

FINANCIAL STATEMENTS





COMMONWEALTH  
LAW COURTS

HIGH COURT OF AUSTRALIA  
FEDERAL COURT OF AUSTRALIA  
FAMILY COURT OF AUSTRALIA  
FEDERAL MAGISTRATES COURT OF AUSTRALIA

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

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## INDEPENDENT AUDIT REPORT

To the Attorney-General

### Scope

#### *The financial statements and Chief Executive's responsibility*

The financial statements comprise:

- Statement by the Chief Executive and Chief Finance Officer;
- Income Statement, Balance Sheet and Cash Flow Statement;
- Statement of Changes in Equity;
- Schedules of Commitments and Contingencies;
- Schedule of Administered Items; and
- Notes to and forming part of the Financial Statements

of the Family Court of Australia for the year ended 30 June 2006.

The Family Court of Australia's Chief Executive is responsible for preparing financial statements that give a true and fair presentation of the financial position and performance of the Family Court of Australia, and that comply with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* and Accounting Standards and other mandatory financial reporting requirements in Australia. The Family Court of Australia's Chief Executive is also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

### *Audit Approach*

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian

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BARTON ACT

National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

I have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* and Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Family Court of Australia's financial position, and of its financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Chief Executive.

### ***Independence***

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

**Audit Opinion**

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

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (b) give a true and fair view of the Family Court of Australia's financial position as at 30 June 2006 and of its performance and cash flows for the year then ended, in accordance with:
  - (i) the matters required by the Finance Minister's Orders; and
  - (ii) applicable Accounting Standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office



Carla Jago

Executive Director

Delegate of the Auditor-General

Canberra

28 July 2006



In our opinion, the attached financial statements for the year ended 30 June 2006 have been prepared based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.

Mr Richard Foster PSM  
Chief Executive Officer  
Family Court of Australia  
28 July 2006

Mr Bruce Hunter FCPA  
Chief Finance Officer  
Family Court of Australia  
28 July 2006

**FAMILY COURT OF AUSTRALIA**  
**INCOME STATEMENT**  
*for the year ended 30 June 2006*

		30 June 2006	30 June 2005
	Notes	\$	\$
<b>INCOME</b>			
<b>Revenue</b>			
Revenues from Government	4A	136,857,749	128,609,610
Goods and services	4B	553,122	508,229
Interest	4C	916,971	723,663
Other revenues	4D	1,963,251	1,602,810
<b>Total Revenue</b>		<b><u>140,291,093</u></b>	<b><u>131,444,312</u></b>
<b>Gains</b>			
Other gains	4E	1,185,073	110,350
<b>Total Gains</b>		<b><u>1,185,073</u></b>	<b><u>110,350</u></b>
<b>TOTAL INCOME</b>		<b><u>141,476,166</u></b>	<b><u>131,554,662</u></b>
<b>EXPENSES</b>			
Employees	5A	74,838,192	69,710,535
Suppliers	5B	56,918,004	52,288,187
Depreciation and amortisation	5C	7,915,608	6,815,262
Finance costs	5D	984,539	1,694,315
Write-down and impairment of assets	5E	1,362,886	599,002
Net loss from disposal of assets	5F	747,174	22,519
<b>TOTAL EXPENSES</b>		<b><u>142,766,403</u></b>	<b><u>131,129,820</u></b>
<b>OPERATING RESULT</b>		<b><u>(1,290,237)</u></b>	<b><u>424,842</u></b>

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

**FAMILY COURT OF AUSTRALIA**  
**BALANCE SHEET**  
*as at 30 June 2006*

	Notes	30 June 2006 \$	30 June 2005 \$
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	6A	3,859,311	3,761,654
Receivables	6B	20,945,474	14,047,679
Accrued revenue	6C	426,271	537,786
<b>Total Financial Assets</b>		<b>25,231,056</b>	<b>18,347,119</b>
<b>Non-Financial Assets</b>			
Land and buildings	7A,C	10,436,052	8,689,969
Infrastructure, plant and equipment	7B,C	7,235,427	6,992,110
Intangibles	7D	3,286,073	5,003,406
Inventories	7E	158,817	143,088
Other non-financial assets	7F	3,292,767	12,026,709
<b>Total Non-Financial Assets</b>		<b>24,409,136</b>	<b>32,855,282</b>
<b>TOTAL ASSETS</b>		<b>49,640,192</b>	<b>51,202,401</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	8A	5,644,180	6,032,255
Other payables	8B	888,961	1,228,180
<b>Total Payables</b>		<b>6,533,141</b>	<b>7,260,435</b>
<b>Provisions</b>			
Employee provisions	9A	21,739,005	20,748,771
Other provisions	9B	2,314,853	2,837,132
<b>Total Provisions</b>		<b>24,053,858</b>	<b>23,585,903</b>
<b>TOTAL LIABILITIES</b>		<b>30,586,999</b>	<b>30,846,338</b>
<b>NET ASSETS</b>		<b>19,053,193</b>	<b>20,356,063</b>
<b>EQUITY</b>			
Contributed equity		4,456,116	4,456,116
Reserves		4,751,171	4,763,804
Retained surpluses		9,845,906	11,136,143
<b>TOTAL EQUITY</b>		<b>19,053,193</b>	<b>20,356,063</b>
<b>Current assets</b>		<b>28,682,640</b>	<b>30,516,916</b>
<b>Non-current assets</b>		<b>20,957,552</b>	<b>20,685,485</b>
<b>Current liabilities</b>		<b>25,288,978</b>	<b>26,218,846</b>
<b>Non-current liabilities</b>		<b>5,298,021</b>	<b>4,627,492</b>

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

**FAMILY COURT OF AUSTRALIA**  
**STATEMENT OF CASH FLOWS**  
*for the year ended 30 June 2006*

	30 June 2006	30 June 2005
Notes	<u>\$</u>	<u>\$</u>
<b>OPERATING ACTIVITIES</b>		
<b>Cash Received</b>		
Goods and services	4,028,350	3,471,641
Appropriations	122,568,357	116,897,000
Interest	916,971	723,663
Net GST received from ATO	5,080,454	4,696,078
<b>Total Cash Received</b>	<b><u>132,594,132</u></b>	<b><u>125,788,382</u></b>
<b>Cash Used</b>		
Employees	67,559,378	66,469,514
Suppliers	55,097,868	56,257,618
<b>Total Cash Used</b>	<b><u>122,657,246</u></b>	<b><u>122,727,132</u></b>
<b>Net Cash From or (Used By) Operating Activities</b>	10 <b><u>9,936,886</u></b>	<b><u>3,061,250</u></b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash Received</b>		
Proceeds from sales of property, plant and equipment	39,079	12,817
<b>Total Cash Received</b>	<b><u>39,079</u></b>	<b><u>12,817</u></b>
<b>Cash Used</b>		
Purchase of property, plant and equipment	8,977,094	3,957,731
Purchase of intangibles	901,214	839,838
<b>Total Cash Used</b>	<b><u>9,878,308</u></b>	<b><u>4,797,569</u></b>
<b>Net Cash From or (Used By) Investing Activities</b>	<b><u>(9,839,229)</u></b>	<b><u>(4,784,752)</u></b>
<b>Net Increase or (Decrease) in Cash Held</b>		
Cash at the beginning of the reporting period	97,657	(1,723,502)
	<u>3,761,654</u>	<u>5,485,156</u>
<b>Cash at the End of the Reporting Period</b>	6A <b><u>3,859,311</u></b>	<b><u>3,761,654</u></b>

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

**FAMILY COURT OF AUSTRALIA**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the year ended 30 June 2006*

Item	Accumulated Results		Asset Revaluation Reserves		Contributed Equity/ Capital		TOTAL EQUITY	
	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$
<b>Opening Balance</b>	<b>11,136,143</b>	10,711,301	<b>4,763,804</b>	4,763,804	<b>4,456,116</b>	2,753,116	<b>20,356,063</b>	18,228,221
Revaluation Adjustment	n/a	n/a	(12,633)	-	n/a	n/a	(12,633)	-
Subtotal income and expenses recognised directly in equity			(12,633)	-			(12,633)	-
Net Operating Result	(1,290,237)	424,842	n/a	n/a	n/a	n/a	(1,290,237)	424,842
Transactions with Owners								
Distributions to owners								
Contributions by owners								
Appropriations (equity injections)	-	-	-	-	-	1,703,000	-	1,703,000
<b>Closing balance as at 30 June</b>	<b>9,845,906</b>	11,136,143	<b>4,751,171</b>	4,763,804	<b>4,456,116</b>	4,456,116	<b>19,053,193</b>	<b>20,356,063</b>
<i>Total equity attributable to the Commonwealth</i>	<b>9,845,906</b>	11,136,143	<b>4,751,171</b>	4,763,804	<b>4,456,116</b>	4,456,116	<b>19,053,193</b>	<b>20,356,063</b>

