

PART 6

APPEND

Western Australia

Balanggarra

Esperance Nyungars

Nyikina Mangala

Wiluna

Tarlpa

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Wiluna #3



INDEPENDENT AUDITOR'S REPORT

To the Attorney General

I have audited the accompanying financial statements of Federal Court of Australia for the year ended 30 June 2014, which comprise: a Statement by the Registrar and Chief Financial Officer; Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Administered Schedule of Comprehensive Income; Administered Schedule of Assets and Liabilities; Administered Reconciliation Schedule; Administered Cash Flow Statement; Schedule of Administered Commitments; Schedule of Administered Contingencies; and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Registrar's Responsibility for the Financial Statements

The Registrar of the Federal Court of Australia is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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 Federal Court of Australia preparation of the financial statements that give a true and fair view 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 Federal Court of Australia internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Registrar of the Federal Court of Australia as well as evaluating the overall presentation of the financial statements.

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

Independence

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

Opinion

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

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders, including the Federal Court of Australia's financial position as at 30 June 2014 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Kristian Gage
Acting Executive Director
Delegate of the Auditor-General
Canberra
2 September 2014

STATEMENT BY THE REGISTRAR AND CHIEF FINANCE OFFICER

FEDERAL COURT OF AUSTRALIA

STATEMENT BY THE REGISTRAR AND CHIEF FINANCE OFFICER

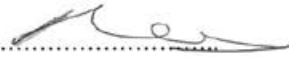
In our opinion, the attached financial statements for the year ended 30 June 2014 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



Signed

Warwick Soden
Registrar and Chief Executive Officer

/ September 2014



Signed

Peter Bowen
Chief Finance Officer

/ September 2014

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2014

	NOTES	2014 \$'000	2013 \$'000
NET COST OF SERVICES			
Expenses			
Judge benefits	3A	34,105	29,926
Employee benefits	3A	46,023	43,872
Suppliers	3B	47,730	46,714
Depreciation and amortisation	3C	4,691	4,265
Finance costs	3D	45	72
Write-down and impairment of assets	3E	133	560
Losses from asset sales	3F	-	-
Total expenses		132,727	125,409
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	4A	3,673	3,341
Total own-source revenue		3,673	3,341
Gains			
Other gains	4B	32,712	30,901
Total gains		32,712	30,901
Total own-source income		36,385	34,242
Net cost of services		(96,342)	(91,167)
Revenue from Government	4C	93,213	89,020
(Deficit)		(3,129)	(2,147)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		5,490	-
Total other comprehensive income		5,490	-
Total comprehensive income		2,361	(2,147)

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	NOTES	2014 \$'000	2013 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	6A	576	279
Trade and other receivables	6B	46,387	47,702
Total financial assets		46,963	47,981
Non-Financial Assets			
Land and buildings	7A	16,320	11,999
Property, plant and equipment	7B	7,489	7,966
Intangibles	7C	4,883	2,851
Other non-financial assets	7E	956	522
Total non-financial assets		29,648	23,338
Total Assets		76,611	71,319
LIABILITIES			
Payables			
Suppliers	8A	1,407	1,895
Other Payables	8B	2,772	2,269
Total payables		4,179	4,164
Interest Bearing Liabilities			
Leases	9	409	812
Total interest bearing liabilities		409	812
Provisions			
Judge and employee provisions	10A	20,061	19,910
Other provisions	10B	254	252
Total provisions		20,315	20,162
Total Liabilities		24,903	25,138
Net Assets		51,708	46,181
EQUITY			
Contributed equity		38,534	35,368
Reserves		7,074	1,584
Retained surplus		6,100	9,229
Total Equity		51,708	46,181

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

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2014

	RETAINED EARNINGS		ASSET REVALUATION SURPLUS		CONTRIBUTED EQUITY/CAPITAL		TOTAL EQUITY	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Opening balance	9,229	11,376	1,584	1,584	35,368	19,727	46,181	32,687
Comprehensive Income								
Other Comprehensive Income	-	-	5,490	-	-	-	5,490	-
(Deficit) for period	(3,129)	(2,147)	-	-	-	-	(3,129)	(2,147)
Total comprehensive income	(3,129)	(2,147)	5,490	-	-	-	2,361	(2,147)
Transactions with owners								
Contributions by owners								
Restructuring	-	-	-	-	-	11,972	-	11,972
Departmental Capital Budget	-	-	-	-	3,166	3,669	3,166	3,669
Total transactions with owners	-	-	-	-	3,166	15,641	3,166	15,641
Closing balance as at 30 June	6,100	9,229	7,074	1,584	38,534	35,368	51,708	46,181
Closing balance attributable to the Australian Government	6,100	9,229	7,074	1,584	38,534	35,368	51,708	46,181

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

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2014

	NOTES	2014 \$'000	2013 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		96,437	89,880
Sale of goods and rendering of services		3,272	3,441
Receipts from Government		35	48
Net GST received		3,057	2,230
Total cash received		102,801	95,599
Cash used			
Judges and employees		67,550	64,197
Suppliers		27,799	26,161
Borrowing costs		46	72
Net GST paid		2,951	2,740
Section 31 receipts transferred to OPA		3,546	3,596
Total cash used		101,892	96,766
Net cash from / (used by) operating activities	12	909	(1,167)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		-	-
Total cash received		-	-
Cash used			
Purchase of property, plant and equipment		2,482	2,267
Purchase of intangibles		2,725	1,020
Total cash used		5,207	3,287
Net cash (used by) investing activities		(5,207)	(3,287)
FINANCING ACTIVITIES			
Cash received			
Appropriations – contributed equity		4,998	3,756
Total cash received		4,998	3,756
Cash used			
Payment of finance lease liabilities		403	376
Total cash used		403	376
Net cash from financing activities		4,595	3,380
Net increase / (decrease) in cash held		297	(1,074)
Cash at the beginning of the reporting period		279	1,353
Cash at the end of the reporting period	6A	576	279

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

SCHEDULE OF COMMITMENTS

AS AT 30 JUNE 2014

	2014 \$'000	2013 \$'000
BY TYPE		
Commitments receivable		
Net GST recoverable on commitments	251	176
Total commitments receivable	251	176
Commitments payable		
Capital commitments		
Property, plant and equipment ¹	123	10
Total capital commitments	123	10
Other commitments		
Operating leases ²	2,318	1,830
Other ³	314	92
Total other commitments	2,632	1,922
Total commitments payable	2,755	1,932
Net commitments by type	2,504	1,756
BY MATURITY		
Commitments receivable		
Within 1 year	166	118
Between 1 and 5 years	85	58
Total commitments receivable	251	176
Commitments payable		
Capital commitments		
Within 1 year	123	10
Total capital commitments	123	10
Operating lease commitments		
Within 1 year	1,386	1,189
Between 1 and 5 years	932	641
Total operating lease commitments	2,318	1,830
Other commitments		
Within 1 year	311	92
Between 1 and 5 years	3	-
Total other commitments	314	92
Net Commitments by Maturity	2,504	1,756

NB: Commitments are GST inclusive where relevant.

