



# FINANCIAL STATEMENTS ■





## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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## INDEPENDENT AUDITOR'S REPORT

To the Attorney General

### Scope

I have audited the accompanying financial statements of the Family Court of Australia for the year ended 30 June 2008, which comprise: a statement by the Chief Executive and Chief Financial Officer; income statement; balance sheet; statement of changes in equity; cash flow statement; schedules of commitments, contingencies and administered items; a summary of significant accounting policies; and other explanatory notes.

### *The Responsibility of the Chief Executive for the Financial Statements*

The Family Court of Australia's Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* and the Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. My audit has been conducted 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 whether the financial statements are free from material misstatement.

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 Family Court of Australia'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 Family Court of Australia's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Family Court of Australia's Chief Executive, 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 the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

#### **Auditor's 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 the Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Family Court of Australia's financial position as at 30 June 2008 and its financial performance and its cash flows for the year then ended.

Australian National Audit Office



Simon Kidman

Executive Director

Delegate of the Auditor-General

Canberra

25 August 2008



## FAMILY COURT OF AUSTRALIA

### STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2008 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

25<sup>th</sup> August 2008

Mr Grahame Harriott  
Chief Finance Officer  
Family Court of Australia

25<sup>th</sup> August 2008

# FINANCIAL STATEMENTS

## FAMILY COURT OF AUSTRALIA INCOME STATEMENT

for the period ended 30 June 2008

	Notes	\$	\$
<b>INCOME</b>			
<b>Revenue</b>			
Revenue from Government	4A	129,376,755	129,448,243
Sale of goods and rendering of services	4B	484,875	724,175
Interest	4C	8,615	2,953
Other revenue	4D	4,785,760	2,357,023
<b>Total revenue</b>		<b>134,656,005</b>	<b>132,532,394</b>
<b>Gains</b>			
Other gains	4E	8,133,301	7,583,274
<b>Total gains</b>		<b>8,133,301</b>	<b>7,583,274</b>
<b>Total Income</b>		<b>142,789,306</b>	<b>140,115,668</b>
<b>EXPENSES</b>			
Judges and Employee benefits	5A	76,740,806	76,682,891
Suppliers	5B	57,234,290	56,722,203
Depreciation and amortisation	5C	7,023,534	7,546,511
Finance costs	5D	193,547	174,043
Write down and impairment of assets	5E	128,901	12,042
Losses from asset sales	5F	29,597	100,635
<b>Total Expenses</b>		<b>141,350,675</b>	<b>141,238,325</b>
Share of operating result of associates and joint ventures accounted for using the equity method		-	-
<b>Surplus (Deficit) attributable to the Australian Government</b>		<b>1,438,631</b>	<b>(1,122,657)</b>

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

## FAMILY COURT OF AUSTRALIA

### BALANCE SHEET

*as at 30 June 2008*

	Notes	2008 \$	2007 \$
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	6A	1,896,895	2,390,359
Trade and other receivables	6B	25,703,408	23,768,230
Accrued revenue	6C	<u>737,937</u>	<u>596,696</u>
<b>Total Financial Assets</b>		<b><u>28,338,240</u></b>	<b><u>26,755,285</u></b>
<b>Non Financial Assets</b>			
Land and buildings	7A	11,047,607	13,253,187
Infrastructure, plant and equipment	7B	7,578,536	7,142,922
Intangibles	7D	2,281,135	2,085,377
Inventories	7E	77,580	172,337
Prepayments	7F	<u>2,492,401</u>	<u>2,503,096</u>
<b>Total Non-Financial Assets</b>		<b><u>23,477,259</u></b>	<b><u>25,156,919</u></b>
<b>TOTAL ASSETS</b>		<b><u>51,815,499</u></b>	<b><u>51,912,204</u></b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	8A	2,468,369	3,764,268
Other payables	8B	<u>747,915</u>	<u>1,154,892</u>
<b>Total Payables</b>		<b><u>3,216,284</u></b>	<b><u>4,919,160</u></b>
<b>Provisions</b>			
Employee provisions	9A	21,235,000	21,719,545
Other provisions	9B	<u>3,370,471</u>	<u>3,420,340</u>
<b>Total Provisions</b>		<b><u>24,605,471</u></b>	<b><u>25,139,885</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>27,821,755</u></b>	<b><u>30,059,045</u></b>
<b>Net Assets</b>		<b><u>23,993,744</u></b>	<b><u>21,853,159</u></b>
<b>EQUITY</b>			
Contributed equity		4,814,116	4,456,116
Reserves		9,685,082	9,341,128
Retained surplus		<u>9,494,546</u>	<u>8,055,915</u>
<b>TOTAL EQUITY</b>		<b><u>23,993,744</u></b>	<b><u>21,853,159</u></b>
<b>Current Assets</b>		<b>30,908,221</b>	<b>29,430,718</b>
<b>Non-current Assets</b>		<b>20,907,278</b>	<b>22,481,486</b>
<b>Current Liabilities</b>		<b>13,144,319</b>	<b>21,678,096</b>
<b>Non-current Liabilities</b>		<b>14,677,436</b>	<b>8,380,949</b>

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

## FAMILY COURT OF AUSTRALIA STATEMENT OF CHANGES IN EQUITY

as at 30 June 2008

Item	Retained Earnings		Asset Revaluation Reserves		Contributed Equity/ Capital		Total Equity	
	2008	2007	2008	2007	2008	2007	2008	2007
Opening Balance	\$ 8,055,915	\$ 9,845,906	\$ 9,341,128	\$ 4,751,171	\$ 4,456,116	\$ 21,853,159	\$ 19,053,193	
Adjustment for errors	-	(667,334)	-	1,751,540	-	-	1,084,206	
Adjusted Opening Balance	8,055,915	9,178,572	9,341,128	6,502,711	4,456,116	21,853,159	20,137,399	
Income and Expense	-	-	343,954	2,838,417	-	-	343,954	2,795,456
Revaluation adjustment	-	-	343,954	2,838,417	-	-	343,954	2,838,417
Subtotal income and expenses recognised directly in equity	-	-	343,954	2,838,417	-	-	343,954	2,838,417
Surplus (Deficit) for the period	1,438,631	(1,122,657)	-	-	-	-	1,438,631	(1,122,657)
Appropriation (equity injection)	-	-	-	-	358,000	-	358,000	-
Sub-total Transactions with Owners	-	-	-	-	358,000	-	358,000	-
Closing balance as at 30 June 2008	9,494,546	8,055,915	9,685,082	9,341,128	4,814,116	23,993,744	21,853,159	
Closing balance attributable to the Australian Government	9,494,546	8,055,915	9,685,082	9,341,128	4,814,116	23,993,744	21,853,159	

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

## FAMILY COURT OF AUSTRALIA

### CASH FLOW STATEMENT

*for the period ended 30 June 2008*

	Notes	2008 \$	2007 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Goods and services		4,726,892	3,034,184
Appropriations		127,418,914	126,504,999
Interest		8,615	2,953
Net GST received		<u>7,310,250</u>	<u>7,917,576</u>
<b>Total cash received</b>		<b><u>139,464,671</u></b>	<b><u>137,459,712</u></b>
<b>Cash used</b>			
Employees		69,780,609	69,942,438
Suppliers		58,130,523	57,020,807
Net GST paid		<u>7,252,827</u>	<u>7,622,293</u>
<b>Total cash used</b>		<b><u>135,163,960</u></b>	<b><u>134,585,538</u></b>
<b>Net cash flows from operating activities</b>	10	<b><u>4,300,711</u></b>	<b><u>2,874,174</u></b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		<u>46,084</u>	7,207
<b>Total cash received</b>		<b><u>46,084</u></b>	<b><u>7,207</u></b>
<b>Cash used</b>			
Purchase of property, plant and equipment		4,370,168	3,709,047
Purchase of intangibles		<u>828,091</u>	<u>641,286</u>
<b>Total cash used</b>		<b><u>5,198,259</u></b>	<b><u>4,350,333</u></b>
<b>Net cash flows from or (used by) investing activities</b>		<b><u>(5,152,175)</u></b>	<b><u>(4,343,126)</u></b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations - contributed equity		<u>358,000</u>	-
<b>Total cash received</b>		<b><u>358,000</u></b>	<b><u>-</u></b>
<b>Net cash flows from / (used by) financing activities</b>		<b><u>358,000</u></b>	<b><u>-</u></b>
<b>Net increase or (decrease) in cash held</b>		<b>(493,464)</b>	<b>(1,468,952)</b>
Cash and cash equivalents at the beginning of the reporting period		<u>2,390,359</u>	<u>3,859,311</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	6A	<b><u>1,896,895</u></b>	<b><u>2,390,359</u></b>