**FAMILY COURT OF AUSTRALIA**  
**SCHEDULE OF COMMITMENTS**  
*as at 30 June 2006*

	<b>30 June 2006</b>	30 June 2005
	<u>\$</u>	<u>\$</u>
<b>BY TYPE</b>		
<b>Other Commitments</b>		
Operating leases <sup>1</sup>	229,678,145	247,288,875
Other commitments <sup>2</sup>	<u>3,843,588</u>	<u>6,759,089</u>
<b>Total Other Commitments</b>	<u>233,521,733</u>	<u>254,047,964</u>
<b>Commitments Receivable</b>	<u>(21,229,248)</u>	<u>(23,095,270)</u>
<b>Net Commitments by Type</b>	<u><u>212,292,485</u></u>	<u><u>230,952,694</u></u>
<b>BY MATURITY</b>		
<b>Operating Lease Commitments</b>		
One year or less	27,807,799	31,840,588
From one to five years	73,824,977	101,611,870
Over five years	<u>128,045,369</u>	<u>113,836,417</u>
<b>Total Operating Lease Commitments</b>	<u>229,678,145</u>	<u>247,288,875</u>
<b>Other Commitments</b>		
One year or less	2,566,860	5,279,337
From one to five years	1,276,728	1,479,752
Over five years	-	-
<b>Total Other Commitments</b>	<u>3,843,588</u>	<u>6,759,089</u>
<b>Commitments Receivable</b>		
One year or less	(2,761,332)	(3,374,538)
From one to five years	(6,827,428)	(9,371,966)
Over five years	<u>(11,640,488)</u>	<u>(10,348,766)</u>
<b>Total Commitments Receivable</b>	<u>(21,229,248)</u>	<u>(23,095,270)</u>
<b>Net Commitments by Maturity</b>	<u><u>212,292,485</u></u>	<u><u>230,952,694</u></u>

NB: Commitments are GST inclusive where relevant.

<sup>1</sup> Operating leases are effectively non cancelable and comprise:

<b>Nature of lease</b>	<b>General description of leasing arrangement</b>
Leases for office accommodation	A large proportion of these commitments are for special purpose court buildings owned by the Commonwealth of Australia.  The projected rentals to be paid for the special purpose court buildings have been reliably measured by the providers of the property management service and include annual increases and market rate review where applicable.  The amounts disclosed for non-special purpose buildings have been disclosed according to the details specified in commercial lease agreements and include annual increases and market rate reviews where applicable.
Court motor vehicle leases	No contingent rentals exist and there are no renewal or purchase options available to the Court.
Leases for photocopiers and faxes	No contingent rentals exist and there are no renewal or purchase options available to the Court.

<sup>2</sup> Other Commitments relate to payments in relation to the maintenance and ongoing costs associated with the Court's buildings.

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

**FAMILY COURT OF AUSTRALIA**  
**SCHEDULE OF CONTINGENCIES**  
*as at 30 June 2006*

Contingent Liabilities	Claims for damages/costs		Total	
	2006	2005	2006	2005
	\$	\$	\$	\$
Balance from previous period	-	270,000	-	270,000
Obligations expired	-	270,000	-	270,000
<b>Total Contingent Liabilities</b>	-	-	-	-

NB: Contingencies are GST inclusive where relevant.

Details of each class of contingent liabilities and assets, including those not included above because they cannot be quantified or considered remote, are disclosed in **Note 11: Contingent Liabilities and Assets**.

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

**FAMILY COURT OF AUSTRALIA  
SCHEDULE OF ADMINISTERED ITEMS**

	Notes	30 June 2006 \$	30 June 2005 \$
<b>Income Administered on Behalf of Government</b> <i>for the year ended 30 June 2006</i>			
<b>Non-taxation Revenue</b>			
Rendering of services - fees	16	<u>2,346,002</u>	2,327,604
<b>Total Revenues Administered on Behalf of Government</b>		<u>2,346,002</u>	<u>2,327,604</u>
<b>Expenses Administered on Behalf of Government</b> <i>for the year ended 30 June 2006</i>			
Rendering of services - fees refunded	17	<u>21,418</u>	27,924
<b>Total Expenses Administered on Behalf of Government</b>		<u>21,418</u>	<u>27,924</u>
<b>Assets Administered on Behalf of Government</b> <i>as at 30 June 2006</i>			
<b>Financial Assets</b>			
Cash and cash equivalents	18	<u>34,814</u>	52,643
<b>Total Assets Administered on Behalf of Government</b>		<u>34,814</u>	<u>52,643</u>
<b>Liabilities Administered on Behalf of Government</b> <i>as at 30 June 2006</i>			
<b>Payables</b>			
Supplier payables	19	-	477
Other payables	19	<u>1,232</u>	-
<b>Total Liabilities Administered on Behalf of Government</b>		<u>1,232</u>	<u>477</u>
<b>Current assets</b>		34,814	52,643
<b>Non-current assets</b>		-	-
<b>Current liabilities</b>		1,232	477
<b>Non-current liabilities</b>		-	-

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

**FAMILY COURT OF AUSTRALIA**  
**SCHEDULE OF ADMINISTERED ITEMS (continued)**

	<b>30 June 2006</b>	30 June 2005
	<u>\$</u>	<u>\$</u>
<b>Administered Cash Flows</b>		
<i>for the year ended 30 June 2006</i>		
<b>OPERATING ACTIVITIES</b>		
<b>Cash Received</b>		
Rendering of services - fees	<u>2,346,757</u>	<u>2,327,604</u>
<b>Total Cash Received</b>	<u>2,346,757</u>	<u>2,327,604</u>
<b>Cash Used</b>		
Rendering of services - fees refunded	<u>21,418</u>	<u>27,618</u>
<b>Total Cash Used</b>	<u>21,418</u>	<u>27,618</u>
<b>Net Cash From or (Used By) Operating Activities</b>	<u>2,325,339</u>	<u>2,299,986</u>
<b>Net Increase or (Decrease) in Cash Held</b>	<u>2,325,339</u>	<u>2,299,986</u>
Cash at the beginning of the reporting period	<u>52,643</u>	<u>8,785</u>
Cash from the Official Public Account	<u>27,954</u>	<u>50,820</u>
Cash to the Official Public Account	<u>(2,371,122)</u>	<u>(2,306,948)</u>
<b>Cash at the End of the Reporting Period</b>	<u>18 34,814</u>	<u>52,643</u>

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

### Note 1: Summary of Significant Accounting Policies

#### 1.1 Objectives of Family Court of Australia

The objective of the Family Court of Australia ('the Court') is to resolve or determine disputes arising from family separation. The Court has the power under the *Family Law Act 1975* to grant divorces. In addition the Court makes orders relating to:

- arrangements for children;
- the distribution of property of the parties;
- spousal maintenance;
- child maintenance and child support reviews; and
- the protection of a party.

The Court has one outcome (Outcome 1):

*Serving the interest of the Australian Community by ensuring families and children in need can access effective high quality services.*

Within this Outcome, the Court has identified two key output groups, Resolution (Output Group 1.1) and Determination (Output Group 1.2). Within these the Court has a number of individual outputs as follows:

##### Resolution (1.1)

- Mediated agreements (Output 1.1.1)
- Consent Orders (Output 1.1.2)

##### Determination (1.2)

- Divorces (Output 1.2.1)
- Interim Orders (Output 1.2.2)
- Final Orders (Output 1.2.3)
- Appeals (Output 1.2.4)

The Court activities contributing toward these outputs are classified as either Departmental or Administered. Departmental activities involve the use of assets, liabilities, revenues 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 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.

#### 1.2 Basis of Preparation of the Financial Statements

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs, being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 01 July 2005)*);
- Australian Accounting Standards issued by the Australian Accounting Standards Board that apply for the reporting period; and
- Interpretations issued by the AASB and UIG that apply for the reporting period.

This is the first financial report to be prepared under Australian Equivalents to International Financial Reporting Standards (AEIFRS). The impacts of adopting AEIFRS are disclosed in Note 2.

## Notes to and forming part of the Financial Statements

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

The financial report is presented in Australian dollars and values are rounded to the nearest dollar.

Unless alternative treatment is specifically required by an accounting standard, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Australian Accounting Standard. Liabilities and assets which are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 11).