SCHEDULE OF COMMITMENTS AS AT 30 JUNE 2014

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

Nature of leases/General description

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

Leases for judicial and other accommodation.

These commitments are mainly for rental of special purpose court buildings which are occupied by the Court's registries. The court buildings are owned by the Commonwealth of Australia, except for the New South Wales court building, which is owned by Law Courts Limited, a joint venture between the NSW State and Commonwealth Governments. In the Northern Territory, space is leased from the Northern Territory Government. The Court also leases commercial premises in Brisbane and Cairns for the National Native Title Tribunal.

As at 30 June 2014, the Court had no signed leases for the Commonwealth Law Courts Buildings and therefore has no commitment for future expenditure for these premises.

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

The Court leased motor vehicles from Lease Plan under the terms of a contract that was operative until January 2013. From February 2013 vehicles are leased from sgFleet under contractual terms. These vehicles are leased under individual operating leases.

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

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

SCHEDULE OF CONTINGENCIES AS AT 30 JUNE 2014

There were no contingent losses or gains as at 30 June 2014 (2013: nil).

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

ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2014

	NOTES	2014 \$'000	2013 \$'000
NET COST OF SERVICES			
Expenses			
Write-down and impairment of assets	17	426	(180)
Total expenses		426	(180)
Income			
Revenue			
Non-taxation Revenue			
Fees (filing and hearing fees)	18	18,776	16,966
Fines	18	696	147
Other revenue	18	186	125
Total non-taxation revenue		19,658	17,238
Total revenue		19,658	17,238
Net contribution by services		19,232	17,418
OTHER COMPREHENSIVE INCOME			
Total comprehensive income		19,232	17,418

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

ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES AS AT 30 JUNE 2014

	NOTES	2014 \$'000	2013 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	19A	29	40
Receivables	19B	1,926	2,903
Total assets administered on behalf of Government		1,955	2,943
LIABILITIES			
Payables			
Other payables	20A	132	304
Total payables		132	304
Total liabilities administered on behalf of Government		132	304
Net assets		1,823	2,639
ADMINISTERED RECONCILIATION SCHEDULE			
Opening assets less liabilities as at 1 July		2,639	569
Net contribution by services			
Income		19,658	17,238
Expenses		(426)	180
Transfers to/from the Australian Government:			
Administered assets and liabilities appropriations		420	290
Transfers to OPA		(20,468)	(15,638)
Closing assets less liabilities as at 30 June		1,823	2,639

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

ADMINISTERED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2014

	NOTES	2014 \$'000	2013 \$'000
OPERATING ACTIVITIES			
Cash received			
Fees		19,514	15,371
Fines		739	147
Other		195	130
Total cash received		20,448	15,648
Cash used			
Refund of court fees and fines		411	290
Total cash used		411	290
Net cash from operating activities		20,037	15,358
Net increase in cash held	21	20,037	15,358
Cash at the beginning of the reporting period		40	30
Cash from Official Public Account			
Appropriations		420	290
		420	290
Cash to Official Public Account		(20,468)	(15,638)
		(20,468)	(15,638)
Cash at the end of the reporting period	19A	29	40
Schedule of Administered Commitments as at 30 June 2014			
There were no Administered commitments as at 30 June 2014. (2013: nil)			
Schedule of Administered Contingencies as at 30 June 2014			
There were no Administered contingent losses or gains as at 30 June 2014. (2013: nil)			

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1	Summary of Significant Accounting Policies
NOTE 2	Events After the Reporting Period
NOTE 3	Expenses
NOTE 4	Own-Source Income
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NOTE 6	Financial Assets
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NOTE 11	Restructuring
NOTE 12	Cash Flow Reconciliation
NOTE 13	Senior Executive Remuneration
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NOTE 16	Financial Assets Reconciliation
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 OBJECTIVES OF THE COURT

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

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

The Court is structured to meet one Outcome:

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

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

The Court conducts the following administered activity on behalf of the Government: The collection of fees and fines.

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

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision in *Williams v Commonwealth [2014] HCA 23*, as they contribute to the larger body of law relevant to the development of Commonwealth programmes. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

1.2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

- Finance Minister's Orders (or FMOs), for reporting periods ending on or after 1 July 2011; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

Unless alternative treatment is specifically required by an Accounting Standard or the FMOs, assets and liabilities are recognised in the statement of financial position when and only when it is probable that future economic benefits will flow to the Court or a future sacrifice of economic benefits will be required and the amounts of the assets

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments and the schedule of contingencies.

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

1.3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

1.4 CHANGES IN AUSTRALIAN ACCOUNTING STANDARDS

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. No new accounting standards, amendments to standards and interpretations issued by the Australian Accounting Standards Board that are applicable in the current period have had a material financial effect on the Court.

Future Australian Accounting Standard requirements

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

The Court will adopt AASB 1055 'Budgetary reporting' from 1 July 2014. This standard will require the Court to disclose the original budget presented to Parliament, variances of actuals from budget and to explain major variances between actual and budgeted amounts.

1.5 REVENUE

Revenue from the sale of goods is recognised when:

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

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

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

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

Revenue from Government

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

1.6 GAINS

Resources Received Free of Charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be

reliably determined and the services would have been purchased if they had not been donated. Use of these resources is recognised as an expense.

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

Resources received free of charge are recognised 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' (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Other Distributions to owners

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

1.8 JUDGE AND EMPLOYEE BENEFITS

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

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

Other long term judge and employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the

reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

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

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

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

Separation and Redundancy

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

Superannuation

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

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

Judges' Pension

Under the *Judges' Pension Act 1968*, Federal Court Judges are entitled to a non-contributory pension upon retirement after 6 years service. Where entitlements are not available under the *Judges' Pension Act 1968*, entitlements are available under the *Superannuation (Productivity Benefit) Act 1988*. As the liability for these pension payments is assumed by the Australian Government, the Court has not recognised a liability for unfunded superannuation liability. The Court does, however, recognise an expense and a corresponding revenue item, "Liabilities assumed by other agencies", in respect of the notional amount of the employer contributions to Judges' pensions for the reporting period amounting to \$12,567,170 (2012–13: \$11,181,782). The contribution rate has been provided by the Australian Government Actuary.

