

**AUSTRALIAN CENTRE FOR INTERNATIONAL  
AGRICULTURAL RESEARCH**

**(ACIAR)**



## AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

### Section 1: Overview, Appropriation and Budget Measures Summary

#### OVERVIEW

ACIAR was established by the Australian Government in 1982, to assist and encourage Australia's agricultural scientists to use their skills for the benefit of developing countries while they also work to resolve Australia's own agricultural problems. Australia is in an excellent position to do this. It has an exceptionally strong capacity in agricultural research and development. It is also in the unique position amongst developed countries of possessing large areas of land in the tropics and subtropics, and facing many of the same climatic constraints and technical problems of its partner countries.

ACIAR's principal goals are to reduce poverty, improve food security and conserve and rehabilitate the natural resource base for agriculture through international agricultural research partnerships. Developing countries are the major beneficiaries but there are also spin-offs for Australia. To achieve these goals, ACIAR facilitates and supports bilateral research and development activities in a broad range of agricultural areas, including crop production, animal production, fisheries, forestry, land and water resources management, post-harvest technology, and economic studies of agricultural and natural resource utilisation.

ACIAR also administers the Australian Government's contributions to around 20 International Agricultural Research Centres (IARCs). It achieves this through unrestricted contributions to the core funding of the organisations and through small and large restricted grants for projects that link different Centres with Australian research groups.

Closely related to ACIAR's primary function of facilitating international agricultural research is its vital function of strengthening research capacity and transferring technology in developing countries. ACIAR achieves this through support for training opportunities for developing-country scientists and technicians who are involved with ACIAR-funded research. The Centre also supports a scientific publishing programme that enables the publication of works in subjects highly relevant to developing country agriculture but less likely to be published in traditional journals and books.

#### APPROPRIATION

The total appropriation for ACIAR in the 2001-02 Budget is \$45.369m.

Part C: Agency Budget Statements — ACIAR

**Australian Centre for International Agricultural Research — Appropriation 2001-02**  
**Table 1.1 Appropriations and Revenue (\$'000)**

Outcome	Departmental (price of outputs)					Administered				
	Revenue from Government (appropriations)		Revenue from other sources <sup>(4)</sup>	Price of outputs <sup>(3)</sup>	Annual appropriations (\$'000)	Special approps	Total administered appropriations	Total appropriations		
	Bill No. 1 (A)	Special approps <sup>(5)</sup> (B)	Total (C = A+B) (C1) 94% <sup>(5)</sup>	(D)		(E = C+D) (E1) <sup>(1)</sup>	Bill No. 1 (F)	Bill No. 2 (SPPs & NAOs) <sup>(2)</sup> (G)	(H)	(I = F+G+H) (I1)
Agriculture in developing countries and Australia is more productive and sustainable as a result of better technologies, practices, policies and systems.	45,369	0	45,369	2,910	48,279					45,369
Total	45,369		45,369 (K1)	2,910	48,279				(K2)	45,369
						Departmental capital (equity injections and loans)		(K3)		0
						Administered capital		(K4)		0
						Total appropriations				<b>45,369</b>

- Note: C1, E1 and I1 refer to information provided in Table 2.1.1. Amounts K1 refers to Budgeted Statement of Financial Performance, and amounts K2 refer to Capital Budget.
- Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), New Agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.
- Refer to Budgeted Statement of Financial Performance for application of agency revenue.
- Revenue from other sources includes other revenue from government (eg resources free of charge) and revenue from other sources (eg sales of goods and services by agencies). Non-appropriated departmental revenues are details in Appendix 1.
- Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

**BUDGET MEASURES – ACIAR SUMMARY**

ACIAR has no budget measures for 2001-02.

**ADMINISTERED CAPITAL, DEPARTMENTAL EQUITY INJECTIONS AND LOANS**

ACIAR will not receive either an equity injection or a loan for 2001-02.

ACIAR has not been appropriated any Administered Capital for 2001-02.

## Section 2: Outcome and Outputs Information

### OUTCOME AND OUTPUT GROUPS

The chart below shows the relationship between the Government outcome and the contributing outputs for the Australian Centre for International Agricultural Research, presented here as output groups.