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

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for Departmental items, except where otherwise stated at Note 1.21.

### 1.3 Significant Accounting Judgement and Estimates

In the process of applying the accounting policies listed in this note, the Court has made the following judgment that has the most significant impact on the amounts recorded in the financial statements:

- The fair value of land and buildings, infrastructure, plant and equipment has been taken to be the written down replacement cost as determined by an independent valuer. In some instances, the Court's buildings are purpose built and may in fact realise more or less in the market.

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 Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AEIFRS).

Australian Accounting Standards require the Court to disclose Australian Accounting Standards that have not been applied, or standards that have been issued but are not yet effective.

The AASB has issued amendments to existing standards, these amendments are denoted by year and then number, for example 2005-1 indicates amendment 1 issued in 2005.

The table below illustrates standards and amendments that will become effective for the Court in the future. The nature of the impending change within the table, has been out of necessity abbreviated and users should consult the full version available on the AASB's website to identify the full impact of the change. The expected impact on the financial report of adoption of these standards is based on the Court's initial assessment at this date, but may change. The Court intends to adopt all of standards upon the application date.

## Notes to and forming part of the Financial Statements

Title	Standard affected	Application date*	Nature of impending change	Impact expected on financial report
2005-1	AASB 139	1 Jan 2006	Amends hedging requirements for foreign currency risk of a highly probable intra-group transaction.	No expected impact
2005-4	AASB 139, AASB 132, AASB 1, AASB 1023 and AASB 1038	1 Jan 2006	Amends AASB 139, AASB 1023 and AASB 1038 to restrict the option to fair value through profit or loss and makes consequential amendments to AASB 1 and AASB 132	No expected impact
2005-5	AASB 1 and AASB 139	1 Jan 2006	Amends AASB 1 to allow an entity to determine whether an arrangement is, or contains, a lease.  Amends AASB 139 to scope out a contractual right to receive reimbursement (in accordance with AASB 137) in the form of cash.	No expected impact
2005-6	AASB 3	1 Jan 2006	Amends the scope to exclude business combinations involving entities or businesses under common control	No expected impact
2005-9	AASB 4, AASB 1023, AASB 139 and AASB 132	1 Jan 2006	Amended standards in regards to financial guarantee contracts.	No expected impact
2005-10	AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 and AASB 1038	1 Jan 2007	Amended requirements subsequent to the issuing of AASB 7.	No expected impact
2006-1	AASB 121	31 Dec 2006	Changes in requirements for net investments in foreign subsidiaries depending on denominated currency	No expected impact
	AASB 7 Financial Instruments: Disclosures	1 Jan 2007	Revise the disclosure requirements for financial instruments from AASB 132 requirements.	No expected impact

\* Application date is for annual reporting periods beginning on or after the date shown

### 1.5 Revenue

#### *Revenues 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.

#### *Other Revenue*

Revenue from the sale of goods is recognised when:

- The risks and rewards of ownership have been transferred to the buyer;
- The seller retains no managerial involvement nor effective control over the goods;
- The revenue and transaction costs incurred can be reliably measured; and
- It is probable that the economic benefits associated with the transaction will flow to the entity.

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:

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

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139.

### 1.6 Gains

#### *Resources Received Free of Charge*

Services 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 those resources is recognised as an expense.

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 agency as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

#### *Other Gains*

Gains from disposal of non-current assets is 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' for a year (less any formal reductions) are recognised directly in Contributed Equity in that year.

#### *Restructuring of Administrative Arrangements*

Net assets received from or relinquished to another Commonwealth agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

### *Other distributions to owners*

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

### **1.8 Employee Benefits**

As required by the Finance Minister's Orders, the Court has early adopted AASB 119 Employee Benefits as issued in December 2004.

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) 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.

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

#### *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, including 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.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2004. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

#### *Separation and redundancy*

Provision is made for separation and redundancy benefit payments. The Court 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).

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.

The Court makes employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the Court's employees.

From 1 July 2005, new employees are eligible to join the PSSap scheme.

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

### 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 rewards 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 a non-current 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 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

### 1.11 Financial Risk Management

The Court's activities expose it to normal commercial financial risk. As a result of the nature of the Court's business, internal and Australian Government policies dealing with the management of financial risk, the Court's exposure to market, credit, liquidity, cash flow and fair value interest rate risk is considered to be low.

### 1.12 Derecognition of Financial Assets and Liabilities

As prescribed in the Finance Minister's Orders, the Court has applied the option available under AASB 1 of adopting AASB 132 and 139 from 1 July 2005 rather than 1 July 2004.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the asset is transferred to another entity. In the case of a transfer to another entity, it is necessary that the risks and rewards of ownership are also transferred.

Financial liabilities are derecognised when the obligation under the contract is discharged or cancelled or expires.

For the comparative year, financial assets were derecognised when the contractual right to receive cash no longer existed. Financial liabilities were derecognised when the contractual obligation to pay cash no longer existed.

### 1.13 Impairment of Financial Assets

As prescribed in the Finance Minister's Orders, the Court has applied the option available under AASB 1 of adopting AASB 132 and 139 from 1 July 2005 rather than 1 July 2004.

Financial assets are assessed for impairment at each balance date.

#### *Financial Assets held at Cost*

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because it cannot be reliably measured, or a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, 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.

### *Comparative Year*

The above policy was not applied for the comparative year. For receivables, amounts were recognised and carried at original invoice amount less a provision for doubtful debts based on an estimate made when collection of the full amount was no longer probable. Bad debts were written off as incurred.

Other financial assets carried at cost which were not held to generate net cash inflows, were assessed for indicators of impairment. Where such indicators were found to exist, the recoverable amount of the assets was estimated and compared to the assets carrying amount and, if less, reduced to the carrying amount. The reduction was shown as an impairment loss.

### **1.14 Trade Creditors**

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

### **1.15 Contingent Liabilities and Contingent Assets**

Contingent Liabilities and Assets are not recognised in the Balance Sheet but are discussed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. Where settlement becomes probable, a liability or asset is recognised. A liability or asset is recognised when its existence is confirmed by a future event, settlement becomes probable (virtually certain for assets) or reliable measurement becomes possible.

### **1.16 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 agency's accounts immediately prior to the restructuring.

### **1.17 Land and Buildings, Infrastructure, Plant and Equipment**

#### *Asset Recognition Threshold*

Purchases of land and buildings, infrastructure, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2,000, 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).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'makegood' provisions in property leases taken up by the Court where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Court's leasehold improvements with a corresponding provision for the 'makegood' taken up.

#### *Revaluations*

#### *Basis*

Land and buildings, infrastructure, plant and equipment are carried at valuation, being revalued with sufficient frequency such that the carrying amount of each asset class is not materially different, at reporting date, from its fair value.

## Notes to and forming part of the Financial Statements

Fair values for each class of asset are determined as shown below.

Asset class	Fair value measured at:
Land and buildings - leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Depreciated replacement cost

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through profit and loss. Revaluation decrements for a class of assets are recognised directly through profit and loss except to the extent that they reverse a previous revaluation increment for that class.

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

### Frequency

Following initial recognition at cost, valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not materially differ 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. Valuations are conducted by an independent qualified valuer.

Asset class	Last revaluation:	Next revaluation due:
Land and buildings - leasehold improvements	30 June 2006	Values reviewed annually
Infrastructure, plant and equipment	30 June 2006	Values reviewed annually

### Depreciation/Amortisation

Depreciable land and buildings, infrastructure, 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. Land and buildings - leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

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 rates applying to each class of depreciable asset are based on the following useful lives:

	<u>2006</u>	<u>2005</u>
Land and Buildings - leasehold improvements	<b>Lesser of 10 years or lease term</b>	Lesser of 10 years or lease term
Infrastructure, plant and equipment	<b>1 to 10 years</b>	1 to 12 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 5C.

### Impairment

All assets were assessed for impairment at 30 June 2006. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment 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.

No indicators of impairment were found for assets at fair value.

### 1.18 Intangibles - Computer Software

The Court's intangibles comprise internally developed software for internal use and externally developed purchased software. These assets are carried at cost.

Computer software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Court's computer software is 5 years (2005: 7 to 10 years).

All computer software assets were assessed for indications of impairment as at 30 June 2006. No software assets were identified as impaired.

### 1.19 Inventories

Inventories held for resale are valued at the lower of cost and net realisable value.

Inventories held for distribution are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or nominal consideration are measured at current replacement cost at the date of acquisition.

Inventory impairments arising from changes in legislation are disclosed in Note 5E.