1.9 LEASES

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the

risks and benefits incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

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

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

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

1.10 FAIR VALUE MEASUREMENT

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

1.11 CASH

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

1.12 FINANCIAL ASSETS

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. The Court does not have any loans at 30 June 2014. Receivables are recognised at their nominal amount.

Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

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

1.13 FINANCIAL LIABILITIES

Supplier and other payables

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

1.14 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

1.15 ACQUISITION OF ASSETS

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

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In

the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

1.16 PROPERTY, PLANT AND EQUIPMENT

Asset Recognition Threshold

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

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

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

Revaluations

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Depreciation

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

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Depreciation and amortisation rates for each class of depreciable asset are based on the following useful lives:

	2014	2013
Leasehold improvements	10 to 20 years or Lease term	10 years or Lease term
Plant and equipment – excluding library materials	3 to 100 years	3 to 250 years
Plant and equipment – library materials	5 to 10 years	5 to 10 years

The change in the useful life terms in 2013–14 were done after a recommendation from an independent valuer engaged by the Court. This change led to a revaluation increment for leasehold improvements of \$4.822m.

Impairment

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

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

Derecognition

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

1.17 INTANGIBLES

The Court's intangibles comprise externally and internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment loss. Software is amortised on a straight line basis over its anticipated useful life of 5 years (2012–13: 5 years). All software assets were assessed for indications of impairment at 30 June 2014.

1.18 TAXATION

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

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

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

1.19 RESOURCES PROVIDED FREE OF CHARGE

For the period 1 July 2013 to 30 June 2014, the Court provided \$9,770,598 worth of resources free of charge to the Federal Circuit Court. (2013: \$8,071,767).

1.20 REPORTING OF ADMINISTERED ACTIVITIES

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

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

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

Revenue collected by the Court for use by the Government rather than the Court is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Court on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

Revenue

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

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

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

NOTE 2: EVENTS AFTER THE REPORTING PERIOD

DEPARTMENTAL

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

ADMINISTERED

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 3: EXPENSES

NOTE 3A: JUDGE AND EMPLOYEE BENEFITS

	2014 \$'000	2013 \$'000
Judge remuneration	21,538	18,744
Judge notional superannuation	12,567	11,182
	34,105	29,926
Employee wage & salaries	35,419	34,005
Employee superannuation	6,099	5,469
Leave and other entitlements	3,436	3,720
Employee separation and redundancies	1,069	678
	46,023	43,872
Total judge and employee benefits	80,128	73,798

NOTE 3B: SUPPLIERS

	2014 \$'000	2013 \$'000
Goods and services supplied or rendered		
Property operating costs	2,506	2,480
Library purchases	4,080	2,873
Information technology expenditure	4,003	3,980
Travel expenditure	3,553	3,402
Contractors and consultants	2,524	2,555
Other goods and services	3,875	3,848
Total goods and services supplied or rendered	20,541	19,138
Goods and services supplied or rendered in connection with		
Provision of goods – external parties	2,777	2,148
Rendering of services – related entities	1,482	796
Rendering of services – external parties	16,282	16,194
Total goods and services supplied or rendered	20,541	19,138
Other suppliers		
Operating lease rentals in connection with external parties:		
Minimum lease payments	26,715	27,195
Workers compensation premiums	474	381
Total other supplier expenses	27,189	27,576
Total supplier expenses	47,730	46,714

NOTE 3C: DEPRECIATION AND AMORTISATION

	2014 \$'000	2013 \$'000
Depreciation:		
Buildings	2,022	1,954
Property, plant and equipment	1,588	1,324
Total depreciation	3,610	3,278
Amortisation:		
Intangibles	692	599
Leased plant and equipment	389	388
Total amortisation	1,081	987
Total depreciation and amortisation	4,691	4,265

NOTE 3D: FINANCE COSTS

	2014 \$'000	2013 \$'000
Finance leases	45	72
Total finance costs	45	72

NOTE 3E: WRITE-DOWN AND IMPAIRMENT OF ASSETS

	2014 \$'000	2013 \$'000
Financial assets		
Impairment on financial instruments	4	2
Non-financial assets		
Impairment on intangible assets	–	553
Impairment of property, plant & equipment	109	5
Revaluation decrements		
Property, plant and equipment	20	–
Total write-down and impairment of assets	133	560

NOTE 3F: SALE OF ASSETS

	2014 \$'000	2013 \$'000
Infrastructure, plant and equipment:		
Proceeds from sale	–	–
Carrying value of assets sold	–	–
Total losses from asset sales	–	–

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 4: OWN-SOURCE INCOME

Own-Source Revenue

NOTE 4A: SALE OF GOODS AND RENDERING OF SERVICES

	2014 \$'000	2013 \$'000
Rendering of services in connection with		
Related parties	863	1,060
External parties	2,810	2,281
Total sale of goods and rendering of services	3,673	3,341

Gains

NOTE 4B: OTHER GAINS

	2014 \$'000	2013 \$'000
Liabilities assumed by other agencies	12,567	11,182
Resources received free of charge	20,145	19,719
	32,712	30,901

Resources received free of charge includes an amount of \$9,291,420 (2012–13: \$9,214,540) in respect of rent and outgoings associated with the accommodation occupied by the Court in the Law Courts Building located in Sydney, New South Wales. This building is owned by Law Courts Limited, a joint venture between the NSW State and Commonwealth Governments.

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

NOTE 4C: REVENUE FROM GOVERNMENT

	2014 \$'000	2013 \$'000
Appropriations:		
Departmental appropriations	93,213	89,020
Total revenue from Government	93,213	89,020

NOTE 5: FAIR VALUE MEASUREMENTS

NOTE 5A: FAIR VALUE MEASUREMENTS

	FAIR VALUE \$000	FAIR VALUE MEASUREMENTS AT THE END OF THE REPORTING PERIOD USING		
		LEVEL 1 INPUTS \$000	LEVEL 2 INPUTS \$000	LEVEL 3 INPUTS \$000
Leasehold Improvements	16,320	–	–	16,320
Plant and Equipment	7,489	–	4,077	3,412
	22,196	–	4,077	19,732

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

NOTE 5B: LEVEL 1 AND LEVEL 2 TRANSFERS FOR RECURRING FAIR VALUE MEASUREMENTS

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

NOTE 5C: VALUATION TECHNIQUE AND INPUTS FOR LEVEL 2 AND LEVEL 3 FAIR VALUE MEASUREMENTS

	CATEGORY (LEVEL 2 OR LEVEL 3)	FAIR VALUE \$000	VALUATION TECHNIQUES ¹	INPUTS USED	RANGE (WEIGHTED AVERAGE) ²
Non-financial assets					
Leasehold improvements	3	16,320	Depreciated Replacement Cost (DRC)	Replacement Cost New	
				Consumed economic benefit /obsolescence of asset	5.00% – 10.00% (5.45%) per annum
Plant and equipment	2	4,077	Market approach	Adjusted market transactions	
	3	3,412	Depreciated Replacement Cost (DRC)	Replacement Cost New	
				Consumed economic benefit /obsolescence of asset	25.00% – 4.00% (5.70%) per annum

1. There have been no changes to valuation techniques

2. Significant unobservable inputs only. Not applicable for assets or liabilities in the Level 2 category.

There were no significant relationships between unobservable inputs that materially affect fair value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Recurring and non-recurring level 3 fair value measurements – valuation processes

The Court procured the service of the Australian Valuation Office (AVO) to undertake a comprehensive valuation of all non-financial assets at 30 June 2014. The Court tests the procedures of the valuation model as an internal management review at least once every 12 months (with a formal revaluation undertaken once every 3 years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. The entity has engaged Australian Valuation Solutions (AVS) to provide written assurance that the models comply with AASB 13.