Chart 1 – Outcome and output groups

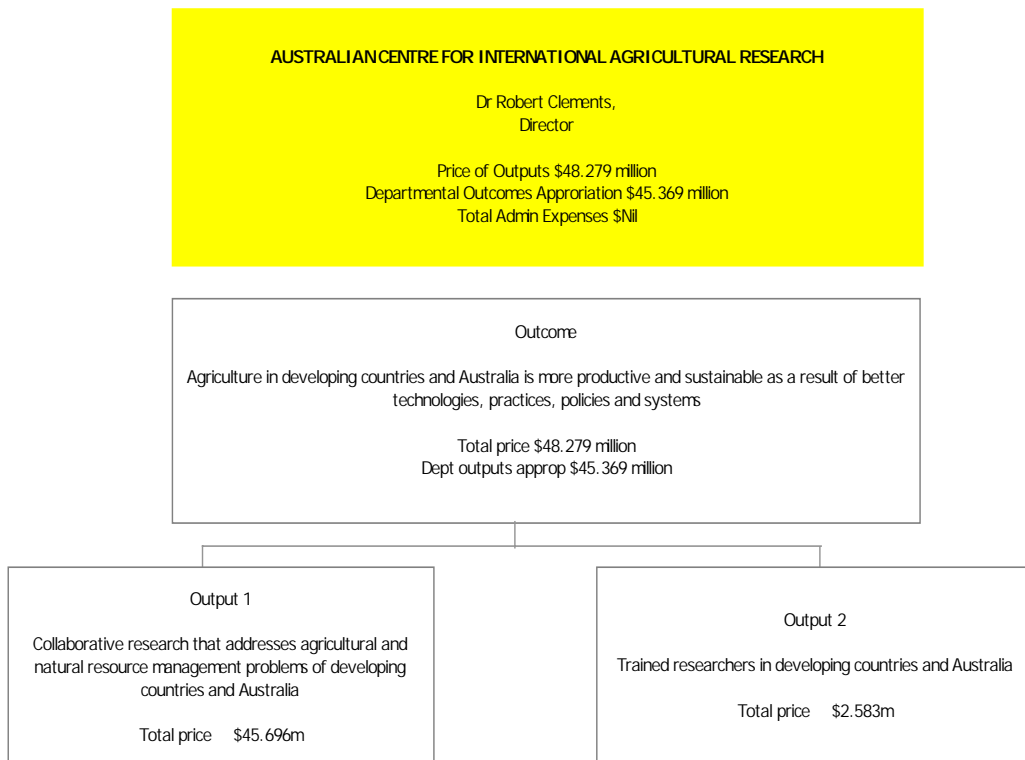
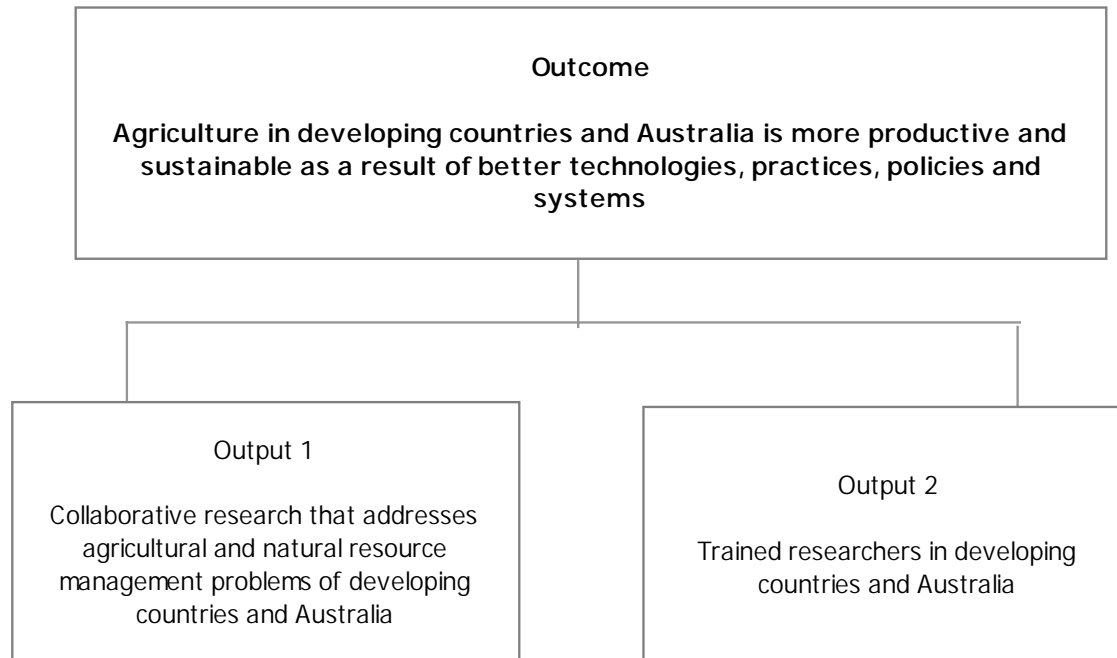