### 1.20 Taxation

The Court is exempt from all forms of taxation except Fringe Benefits Tax and the 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 Australian Taxation Office; and
- except for receivables and payables.

### 1.21 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related Notes.

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 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 and Administration. 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 Statement of Cash Flows in the Schedule of Administered Items and in the Administered Reconciliation Table in Note 20. Thus the Schedule of Administered Items largely reflects the Government's transactions, through the Court, with parties outside the Government.

#### *Revenue*

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

Fees are charged for access to the Court's services. Administered fee revenue is recognised when an application for the service is lodged with the Court. It is recognised at its nominal amount.

## Notes to and forming part of the Financial Statements

### Note 2: The Impact of the Transition to AEIFRS from Previous AGAAP

	2005	2004
	\$	\$
<b>Reconciliation of total equity as presented under previous AGAAP to that under AEIFRS</b>		
Total equity under previous AGAAP	19,614,517	17,872,673
Adjustments to retained earnings:		
Provision for makegood discounting <sup>1</sup>	341,901	325,211
Assets - carrying value <sup>1</sup>	399,645	347,891
Supplier payables - lease incentive <sup>2</sup>	-	(352,840)
Adjustments to other reserves:		
Asset revaluation reserve <sup>3</sup>	-	35,286
<b>Total Equity translated to AEIFRS</b>	<b><u>20,356,063</u></b>	<b><u>18,228,221</u></b>
<b>Reconciliation of profit or loss as presented under previous AGAAP to AEIFRS</b>		
Prior year profit as previously reported	3,558	
Adjustments:		
Depreciation and amortisation <sup>1</sup>	(129,466)	
Suppliers <sup>1</sup>	954,030	
Finance expense on makegood provision <sup>1</sup>	(756,120)	
Supplier payables - lease incentive <sup>2</sup>	352,840	
<b>Prior year profit translated to AEIFRS</b>	<b><u>424,842</u></b>	

The cash flow statement presented under previous Australian Generally Accepted Accounting Principles (AGAAP) is equivalent to that prepared under AEIFRS.

<sup>1</sup> When assessing accommodation leases for the preparation of the opening balance sheet, no new obligations under the leases for makegood were identified, however, the Court does have a material obligation to makegood on its leasehold fit out.

The accounting treatment under AGAAP and the AEIFRS requirements vary significantly. Previously the obligation had been recognised as a credit to the Court's provisions at the estimated nominal value and as a debit to the net surplus/deficit in the year that the obligation first arose. Subsequent adjustments to the nominal provision estimate were recognised as a debit/credit to the net surplus/deficit in the year in which the adjustment was made.

The Court's makegood obligations under AEIFRS will be reported consistent with the AASB standards, including AASB1 and UIG pronouncements regarding Changes in Existing Decommissioning, Restoration and Similar Liabilities (UIG1), using the revaluation model.

Under AEIFRS the Court will report its obligation as a deferred cash flow asset and an associated liability. The Court has applied the treatment recommended in the 2004-05 FMOs that the deferred cash flow asset be valued separately from the underlying leasehold fit out asset.

<sup>2</sup> A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

<sup>3</sup> The 2005-06 Finance Minister's Orders continue to require property plant and equipment assets to be valued at fair value, with valuations conducted in accordance with Note 1.17

The AASB Equivalent on Intangibles does not permit intangibles to be measured at valuation unless there is an active market for the intangible. The Court's internally-developed software is specific to the needs of the Court and is not traded. The Court currently recognises internally-developed software assets on the cost basis, therefore no change has occurred.

**Note 3: Events after the Balance Sheet Date**

The Court has no adjusting or non-adjusting events after the balance sheet date.

## Notes to and forming part of the Financial Statements

	30 June 2006 \$	30 June 2005 \$
<b>Note 4: Income</b>		
<b><u>Revenues</u></b>		
<b>Note 4A: Revenues from Government</b>		
Appropriations for outputs	129,125,796	121,703,238
Liabilities assumed by related entities	<u>7,731,953</u>	<u>6,906,372</u>
<b>Total Revenues from Government</b>	<b><u>136,857,749</u></b>	<b><u>128,609,610</u></b>
<b>Note 4B: Goods and Services</b>		
Goods - external entities	12,468	47,707
Services - external entities	<u>540,654</u>	<u>460,522</u>
<b>Total Sales of Goods and Services</b>	<b><u>553,122</u></b>	<b><u>508,229</u></b>
Provision of goods to:		
External entities	<u>12,468</u>	<u>47,707</u>
<b>Total Sales of Goods</b>	<b><u>12,468</u></b>	<b><u>47,707</u></b>
Rendering of services to:		
External entities	<u>540,654</u>	<u>460,522</u>
<b>Total Rendering of Services</b>	<b><u>540,654</u></b>	<b><u>460,522</u></b>
<b>Note 4C: Interest</b>		
Interest on deposits	7,392	6,061
Discount received	<u>909,579</u>	<u>717,602</u>
<b>Total Interest</b>	<b><u>916,971</u></b>	<b><u>723,663</u></b>
<b>Note 4D: Other Revenues</b>		
Other revenue - external entities	16,208	88,024
Other revenue - related entities	<u>1,947,043</u>	<u>1,514,786</u>
<b>Total Other Revenues</b>	<b><u>1,963,251</u></b>	<b><u>1,602,810</u></b>
<b><u>Gains</u></b>		
<b>Note 4E: Other Gains</b>		
Resources free of charge	70,000	110,350
Makegood forgiven	812,044	-
Assets first found	<u>303,029</u>	<u>-</u>
<b>Total Other Gains</b>	<b><u>1,185,073</u></b>	<b><u>110,350</u></b>

## Notes to and forming part of the Financial Statements

	30 June 2006	30 June 2005
	<u>\$</u>	<u>\$</u>
<b>Note 5: Operating Expenses</b>		
<b>Note 5A: Employee Expenses</b>		
Wages and salaries	51,898,963	49,838,676
Superannuation	14,253,206	13,019,954
Leave and other entitlements	6,212,738	5,629,856
Separation and redundancies	1,432,860	238,757
Other employee expenses	1,040,425	983,292
<b>Total Employee Expenses</b>	<b>74,838,192</b>	<b>69,710,535</b>
<b>Note 5B: Suppliers</b>		
Rendering of services - related entities	452,672	612,902
Rendering of services - external entities	28,481,368	25,785,086
Operating lease rentals*	27,264,249	24,842,891
Workers' compensation premiums	719,715	1,047,308
<b>Total Suppliers</b>	<b>56,918,004</b>	<b>52,288,187</b>
* These comprise minimum lease payments only.		
<b>Note 5C: Depreciation and Amortisation</b>		
<b>Depreciation</b>		
Infrastructure, plant and equipment	2,141,455	1,504,173
<b>Total Depreciation</b>	<b>2,141,455</b>	<b>1,504,173</b>
<b>Amortisation</b>		
Intangibles - computer software	2,618,546	2,492,421
Leasehold improvements	3,155,607	2,818,668
<b>Total Amortisation</b>	<b>5,774,153</b>	<b>5,311,089</b>
<b>Total Depreciation and Amortisation</b>	<b>7,915,608</b>	<b>6,815,262</b>
<b>Note 5D: Finance costs</b>		
Unwinding of discount - employees	797,345	938,194
Unwinding of discount - makegood	187,194	756,121
<b>Total finance costs expense</b>	<b>984,539</b>	<b>1,694,315</b>
<b>Note 5E: Write Down and Impairment of Assets</b>		
<b>Financial Assets</b>		
Bad and doubtful debts expense	7,201	6,303
Other	-	439
<b>Non-financial Assets</b>		
Infrastructure, plant & equipment - revaluation decrement	1,194,777	-
Inventories - impairment	160,908	592,260
<b>Total Write-down of Assets</b>	<b>1,362,886</b>	<b>599,002</b>

## Notes to and forming part of the Financial Statements

	<b>30 June 2006</b>	30 June 2005
	<u>\$</u>	<u>\$</u>
<u>Note 5F: Net Loss from Disposal of Assets</u>		
Land and buildings:		
Write-offs	-	258
<b><i>Net loss from Disposal of Land and Buildings</i></b>	<b>-</b>	<b>258</b>
Infrastructure, plant and equipment:		
Proceeds from disposal	(39,079)	(12,817)
Net book value of assets disposed	99,189	28,905
Write-offs	687,064	6,173
<b><i>Net Loss from Disposal of Infrastructure, Plant and Equipment</i></b>	<b>747,174</b>	<b>22,261</b>
Total proceeds from disposals	(39,079)	(12,817)
Total value of assets disposed	786,253	35,336
<b><i>Total Net Loss from Disposal of Assets</i></b>	<b>747,174</b>	<b>22,519</b>

