

Auditor-General flags scrutiny of Federal Court's legal expenses

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The Auditor-General will canvass the Federal Court and its multiple failures to correctly report how much it is spending on legal expenses.

The Australian National Audit Office said it had decided “that this topic will be considered as part of a potential program of performance audits” after pressure from the Greens and concerns about the court’s finances.



*The Federal Court in Sydney. The court has been under pressure to explain why it has changed how much it says it has spent on legal expenses three times in one year. **Natalie Boog***

Greens senator David Shoebridge said this month he had received “advice informally from some in the agency” that the Federal Court had underreported its internal legal bill of \$933,000 in the last financial year.

That figure was already an increase on the initial published figure. The court first said it had not spent any money on internal legal expenses in the 12 months to June 30 last year, before telling a parliamentary committee in response to questions that the number was really \$706,897.

The court later updated that figure, again, to \$933,409.

Auditor-General Caralee McLiesh wrote to Shoebridge to say her agency would consider these issues as part of its policy and integrity audit program in the coming year. The program will be published next month.



*Senator David Shoebridge has asked the ANAO to consider auditing the Federal Court. **Alex Ellinghausen***

Shoebridge said that the court's failings were obvious and he welcomed the ANAO's interest in the legal expenses. "Getting a direct answer from the Federal Court on how much they spent on internal legal expenses has been like playing pin the tail on the jellyfish. The reason internal legal costs are important is they're often the canary in the coal mine which gives an indication of significant internal troubles and dysfunction," he said.

The Federal Court has attributed the change in its costs to a decision to report direct and indirect costs of the Office of General Counsel, staff and the director of legal and integrity within the Federal Circuit and Family Court.

“Whilst both groups undertake work significantly wider than the provision of internal legal services, a decision has been made to report them both as dedicated internal legal service providers and hence report all their direct and indirect costs without apportionment,” the court said.

The court declined to comment

It is not the first time the court has been forced to change its spending numbers. After claiming to have spent no money on functions in the 2023-24 financial year, it revealed it spent \$160,000 on catering and other costs for judges’ welcome ceremonies in the past three years. Last year, the ANAO pulled the court up over \$34,000 spent at bottle shops over two years, including three spending sprees of more than \$6000 at Bondi Cellars.

The court has also been dealing with poor staff satisfaction ratings, criticism over its approach to the media, and delays on a key software project.

In February, Federal Court Chief Justice Debra Mortimer was accused of improperly intervening in a political debate, after she made, and then withdrew, a submission to an independent review into the performance and structure of the Federal Circuit and Family Court of Australia.

Max Mason covers financial crime, courts and corporate wrongdoing. A Walkley Award winner, Max’s journalism has also received awards from the National Press Club of Australia, the Kennedy Awards and Citibank. Message Max on Signal <https://tinyurl.com/MaxMason> *Connect with Max on [Twitter](#). Email Max at max.mason@afrr.com*