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

## FAMILY COURT OF AUSTRALIA SCHEDULE OF COMMITMENTS

as at 30 June 2008

	2008 \$	2007 \$
<b>BY TYPE</b>		
<b>Other commitments</b>		
Operating leases <sup>1</sup>	216,730,640	203,122,461
Other Commitments <sup>2</sup>	<u>7,564,217</u>	<u>9,653,498</u>
<b>Total other commitments</b>	<b>224,294,857</b>	<b>212,775,959</b>
Commitments receivable	<u>(20,390,442)</u>	<u>(19,343,269)</u>
<b>Net commitments by type</b>	<b><u>203,904,415</u></b>	<b><u>193,432,690</u></b>
<b>BY MATURITY</b>		
<b>Operating lease commitments</b>		
One year or less	29,665,332	27,122,655
From one to five years	75,727,746	59,184,694
Over five years	<u>111,337,562</u>	<u>116,815,112</u>
<b>Total operating lease commitments</b>	<b><u>216,730,640</u></b>	<b><u>203,122,461</u></b>
<b>Other Commitments</b>		
One year or less	4,629,668	4,599,547
From one to five years	2,934,549	5,053,951
Over five years	<u>-</u>	<u>-</u>
<b>Total other commitments</b>	<b><u>7,564,217</u></b>	<b><u>9,653,498</u></b>
<b>Commitments receivable</b>		
One year or less	(3,117,727)	(2,883,837)
From one to five years	(7,151,118)	(5,839,877)
Over five years	<u>(10,121,597)</u>	<u>(10,619,556)</u>
<b>Total commitments receivable</b>	<b><u>(20,390,442)</u></b>	<b><u>(19,343,270)</u></b>
<b>Net Commitments by Maturity</b>	<b><u>203,904,415</u></b>	<b><u>193,432,690</u></b>

NB: Commitments are GST inclusive where relevant.

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

Nature of lease	General description of leasing arrangement
Leases for office accommodation	A large proportion of these commitments are for Commonwealth Law Court buildings (Adelaide, Brisbane, Canberra, Hobart, Melbourne, Parramatta, and Sydney). 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 2008*

Contingent Assets	Guarantees		Indemnities		Claims for damages/costs		Other		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance from previous period	-	-	-	-	-	-	-	-	-	-
New	-	-	-	-	-	-	-	-	-	-
Re-measurement	-	-	-	-	-	-	-	-	-	-
Assets crystallised	-	-	-	-	-	-	-	-	-	-
Expired	-	-	-	-	-	-	-	-	-	-
<b>Total Contingent Assets</b>	-	-	-	-	-	-	-	-	-	-
Contingent Liabilities	Guarantees		Indemnities		Claims for damages/costs		Other		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance from previous period	-	-	-	-	-	-	-	-	-	-
New	-	-	-	-	-	-	-	-	-	-
Re-measurement	-	-	-	-	-	-	-	-	-	-
Liabilities crystallised	-	-	-	-	-	-	-	-	-	-
Obligations expired	-	-	-	-	-	-	-	-	-	-
<b>Total Contingent Liabilities</b>	-	-	-	-	-	-	-	-	-	-
<b>Net Contingent Assets (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	2008 \$	2007 \$
<b>Income administered on behalf of Government</b> <i>for the period ended 30 June 2008</i>			
<b>Revenue</b>			
Rendering of services - fees	15A	<u>1,262,577</u>	<u>1,936,104</u>
<b>Total revenues administered on behalf of Government</b>		<b><u>1,262,577</u></b>	<b><u>1,936,104</u></b>
<b>Expenses administered on behalf of Government</b> <i>for the period ended 30 June 2008</i>			
Rendering of services - fees refunded	16A	<u>20,053</u>	<u>20,552</u>
<b>Total expenses administered on behalf of Government</b>		<b><u>20,053</u></b>	<b><u>20,552</u></b>
<b>Assets administered on behalf of Government</b> <i>as at 30 June 2008</i>			
<b>Financial Assets</b>			
Cash and cash equivalents	17A	<u>18,478</u>	<u>32,446</u>
Receivables	17B	<u>162</u>	<u>389</u>
<b>Total assets administered on behalf of Government</b>		<b><u>18,640</u></b>	<b><u>32,835</u></b>
<b>Liabilities administered on behalf of Government</b> <i>as at 30 June 2008</i>			
This schedule should be read in conjunction with the accompanying notes.			

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

	Notes	2008 \$	2007 \$
<b>Administered cash flows</b>			
<i>for the period ended 30 June 2008</i>			
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Rendering of services - fees		<u>1,262,399</u>	1,934,888
<b>Total cash received</b>		<u>1,262,399</u>	<u>1,934,888</u>
<b>Cash used</b>			
Rendering of services - fees refunded		<u>20,053</u>	20,552
<b>Total cash used</b>		<u>20,053</u>	<u>20,552</u>
<b>Net cash flows from operating activities</b>		<u>1,242,346</u>	<u>1,914,336</u>
<b>Net Increase in cash held</b>		1,242,346	1,914,336
Cash and cash equivalents at the beginning of the reporting period		32,446	34,814
Cash from Official Public Account for:			
- Appropriations		71,238	48,817
Cash to Official Public Account for:			
- Special accounts		<u>(1,327,552)</u>	<u>(1,965,521)</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	17A	<u>18,478</u>	<u>32,446</u>

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

## FAMILY COURT OF AUSTRALIA

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

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# FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

## Note 1: Summary of Significant Accounting Policies

### 1.1 Objectives of Family Court of Australia

The Family Court of Australia is an Australian Public Service organisation. 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 Report

The Financial Statements and notes are required by section 49 of the *Financial Management and Accountability Act 1997* and are a General Purpose Financial Report.

The Financial Statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMO's) for reporting periods ending on or after 1 July 2007; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

## FAMILY COURT OF AUSTRALIA

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

The Financial Report is presented in Australian dollars and values are rounded to the nearest dollar unless otherwise specified.

Unless an alternative treatment is specifically required by an Accounting Standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the Entity 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 agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrealised are reported in the Schedule of Commitments and the Schedule of Contingencies.

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the Income Statement when and only when the flow, 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 1.19.

#### 1.3 Significant Accounting Judgements 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

##### Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. The following new standards are applicable to the current reporting period:

##### Financial instrument disclosure

AASB 7 *Financial Instruments: Disclosures* is effective for reporting periods beginning on or after 1 January 2007 (the 2007-08 financial year) and amends the disclosure requirements for financial instruments. In general AASB 7 requires greater disclosure than that previously required. Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements through 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]. These changes have no financial impact but will affect the disclosure presented in future financial reports.