## Notes to and forming part of the Financial Statements

	30 June 2006 \$	30 June 2005 \$
<b>Note 6: Financial Assets</b>		
<u>Note 6A: Cash and Cash Equivalents</u>		
Cash at bank	3,841,116	3,744,450
Cash on hand	<u>18,195</u>	<u>17,204</u>
<b>Total Cash and Cash Equivalents</b>	<b><u>3,859,311</u></b>	<b><u>3,761,654</u></b>
All cash recognised is a current asset.		
<u>Note 6B: Receivables</u>		
Goods and services	160,991	98,903
Less: Allowance for doubtful debts	<u>(2,725)</u>	<u>(1,527)</u>
	158,266	97,376
GST receivable from the Australian Taxation Office	932,139	663,877
Appropriations receivable - for existing outputs	<u>19,855,069</u>	<u>13,286,426</u>
<b>Total Receivables (net)</b>	<b><u>20,945,474</u></b>	<b><u>14,047,679</u></b>
All receivables are current assets.		
Appropriations receivable undrawn are appropriations controlled by the Court but held in the Official Public Account under the Government's just-in-time drawdown arrangements. The increase in the Court's appropriations receivable is detailed in Note 7F.		
Receivables (gross) are aged as follows:		
Current	<u>20,901,274</u>	<u>13,981,267</u>
Overdue by:		
Less than 30 days	15,364	62,315
30 to 60 days	14,923	68
60 to 90 days	1,553	1,095
More than 90 days	<u>15,085</u>	<u>4,461</u>
	<u>46,925</u>	<u>67,939</u>
<b>Total Receivables (Gross)</b>	<b><u>20,948,199</u></b>	<b><u>14,049,206</u></b>
The allowance for doubtful debts is aged as follows:		
Current	-	227
Overdue by:		
More than 90 days	<u>2,725</u>	<u>1,300</u>
<b>Total Allowance for Doubtful Debts</b>	<b><u>2,725</u></b>	<b><u>1,527</u></b>
<u>Note 6C: Accrued Revenue</u>		
Goods and services	51,892	152,912
Interest	708	-
Other accrued revenue	<u>373,671</u>	<u>384,874</u>
<b>Total Accrued Revenue</b>	<b><u>426,271</u></b>	<b><u>537,786</u></b>
All accrued revenue recognised is a current asset.		

## Notes to and forming part of the Financial Statements

	30 June 2006	30 June 2005
	<u>\$</u>	<u>\$</u>
<b>Note 7: Non-Financial Assets</b>		
<u>Note 7A: Land and Buildings</u>		
<b>Leasehold Improvements</b>		
- at fair value	11,605,083	25,933,488
- Accumulated amortisation	<u>(1,233,058)</u>	<u>(17,634,901)</u>
	<u>10,372,025</u>	<u>8,298,587</u>
<b>Work In Progress</b>		
Leasehold improvements - at cost	<u>64,027</u>	<u>391,382</u>
<b>Total Leasehold Improvements</b>	<u>10,436,052</u>	<u>8,689,969</u>
<u>Note 7B: Infrastructure, Plant and Equipment</u>		
<b>Infrastructure, Plant and Equipment</b>		
- at fair value	6,548,353	7,459,040
- Accumulated depreciation	<u>(25,886)</u>	<u>(1,464,970)</u>
	<u>6,522,467</u>	<u>5,994,070</u>
<b>Work In Progress</b>		
Infrastructure, plant and equipment - at cost	712,960	998,040
<b>Total Infrastructure, Plant and Equipment (Non-current)</b>	<u>7,235,427</u>	<u>6,992,110</u>

All formal revaluations are independent and are conducted in accordance with the revaluation policy stated in Note 1.17. In 2005-06, the formal revaluations were conducted by an independent valuer Preston Rowe Patterson Pty Ltd (PRP).

A revaluation increment of \$113,026 for leasehold improvements (2005: nil) and a decrement of \$125,659 for plant and equipment were credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet; a decrement of \$1,194,777 for plant and equipment was expended (2005: nil).

## Notes to and forming part of the Financial Statements

Note 7C: Analysis of Land and Building, Infrastructure, Plant and Equipment

**TABLE A - Reconciliation of the Opening and Closing Balances of Land and Buildings, Infrastructure, Plant and Equipment**

Item	Land & Buildings - Leasehold Improvements \$	IP&E \$	TOTAL \$
As at 1 July 2005			
Gross book value	26,324,870	8,457,080	34,781,950
Accumulated depreciation/amortisation	(17,634,901)	(1,464,970)	(19,099,871)
Opening net book value	8,689,969	6,992,110	15,682,079
Additions:			
By purchase	5,100,485	4,179,640	9,280,125
Revaluations and impairments through equity	113,026	(125,659)	(12,633)
Depreciation/amortisation expense	(3,155,607)	(2,141,455)	(5,297,062)
Revaluations and Impairments recognised in the operating result	-	(1,194,777)	(1,194,777)
Disposals:			
From disposal of operations	(311,821)	(474,432)	(786,253)
As at 30 June 2006			
Gross book value	11,669,110	7,261,313	18,930,423
Accumulated depreciation/amortisation	(1,233,058)	(25,886)	(1,258,944)
<b>Closing net book value</b>	<b>10,436,052</b>	<b>7,235,427</b>	<b>17,671,479</b>

**TABLE B - Land and Buildings, Infrastructure, Plant, and Equipment under Construction**

Item	Land & Buildings - Leasehold Improvements \$	IP&E \$	TOTAL \$
Carrying amount at 30 June 2006	64,027	712,960	776,987
Carrying amount at 30 June 2005	391,382	998,040	1,389,422

## Notes to and forming part of the Financial Statements

	30 June 2006	30 June 2005
	\$	\$
<b>Note 7D: Intangibles</b>		
Computer software:		
Internally developed - in progress (non-current)	328,145	148,619
	<u>328,145</u>	<u>148,619</u>
Internally developed - in use (non-current)	10,413,399	10,099,333
- Accumulated amortisation	<u>(8,095,430)</u>	<u>(6,047,294)</u>
	<u>2,317,969</u>	<u>4,052,039</u>
Externally acquired - at cost (non-current)	3,465,073	3,057,451
- Accumulated amortisation	<u>(2,825,114)</u>	<u>(2,254,703)</u>
	<u>639,959</u>	<u>802,748</u>
<b>Total Intangibles (Non-current)</b>	<u><b>3,286,073</b></u>	<u><b>5,003,406</b></u>

**TABLE A - Reconciliation of the Opening and Closing Balances of Intangibles**

Item	Computer software internally developed \$	Computer software purchased \$	Intangibles - Total \$
<b>As at 1 July 2005</b>			
Gross book value	10,247,952	3,057,451	13,305,403
Accumulated depreciation/amortisation	(6,047,294)	(2,254,703)	(8,301,997)
<b>Net book value</b>	4,200,658	802,748	5,003,406
<b>Additions</b>			
By purchase	642,211	259,003	901,214
Depreciation/amortisation expense	(2,048,136)	(570,410)	(2,618,546)
<b>As at 30 June 2006</b>			
Gross book value	10,741,544	3,465,073	14,206,617
Accumulated depreciation/amortisation	(8,095,430)	(2,825,114)	(10,920,544)
<b>Net book value</b>	<b>2,646,114</b>	<b>639,959</b>	<b>3,286,073</b>

**TABLE B - Intangibles under Construction**

Item	Computer software internally developed \$	Computer software purchased \$	TOTAL \$
<b>Carrying amount at 30 June 2006</b>	<b>328,145</b>	-	<b>328,145</b>
Carrying amount at 30 June 2005	148,619	-	148,619

## Notes to and forming part of the Financial Statements

	<b>30 June 2006</b>	30 June 2005
	<u>\$</u>	<u>\$</u>
<u>Note 7E: Inventories</u>		
Inventories held for distribution	<b>158,817</b>	143,088
<b>Total Inventories</b>	<b><u>158,817</u></b>	<u>143,088</u>

All departmental inventories are current assets.

	<b>3,292,767</b>	12,026,709
	<u>3,292,767</u>	<u>12,026,709</u>
<u>Note 7F: Other Non-Financial Assets</u>		
Prepayments	<b>3,292,767</b>	12,026,709
<b>Total Other Non-financial Assets</b>	<b><u>3,292,767</u></b>	<u>12,026,709</u>

All other non-financial assets are current assets.