Chart 2: Outcome — Contributing outputs

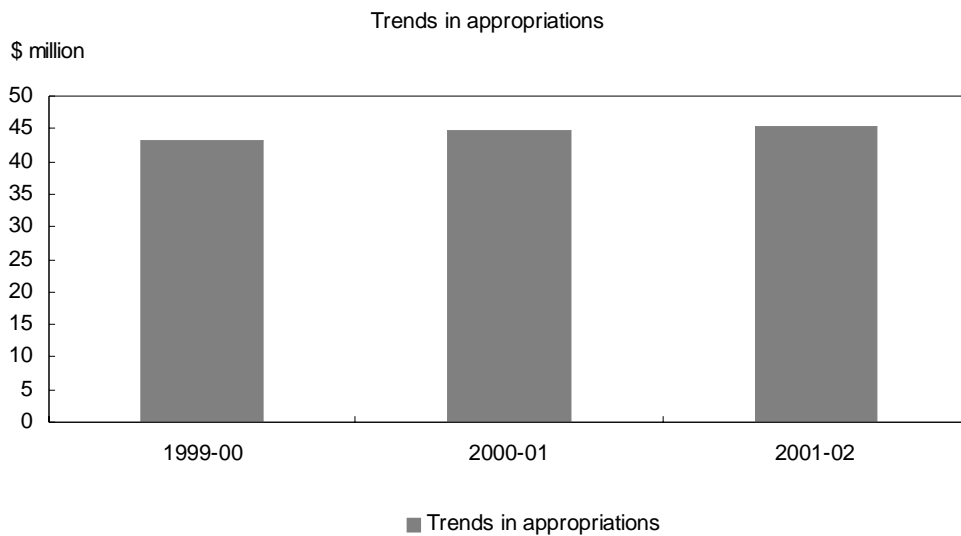


## CHANGES TO OUTCOMES AND OUTPUTS

ACIAR has refined its outcome to better reflect the Government's objectives. ACIAR's outcome is "Agriculture in developing countries and Australia is more productive and sustainable as a result of better technologies, practices, policies and systems".

## TRENDS IN RESOURCING ACROSS OUTCOMES

Chart 3: Trends in appropriations



## OUTCOME — DESCRIPTION

### **Outcome – Agriculture in developing countries and Australia is more productive and sustainable as a result of better technologies, practices, policies and systems**

ACIAR's goal and programme objectives stem from the Centre's functions as prescribed in the *Australian Centre for International Agricultural Research Act 1982*. These are to:

- formulate programmes and policies with respect to agricultural research for either or both of the following purposes:
  - identifying agricultural problems of developing countries
  - finding solutions to agricultural problems of developing countries;

- commission agricultural research by persons or institutions in Australia (whether the research is conducted in Australia or overseas) in accordance with such programmes and policies;
- communicate to persons and institutions the results of such agricultural research;
- establish and fund training schemes related to its research programmes;
- conduct and fund development activities related to its research programmes; and
- fund international agricultural research centres.

### **Measures affecting outcome**

There are no new measures in the 2001-02 Budget that affect the Outcome.

## OUTCOME — RESOURCING

Table 2.1.1 shows how the 2001-02 appropriation and programme structure translate to total resourcing for the Outcome, Revenue from Government (Appropriation) for Outputs, and the Total Price of Outputs. **C1** and **E1** show links back to table 1.1, the Appropriation Table.

**Table 2.1.1: Total Resources for Outcome (\$'000)**

Table 2.1.1: Total Resources for Outcome 1 (\$`000)

	Estimated actual 2000-01 \$'000	Budget estimate 2001-2002 \$'000
Agency Appropriation		
Output Group 1 – Collaborative research that addresses agricultural and natural resource management problems of developing countries and Australia	42,186	42,786
Output Group 2 - Trained researchers in developing countries and Australia	2,557	2,583
<b>Total revenue from government (appropriations)</b>	44,743	45,369
<b>Contributing to price of departmental outputs</b>	92.9% <sup>(5)</sup>	<b>C1</b> 94.0%
Revenue from other sources	3,397	2,910
<b>Total revenue from other sources</b>	<b>3,397</b>	<b>2,910</b>
Total price from departmental outputs (Total revenue from Government and from other sources)	48,140	<b>E1</b> 48,279
<b>Total estimated resourcing for Outcome</b> (Total price of outputs and admin expenses)	<b>48,140</b>	<b>48,279</b>

## OUTCOME — CONTRIBUTION OF OUTPUTS

ACIAR's output of research on agricultural and natural resource management problems for developing countries and Australia reflect the government's decision to continue to focus on poverty alleviation and sustainable development.

