Judges and Employees, Suppliers.
There is a variance in the allocation of liabilities in the statement of financial position. The amount reported under other payables was allocated to employee provisions in the budget.	Statement of Financial Position – Judge and Employee Provisions, Other Payables.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 26C ADMINISTERED BUDGETARY REPORTS

ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2015

	ACTUAL \$'000	BUDGET ESTIMATE \$'000	VARIANCE \$'000
NET COST OF SERVICES			
Expenses			
Refund of Court Fees and Fines	568	–	568
Write-down and impairment of assets	400	–	400
Total expenses	968	–	968
Income			
Revenue			
Non-taxation Revenue			
Fees (filing and hearing fees)	17,158	15,644	1,514
Fines	486	–	486
Other revenue	102	95	7
Total non-taxation revenue	17,746	15,739	2,007
Total revenue	17,746	15,739	2,007
Net contribution by services	16,778	15,739	1,039
OTHER COMPREHENSIVE INCOME		–	
Total comprehensive income	16,778	15,739	1,039

ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2015

	ACTUAL \$'000	BUDGET ESTIMATE \$'000	VARIANCE \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	59	40	19
Receivables	2,838	2,891	(53)
Total assets administered on behalf of Government	2,897	2,931	(34)
LIABILITIES			
Payables			
Other payables	1,168	–	1,168
Total payables	1,168	–	1,168
Total liabilities administered on behalf of Government	1,168	–	1,168
Net assets	1,729	2,931	(1,202)

ADMINISTERED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2015

	ACTUAL \$'000	BUDGET ESTIMATE \$'000	VARIANCE \$'000
OPERATING ACTIVITIES			
Cash received			
Fees	16,874	15,644	1,230
Fines	486	–	486
Other	102	95	7
Total cash received	17,462	15,739	1,723
Cash used			
Refund of court fees and fines	560	–	560
Total cash used	560	–	560
Net cash from operating activities	16,902	15,739	1,163
Net increase in cash held	16,902	15,739	1,163
Cash at the beginning of the reporting period	29	40	(11)
Cash from Official Public Account			
Appropriations	580	–	580
	580	–	580
Cash to Official Public Account	(17,452)	(15,739)	(1,713)
	(17,452)	(15,739)	(1,713)
Cash at the end of the reporting period	59	40	19

NOTE 26C ADMINISTERED BUDGETARY REPORTS

EXPLANATIONS OF MAJOR VARIANCES	AFFECTED LINE ITEMS (AND STATEMENT)
Revenue collections are higher than budgeted for. This is due to a greater number of court lodgements than were anticipated.	Administered Schedule of Comprehensive Income – Fees (filing and hearing fees).