The value of prepayments at 30 June 2006 has significantly reduced from the prior year due to a change in arrangements between the Court and United Group Services (UGS), under a new contract signed for the management of Commonwealth Law Courts (CLC) premises. Previously the Court made biannual prepayments in advance for disbursements on the Court's behalf. However, from 1 July 2006 the Court will adopt a just in time payment arrangement. The prepayment monies have been returned to the Official Public Account (OPA) and recognised as a receivable (Note 6B).

## Notes to and forming part of the Financial Statements

	30 June 2006	30 June 2005
	\$	\$
<b>Note 8: Payables</b>		
<u>Note 8A: Supplier Payables</u>		
Trade creditors	1,832,271	1,948,187
Operating lease rentals	290,284	433,813
Other	<u>3,521,625</u>	<u>3,650,255</u>
<b>Total Supplier Payables</b>	<b><u>5,644,180</u></b>	<b><u>6,032,255</u></b>
Supplier payables are represented by:		
Current	5,497,426	5,741,972
Non-current	<u>146,754</u>	<u>290,283</u>
<b>Total Supplier Payables</b>	<b><u>5,644,180</u></b>	<b><u>6,032,255</u></b>
Settlement is usually made net 30 days.		
<u>Note 8B: Other Payables</u>		
Fringe Benefits Tax payable	313,741	306,552
Prepayments received	573,408	921,628
Other payables	<u>1,812</u>	<u>-</u>
<b>Total Other Payables</b>	<b><u>888,961</u></b>	<b><u>1,228,180</u></b>
All other payables are current liabilities.		

## Notes to and forming part of the Financial Statements

	30 June 2006	30 June 2005
	\$	\$

### Note 9: Provisions

#### Note 9A: Employee Provisions

Salaries and wages	380,894	166,281
Leave	19,926,666	20,433,147
Superannuation	50,109	22,770
Separations and redundancies	<u>1,381,336</u>	<u>126,573</u>
<b>Total Employee Provisions</b>	<b><u>21,739,005</u></b>	<b><u>20,748,771</u></b>

Employee provisions are represented by:

Current	17,953,539	16,411,562
Non-current	<u>3,785,466</u>	<u>4,337,209</u>
	<b><u>21,739,005</u></b>	<b><u>20,748,771</u></b>

Amounts discounted according to AASB 119 are reported as current or non-current in accordance with AASB 101. Where there is a legal right to payment within 12 months, the amount is reported as current, even where payment is not expected to be made within 12 months.

#### Note 9B: Other Provisions

Makegood provisions	<u>2,314,853</u>	<u>2,837,132</u>
<b>Total Other Provisions</b>	<b><u>2,314,853</u></b>	<b><u>2,837,132</u></b>

Other provisions are represented by:

Total current	949,052	1,123,780
Total non-current	<u>1,365,801</u>	<u>1,713,352</u>
<b>Total Other Provisions</b>	<b><u>2,314,853</u></b>	<b><u>2,837,132</u></b>

#### Provision for Make good \$

<b>Carrying amount at beginning of period</b>	<b>2,837,132</b>
Additional provisions made	138,935
Debt forgiven	(812,044)
Debt paid	(36,364)
Unwinding of discounted amount arising from the passage of time	<u>187,194</u>
<b>Amount owing at end of period</b>	<b><u>2,314,853</u></b>

The Court currently has 15 agreements for the leasing of premises which have provisions requiring the Court to restore the premises to their original condition at the conclusion of the lease. The Court has made a provision to reflect the present value of this obligation.

## Notes to and forming part of the Financial Statements

	<b>30 June 2006</b>	30 June 2005
	<b>\$</b>	<b>\$</b>
<b>Note 10: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash per Balance Sheet to Statement of Cash Flows</b>		
Cash at year end per Statement of Cash Flows	<b>3,859,311</b>	3,761,654
Balance Sheet items comprising above cash: 'Financial Asset - Cash'	<b>3,859,311</b>	3,761,654
<b>Reconciliation of operating result to net cash from operating activities:</b>		
Operating result	<b>(1,290,314)</b>	424,842
Depreciation and amortisation	<b>7,915,685</b>	6,815,262
Write down of non-current assets	<b>1,194,777</b>	-
Loss on disposal of assets	<b>747,174</b>	22,519
Inventories impairment	<b>160,908</b>	592,260
Assets first found	<b>(303,029)</b>	-
Change in operating assets and liabilities resulting from operating activities (net of restructuring):		
(Increase) / decrease in net receivables	<b>(8,600,794)</b>	(6,659,050)
(Increase) / decrease in net receivables due to equity transaction (non operating)	<b>1,703,000</b>	1,703,000
(Increase) / decrease in inventories	<b>(176,638)</b>	50,318
(Increase) / decrease in accrued revenue	<b>111,516</b>	334,619
(Increase) / decrease in prepayments to suppliers	<b>8,733,943</b>	(505,575)
Increase / (decrease) in employee provisions	<b>990,234</b>	(1,798,183)
Increase / (decrease) in other provisions offset to Asset Revaluation Reserve	-	(181,222)
Increase / (decrease) in supplier payables	<b>(388,078)</b>	430,077
Increase / (decrease) in other payables	<b>(339,219)</b>	895,040
Increase / (decrease) in other provisions	<b>(522,279)</b>	937,343
<b>Net cash from or (used by) operating activities</b>	<b><u>9,936,886</u></b>	<b><u>3,061,250</u></b>

## Note 11: Contingent Liabilities and Assets

### *Quantifiable Contingencies*

The Schedule of Contingencies reports nil contingent liabilities in respect of claims for damages/costs (2005: nil).

### *Unquantifiable Contingencies*

At 30 June 2006, the Court had a number of legal claims against it. The Court has denied liability and is defending the claims. It is not possible to estimate the amounts of any eventual payments that may be required in relation to these claims.

## Notes to and forming part of the Financial Statements

### Note 12: Executive Remuneration

	<u>2006</u>	<u>2005</u>
The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:		
\$130 000 to \$144 999	1	1
\$145 000 to \$159 999	1	-
\$160 000 to \$174 999	-	2
\$175 000 to \$189 999	4	2
\$190 000 to \$204 999	-	3
\$205 000 to \$219 999	1	1
\$220 000 to \$234 999	2	-
\$235 000 to \$249 999	1	-
\$280 000 to \$294 999	1	-
\$295 000 to \$309 999	-	1
<b>Total</b>	<b><u>11</u></b>	<b><u>10</u></b>

The aggregate amount of total remuneration of executives shown above. **\$2,191,916**    \$1,926,174

The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above. **\$40,118**    NIL

### Note 13: Remuneration of Auditors

	<u>2006</u>	<u>2005</u>
	<u>\$</u>	<u>\$</u>
Financial statement audit services are provided free of charge to the Court.		
The fair value of audit services provided was:	<b><u>70,000</u></b>	<b><u>75,000</u></b>
	<b><u>70,000</u></b>	<b><u>75,000</u></b>

No other services are provided by the Auditor-General.

### Note 14: Average Staffing Levels

	<u>2006</u>	<u>2005</u>
The average staffing levels for the Court during the year were:	<b><u>710</u></b>	<b><u>700</u></b>

**Notes to and forming part of the Financial Statements**

**Note 15: Financial Instruments**

**Note 15A: Interest Rate Risk**

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate			
		2006	2005	1 Year or Less		1 to 5 Years		> 5 Years		2006	2005	2006	2005	2006	2005		
				2006	2005	2006	2005	2006	2005								
<b>Financial Assets</b>		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%	
Cash	6A	-	-	-	-	-	-	-	-	3,859,311	3,761,654	3,859,311	3,761,654	3,859,311	3,761,654	n/a	n/a
Accrued revenue	6C	-	-	-	-	-	-	-	-	436,271	537,786	436,271	537,786	436,271	537,786	n/a	n/a
Receivables for goods and services (gross)	6B	-	-	-	-	-	-	-	-	160,991	98,903	160,991	98,903	160,991	98,903	n/a	n/a
<b>Total</b>		-	-	-	-	-	-	-	-	4,446,573	4,398,343	4,446,573	4,398,343	4,446,573	4,398,343		
<b>Total Assets</b>												49,640,192	51,202,401				
<b>Financial Liabilities</b>																	
Trade creditors	8A	-	-	-	-	-	-	-	-	1,832,271	1,948,187	1,832,271	1,948,187	1,832,271	1,948,187	n/a	n/a
<b>Total</b>		-	-	-	-	-	-	-	-	1,832,271	1,948,187	1,832,271	1,948,187	1,832,271	1,948,187		
<b>Total Liabilities</b>												30,586,999	30,846,338				