ACIAR monitors and advises on the types of activities that are resourced and the impact these activities have on the community.

Table 2.2.1 provides information on the strategies chosen to deliver the outcome, and shows the links between the outputs and the outcome.

Table 2.2.1: Performance information for Outcome

Output Group 1 – Collaborative research that addresses agricultural and natural resource management problems of developing countries and Australia	
<u>Research and IARCs projects</u>	<p><i>Quantity:</i></p> <p>(a) 200 projects will be active in 2001-02</p> <p>(b) 21 IARCs will be in receipt of grants</p> <p><i>Quality:</i></p> <p>(a) At least 90% of project reviews in 2001-02 will be favourable</p> <p>(b) All external reviews of IARCs will be favourable</p> <p><i>Price:</i> \$45.696m</p>
Output Group 2 - Trained researchers in developing countries and Australia	
<u>ACIAR Supported Training</u>	<p><i>Quantity:</i></p> <p>(a) 6 non-project specific training courses conducted</p> <p>(b) 28 fellowships in place</p> <p><i>Quality:</i></p> <p>(a) high level of satisfaction expressed by short course trainees</p> <p>(b) 87% of fellows completing training to date have obtained qualifications</p> <p><i>Price:</i> \$1.933m</p>
<u>Crawford Fund</u>	<p><i>Quantity:</i> 1 maintained Crawford Fund</p> <p><i>Quality:</i> favourable annual audit report <i>Price:</i> \$0.650m</p>

## **Evaluations**

In the 2000-01 financial year, seven evaluations of ACIAR projects were completed. All of these studies were commissioned by the Impact Assessment Programme and were outsourced to external consultants. This programme will commission around four more evaluations in the 2001-02 financial year.

## **Competitive tendering and contracting**

The delivery of agricultural research within the context of the aid programme is entirely outsourced. ACIAR's objective is to work with developing countries to reduce poverty, enhance food security and conserve and rehabilitate the natural resources base for agriculture in developing countries. ACIAR's role is to facilitate and fund agricultural research.

ACIAR is systematically reviewing its activities to ensure that activities that can be devolved to a more appropriate level of government or private enterprise are devolved. ACIAR is considering ways in which competitive tendering and contracting can be used to improve efficiency and effectiveness.

## Section 3: Budgeted Financial Statements

### DEPARTMENTAL STATEMENTS

#### **Budgeted Departmental Statement of Financial Performance**

This statement provides a picture of the expected financial results for the Agency by identifying full accrual expenses, revenues and capital use charge, which highlights whether the Agency is operating at a sustainable level.

#### **Budgeted Departmental Statement of Financial Position**

This statement shows the financial position of the Agency. It helps decision-makers to track the management of the Agency's assets and liabilities.

#### **Budgeted Departmental Statement of Cash Flows**

Budgeted cash flows, as reflected in the statement of cash flows, provide important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

#### **Departmental Capital Budget Statement**

Shows all planned departmental capital expenditure (capital expenditure on non-financial assets), whether funded either through capital appropriations for additional equity or borrowings, or from funds from internal sources.

#### **Departmental Non-financial Assets – Summary of Movement**

Shows budgeted acquisitions and disposals of non-financial assets during the budget year.

