

**SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
ATTORNEY-GENERAL'S PORTFOLIO**

Program: Federal Court of Australia

Question No. AE17/015

Senator Fawcett asked the following question at the hearing on 28 February 2017:

Senator FAWCETT: There is an injection of \$22.5 million in the 2015-16 budget over the forward estimates of that budget to assist with the sustainability of the federal courts. I am just interested to now look back. We are a year down the track. What difference has that made? How have you allocated that?

Mr Soden: That change to the budget arrangement was primarily to implement a number of measures—in particular, a corporate services back office merge designed through the forward estimates to make savings, some of which would be reinvested into the courts, to enable the then Family Court and the Federal Circuit Court, who were running at an operating loss, to be turned around, hopefully, into a sustainable future.

...

So, together, we are working to move to that digital court environment, which again is likely to make a positive contribution to being able to achieve a sustainable future. So the short answer is that it is going reasonably well.

Senator FAWCETT: I am glad to hear that. You have talked about the design for efficiency and the hope and how that it is progressing. Are you able, even if it is on notice, to give the committee some firmer milestones of what was hoped to be achieved by now, what has been achieved and if there are concrete savings. I do not want to create a huge overhead. I am happy if, needs be, to take it at the next estimates, but it would be good to track the progress of that implementation.

Mr Soden: It is better that we take that on notice. It is quite a complex set of numbers by jurisdiction and by corporate services. Those figures are all there—where we came from and what is expected to be achieved by way of appropriation savings and the bottom line in the forward estimates. That is on a few pages, but it is a comprehensive collection of numbers. It is best I take that on notice and provide it that way.

Senator FAWCETT: That is as long as it is something you already have. I do not want to create additional work for you but, if you can give us a snapshot of that on notice, that would be useful.

Mr Soden: We can do that.

The answer to the honourable senator's question is as follows:

At the time of the 2015-16 Budget, the family courts were projecting deficits of over \$44 million over the forward estimates. To deal with these dire financial circumstances, the 2015-16 Budget package included a number of measures to 'streamline and improve the sustainability of the courts', including:

- injecting an additional \$22.5 million over four years into the federal courts to enhance their capacity to continue to provide services, particularly in family law
- a corporate services merger, with projected savings of \$9.4 million over 6 years and \$5.4 million annually after that to be reinvested into the courts
- exempting the portion of the courts' appropriation used to fund judges' salaries from the application of the efficiency dividend, and
- \$30 million in funding for critical maintenance works for court buildings.

As recognised in the 2015-16 Portfolio Budget Statements, the Family Court of Australia and the Federal Circuit Court of Australia received the bulk of the benefit of the 2015-16 Budget measures, including the majority of the \$22.5 million funding injection.

The \$22.5 million injection was the first step in achieving a sustainable model for the family courts and to enable them to transition from a deficit position to a balanced budget over the forward estimates. This injection, together with the exemption of efficiency dividend on judicial salaries, and the corporate services merger, has positioned the federal courts on a more sustainable financial footing ensuring that they can continue to deliver front line services without degradation.

Current and forward projections indicate that the federal courts are managing to operate within an approved deficit. This would not have been achievable without the funding injection, corporate services merger, and exemption of the efficiency dividend to judicial salaries.

In relation to the merger of corporate services, with the Federal Court of Australia delivering corporate services for the Family Court and the Federal Circuit Court, the federal courts are currently on track to deliver the savings expected from the merger, with the bulk of the savings to be achieved through staffing reductions. Reductions in staffing levels of are also on target with an 11% reduction in corporate services staffing projected year end.

The remainder of the savings from the merger are to be achieved through systems and contract consolidation with a focus on reducing duplication across the courts systems and processes. Duplicate systems will be migrated onto single unified platforms with redundant systems decommissioned.

Work on streamlining systems has commenced, and the migration to a single instance of the finance system (Finance One) and the HR system (Aurion) have been completed. Similarly, two key migration projects in IT (migration from Lotus Notes to Microsoft Outlook and migration from Novell to Microsoft Directory) will be finalised this financial year. A project has also been commenced to establish a consolidated, single case management system to support the needs of general federal law and family law. This will provide modernised user interface and capability when compared with the existing disparate case management systems. Provision for a digital court file capability for all jurisdictions is also in scope which is intended to drive efficiencies across the courts.