The following new standards, amendments to standards or interpretations for the current financial year have no material financial impact on the Family Court of Australia:

AASB 101 Presentation of Financial Statements (issued October 2006)

AASB 1048 Interpretation of Application of Standards (reissued September 2007)

AASB 2005-10 Amendments to Australian Accounting Standards [AASB 1,4,101,114,117,132,133,1023,1038]

AASB 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 11[AASB 2]

AASB 2007-4 Amendments to Australian Accounting Standards arising from ED 151 and other amendments

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

AASB 2007-6 Amendments to Australian Accounting Standard - Inventories Held for Distribution by Not-for-Profit Entities (AASB 102)

AASB 2007-7 Amendments to Australian Accounting Standards (AASB 1,2,4,5,107,128)

Interpretation 10 Interim Financial Reporting and Impairment

### **Future Australian Accounting Standard requirements**

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

AASB 3 Business Combinations

AASB 8 Operating Segments

AASB 101 Presentation of Financial Statements (Issued September 2007)

AASB 123 Borrowing Costs

AASB 127 Consolidated and Separate Financial Statements

AASB 1004 Contributions

AASB 1049 Whole of Government and General Government Sector Financial Reporting

AASB 1050 Administered Items

AASB 2007-2 Amendments to Australian Accounting Standards arising from AASB Interpretation 12 (AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139)

AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8

AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123

AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101

AASB 2007-9 Amendments to Australian Accounting Standards arising from the Review of AASBs 27, 29 and 31 (AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137)

AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 (AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107)

Interpretation 4 Determining Whether an Arrangement Contains a Lease

Interpretation 12 Service Concession Arrangements

Interpretation 13 Customer Loyalty Programmes

Interpretation 14 AASB 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Interpretation 129 Service Concession Arrangements Disclosures

Interpretation 1038 Contributions by Owners Made To Wholly-Owned Public Sector Entities

### **Other**

The following standards and interpretations have been issued but are not applicable to the operations of the Family Court of Australia.

### **AASB 1049 Financial Reporting of General Government Sectors by Governments**

AASB 1049 specifies the reporting requirements for the General Government Sector. The FMOs does not apply to this reporting or the consolidated financial statements of the Australian Government.

## FAMILY COURT OF AUSTRALIA

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

#### 1.5 Revenue

##### 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 that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

##### Resources Received Free of Charge

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 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 or Authority as a consequence of a restructuring of administrative arrangements (refer to Note 1.7).

Resources received free of charge are recorded as either revenue or gains depending on their nature.

##### Other Types of 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 transactions.

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 Financial Instruments: Recognition and Measurement.

#### 1.6 Gains

##### Other 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 resources would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

## FAMILY COURT OF AUSTRALIA

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

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

The Court recognises a revenue and corresponding expense item "Liabilities assumed by related entities." The notional amount reported for the Court's Judges is \$8,008,301 (2007: \$7,510,924).

Resources received free of charge are recorded as either revenue or gains depending on their nature.

#### 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' 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 Australian Government Agency or Authority under a restructuring of administrative arrangement are adjusted at their book value directly against contributed equity.

##### Other distributions to owners

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

#### **1.8 Judges and Employee Benefits**

Liabilities for services rendered by Judges and 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 Judges and 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.

Under the Judges' Pension Act 1968, Family Court of Australia Judges are entitled to a non-contributory pension upon retirement after 10 years. As the liability for these pension payments is assumed by the Australian Government, the Court does not recognise a liability for unfunded superannuation liability. It does, however, recognise a revenue and corresponding expense item "Liabilities assumed by related entities." The notional amount reported for the Court's Judges is \$8,008,301 (2007: \$7,510,924).

##### 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.

## FAMILY COURT OF AUSTRALIA

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

The liability for long service leave has been determined by reference to the work of an actuary as at December 2006. 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 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).

The CSS and PSS are defined benefit schemes for the Australian Government. 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 by the Department of Finance and Deregulation as an administered item.

The Court makes employer contributions to the employee superannuation scheme 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. The Court accounts for the contribution as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June 2008 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 and cash equivalents includes 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.

#### **1.11 Financial assets**

The Family Court of Australia classifies its financial assets in the following categories:

- financial assets as 'at fair value through profit or loss'

# FAMILY COURT OF AUSTRALIA

## Notes to and forming part of the Financial Statements

- 'held-to-maturity investments',
- 'available-for-sale' financial assets, and
- 'loans and receivables'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon 'trade date'.

### 1.12 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial liabilities were recognised and derecognised upon 'trade date'.

### 1.13 Contingent Liabilities and Contingent Assets

Contingent Liabilities and Contingent Assets are not recognised in the Balance Sheet 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.

### 1.14 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.

### 1.15 Property, 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' recognised.

#### Revaluations

Fair values for each class of assets 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

## FAMILY COURT OF AUSTRALIA

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

Following initial recognition at cost, property plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially with 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 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 operating result. Revaluation decrements for a class of assets are recognised directly through operating result 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.

#### Depreciation

Depreciable 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>2008</u>	<u>2007</u>
	<b>Lesser of 10 years or lease term</b>	
Land and Buildings - leasehold improvements	<b>1 to 10 years</b>	Lesser of 10 years or lease term
Infrastructure, plant and equipment		1 to 10 years

#### Impairment

All assets were assessed for impairment at 30 June 2008. 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.

#### **1.16 Intangibles**

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Family Court of Australia's software are 3 to 5 years (2007: 5 to 8 years)

All software assets were assessed for indications of impairment as at 30 June 2008

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

### 1.17 Inventories

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

Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- raw materials and stores - purchase cost on a first-in-first-out basis; and
- finished goods and work in progress - cost of direct materials and labour plus attributable costs that are capable of being allocated on a reasonable basis.

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

### 1.18 Taxation / Competitive Neutrality

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

### 1.19 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 the 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 Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the 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 18. 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 course of ordinary 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. Collectibility of debts is reviewed at balance date. Allowances are made when collections of the debt is judged to be less than more likely.

### 1.20 Services provided free of charge

The Court provides resources free of charge to the Federal Magistrates Court of Australia (FMC) in accordance with s90, 92 and 99 of the Federal Magistrates Act 1999. Resources provided free of charge include:

- court staff who perform work on behalf of the FMC, and

## FAMILY COURT OF AUSTRALIA

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

- accommodation, including access to courtrooms.

It is estimated that the cost of resources provided free of charge by the Court to the FMC during 2007-08 was \$19,499,817 (2007: \$16,460,000).

The Court also provided resources free of charge to the Federal Court of Australia during 2007-08. It is estimated that the cost of these resources was \$530,993 (2007: \$285,905). The resources provided free of charge included accommodation and other property costs.

#### 1.21 Supplier and other payables

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

#### Note 2: Events after the Balance Sheet Date

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

#### Note 3: Correction of Prior Period Errors

An error was made in the financial year ending 30 June 2006. The value of leasehold disclosed in the land and buildings asset class was not at fair value. The Court engaged a licensed valuer to value these assets at fair value using indices applicable to 30 June 2006 and also undertake a valuation of leasehold as at 30 June 2007 and 30 June 2008.

As this error was made in a financial year prior to the comparative year, the Balance Sheet opening balances as at 1 July 2006 were restated as follows:

- Land and buildings \$12,439,460
- Other provisions \$3,206,211
- Asset revaluation reserve \$6,502,711
- Retained earnings \$9,178,572

In addition, this error resulted in restatement of the following line items for the year ending 30 June 2007.

- Depreciation expense \$7,546,511 \*
- Finance costs \$174,043
- Operating (deficit) was increased to (\$1,122,657)
- Other provisions \$3,420,340
- Asset revaluation reserve \$9,341,128

\* Included in depreciation expense for the year ending 30 June 2007 is \$752,105 for Leasehold Improvements and \$55,094 for the Deferred Cash flow for that year.