## Notes to and forming part of the Financial Statements

### Note 15B: Fair Values of Financial Assets and Liabilities

	Notes	2006		2005	
		Total Carrying Amount \$	Aggregate Fair Value \$	Total Carrying Amount \$	Aggregate Fair Value \$
<b>Departmental Financial Assets</b>					
Cash	6A	3,859,311	3,859,311	3,761,654	3,761,654
Accrued revenue	6C	426,271	426,271	537,786	537,786
Receivables for goods and services (gross)	6B	160,991	160,991	98,903	98,903
<b>Total Financial Assets</b>		<b>4,446,573</b>	<b>4,446,573</b>	<b>4,398,343</b>	<b>4,398,343</b>
<b>Financial Liabilities (Recognised)</b>					
Trade creditors	8A	1,832,271	1,832,271	1,948,187	1,948,187
<b>Total Financial Liabilities (Recognised)</b>		<b>1,832,271</b>	<b>1,832,271</b>	<b>1,948,187</b>	<b>1,948,187</b>

### Note 15C: Credit Risk Exposures

The Court's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

The Court has no significant exposures to any concentrations of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

## Notes to and forming part of the Financial Statements

	30 June 2006	30 June 2005
	\$	\$
<b>Note 16: Income Administered on Behalf of Government</b>		
<b>Non-taxation Revenues</b>		
Rendering of services - fees	<u>2,346,002</u>	<u>2,327,604</u>
<b>Total Income Administered on Behalf of Government</b>	<b><u>2,346,002</u></b>	<b><u>2,327,604</u></b>
<b>Note 17: Expenses Administered on Behalf of Government</b>		
<b>Other Expenses</b>		
Rendering of services - fees refunded	<u>21,418</u>	<u>27,924</u>
<b>Total Other Expenses</b>	<b><u>21,418</u></b>	<b><u>27,924</u></b>
<b>Total Expenses Administered on Behalf of Government</b>	<b><u>21,418</u></b>	<b><u>27,924</u></b>
<b>Note 18: Assets Administered on Behalf of Government</b>		
<b>Financial Assets</b>		
<b>Cash and Cash Equivalents</b>		
Cash on deposit	<u>34,814</u>	<u>52,643</u>
<b>Total Cash and Cash Equivalents</b>	<b><u>34,814</u></b>	<b><u>52,643</u></b>
<b>Total Assets Administered on Behalf of Government</b>	<b><u>34,814</u></b>	<b><u>52,643</u></b>
<b>Note 19: Liabilities Administered on Behalf of Government</b>		
<b>Supplier Payables</b>		
Other creditors	<u>-</u>	<u>477</u>
<b>Total Supplier Payables</b>	<b><u>-</u></b>	<b><u>477</u></b>
All creditors are entities that are not part of the Australian Government. Settlement is usually made net 30 days.		
<b>Other payables</b>		
Funds requiring transfer	<u>1,232</u>	<u>-</u>
<b>Total Liabilities Administered on Behalf of Government</b>	<b><u>1,232</u></b>	<b><u>477</u></b>
<b>Note 20: Administered Reconciliation Table</b>		
<i>Opening administered assets less administered liabilities as at 1 July</i>	52,166	8,613
Plus: Administered revenues	2,346,002	2,327,604
Less: Administered expenses	(2,418)	(27,924)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA	27,954	50,820
Transfers to OPA	<u>(2,371,122)</u>	<u>(2,306,947)</u>
<b>Closing administered assets less administered liabilities as at 30 June</b>	<b><u>33,582</u></b>	<b><u>52,166</u></b>

## Notes to and forming part of the Financial Statements

## Note 21: Appropriations

Note 21A: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations

Particulars	Administered Expenses Outcome 1		Departmental Outputs		Total	
	2006	2005	2006	2005	2006	2005
<b>Year ended 30 June 2006</b>	\$	\$	\$	\$	\$	\$
Balance carried from previous year	-	-	15,806,369	12,273,623	15,806,369	12,273,623
Reductions of appropriations (prior years)	-	-	-	-	-	-
Adjusted balance carried for previous period	-	-	15,806,369	12,273,623	15,806,369	12,273,623
Appropriation Act (No. 1) 2005 - 2006	-	-	129,260,000	114,837,000	129,260,000	114,837,000
Appropriation Act (No. 3) 2005 - 2006	-	-	977,000	7,246,000	977,000	7,246,000
Departmental Adjustments by the Finance Minister (Appropriation Acts)	n/a	n/a	-	-	-	-
Advance to the Finance Minister	-	-	-	-	-	-
Adjustment of appropriations on change of entity function (FMAA s32)	-	-	-	-	-	-
Refunds credited (FMAA s30)	-	-	-	-	-	-
Appropriation reduced by section 9 determinations (current year)	-	-	1,100,000	-	1,100,000	-
Sub-total 2005 - 06	-	-	129,137,000	122,083,000	129,137,000	122,083,000
Appropriations to take account of recoverable GST (FMAA s30A)	-	-	6,375,250	5,933,962	6,375,250	5,933,962
Annotations to 'net appropriations' (FMAA s31)	-	-	4,984,401	5,375,756	4,984,401	5,375,756
Total Appropriations available for payments	-	-	156,303,020	145,666,341	156,303,020	145,666,341
Cash payments made during the year (GST inclusive)	-	-	131,869,418	129,859,972	131,869,418	129,859,972
Appropriations credited to Special Accounts (excluding GST)	-	-	-	-	-	-
<b>Balance of Authority to Draw Cash from the CRF for Ordinary Annual Services Appropriations</b>	-	-	24,433,602	15,806,369	24,433,602	15,806,369
<i>Represented by:</i>						
Cash at bank and on hand	-	-	3,859,311	3,761,654	3,859,311	3,761,654
Receivables - departmental appropriations	-	-	19,855,069	11,583,426	19,855,069	11,583,426
Receivables - GST receivable from the ATO	-	-	991,679	744,285	991,679	744,285
Payables - GST payable	-	-	(59,540)	(80,408)	(59,540)	(80,408)
Less: Other Payables	-	-	(212,917)	(202,588)	(212,917)	(202,588)
<b>Total</b>	-	-	24,433,602	15,806,369	24,433,602	15,806,369

Notes to and forming part of the Financial Statements

Note 21B: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Other than Ordinary Annual Services Appropriations

Particulars	Administered Outcome 1			Non-operating						Total		
	SPPs			Equity		Loans		Previous years' outputs		Admin assets and liabilities		
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
<b>Year ended 30 June 2006</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance carried from previous year	-	-	-	1,703,000	-	-	-	-	-	-	-	1,703,000
Reduction of appropriations (prior years)	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted balance carried from previous period	-	-	-	1,703,000	-	-	-	-	-	-	-	1,703,000
Appropriation Act (No.2) 2005 - 2006	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation Act (No.4) 2005 - 2006	-	-	-	-	-	-	-	-	-	-	-	-
Departmental Adjustments and Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Advance to the Finance Minister	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment of appropriations on change of entity function (FMAA s32)	-	-	-	-	-	-	-	-	-	-	-	-
Rebills credited (net) (FMAA s30)	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation reduced by a section 11 determination (current year)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total 2005 - 06 Annual Appropriation	-	-	-	-	-	-	-	-	-	-	-	-
Appropriations to take account of recoverable GST (FMAA s30A)	-	-	-	-	-	-	-	-	-	-	-	-
Total appropriations available for payments	-	-	-	-	-	-	-	-	-	-	-	-
Cash payments made during the year (GST inclusive)	-	-	-	1,703,000	-	-	-	-	-	-	-	1,703,000
Appropriations credited to Special Accounts (GST exclusive)	-	-	-	1,703,000	-	-	-	-	-	-	-	1,703,000
Balance of Authority to Draw Cash from the CRF for Other Than Ordinary Annual Services Appropriations	-	-	-	-	-	-	-	-	-	-	-	-
<i>Represented by:</i>												
Departmental appropriation receivable	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-	-

## Notes to and forming part of the Financial Statements

### Note 21C: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund - Special Appropriations (Limited Amount)

Special Administered Appropriations - Refunds	2006	2005
	Outcome 1	
	\$	\$
<i>Legal Authority: Family Law Act 1975</i>		
<i>Purpose:</i> Amounts paid in accordance with the Family Law Regulations (F L Regs) of the <i>Family Law Act 1975</i> that are subsequently refunded in accordance with F L Reg 11 (Sub-section 8 and 9).		
Amount available carried from previous period	-	-
Appropriation for reporting period	30,000	50,820
Available for payments	30,000	50,820
Cash payments made during the year (GST inclusive)	27,954	50,820
Appropriations lapsed	2,046	-
Amount available carried to the next period	-	-