AVS confirmed that there is no change in the valuation technique since the prior year.

Significant Level 3 inputs utilised by the entity are derived and evaluated as follows:

Plant and Equipment – Consumed economic benefit / Obsolescence of asset

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the cost (Depreciated Replacement Cost or DRC) approach. Under the DRC approach the estimated cost to replace the asset is calculated and then adjusted to take into account its consumed economic benefit / asset obsolescence (accumulated Depreciation). Consumed economic benefit / asset obsolescence has been determined based on professional judgment regarding physical, economic and external obsolescence factors relevant to the asset under consideration.

The Court controls a variety of specialised assets (totalling 86% of their non-financial assets). These assets are used to deliver operational activities that support the FCA and are not actively traded.

The weighted average is determined by assessing the fair value measurement as a proportion of the total fair value for the class against the total useful life of each asset.

Recurring Level 3 fair value measurements – sensitivity of inputs

Plant and Equipment – Consumed economic benefit / Obsolescence of asset

The significant unobservable inputs used in the fair value measurement of the Court's plant and equipment asset classes relate to the consumed economic benefit / asset obsolescence (accumulated depreciation). A significant increase (decrease) in this input would result in a significantly lower (higher) fair value measurement.

NOTE 5D: RECONCILIATION FOR RECURRING LEVEL 3 FAIR VALUE MEASUREMENTS

	NON-FINANCIAL ASSETS		
	PROPERTY, PLANT AND EQUIPMENT	LEASEHOLD IMPROVEMENTS	TOTAL
	2014 \$'000	2014 \$'000	2014 \$'000
Opening balance	2,853	11,999	
Total gains/(losses) in accumulated depreciation	167	2,766	
Purchases	392	1,556	-
Sales	-	-	-
Transfers into Level 3	-	-	-
Transfers out of Level 3	-	-	-
Closing balance	3,412	16,321	19,732
Changes in unrealised gains/(losses) recognised in net cost of services for assets held at the end of the reporting period	-	-	-

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

NOTE 6: FINANCIAL ASSETS

NOTE 6A: CASH AND CASH EQUIVALENTS

	2014 \$'000	2013 \$'000
Cash on hand or on deposit	576	279
Total cash and cash equivalents	576	279

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 6B: TRADE AND OTHER RECEIVABLES

	2014 \$'000	2013 \$'000
Goods and services receivables in connection with		
External parties	765	583
Total goods and services receivable	765	583
Appropriations receivable		
Existing programmes – operating	43,959	43,637
Existing programmes – capital	755	2,587
Total appropriations receivable	44,714	46,224
Other receivables		
GST receivable from the Australian Taxation Office	911	898
Total other receivables	911	898
Total trade and other receivables (gross)	46,390	47,705
Less impairment allowance		
Goods and services	3	3
Total impairment allowance	3	3
Total trade and other receivables (net)	46,387	47,702
Receivables are aged as follows:		
Not overdue	46,370	47,678
Overdue by:		
Less than 30 days	2	15
31 to 60 days	2	8
61 to 90 days	1	1
More than 90 days	15	3
Total receivables (gross)	46,390	47,705
All receivables are expected to be recovered within 12 months. Credit terms are net 30 days (2013: 30 days).		
Reconciliation of the impairment allowance account:		
Opening balance	3	5
Amounts written off	(3)	–
Amounts recovered and reversed	–	(4)
Increase recognised in net surplus	3	2
Closing balance	3	3

The impairment allowance is all aged over 90 days.

NOTE 7: NON-FINANCIAL ASSETS

NOTE 7A: LAND AND BUILDINGS

	2014 \$'000	2013 \$'000
Leasehold improvements		
Fair value	16,523	16,064
Accumulated depreciation	(203)	(4,065)
Total leasehold improvements	16,320	11,999
Total land and buildings	16,320	11,999

No indications of impairment were found for land and buildings.

NOTE 7B: PROPERTY, PLANT AND EQUIPMENT

	2014 \$'000	2013 \$'000
Property, plant and equipment		
Fair value	8,948	11,396
Accumulated depreciation	(1,459)	(3,430)
Total property, plant and equipment	7,489	7,966
Total property, plant and equipment	7,489	7,966

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

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

NOTE 7C: INTANGIBLE ASSETS

	2014 \$'000	2013 \$'000
Computer software at cost		
Internally developed – in progress	3,026	604
Internally developed – in use	2,763	2,763
Purchased – in use	1,680	1,378
Accumulated amortisation	(2,586)	(1,894)
Total intangibles	4,883	2,851

No indication of impairment was found for intangibles.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 7D: ANALYSIS OF INFRASTRUCTURE, PROPERTY, PLANT, AND EQUIPMENT

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

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

TABLE A – Reconciliation of the opening and closing balances of property, plant, and equipment (2012–13)

ITEM	LEASEHOLD IMPROVEMENT – TOTAL LAND AND BUILDINGS \$'000	INFRASTRUCTURE, PLANT AND EQUIPMENT \$'000	COMPUTER SOFTWARE – INTANGIBLES \$'000	TOTAL \$'000
As at 1 July 2012				
Gross book value	13,552	8,290	3,905	25,747
Accumulated depreciation/amortisation	(1,962)	(1,760)	(1,294)	(5,016)
Net book value 1 July 2012	11,590	6,530	2,611	20,731
Additions:				
By purchase	575	1,647	1,020	3,242
Finance Lease	–	5	–	5
Received from restructuring	1,788	1,543	372	3,703
Depreciation/amortisation expense	(1,954)	(1,712)	(599)	(4,265)
Impairments recognised in the operating result	–	(5)	(553)	(558)
Disposals:				
Other disposals	–	(42)	–	(42)
Net Book value 30 June 2013	11,999	7,966	2,851	22,816
Net book value as of 30 June 2013 represented by:				
Gross book value	16,064	11,396	4,745	32,205
Accumulated depreciation/amortisation	(4,065)	(3,430)	(1,894)	(9,389)
	11,999	7,966	2,851	22,816

NOTE 7E: OTHER NON-FINANCIAL ASSETS

	2014 \$'000	2013 \$'000
Prepayments	956	522
Total other non-financial assets	956	522
Total other non-financial assets are expected to be recovered in:		
No more than 12 months	941	522
More than 12 months	15	–
Total other non-financial assets	956	522

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 8: PAYABLES

NOTE 8A: SUPPLIERS

	2014 \$'000	2013 \$'000
Trade creditors and accruals	1,407	1,895
Total supplier payables	1,407	1,895

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

All supplier payables are in connection with external parties.