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

### Note 3: Correction of Prior Period Errors (continued)

#### Summary of adjustments

	Actual 2007 \$	Correction \$	Corrected Actual 2007 \$
<b>Income Statement Extract</b>			
<b>Expenses</b>			
Depreciation	6,739,312	807,199	7,546,511
Finance costs	18,091	155,952	174,043
Total Expenses	140,275,174	963,151	141,238,325
Operating Deficit	(159,506)	(963,151)	(1,122,657)
<b>Balance Sheet Extract</b>			
<b>Non-Current Assets</b>			
Land & Buildings	9,232,430	4,020,757	13,253,187
<b>Total Non-Current Assets</b>	<b>21,136,162</b>	<b>4,020,757</b>	<b>25,156,919</b>
<b>Liabilities</b>			
Other Provisions	2,359,055	1,061,285	3,420,340
<b>Total Liabilities</b>	<b>28,997,760</b>	<b>1,061,285</b>	<b>30,059,045</b>
<b>Equity</b>			
Retained surplus	9,845,906	(1,789,991)	8,055,915
Reserves	4,751,171	4,589,957	9,341,128
<b>Statement of Changes in Equity Extract</b>			
Opening Balance	19,053,193	1,084,206	20,137,399
Operating deficit	(159,506)	(963,151)	(1,122,657)
Asset Revaluation Reserve	4,751,171	4,589,957	9,341,128
<b>Closing Balance</b>	<b>18,893,687</b>	<b>2,959,472</b>	<b>21,853,159</b>

#### Changes to Note 7

	Actual 2007 \$	Correction \$	Corrected Actual 2007 \$
<b>Leasehold Improvements</b>			
- fair value	13,599,112	1,345,159	14,944,271
- accumulated depreciation	(4,404,928)	2,675,598	(1,729,330)
Leasehold improvements under construction	38,246	-	38,246
<b>Total Leasehold Improvements</b>	<b>9,232,430</b>	<b>4,020,757</b>	<b>13,253,187</b>

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

	2008 \$	2007 \$
<b>Note 4: Income</b>		
<b>Revenue</b>		
<b>Note 4A: Revenue from Government</b>		
Appropriations:		
Departmental outputs	<u>129,376,755</u>	129,448,243
<b>Total revenue from Government</b>	<u>129,376,755</u>	<u>129,448,243</u>
<b>Note 4B: Sale of goods and rendering of services</b>		
Provision of goods - external entities	6,577	5,393
Rendering of services - external parties	<u>478,298</u>	<u>718,782</u>
<b>Total sale of goods and rendering of services</b>	<u>484,875</u>	<u>724,175</u>
<b>Note 4C: Interest</b>		
Deposits	8,615	7,409
Discount received	<u>-</u>	<u>(4,456)</u>
<b>Total interest</b>	<u>8,615</u>	<u>2,953</u>
<b>Note 4D: Other revenue</b>		
Other revenue - external entities	54,786	45,900
Other revenue - related entities	<u>4,730,974</u>	<u>2,311,123</u>
<b>Total other revenues</b>	<u>4,785,760</u>	<u>2,357,023</u>
<b>Note 4E: Other gains</b>		
Resources received free of charge	65,000	72,350
Liabilities assumed by other agencies	<u>8,008,301</u>	<u>7,510,924</u>
Other gains	<u>60,000</u>	<u>-</u>
<b>Total other gains</b>	<u>8,133,301</u>	<u>7,583,274</u>

# FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

	2008 \$	2007 \$
<b>Note 5: Expenses</b>		
<b><u>Note 5A: Judges and Employee benefits</u></b>		
Judges' remuneration	12,469,430	12,017,774
Judges' leave and other entitlements	1,344,759	1,767,982
Judges' notional superannuation	8,008,301	7,510,924
Employee expenses	41,222,532	41,350,934
Employee superannuation	6,688,702	6,786,202
Employee leave and other entitlements	5,402,480	6,112,010
Separation and redundancies	781,064	50,369
Other employee expenses	<u>823,538</u>	<u>1,086,696</u>
<b>Total employee benefits</b>	<b><u>76,740,806</u></b>	<b><u>76,682,891</u></b>
<b><u>Note 5B: Suppliers</u></b>		
Rendering of services - related entities	240,431	336,446
Rendering of services - external entities	29,146,762	28,372,969
Operating lease rentals:		
Minimum lease payments	27,212,005	27,183,007
Workers compensation premiums	<u>635,092</u>	<u>829,781</u>
<b>Total supplier expenses</b>	<b><u>57,234,290</u></b>	<b><u>56,722,203</u></b>
<b><u>Note 5C: Depreciation and amortisation</u></b>		
Depreciation:		
Infrastructure, plant and equipment	<u>2,166,793</u>	<u>1,725,538</u>
<b>Total depreciation</b>	<b><u>2,166,793</u></b>	<b><u>1,725,538</u></b>
Amortisation:		
Leasehold improvements	4,224,409	3,979,068
Computer software	<u>632,332</u>	<u>1,841,905</u>
<b>Total amortisation</b>	<b><u>4,856,741</u></b>	<b><u>5,820,973</u></b>
<b>Total depreciation and amortisation</b>	<b><u>7,023,534</u></b>	<b><u>7,546,511</u></b>
<b><u>Note 5D: Finance costs</u></b>		
Unwinding of discount - makegood	<u>193,547</u>	<u>174,043</u>
<b>Total finance costs expense</b>	<b><u>193,547</u></b>	<b><u>174,043</u></b>
<b><u>Note 5E: Write down and impairment of assets</u></b>		
<b>Financial Assets</b>		
Bad and doubtful debts expense	(1,318)	3,830
Other	<u>24</u>	<u>-</u>
<b>Non-financial Assets</b>		
Impairment of infrastructure, plant & equipment	17,209	-
Impairment of inventories	<u>112,986</u>	<u>8,212</u>
<b>Total write-down and impairment of assets</b>	<b><u>128,901</u></b>	<b><u>12,042</u></b>

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

	2008 \$	2007 \$
<b>Note 5F: Losses from assets sales</b>		
Land and buildings		
Write-offs	3,288	37,802
Infrastructure, plant and equipment		
Proceeds from sale	(59,341)	(11,763)
Carrying value of assets sold	54,378	15,810
Write-offs	18,014	54,231
Selling expense	13,258	4,555
<b>Total losses from assets sales</b>	<b>29,597</b>	<b>100,635</b>

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

	2008	2007
	\$	\$
<b>Note 6: Financial Assets</b>		
<b>Note 6A: Cash and cash equivalents</b>		
Cash at bank	1,885,535	2,378,999
Cash on hand	<u>11,360</u>	<u>11,360</u>
<b>Total cash and cash equivalents</b>	<b><u>1,896,895</u></b>	<b><u>2,390,359</u></b>
<b>Note 6B: Trade and other receivables</b>		
GST receivable from the Australian Taxation Office	579,433	636,856
Goods and services	363,338	313,140
Appropriations receivable for existing outputs	<u>24,765,155</u>	<u>22,824,069</u>
<b>Total trade and other receivables (gross)</b>	<b><u>25,707,926</u></b>	<b><u>23,774,065</u></b>
Less Impairment Allowance account: Goods and services	<u>(4,518)</u>	<u>(5,835)</u>
<b>Total trade and other receivables (net)</b>	<b><u>25,703,408</u></b>	<b><u>23,768,230</u></b>
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.		
Receivables are aged as follows:		
Not overdue	25,628,953	23,765,859
Overdue by:		
Less than 30 days	3,219	643
30 to 60 days	64,387	50
61 to 90 days	600	-
More than 90 days	<u>10,767</u>	<u>7,513</u>
<b>Total receivables (gross)</b>	<b><u>25,707,926</u></b>	<b><u>23,774,065</u></b>
The impairment allowance account is aged as follows:		
Not overdue	-	-
Overdue by:		
More than 90 days	<u>4,518</u>	<u>5,835</u>
<b>Total impairment allowance account</b>	<b><u>4,518</u></b>	<b><u>5,835</u></b>
<b>Note 6C: Accrued Revenue</b>		
Goods and services	373,268	248,782
Other accrued revenue	<u>364,669</u>	<u>347,914</u>
<b>Total accrued revenue</b>	<b><u>737,937</u></b>	<b><u>596,696</u></b>