### Note 22: Special Accounts

Family Court of Australia Litigants Fund Special Account	2006	2005
	\$	\$
<i>Legal Authority: Financial Management and Accountability Act, 1997: s20(1).</i>		
<i>Purpose:</i> for the receipt of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth		
Balance carried from previous year	178,339	428,614
Costs recovered	449,771	202,208
Available for payments	628,110	630,822
Payments made	(127,202)	(452,483)
<b>Balance carried to next year</b>	<b>500,908</b>	<b>178,339</b>
<i>Represented by:</i>		
Cash transferred to the Official Public Account	118,788	175,973
Add: Court Litigants Fund Official Trust Account	376,120	-
Add: Administered Payments Account	6,000	-
Add: Outstanding Deposits held by the Court	-	2,366
<b>Total balance carried to the next period</b>	<b>500,908</b>	<b>178,339</b>
<b>Aggregate of Special Account Balance and Related Investments</b>	<b>500,908</b>	<b>178,339</b>

Other Trust Monies Special Account	2006	2005
	\$	\$
<i>Legal Authority: Financial Management and Accountability Act 1997, s20</i>		
<i>Purpose:</i> for the expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth		
Other receipts	35,329	208,565
Available for payments	35,329	208,565
Payments during the year	34,602	208,565
Balance carried to next year	727	-
<i>Represented by:</i>		
Cash transferred to the Official Public Account	727	-
Total balance carried to the next period	727	-

## Notes to and forming part of the Financial Statements

### Note 23: Compensation and Debt Relief

	2006 \$	2005 \$
<b>Administered</b>		
No Act of Grace payments were made during the reporting period pursuant to subsection 33(1) of the <i>Financial Management and Accountability Act 1997</i> (2005: no expenses).	<u>NIL</u>	<u>NIL</u>
No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2005: No waivers)	<u>NIL</u>	<u>NIL</u>
No ex-gratia payments were provided for during the reporting period. (2005: No payment)	<u>NIL</u>	<u>NIL</u>
Amounts owing to the Commonwealth were made pursuant to the Family Law Regulations (F L Regs) of the <i>Family Law Act 1975</i> . Fees are not payable where a person has been granted Legal Aid (F L Regs 11 (7) (c)) or the holder of a card issued by Centrelink (F L Regs 11 (7) (c-d)). Persons not eligible for exemption under the Family Law Regulations may apply to have the fee waived by the Court due to financial hardship (F L Regs 11 (7) (e)).		
	<u>2006</u>	<u>2005</u>
Number of exemptions and waivers	9,237	10,246
Aggregate amount of the recovery which was exempted and waived.	<u>\$ 1,871,907</u>	<u>\$ 2,067,321</u>

### Note 24: Reporting of Outcomes

#### Note 24A: Net Cost of Outcome Delivery

	Outcome 1		Total	
	2006 \$	2005 \$	2006 \$	2005 \$
Administered expenses	21,418	27,924	21,418	27,924
Departmental expenses	142,766,403	131,129,820	142,766,403	131,129,820
<b>Total expenses</b>	<b>142,787,821</b>	<b>131,157,744</b>	<b>142,787,821</b>	<b>131,157,744</b>
<i>Costs recovered from provision of goods and services to the non-government sector</i>				
Administered	2,346,002	2,327,604	2,346,002	2,327,604
Departmental	553,122	508,229	553,122	508,229
<b>Total costs recovered</b>	<b>2,899,124</b>	<b>2,835,833</b>	<b>2,899,124</b>	<b>2,835,833</b>
<i>Other external income</i>				
Departmental				
Interest	916,971	723,663	916,971	723,663
Other revenue	1,963,251	1,602,810	1,963,251	1,602,810
Other gains	1,185,073	110,350	1,185,073	110,350
<b>Total Departmental</b>	<b>4,065,295</b>	<b>2,436,823</b>	<b>4,065,295</b>	<b>2,436,823</b>
<b>Total other external income</b>	<b>4,065,295</b>	<b>2,436,823</b>	<b>4,065,295</b>	<b>2,436,823</b>
<b>Net cost/(contribution) of outcome</b>	<b>135,823,402</b>	<b>125,885,088</b>	<b>135,823,402</b>	<b>125,885,088</b>

## Notes to and forming part of the Financial Statements

Note 24B: Major Classes of Departmental Income and Expenses by Output Groups and Outputs

Outcome 1	Output Group 1.1		Output Group 1.1		Output Group 1.2			
	Output 1.1.1		Output 1.1.2		Output 1.2.1			
	2006	2005	2006	2005	2006	2005		
	\$	\$	\$	\$	\$	\$		
<b>Departmental expenses</b>								
Employees	11,044,225	9,577,044	1,822,269	1,804,730	5,874,735	5,442,847		
Suppliers	8,399,659	7,183,509	1,385,922	1,353,684	4,468,015	4,082,548		
Depreciation and amortisation	1,168,144	936,301	192,741	176,440	621,369	532,121		
Other expenses	456,685	318,157	75,352	59,954	242,923	180,815		
<b>Total departmental expenses</b>	<b>21,068,713</b>	<b>18,015,011</b>	<b>3,476,284</b>	<b>3,394,808</b>	<b>11,207,042</b>	<b>10,238,331</b>		
<b>Funded by:</b>								
Income from Government	20,196,744	17,668,778	3,332,412	3,329,563	10,743,217	10,041,558		
Sale of goods and services	81,627	69,822	13,468	13,157	43,420	39,681		
Other non-taxation income	599,935	334,778	98,988	63,087	319,122	190,262		
<b>Total departmental income</b>	<b>20,878,306</b>	<b>18,073,378</b>	<b>3,444,868</b>	<b>3,405,807</b>	<b>11,105,759</b>	<b>10,271,501</b>		
<b>Outcome 1 (continued)</b>								
Outcome 1 (continued)	Output Group 1.2		Output Group 1.2		Output Group 1.2		Outcome 1 Total	
	Output 1.2.2		Output 1.2.3		Output 1.2.4			
	2006	2005	2006	2005	2006	2005	2006	2005
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Departmental expenses</b>								
Employees	12,052,311	14,246,861	40,740,148	34,615,282	3,304,504	4,023,771	74,838,192	69,710,535
Suppliers	9,166,355	10,686,226	30,984,820	25,964,087	2,513,233	3,018,133	56,918,004	52,288,187
Depreciation and amortisation	1,274,768	1,392,847	4,309,070	3,384,168	349,516	393,385	7,915,608	6,815,262
Other expenses	498,369	473,291	1,684,627	1,149,946	136,643	133,673	3,094,599	2,315,836
<b>Total departmental expenses</b>	<b>22,991,803</b>	<b>26,799,225</b>	<b>77,718,665</b>	<b>65,113,483</b>	<b>6,303,896</b>	<b>7,568,962</b>	<b>142,766,403</b>	<b>131,129,820</b>
<b>Funded by:</b>								
Income from Government	22,040,246	26,284,165	74,502,133	63,862,054	6,042,997	7,423,492	136,857,749	128,609,610
Sale of goods and services	89,077	103,868	301,107	252,365	24,423	29,336	553,122	508,229
Other non-taxation income	654,695	498,018	2,213,051	1,210,022	179,504	140,656	4,065,295	2,436,823
<b>Total departmental income</b>	<b>22,784,018</b>	<b>26,886,051</b>	<b>77,016,291</b>	<b>65,324,441</b>	<b>6,246,924</b>	<b>7,593,484</b>	<b>141,476,166</b>	<b>131,554,662</b>

**Notes to and forming part of the Financial Statements**

Note 24C: Major Classes of Administered Income and Expenses by Outcomes

	Outcome 1		Total	
	2006	2005	2006	2005
	\$	\$	\$	\$
<b>Administered Income</b>				
Total Goods and Services	2,346,002	2,327,604	2,346,002	2,327,604
<b>Total Administered Income</b>	<b>2,346,002</b>	<b>2,327,604</b>	<b>2,346,002</b>	<b>2,327,604</b>
<b>Administered Expenses</b>				
Fees refunded	21,418	27,924	21,418	27,924
<b>Total Administered Expenses</b>	<b>21,418</b>	<b>27,924</b>	<b>21,418</b>	<b>27,924</b>