Settlement is usually made net 30 days.

NOTE 8B: OTHER PAYABLES

	2014 \$'000	2013 \$'000
Salaries and wages	1,371	1,005
Unearned Income	75	219
Separation and redundancies	274	185
Superannuation	1,052	860
Total other payables	2,772	2,269

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

NOTE 9: INTEREST BEARING LIABILITIES

NOTE 9: LEASES

	2014 \$'000	2013 \$'000
Finance leases	409	812
Total finance leases	409	812
Leases expected to be settled		
Within one year:		
Minimum lease payments	385	448
Deduct: future finance charges	(17)	(45)
Between one and five years:		
Minimum lease payments	42	427
Deduct: future finance charges	(1)	(18)
Finance leases recognised on the balance sheet	409	812

Finance leases are for certain major IT equipment assets and some office equipment. The leases are non-cancellable and for fixed terms averaging four years, with a maximum of five years. The interest rate implicit in the leases averaged 4.31% (2013: 4.31%). The leased assets secure the lease liabilities. The Court guarantees the residual values of all assets leased. There are no contingent rentals.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 10: PROVISIONS

NOTE 10A: JUDGE & EMPLOYEE PROVISIONS

	2014 \$'000	2013 \$'000
Long Leave (Judges)	10,033	9,918
Leave	10,028	9,992
Total judge and employee provisions	20,061	19,910
Employee provisions are expected to be settled in:		
No more than 12 months	4,913	4,916
More than 12 months	15,148	14,994
Total judge and employee provisions	20,061	19,910

NOTE 10B: OTHER PROVISIONS

	2014 \$'000	2013 \$'000
Provision for restoration	254	252
Total other provisions	254	252
Other provisions are expected to be settled in:		
No more than 12 months	170	–
More than 12 months	84	252
Total other	254	252
Provision for Restoration		
Carrying Amount 1 July	252	–
Additional Provisions Made	2	252
Unwinding of discount or change in discount rate	–	–
Closing Balance 30 June	254	252

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

NOTE 11: RESTRUCTURING

	2014 \$'000	2013 NATIONAL NATIVE TITLE TRIBUNAL \$'000
FUNCTIONS ASSUMED		
Assets Recognised		
Appropriations receivable	-	13,599
Trade and other receivables	-	129
Cash	-	259
Property, plant and equipment	-	3,330
Intangibles	-	373
Prepayments	-	120
Total assets recognised	-	17,810
Liabilities recognised		
Suppliers	-	(436)
Wages and salaries	-	(435)
Superannuation	-	(64)
Separations and redundancies	-	(974)
Other payables	-	(141)
Leave	-	(3,436)
Other provisions	-	(352)
Total liabilities recognised	-	(5,838)
Net assets assumed	-	11,972

The Federal Court assumed responsibility for the operation of the National Native Title Tribunal from 1 July 2012. The net assets assumed from the Tribunal were \$11,972,000. All assets and liabilities were assumed from the Tribunal for no consideration.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 12: CASH FLOW RECONCILIATION

	2014 \$'000	2013 \$'000
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement		
Report cash and cash equivalents as per:		
Cash Flow Statement	576	279
Statement of Financial Position	576	279
Difference	-	-
Reconciliation of net cost of services to net cash from operating activities:		
Net (cost of) services	(96,342)	(91,167)
Revenue from Government	93,213	89,020
Adjustments for non-cash items		
Depreciation/amortisation	4,691	4,265
Net write down of non-financial assets	129	558
Net Assets received from restructuring	-	8,269
Movements in assets and liabilities		
Assets		
(Increase) in net operating receivables	(516)	(16,857)
(Increase)/decrease in prepayments	(434)	21
Liabilities		
Increase/(decrease) in suppliers payables	(488)	1,088
Increase in judge and employee provisions	151	2,841
Increase in other provisions	2	252
Increase in other payables	503	543
Net cash from/(used by) operating activities	909	(1,167)

NOTE 13: SENIOR EXECUTIVE REMUNERATION

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

	2014 \$	2013 \$
Short term employee benefits:		
Salary (including annual leave taken)	2,587,063	2,806,678
Performance bonus	27,500	6,200
Motor vehicle and other allowances	238,482	244,123
Total Short-term employee benefits	2,853,045	3,057,001
Post-employment benefits:		
Superannuation	415,163	539,632
Total Post-employment benefits	415,163	539,632
Other long term employee benefits		
Annual leave accrued	217,646	228,847
Long service leave	71,304	73,229
Total other long term benefits	288,950	302,076
Termination benefits		
Redundancy payments	-	248,338
Total Termination Benefits	-	248,338
Total senior executive remuneration expenses	3,557,158	4,147,047

Note 13A is prepared on an accrual basis.

Note 13A excludes acting arrangements and part-year service where total remuneration expensed for a senior executive was less than \$195,000.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 13B: AVERAGE ANNUAL REPORTABLE REMUNERATION PAID TO SUBSTANTIVE SENIOR EXECUTIVES DURING THE REPORTING PERIOD

AVERAGE ANNUAL REPORTABLE REMUNERATION	NO OF SENIOR EXECUTIVES	REPORTABLE SALARY \$	CONTRIBUTED SUPERANNUATION \$	REPORTABLE ALLOWANCES \$	BONUS PAID \$	TOTAL \$
2014						
Total remuneration (including part-time arrangements):						
Less than \$195,000	1	150,287	23,144	-	-	173,431
\$195,000 to \$224,999	1	171,424	26,399	20,734	-	218,557
\$225,000 to \$254,999	4	180,021	29,547	16,796	6,875	233,239
\$255,000 to \$284,999	4	229,243	35,535	15,352	-	280,130
\$285,000 to \$314,999	2	248,625	39,421	13,284	-	301,330
\$315,000 to \$404,999	1	289,947	49,592	62,587	-	402,126
Total	13					
2013						
Total remuneration (including part-time arrangements):						
Less than \$195,000	1	40,800	4,498	-	-	45,298
\$195,000 to \$224,999	2	170,053	25,235	3,723	3,100	202,111
\$225,000 to \$254,999	3	191,476	30,371	12,074	-	233,921
\$255,000 to \$284,999	5	222,239	42,028	16,812	-	281,079
\$285,000 to \$314,999	2	250,144	41,076	-	-	291,220
\$465,000 to \$494,999	1	283,100	143,283	61,115	-	487,498
Total	14					

Notes:

- This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
- 'Reportable salary' includes the following:
 - gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
 - reportable employer superannuation contributions
- The 'contributed superannuation' amount is the average cost to the Court for the provision of superannuation benefits to substantive senior executives in that reportable remuneration band during the reporting period.
- 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
- Bonuses paid represents average actual bonuses paid during the reporting year in that remuneration band. The bonus paid within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the Court during the financial year.