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

	2008	2007
	\$	\$
<b>Note 7: Non-Financial Assets</b>		
<b><u>Note 7A: Land and Buildings</u></b>		
Leasehold improvements		
- fair value	11,726,275	14,944,271
- accumulated depreciation	<u>(1,748,385)</u>	<u>(1,729,330)</u>
	<u>9,977,890</u>	<u>13,214,941</u>
Leasehold improvements - under construction	<u>1,069,717</u>	<u>38,246</u>
<b><i>Total leasehold improvements</i></b>	<b><u>11,047,607</u></b>	<b><u>13,253,187</u></b>
<b><u>Note 7B: Infrastructure, Plant and Equipment</u></b>		
Infrastructure, plant and equipment		
- gross carrying value (at fair value)	10,802,502	8,086,233
- accumulated depreciation	<u>(3,794,070)</u>	<u>(1,716,570)</u>
	<u>7,008,432</u>	<u>6,369,663</u>
Infrastructure, plant and equipment - under construction	<u>570,104</u>	<u>773,259</u>
<b><i>Total infrastructure, plant and equipment (non-current)</i></b>	<b><u>7,578,536</u></b>	<b><u>7,142,922</u></b>

All revaluations are conducted in accordance with the revaluation policy stated in Note 1.

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

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

**TABLE A - Reconciliation of the Opening and Closing Balances of Land and Building, Infrastructure, Plant and Equipment (2007 - 2008)**

Item	Land & Buildings - Leasehold Improvements \$	IP&E \$	TOTAL \$
<b>As at 1 July 2007</b>			
Gross book value	14,982,517	8,859,492	<b>23,842,009</b>
Accumulated depreciation/amortisation and impairment	(1,729,330)	(1,716,570)	<b>(3,445,900)</b>
<b>Net book value 1 July 2007</b>	<b>13,253,187</b>	<b>7,142,922</b>	<b>20,396,109</b>
Additions:			
by purchase	1,739,198	2,630,970	<b>4,370,168</b>
Revaluation increment	279,635	-	<b>279,635</b>
Depreciation/amortisation expense	(4,224,409)	(2,166,793)	<b>(6,391,202)</b>
Impairments recognised in the operating result	-	(17,209)	<b>(17,209)</b>
Disposals:			
Other disposals	(136,571)	(91,340)	<b>(227,911)</b>
Other disposals - accumulated depreciation	136,567	79,984	<b>216,551</b>
<b>Net book value 30 June 2008</b>	<b>11,047,607</b>	<b>7,578,535</b>	<b>18,626,142</b>
<b>Net book value as of 30 June 2008 represented by:</b>			
Gross book value	12,795,992	11,372,606	<b>24,168,598</b>
Accumulated depreciation/amortisation and impairment	(1,748,385)	(3,794,070)	<b>(5,542,455)</b>
<b>Closing net book value</b>	<b>11,047,607</b>	<b>7,578,535</b>	<b>18,626,142</b>

**TABLE A - Reconciliation of the Opening and Closing Balances of Land and Building, Infrastructure, Plant and Equipment (2006 - 2007)**

Item	Land & Buildings - Leasehold Improvements \$	IP&E \$	TOTAL \$
<b>As at 1 July 2006</b>			
Gross book value	14,039,852	7,261,313	<b>21,301,165</b>
Accumulated depreciation/amortisation and impairment	(1,600,392)	(25,886)	<b>(1,626,278)</b>
<b>Net book value 1 July 2006</b>	<b>12,439,460</b>	<b>7,235,427</b>	<b>19,674,887</b>
Additions:			
by purchase	2,031,832	1,703,074	<b>3,734,906</b>
Revaluation increment	2,769,451	-	<b>2,769,451</b>
Depreciation/amortisation expense	(3,923,974)	(1,725,538)	<b>(5,649,512)</b>
Disposals:			
Other disposals	(63,583)	(70,041)	<b>(133,624)</b>
<b>Net book value 30 June 2007</b>	<b>13,253,187</b>	<b>7,142,922</b>	<b>20,396,108</b>
<b>Net book value as of 30 June 2007 represented by:</b>			
Gross book value	14,982,517	8,859,492	<b>23,842,009</b>
Accumulated depreciation/amortisation and impairment	(1,729,330)	(1,716,570)	<b>(3,445,900)</b>
<b>Closing net book value</b>	<b>13,253,187</b>	<b>7,142,922</b>	<b>20,396,108</b>

**FAMILY COURT OF AUSTRALIA**

Notes to and forming part of the Financial Statements

**TABLE B - Property, Plant, and Equipment under Construction**

Item	Land & Buildings - Leasehold Improvements \$	IP&E \$	TOTAL \$
<b>Carrying amount at 30 June 2008</b>	<b>1,069,717</b>	<b>570,104</b>	<b>1,639,821</b>
Carrying amount at 30 June 2007	38,246	773,259	811,505

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

	2008	2007
	\$	\$
<b>Note 7D: Intangibles</b>		
Computer software at cost:		
Internally developed - in progress (non-current)	<u>540,189</u>	<u>318,343</u>
	<b>540,189</b>	<b>318,343</b>
Internally developed - in use (non-current)	<b>10,977,461</b>	10,977,461
- Accumulated amortisation	<u>(10,117,360)</u>	<u>(9,398,955)</u>
	<b>860,101</b>	1,578,506
Externally acquired - at cost (non-current)	<b>4,158,266</b>	3,552,022
- Accumulated amortisation	<u>(3,277,421)</u>	<u>(3,363,494)</u>
	<b>880,845</b>	188,528
<b>Total intangibles (non-current)</b>	<b><u>2,281,135</u></b>	<b><u>2,085,377</u></b>

No indicators of impairment were found for intangible assets.

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

**TABLE A - Reconciliation of the Opening and Closing Balances of Intangibles (2007 - 2008)**

Item	Computer software internally developed \$	Computer software purchased \$	Intangibles - Total \$
<b>As at 1 July 2007</b>			
Gross book value	11,059,887	3,787,939	14,847,826
Accumulated depreciation/amortisation and impairment	(9,398,955)	(3,363,494)	(12,762,449)
<b>Net book value 1 July 2007</b>	<b>1,660,932</b>	<b>424,445</b>	<b>2,085,377</b>
Additions:			
by purchase or internally developed	-	828,091	828,091
Amortisation	(718,405)	86,073	(632,333)
Other movements	457,763	(457,763)	-
<b>Net book value 30 June 2008</b>	<b>1,400,290</b>	<b>880,845</b>	<b>2,281,135</b>
<b>Net book value as at 30 June 2008 represented by:</b>			
Gross book value	11,517,650	4,158,267	15,675,917
Accumulated depreciation/amortisation and impairment	(10,117,360)	(3,277,421)	(13,394,782)
<b>Net book value</b>	<b>1,400,290</b>	<b>880,845</b>	<b>2,281,135</b>

**TABLE A - Reconciliation of the Opening and Closing Balances of Intangibles (2006 - 2007)**

Item	Computer software internally developed \$	Computer software purchased \$	Intangibles - Total \$
<b>As at 1 July 2006</b>			
Gross book value	10,741,544	3,465,073	14,206,617
Accumulated depreciation/amortisation and impairment	(8,095,430)	(2,825,114)	(10,920,544)
<b>Net book value 1 July 2006</b>	<b>2,646,114</b>	<b>639,959</b>	<b>3,286,073</b>
Additions:			
by purchase	318,343	322,866	641,209
Amortisation	(1,303,525)	(538,380)	(1,841,905)
<b>Net book value 30 June 2007</b>	<b>1,660,932</b>	<b>424,445</b>	<b>2,085,377</b>
<b>Net book value as at 30 June 2007 represented by:</b>			
Gross book value	11,059,887	3,787,939	14,847,826
Accumulated depreciation/amortisation and impairment	(9,398,955)	(3,363,494)	(12,762,449)
<b>Net book value</b>	<b>1,660,932</b>	<b>424,445</b>	<b>2,085,377</b>

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

**TABLE B - Intangibles under Construction**

Item	Computer software internally developed \$	Computer software purchased \$	Intangibles - Total \$
<b>Carrying amount at 30 June 2008</b>	-	<b>540,189</b>	<b>540,189</b>
Carrying amount at 30 June 2007	318,343	-	318,343

2008	2007
\$	\$

**Note 7E: Inventories**

Inventories held for distribution

<u>77,580</u>	<u>172,337</u>
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**Total inventories (current)**

<u><b>77,580</b></u>	<u><b>172,337</b></u>
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All departmental inventories are current assets.