NOTE 13C: OTHER HIGHLY PAID STAFF

AVERAGE ANNUAL REPORTABLE REMUNERATION	NO OF STAFF	REPORTABLE SALARY \$	CONTRIBUTED SUPERANNUATION \$	REPORTABLE ALLOWANCES \$	TOTAL \$
2014					
Total remuneration (including part-time arrangements):					
\$195,000 to \$224,999	2	161,441	28,599	18,351	208,391
Total	2				
2013					
Total remuneration (including part-time arrangements):					
\$195,000 to \$224,999	2	170,934	26,167	-	197,101
Total	2				

Notes:

- This table reports staff:
 - who were employed by the Court during the reporting period;
 - whose reportable remuneration was \$195,000 or more for the financial period; and
 - were not required to be disclosed in Table B or director disclosures.
 Each row is an averaged figure based on headcount for individuals in the band.
- 'Reportable salary' includes the following:
 - gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits)
 - reportable employer superannuation contributions
- The 'contributed superannuation' amount is the average cost to the Court for the provision of superannuation benefits to other highly paid staff in that reportable remuneration band during the reporting period.
- 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 14: REMUNERATION OF AUDITORS

	2014 \$'000	2013 \$'000
Financial statement audit services are provided free of charge to the Court by the Australian National Audit Office (ANAO).		
The fair value of the services provided was:	104	104

NOTE 15: FINANCIAL INSTRUMENTS

	2014 \$'000	2013 \$'000
Note 15A Categories of financial instruments		
Loans and receivables		
Loans and receivables		
Cash on hand or on deposit	576	279
Trade receivables	762	580
Carrying amount of financial assets	1,338	859
Financial Liabilities		
At amortised cost:		
Finance leases	409	812
Trade creditors	1,407	1,895
Carrying amount of financial liabilities	1,816	2,707

NOTE 15B: FAIR VALUE OF FINANCIAL INSTRUMENTS

	CARRYING AMOUNT 2014 \$'000	FAIR VALUE 2014 \$'000	CARRYING AMOUNT 2013 \$000	FAIR VALUE 2013 \$'000
FINANCIAL LIABILITIES				
Other Liabilities				
Finance leases	409	409	812	812
Total	409	409	812	812

Fair value for Finance leases which was determined for disclosure purposes was calculated based on the present value of future principal and interest cash flows, discounted at 4.31% at the reporting date. (2013: 4.31%)

NOTE 15C: NET GAINS OR LOSSES ON FINANCIAL LIABILITIES

	2014 \$'000	2013 \$'000
Loans and receivables		
Interest expense	45	72
Net losses on financial liabilities carried at amortised cost	576	279
Trade receivables	762	580
Carrying amount of financial assets	1,338	859

NOTE 15D: CREDIT RISK

The Court is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2014: \$765,000 and 2013: \$583,000). The Court has assessed the risk of default on payment and has allocated \$3,000 in 2014 (2013: \$3,000) to an impairment allowance account.

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

The Court holds no collateral to mitigate credit risk.

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

	NOT PAST DUE NOR IMPAIRED 2014 \$'000	NOT PAST DUE NOR IMPAIRED 2013 \$'000	PAST DUE OR IMPAIRED 2014 \$'000	PAST DUE OR IMPAIRED 2013 \$'000
Loans and receivables				
Cash	576	279	-	-
Trade receivables	745	556	20	27
Total	1,321	835	20	27

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Ageing of financial assets that are past due but not impaired for 2013

	0 TO 30 DAYS \$'000	31 TO 60 DAYS \$'000	61 TO 90 DAYS \$'000	90+ DAYS \$'000	TOTAL \$'000
Loans and receivables					
Trade receivables	15	8	1	–	24
Total	15	8	1	–	24

NOTE 15E: LIQUIDITY RISK

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

Maturities for non-derivative financial liabilities 2014

	WITHIN 1 YEAR 2014 \$'000	1 TO 5 YEARS 2014 \$'000	TOTAL 2014 \$'000
Other liabilities			
Payables – Suppliers	1,407		1,407
Finance leases	367	42	409
Total	1,774	42	1,816

Maturities for non-derivative financial liabilities 2013

	WITHIN 1 YEAR 2013 \$'000	1 TO 5 YEARS 2013 \$'000	TOTAL 2013 \$'000
Other liabilities			
Payables – Suppliers	1,895	–	1,895
Finance leases	403	409	812
Total	2,298	409	2,707

This note also applies to the Court's administered financial instruments and is therefore not reproduced at Note 21.

Interest Rate Risk

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

NOTE 16: FINANCIAL ASSETS RECONCILIATION

	2014 \$'000	2013 \$'000
Total financial assets as per statement of financial position	46,963	47,981
Less: non-financial instrument components		
Appropriations receivable	44,714	46,224
GST receivable	911	898
Carrying amount of financial assets	45,625	47,122
Total financial assets as per financial instruments note	1,338	859

NOTE 17: ADMINISTERED – EXPENSES

	2014 \$'000	2013 \$'000
Expenses		
Fees and fines – write down	188	–
Fees and fines – provision for doubtful debts	238	(180)
Total expenses administered on behalf of government	426	(180)

NOTE 18: ADMINISTERED – INCOME

	2014 \$'000	2013 \$'000
Non-Taxation revenue		
Fees (filing and hearing fees)	18,776	16,966
Fines	696	147
Other	186	125
Total revenue administered on behalf of government	19,658	17,238

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 19: ADMINISTERED – FINANCIAL ASSETS

NOTE 19A: CASH AND CASH EQUIVALENTS

	2014 \$'000	2013 \$'000
Cash on hand or on deposit	29	40
Total cash and cash equivalents	29	40