During 2007-08 \$112,986 of inventory held for distribution was written off and shown as an expense (2006-07: \$8,212)

No items of inventory are recognised at fair value less cost to sell.

**Note 7F: Other non-financial assets**

Prepayments

<u>2,492,401</u>	<u>2,503,096</u>
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**Total other non-financial assets**

<u><b>2,492,401</b></u>	<u><b>2,503,096</b></u>
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All other non-financial assets are current assets.

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

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

	2008	2007
	\$	\$
<b>Note 8: Payables</b>		
<b><u>Note 8A: Suppliers</u></b>		
Trade creditors	434,719	711,047
Operating lease rentals	37,802	146,755
Other	<u>1,925,848</u>	<u>2,906,466</u>
<b>Total supplier payables</b>	<b><u>2,468,369</u></b>	<b><u>3,764,268</u></b>
Supplier payables are represented by:		
Current	2,451,615	3,761,042
Non-current	<u>16,754</u>	<u>3,226</u>
<b>Total supplier payables</b>	<b><u>2,468,369</u></b>	<b><u>3,764,268</u></b>
Settlement is usually made net 30 days.		
<b><u>Note 8B: Other Payables</u></b>		
Fringe benefits tax payable	301,492	277,424
Prepayments received	445,633	875,674
Other payables	<u>790</u>	<u>1,794</u>
<b>Total other payables</b>	<b><u>747,915</u></b>	<b><u>1,154,892</u></b>
All other payables are current liabilities.		

# FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

	2008	2007
	\$	\$
<b>Note 9: Provisions</b>		
<b>Note 9A: Employee Provisions</b>		
Judges and employee expenses	477,166	481,237
Leave	20,106,371	20,852,777
Superannuation	70,652	50,327
Separations and redundancies	351,090	335,204
Other	229,721	-
<b>Total employee provisions</b>	<b>21,235,000</b>	<b>21,719,545</b>

Employee provisions are represented by:

Current	8,295,514	16,199,773
Non-current	12,939,486	5,519,772
<b>Total employee provisions</b>	<b>21,235,000</b>	<b>21,719,545</b>

The classification of current includes amounts for which there is not an unconditional right to defer settlement by one year, hence in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of reporting date. Employee provisions expected to be settled in twelve months from the reporting date are \$8,295,514 (2007: \$16,199,773), and in excess of one year \$12,939,486 (2007: \$5,519,772).

## Note 9B: Other Provisions

Retention provisions	3,725	26,111
Makegood provision	3,366,746	3,394,229
<b>Total other provisions</b>	<b>3,370,471</b>	<b>3,420,340</b>

Other provisions are represented by:

Total current	1,632,521	562,389
Total non-current	1,737,950	2,857,951
<b>Total other provisions</b>	<b>3,370,471</b>	<b>3,420,340</b>

	Retention Provision	Makegood Provision	Total
<b>Carrying amount 1 July 2007</b>	<b>26,111</b>	<b>3,394,229</b>	<b>3,420,340</b>
Additional provisions made:	-	132,517	132,517
Retentions released	(22,386)	-	(22,386)
Makegood provision write-down	-	(160,000)	(160,000)
<b>Closing balance 2008</b>	<b>3,725</b>	<b>3,366,746</b>	<b>3,370,471</b>

The Court may retain an agreed sum from progress payments for capital projects with a defects liability period. The Court has made a provision to reflect the present value of this obligation.

The Court currently has 9 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.

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

	2008 \$	2007 \$
<b>Note 10: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement</b>		
<b>Report cash and cash equivalents as per:</b>		
Cash Flow Statement	1,896,895	2,390,359
Balance Sheet	1,896,895	2,390,359
<b>Reconciliation of operating result to net cash from operating activities:</b>		
Operating result	1,438,631	(1,122,657)
Depreciation and amortisation	7,023,534	7,546,511
Loss on disposal of assets	29,597	100,635
Inventories impairment	112,986	8,212
Impairment of Infrastructure, P&E	17,209	-
(Increase) / decrease in net receivables	(1,935,179)	(2,822,755)
(Increase) / decrease in inventories	(18,229)	(21,732)
(Increase) / decrease in accrued revenue	(141,241)	(170,425)
(Increase) / decrease in prepayments to suppliers	10,695	789,671
Increase / (decrease) in employee provisions	(484,546)	(19,460)
Increase / (decrease) in supplier payables	(1,295,899)	(1,879,912)
Increase / (decrease) in other payables	(406,977)	265,931
Increase / (decrease) in other provisions	(49,869)	200,154
<b>Net cash from or (used by) operating activities</b>	<b>4,300,711</b>	<b>2,874,174</b>

### Note 11: Contingent Liabilities and Assets

#### Quantifiable Contingencies

The Schedule of Contingencies reports nil contingent liabilities in respect of claims for damages/costs (2007: nil).

#### Unquantifiable Contingencies

At 30 June 2008, the Court had a number of legal claims against it. It is not possible to estimate the amounts of any eventual payments that may be required in relation to these claims.

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

### Note 12: Senior Executive Remuneration

	2008	2007
The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:		
\$160 000 to \$174 999	-	1
\$175 000 to \$189 999	1	3
\$190 000 to \$204 999	4	2
\$205 000 to \$219 999	1	-
\$220 000 to \$234 999	-	1
\$235 000 to \$249 999	2	2
\$250 000 to \$269 999	2	-
\$280 000 to \$294 999	-	1
\$295 000 to \$309 999	1	-
	<u>11</u>	<u>10</u>

The aggregate amount of total remuneration of senior executives shown above. **\$2,493,855**      \$2,122,055

The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above. **\$47,284**      Nil

### Note 13: Remuneration of Auditors

	2008	2007
	\$	\$
Financial statement audit services are provided free of charge to the Court.		
The fair value of audit services provided was:	<u>65,000</u>	<u>72,350</u>
	<u>65,000</u>	<u>72,350</u>

No other services are provided by the Auditor-General.

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

	2008 \$	2007 \$
<b>Note 14: Financial Instruments</b>		
<b>Note 14A: Categories of financial instruments</b>		
<b>Financial Assets</b>		
Held-to-maturity financial assets		
Cash and cash equivalents	1,896,895	2,390,359
	<u>1,896,895</u>	<u>2,390,359</u>
Loans and receivables financial assets		
Trade receivables	363,338	313,140
	<u>363,338</u>	<u>313,140</u>
<b>Carrying amount of financial assets</b>	<b><u>2,260,233</u></b>	<b><u>2,703,499</u></b>
<b>Financial Liabilities</b>		
Fair value through profit and loss (held for trading)		
Trade creditors	434,719	711,047
	<u>434,719</u>	<u>711,047</u>
	-	-
<b>Carrying amount of financial liabilities</b>	<b><u>434,719</u></b>	<b><u>711,047</u></b>

**Note 14B: Fair value of financial instruments**

	Carrying amount 2008 \$'000	Fair Value 2008 \$'000	Carrying amount 2007 \$'000	Fair value 2007 \$'000
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents	1,896,895	1,896,895	2,390,359	2,390,359
Trade receivables	363,338	363,338	313,140	313,140
<b>Total</b>	<b>2,260,233</b>	<b>2,260,233</b>	<b>2,703,499</b>	<b>2,703,499</b>
<b>FINANCIAL LIABILITIES</b>				
Trade creditors	434,719	434,719	711,047	711,047
<b>Total</b>	<b>434,719</b>	<b>434,719</b>	<b>711,047</b>	<b>711,047</b>

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

2008                      2007  
\$                                      \$

### Note 14C: Credit risk

For both Departmental and Administered, the Court's maximum exposure 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 exposure to any concentration of credit risk.