NOTE 19B: RECEIVABLES

	2014 \$'000	2013 \$'000
Fees (filing and hearing fees)	2,190	2,983
Less: Impairment allowance account	(264)	(80)
Total receivables (net)	1,926	2,903
All receivables are expected to be recovered within 12 months.		
Receivables are aged as follows:		
Not overdue	520	1,270
Overdue by:		
– Less than 30 days	628	931
– 30 to 60 days	256	320
– 60 to 90 days	100	82
– More than 90 days	686	380
Total receivables (gross)	2,190	2,983
The total of the impairment allowance is aged over 90 days.		
Receivables are with entities external to the Australian Government. Credit terms are net 30 days (2013: 30 days).		
Reconciliation of the impairment allowance account:		
Opening balance	80	329
Increase/decrease recognised in net cost of services	238	(180)
Amounts written off	(54)	(69)
Closing balance	264	80

NOTE 20: ADMINISTERED – PAYABLES

NOTE 20A: SUPPLIERS

	2014 \$'000	2013 \$'000
Other payables	132	304
Total suppliers	132	304

NOTE 21: ADMINISTERED – CASH FLOW RECONCILIATION

	2014 \$'000	2013 \$'000
Reconciliation of cash and cash equivalents as per Administered Schedule of assets and liabilities to administered cash flow statement		
Cash and cash equivalents as per:		
Schedule of administered cash flows	29	40
Schedule of administered assets and liabilities	29	40
Difference	–	–
Reconciliation of net cost of services to net cash from operating activities:		
Net contribution by services	19,232	17,418
Changes in assets/liabilities		
(Increase)/decrease in net receivables	977	(2,364)
Increase/(decrease) in payables	(172)	304
Net cash from operating activities	20,037	15,358

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 22: ADMINISTERED FINANCIAL INSTRUMENTS

NOTE 22A: CATEGORIES OF FINANCIAL INSTRUMENTS

	2014 \$'000	2013 \$'000
Financial assets		
Loans and receivables		
Cash	29	40
Trade receivables	1,926	2,903
Carrying amount of financial assets	1,955	2,943

NOTE 22B: CREDIT RISK

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

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

	2014 \$'000	2013 \$'000
Financial assets		
Loans and receivables		
Receivables	2,190	2,983
Total	2,190	2,983

The Court has assessed the risk of default on payment and has allocated \$175,000 to an allowance for doubtful debts account. (2013: \$80,000)

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

	NOT PAST DUE NOR IMPAIRED 2014 \$'000	NOT PAST DUE NOR IMPAIRED 2013 \$'000	PAST DUE OR IMPAIRED 2014 \$000	PAST DUE OR IMPAIRED 2013 \$'000
Loans and receivables				
Cash	29	40	-	-
Trade receivables	520	1,270	1,670	1,713
Total	549	1,310	1,670	1,713

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

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

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

Ageing of financial assets that are past due but not impaired for 2013

	0 TO 30 DAYS \$'000	31 TO 60 DAYS \$'000	61 TO 90 DAYS \$'000	90+ DAYS \$'000	TOTAL \$'000
Loans and receivables					
Receivables	931	320	82	300	1,633
Total	931	320	82	300	1,633

NOTE 23: ADMINISTERED FINANCIAL ASSETS RECONCILIATION

	2014 \$'000	2013 \$'000
Total financial assets as per administered schedule of assets and liabilities	1,955	2,943
Less: non-financial instrument components	–	–
Carrying amount of financial assets	1,955	2,943
Total financial assets as per financial instruments note	1,955	2,943

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 24: APPROPRIATIONS

NOTE 24A: ANNUAL APPROPRIATIONS ('RECOVERABLE GST EXCLUSIVE')

Annual Appropriations for 2014

	APPROPRIATION ACT				FMA ACT		APPROPRIATION APPLIED IN 2014 (CURRENT AND PRIOR YEARS) \$'000	VARIANCE \$'000
	ANNUAL APPROPRIATION \$'000	SECTION 30 \$'000	SECTION 31 \$'000	SECTION 32 \$'000	TOTAL APPROPRIATION \$'000	TOTAL APPROPRIATION \$'000		
DEPARTMENTAL								
Ordinary Annual Services	96,379	35	3,272	-	99,686	(101,004)	(1,318)	
Other Services								
Equity								
Total departmental	96,379	-	3,272	-	99,686	(101,004)	(1,318)	

Notes:

(a) Appropriations reduced under *Appropriation Act (No 1), 2013-14*: section 10. Departmental appropriations do not lapse at year end. However, the responsible minister may decide that part or all of an appropriation is not required and request that the Finance Minister reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

Annual Appropriations for 2013

	APPROPRIATION ACT				FMA ACT		APPROPRIATION APPLIED IN 2013 (CURRENT AND PRIOR YEARS) \$'000	VARIANCE \$'000
	ANNUAL APPROPRIATION \$'000	APPROPRIATIONS REDUCED ^(a)	SECTION 30 \$'000	SECTION 31 \$'000	SECTION 32 \$'000	TOTAL APPROPRIATION \$'000		
DEPARTMENTAL								
Ordinary Annual Services	92,689	-	48	3,441	13,579	109,757	(94,056)	15,701
Other Services								
Equity								
Total departmental	92,689	-	48	3,441	13,598	109,776	(94,056)	15,720

Notes:

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

NOTE 24B: DEPARTMENTAL CAPITAL BUDGETS ('RECOVERABLE GST EXCLUSIVE')

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

Notes:

1. Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Payments made on non-financial assets include purchase of assets, expenditure on assets which have been capitalised, and the capital repayment component of finance leases.

2013 CAPITAL BUDGET APPROPRIATIONS						
APPROPRIATION ACT						
	ANNUAL CAPITAL BUDGET \$'000	APPROPRIATIONS REDUCED	TOTAL CAPITAL BUDGET APPROPRIATIONS \$'000	NON-FINANCIAL ASSETS \$000	PAYMENTS FOR \$000	VARIANCE \$'000
DEPARTMENTAL						
Ordinary Annual Services	3,669	–	3,669	(3,663)		6
Departmental Capital Budget ¹	3,669	–	3,669	(3,663)		6

Notes:

1. Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Payments made on non-financial assets include purchase of assets, expenditure on assets which have been capitalised, and the capital repayment component of finance leases.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 24C: UNSPENT DEPARTMENTAL ANNUAL APPROPRIATIONS (‘RECOVERABLE GST EXCLUSIVE’)

	2014 \$'000	2013 \$'000
Authority		
Appropriation Act (No 1) 2010–11	–	598
Appropriation Act (No 1) 2012–13	–	43,418
Appropriation Act (No 2) 2012–13	19	19
Appropriation Act (No 3) 2012–13	–	2,468
Appropriation Act (No 1) 2013–14	44,904	–
Appropriation Act (No 3) 2013–14	367	–
Total	45,290	46,503

NOTE 25: SPECIAL ACCOUNTS AND FMA ACT SECTION 39 INVESTMENTS

NOTE 25A: SPECIAL ACCOUNTS (RECOVERABLE GST EXCLUSIVE)

	SERVICES FOR OTHER ENTITIES AND TRUST MONEYS SPECIAL ACCOUNT ¹		FEDERAL COURT OF AUSTRALIA LITIGANTS FUND ²	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Balance brought forward from previous period	48	12	3,084	2,258
Increases:				
Other receipts	402	434	19,273	3,928
Total increases	402	434	19,273	3,928
Available for payments	450	446	22,357	6,186
Decreases:				
Special Public Money				
Payments made to others	450	398	20,054	3,102
Total special public money decreases	450	398	20,054	3,102
Total decreases	450	398	20,054	3,102
Total balance carried to the next period	-	48	2,303	3,084

- Appropriation: *Financial Management and Accountability Act, 1997*, section 20
Establishing Instrument: FMA Determination 2012/11
Purpose: To disburse amounts held on trust or otherwise for the benefit of a person other than the Commonwealth.
- Appropriation: *Financial Management and Accountability Act, 1997*, section 20
Establishing Instrument: FMA determination 2004/07
Purpose: The purposes of the Federal Court of Australia Litigant's Fund Special Account, in relation to which amounts may be debited from the Special Account are:
 - In accordance with:
 - An order of the Federal Court of Australia or a Judge of that Court under rule 2.43 of the Federal Court Rules; or
 - A direction of a Registrar under that Order; and
 - In any other case in accordance with the order of the Federal Court of Australia or a Judge of that Court.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 25B: INVESTMENTS MADE UNDER SECTION 39 OF THE FMA ACT (RECOVERABLE GST EXCLUSIVE)

Section 39 Investments made in 2014

	BALANCE BROUGHT FORWARD FROM PREVIOUS PERIOD \$'000	INVESTMENTS MADE \$'000	INVESTMENT INCOME \$'000	TRANSACTIONAL CHARGES \$'000	INVESTMENTS REALISED \$'000	TOTAL BALANCE CARRIED TO THE NEXT PERIOD \$'000
Federal Court of Australia Litigants Fund	34,868	18,746	188	6	33,246	20,550
Total	34,868	18,746	188	6	33,246	20,550

Moneys held in the special account are invested in interest-bearing bank accounts by order of a judge of the Federal Court of Australia.

Section 39 Investments made in 2013

	BALANCE BROUGHT FORWARD FROM PREVIOUS PERIOD \$'000	INVESTMENTS MADE \$'000	INVESTMENT INCOME \$'000	TRANSACTIONAL CHARGES \$'000	INVESTMENTS REALISED \$'000	TOTAL BALANCE CARRIED TO THE NEXT PERIOD \$'000
Federal Court of Australia Litigants Fund	6,111	40,567	393	1	12,202	34,868
Total	6,111	40,567	393	1	12,415	34,868

Moneys held in the special account are invested in interest-bearing bank accounts by order of a judge of the Federal Court of Australia.

NOTE 26: COMPENSATION AND DEBT RELIEF

	2014	2013
No Act of Grace expenses were incurred during the reporting period under sub-section 33(1) of the <i>Financial Management and Accountability Act 1997</i> . (2013: nil)	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> (2013: nil)	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2013: nil)	-	-
No ex-gratia payments were provided for during the reporting period (2013: nil)	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the <i>Public Service Act 1999</i> (PS Act) during the reporting period (2013: nil)	-	-
	2014	2013
ADMINISTERED	\$'000	\$'000
No Act of Grace expenses were incurred during the reporting period under sub-section 33(1) of the <i>Financial Management and Accountability Act 1997</i> . (2013: nil)	-	-
No payments were waived during the reporting period under subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2013: nil).	-	-
1,199 exemptions and waivers of amounts owing to the Commonwealth were made pursuant to sub-regulations 2(4)(a-c), 2A(2)(e-g), 2AA(2)(f-h) of the <i>Federal Court and Federal Circuit Court Regulation 2012</i> . (2013: 976)	2,225	1,579

NOTE 27: REPORTING OF OUTCOMES

NOTE 27A: NET COST OF OUTCOME DELIVERY

The Court has one Output and Outcome:

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

	OUTCOME 1	
	2014	2013
OUTCOME 1	\$'000	\$'000
Departmental		
Expenses	132,727	125,409
Own-source Income	36,385	34,242
Administered		
Expenses	426	(180)
Income	19,658	17,418
Net cost/(contribution) of outcome delivery	77,110	73,569

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 27B: MAJOR CLASSES OF DEPARTMENTAL EXPENSES, INCOME, ASSETS AND LIABILITIES BY OUTCOME

OUTCOME 1	OUTCOME 1	
	2014 \$'000	2013 \$'000
Departmental expenses		
Judges and Employees	80,128	73,798
Suppliers	47,730	46,714
Depreciation and Amortisation	4,691	4,265
Finance costs	45	72
Other Expenses	133	560
Total	132,727	125,409
Departmental income		
Income from government	125,925	119,921
Sale of goods and services	3,673	3,341
Total	129,598	123,262
Departmental assets		
Cash and cash equivalents	576	279
Trade and other receivables	46,387	47,702
Property, plant and equipment	23,809	19,965
Intangibles	4,883	2,851
Other non-financial assets	956	522
Total	76,611	71,319
Departmental liabilities		
Suppliers	1,407	1,895
Leases	409	812
Judge and employee provisions	20,061	19,910
Other payables and provisions	3,026	2,521
Total	24,903	25,138

NOTE 27C: MAJOR CLASSES OF ADMINISTERED EXPENSES, INCOME, ASSETS AND LIABILITIES BY OUTCOME

OUTCOME 1	OUTCOME 1	
	2014 \$'000	2013 \$'000
Administered expenses		
Write off expense	188	–
Doubtful debts expense	238	(180)
Total	426	(180)
Administered income		
Non-taxation revenue	19,658	17,238
Total	19,658	17,238
Administered assets		
Cash and cash equivalents	29	40
Trade and other receivables	1,926	2,903
Total	1,955	2,943
Administered liabilities		
Other payables	132	304
Total	132	304

NOTE 28: NET CASH APPROPRIATION ARRANGEMENTS

	2014 \$'000	2013 \$'000
Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations¹	7,052	2,118
Plus: depreciation/ amortisation expenses previously funded through revenue appropriation	(4,691)	(4,265)
Total comprehensive income (loss) as per the Statement of Comprehensive Income	2,361	(2,147)

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