The following table illustrates Family Court of Australia gross exposure to credit risk, excluding any collateral or credit enhancement

	2008 \$'000	2007 \$'000
Financial assets		
Cash	1,896,895	2,390,359
Trade receivables	363,338	313,140
Financial liabilities		
Trade creditors	434,719	711,047
<b>Total</b>	<b>1,825,514</b>	<b>1,992,452</b>

Credit quality of financial instruments not past due or individually determined as impaired

	Past due or impaired 2008 \$'000	Past due or impaired 2007 \$'000
Trade receivable	4,518	5,835
<b>Total</b>	<b>4,518</b>	<b>5,835</b>

Ageing of financial assets that are past due but not impaired for 2008

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Trade receivables	284,365	3,219	64,387	11,367	363,338
<b>Total</b>	<b>284,365</b>	<b>3,219</b>	<b>64,387</b>	<b>11,367</b>	<b>363,338</b>

Ageing of financial assets that are past due but not impaired for 2007

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Trade receivables	305,577	50	-	7,513	313,140
<b>Total</b>	<b>305,577</b>	<b>50</b>	<b>-</b>	<b>7,513</b>	<b>313,140</b>

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

	2008	2007
	\$	\$
<b>Note 15: Income Administered on Behalf of Government</b>		
<b><u>Revenue</u></b>		
<b>Non-taxation Revenue</b>		
<b><u>Note 15A: Sales of goods and rendering of services</u></b>		
Rendering of services - external parties	1,262,577	1,936,104
<b>Total sale of goods and rendering of services</b>	<u>1,262,577</u>	<u>1,936,104</u>
<b>Total Income Administered on Behalf of Government</b>	<u>1,262,577</u>	<u>1,936,104</u>
<b>Note 16: Expenses Administered on Behalf of Government</b>		
<b><u>Expenses</u></b>		
<b><u>Note 16A: Other expenses</u></b>		
Rendering of services - fees refunded	20,053	20,552
<b>Total other expenses</b>	<u>20,053</u>	<u>20,552</u>
<b>Total Expenses Administered on Behalf of Government</b>	<u>20,053</u>	<u>20,552</u>
<b>Note 17: Assets Administered on Behalf of Government</b>		
<b><u>Financial Assets</u></b>		
<b><u>Note 17A: Cash and cash equivalents</u></b>		
Cash on hand or on deposit	18,478	32,446
<b>Total cash and cash equivalents</b>	<u>18,478</u>	<u>32,446</u>
<b><u>Note 17B: Receivables</u></b>		
Goods and services receivable	162	389
<b>Total receivables</b>	<u>162</u>	<u>389</u>
Goods and services receivables are with Entities external to the Australian Government. Credit terms are net 30 days (2007: 30 days).		
<b>Note 18: Administered Reconciliation Table</b>		
<b>Opening administered assets less administered liabilities as at 1 July</b>	<b>32,835</b>	<b>33,582</b>
Opening balance fair value adjustment - administered investments	-	-
Less fair value adjustment - receivables	(389)	-
Plus: Administered revenues	1,262,561	1,936,509
Less: Administered expenses	(20,053)	(20,552)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA	71,238	48,817
Transfers to OPA	(1,327,552)	(1,965,521)
<b>Closing administered assets less administered liabilities as at 30 June</b>	<u><b>18,640</b></u>	<u><b>32,835</b></u>

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

### Note 19: Appropriations

**Table A: Acquittal of authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations**

Particulars	Administered Expenses Outcome 1		Departmental Outputs		Total	
	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$
Balance brought forward from previous period	-	-	25,826,271	24,433,602	25,826,271	24,433,602
Reductions of appropriations (prior periods)	-	-	-	-	-	-
Adjusted balance carried for previous period	-	-	25,826,271	24,433,602	25,826,271	24,433,602
Appropriation Act (No. 1) 2007 - 2008	-	-	131,069,000	129,369,000	131,069,000	129,369,000
Appropriation Act (No. 3) 2007 - 2008	-	-	-	105,000	-	105,000
Reductions of appropriations (Appropriation Act section 9)	-	-	(1,709,000)	-	(1,709,000)	-
FMA Act:	-	-	-	-	-	-
Adjustment of appropriations on change of entity function (FMA s32)	-	-	-	-	-	-
Refund credited (FMA s30)	-	-	94,073	130,900	94,073	130,900
Appropriations to take account of recoverable GST (FMA s30A)	-	-	6,460,731	6,684,928	6,460,731	6,684,928
Annotations to 'net appropriations' (FMA s31)	-	-	4,722,786	3,082,756	4,722,786	3,082,756
Total Appropriations available for payments	-	-	166,463,861	163,806,186	166,463,861	163,806,186
Cash payments made during the year (GST inclusive)	-	-	139,200,575	137,979,915	139,200,575	137,979,915
Appropriations credited to Special Accounts (excluding GST)	-	-	-	-	-	-
Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations, and as represented by:	-	-	27,263,286	25,826,271	27,263,286	25,826,271
Cash at bank and on hand	-	-	1,896,895	2,390,359	-	2,390,359
Departmental appropriations receivables	-	-	24,765,155	22,824,069	-	22,824,069
Receivables - Net GST receivable from the ATO	-	-	579,433	636,856	-	636,856
Less: Other Payables	-	-	21,803	(25,013)	-	(25,013)
Total	-	-	27,263,286	25,826,271	-	25,826,271

**FAMILY COURT OF AUSTRALIA**

Notes to and forming part of the Financial Statements

**Table B: 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		N/E	Equity		Loans		Previous years' outputs		Admin assets and liabilities	
	2008	2007	2008	2008	2007	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance carried from previous period	-	-	-	-	-	-	-	-	-	-	-
Reversion of appropriations (prior periods)	-	-	-	170,000	-	-	-	-	-	-	170,000
Adjusted balance carried from previous period	-	-	-	170,000	-	-	-	-	-	-	170,000
Appropriation Act:											
Appropriation Act (No 2) 2007 - 2008	-	-	-	188,000	-	-	-	-	-	-	188,000
Appropriation Act (No 4) 2007 - 2008	-	-	-	-	-	-	-	-	-	-	-
Sub-total 2007 - 08 Annual Appropriation	-	-	-	188,000	170,000	-	-	-	-	-	188,000
Appropriations to take account of recoverable GST (FMAA s50A)	-	-	-	-	-	-	-	-	-	-	-
Total appropriations available for payments	-	-	-	358,000	170,000	-	-	-	-	-	358,000
Cash payments made during the year (GST inclusive)	-	-	-	358,000	-	-	-	-	-	-	358,000
Appropriations credited to Special Accounts (GST exclusive)	-	-	-	-	-	-	-	-	-	-	-
Balance of Authority to Draw Cash from the CRF for Other Than Ordinary Annual Services Appropriations and as represented by:											
Appropriation receivable	-	-	-	-	170,000	-	-	-	-	-	170,000
<b>Total</b>	-	-	-	-	170,000	-	-	-	-	-	170,000

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

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

Special Administered Appropriations - Refunds	2008	2007
	Outcome 1	
	\$	\$
Legal Authority: <i>Family Law Act 1975</i>		
Purpose: 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 FL Reg 11 (Sub-section 8 and 9)		
Balance carried from previous period	-	-
Appropriation for reporting period	71,238	48,817
Total credits	71,238	48,817
Cash payments made during the year (GST inclusive)	71,238	48,817
Appropriations lapsed	-	-
Total balance carried to the next period	-	-

**Table D: Special Accounts**

Family Court of Australia Litigants Fund Special Account (Administered)	2008	2007
	\$	\$
Legal Authority: <i>Financial Management and Accountability Act, 1997: s20(1)</i> .		
Purpose: 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 period	76,031	500,908
Costs recovered	513,901	293,883
<b>Total credits</b>	<b>589,932</b>	<b>794,791</b>
Payments made	(140,244)	(718,760)
Total Debits	140,244	718,760
<b>Balance carried to the next period and represented by:</b>	<b>449,688</b>	<b>76,031</b>
Cash transferred to the Official Public Account	444,688	71,031
Court Litigants Fund Official Trust Account	5,000	5,000
Administered Payments Account	-	-
Outstanding Deposits held by the Court	-	-
<b>Total balance carried to the next period</b>	<b>449,688</b>	<b>76,031</b>

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

<b>Other Trust Monies Special Account</b>	<b>2008</b>	<b>2007</b>
	\$	\$
Legal Authority: <i>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		
Balance carried from previous period	28,724	727
Other receipts	213,209	97,255
<b>Total credits</b>	<b>241,933</b>	<b>97,982</b>
Payments made during the year	240,452	69,258
<b>Balance carried to next period and represented by:</b>	<b>1,481</b>	<b>28,724</b>
Cash transferred to the Official Public Account	1,481	28,724
<b>Total balance carried to the next period</b>	<b>1,481</b>	<b>28,724</b>

### Note 20: Compensation and Debt Relief

	2008	2007
	\$	\$
<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> (2007: no expense).	<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> . (2007: No waivers)	<u>Nil</u>	<u>Nil</u>
No ex-gratia payments were provided for during the reporting period. (2007: 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))		
Number of exemptions and waivers	<u>3,824</u>	<u>6,634</u>
Aggregate amount of the recovery which was exempted and waived.	<u>869,185</u>	<u>1,455,056</u>

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

### Note 21: Reporting of Outcomes

The Family Court of Australia utilises an Activity Based Costing model which attributes both direct and indirect costs (overheads) to approximately 120 activities. Those activity costs are then predominantly attributed, based on the contribution made to each of the Court's outputs. The basis of attribution in the below table is consistent with the basis used for the 2007-08 budget.

#### Note 21A: Net Cost of Outcome Delivery

	Outcome 1		Total	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>Expenses</b>				
Departmental expenses	141,350,675	141,238,325	141,350,675	141,238,325
Administered expenses	20,053	20,552	20,053	20,552
<b>Total expenses</b>	<b>141,370,728</b>	<b>141,258,877</b>	<b>141,370,728</b>	<b>141,258,877</b>
<b>Costs recovered from provision of goods and services to the non-government sector</b>				
Departmental	484,875	724,175	484,875	724,175
Administered	1,262,577	1,936,104	1,262,577	1,936,104
<b>Total costs recovered</b>	<b>1,747,452</b>	<b>2,660,279</b>	<b>1,747,452</b>	<b>2,660,279</b>
Other	4,785,760	2,357,023	4,785,760	2,357,023
Other gains	8,133,301	7,583,274	8,133,301	7,583,274
Interest	8,615	2,953	8,615	2,953
<b>Total Departmental</b>	<b>12,927,676</b>	<b>9,943,250</b>	<b>12,927,676</b>	<b>9,943,250</b>
<b>Total other external revenues</b>	<b>12,927,676</b>	<b>9,943,250</b>	<b>12,927,676</b>	<b>9,943,250</b>
<b>Net cost/(contribution) of outcome</b>	<b>126,695,600</b>	<b>128,655,348</b>	<b>126,695,600</b>	<b>128,655,348</b>

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual budget outcome. Refer to Outcome 1 Resourcing Table of this Annual Report.

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

### Note 21B: Major Classes of Departmental Revenues and Expenses by Output Groups and Outputs

	Output Group 1.1		Output Group 1.1		Output Group 1.2		Output Group 1.2	
	Output 1.1.1		Output 1.1.2		Output 1.2.1		Output 1.2.1	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Outcome 1</b>								
<b>Departmental expenses</b>								
Employees	11,325,003	11,316,456	1,868,597	1,867,187	5,593,397	6,019,542		
Suppliers	8,446,327	8,370,763	1,393,623	1,381,155	4,171,624	4,452,645		
Depreciation and amortisation	1,036,496	1,113,674	171,019	183,753	511,923	592,395		
Other expenses	51,960	42,313	8,573	6,981	25,663	22,507		
<b>Total departmental expenses</b>	<b>20,859,786</b>	<b>20,843,206</b>	<b>3,441,812</b>	<b>3,439,076</b>	<b>10,302,607</b>	<b>11,087,089</b>		
<b>Funded by:</b>								
Income from Government	19,092,738	19,103,288	3,150,254	3,151,994	9,429,866	10,161,577		
Sale of goods and services	71,555	106,870	11,806	17,633	35,341	56,847		
Other non-taxation income	1,907,798	1,467,372	314,782	242,113	942,258	780,537		
<b>Total departmental revenues</b>	<b>21,072,092</b>	<b>20,677,531</b>	<b>3,476,842</b>	<b>3,411,740</b>	<b>10,407,465</b>	<b>10,998,961</b>		
<b>Outcome 1 (continued)</b>								
<b>Departmental expenses</b>								
Employees	12,451,250	12,349,390	42,088,674	41,744,359	3,413,885	3,385,957	76,740,806	76,682,891
Suppliers	9,286,296	9,134,823	31,390,252	30,878,231	2,546,118	2,504,587	57,234,240	56,722,203
Depreciation and amortisation	1,139,573	1,215,327	3,852,074	4,108,143	312,448	333,219	7,023,534	7,546,511
Other expenses	57,128	46,175	193,107	156,084	15,663	12,660	352,095	286,720
<b>Total departmental expenses</b>	<b>22,934,247</b>	<b>22,745,715</b>	<b>77,524,107</b>	<b>76,886,816</b>	<b>6,288,115</b>	<b>6,236,423</b>	<b>141,350,675</b>	<b>141,238,325</b>
<b>Funded by:</b>								
Income from Government	20,991,470	20,846,982	70,956,983	70,468,573	5,755,444	5,715,828	129,376,755	129,448,243
Sale of goods and services	78,671	116,625	265,931	394,274	21,570	31,976	484,875	724,175
Other non-taxation income	2,097,525	1,601,310	7,090,214	5,412,871	575,100	439,047	12,927,676	9,943,250
<b>Total departmental revenues</b>	<b>23,167,666</b>	<b>22,564,917</b>	<b>78,313,128</b>	<b>76,275,668</b>	<b>6,352,114</b>	<b>6,186,852</b>	<b>142,789,306</b>	<b>140,115,668</b>

## FAMILY COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

### Note 21C: Major Classes of Administered Revenues and Expenses by Outcomes

	Outcome 1		Total	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>Administered Income</b>				
Total Goods and Services	1,262,577	1,936,104	1,262,577	1,936,104
<b>Total administered income</b>	<b>1,262,577</b>	<b>1,936,104</b>	<b>1,262,577</b>	<b>1,936,104</b>
<b>Administered Expenses</b>				
Fees refunded	20,053	20,552	20,053	20,552
<b>Total Administered Expenses</b>	<b>20,053</b>	<b>20,552</b>	<b>20,053</b>	<b>20,552</b>