Part C: Agency Budget Statements — ACIAR

**Table 3.1: Budgeted Departmental Statement of Financial Performance  
for the period ended 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Revenues from ordinary activities</b>					
Revenue from government	44,743	45,369	46,504	47,666	48,858
Sales of goods and services	30	30	30	30	30
Interest	572	572	572	572	572
Dividends					
Net gains from sales of assets					
Other	2,795	2,308	2,220	2,170	2,170
<b>Total revenues from ordinary activities</b>	<b>48,140</b>	<b>48,279</b>	<b>49,326</b>	<b>50,438</b>	<b>51,630</b>
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	4,413	4,537	4,674	4,778	4,827
Suppliers	8,009	7,161	7,409	7,831	8,048
Grants	37,249	36,184	36,808	37,353	38,251
Depreciation and amortisation	188	191	229	270	298
Write down of assets					
Net losses from sales of assets					
Other					
<b>Total expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>49,859</b>	<b>48,073</b>	<b>49,120</b>	<b>50,232</b>	<b>51,424</b>
Borrowing cost expense	2	0	0	0	0
<b>Net surplus or deficit from ordinary activities</b>	<b>-1,721</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>
Gain or loss on extraordinary items					
<b>Net surplus or deficit</b>					
Capital use charge	137	206	206	206	206
<b>Net surplus or deficit after capital use charge</b>	<b>-1,858</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.2: Budgeted Departmental Statement of Financial Position  
as at 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	1,351	1,337	1,521	1,241	1,529
Receivables	400	350	400	400	400
Investments	-	-	-	-	-
Accrued revenues					
Other					
<b>Total financial assets</b>	<b>1,751</b>	<b>1,687</b>	<b>1,921</b>	<b>1,641</b>	<b>1,929</b>
<b>Non-financial assets</b>					
Land and buildings					
Infrastructure, plant and equipment	538	528	501	492	418
Inventories					
Intangibles	154	223	215	205	191
Other	350	300	151	500	350
<b>Total non-financial assets</b>	<b>1,042</b>	<b>1,051</b>	<b>867</b>	<b>1,197</b>	<b>959</b>
<b>Total assets</b>	<b>2,793</b>	<b>2,738</b>	<b>2,788</b>	<b>2,838</b>	<b>2,888</b>
<b>LIABILITIES</b>					
<b>Debt</b>					
Loans					
Leases	5				
Deposits					
Overdrafts					
Other					
<b>Total debt</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions and payables</b>					
Employees	1,300	1,250	1,300	1,350	1,400
Suppliers	350	350	350	350	350
Grants					
Other					
<b>Total provisions and payables</b>	<b>1,650</b>	<b>1,600</b>	<b>1,650</b>	<b>1,700</b>	<b>1,750</b>
<b>Total liabilities</b>	<b>1,655</b>	<b>1,600</b>	<b>1,650</b>	<b>1,700</b>	<b>1,750</b>
<b>EQUITY</b>					
Capital					
Reserves					
Accumulated surpluses or deficits	1,138	1,138	1,138	1,138	1,138
<b>Total equity</b>	<b>1,138</b>	<b>1,138</b>	<b>1,138</b>	<b>1,138</b>	<b>1,138</b>
<b>Current liabilities</b>	<b>940</b>	<b>912</b>	<b>935</b>	<b>957</b>	<b>980</b>
<b>Non-current liabilities</b>	<b>715</b>	<b>688</b>	<b>715</b>	<b>743</b>	<b>770</b>
<b>Current assets</b>	<b>2,101</b>	<b>1,987</b>	<b>2,072</b>	<b>2,141</b>	<b>2,279</b>
<b>Non-current assets</b>	<b>692</b>	<b>751</b>	<b>716</b>	<b>697</b>	<b>609</b>

Part C: Agency Budget Statements — ACIAR

**Table 3.3: Budgeted Departmental Statement of Cash Flows  
for the period ended 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	44,743	45,369	46,504	47,666	48,858
Sales of goods and services	29	29	29	29	29
Interest	572	572	572	572	572
GST Input Credits	1	1	1	1	1
Other	2,636	2,338	2,150	2,150	2,150
<b>Total cash received</b>	<b>47,981</b>	<b>48,309</b>	<b>49,256</b>	<b>50,418</b>	<b>51,610</b>
<b>Cash used</b>					
Employees	-4,391	-4,587	-4,624	-4,728	-4,777
Suppliers	-6,861	-5,987	-6,135	-7,057	-6,774
Grants	-37,333	-36,184	-36,808	-37,353	-38,251
Interest	-2	0	0	0	0
GST Payments	-1,104	-1,104	-1,104	-1,104	-1,104
<b>Total cash used</b>	<b>-49,691</b>	<b>-47,862</b>	<b>-48,671</b>	<b>-50,242</b>	<b>-50,906</b>
<b>Net cash from operating activities</b>	<b>-1,710</b>	<b>447</b>	<b>585</b>	<b>176</b>	<b>704</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
<b>Total cash received</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	-209	-250	-195	-250	-210
<b>Total cash used</b>	<b>-209</b>	<b>-250</b>	<b>-195</b>	<b>-250</b>	<b>-210</b>
<b>Net cash from investing activities</b>	<b>-209</b>	<b>-250</b>	<b>-195</b>	<b>-250</b>	<b>-210</b>
<b>FINANCIAL ACTIVITIES</b>					
<b>Cash received</b>					
<b>Total cash received</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.3: Budgeted Departmental Statement of Cash Flows  
for the period ended 30 June (continued)**

<b>Cash used</b>					
Repayments of debt	-13	-5	0	0	0
Capital use and dividends paid	-137	-206	-206	-206	-206
<b>Total cash used</b>	<b>-150</b>	<b>-211</b>	<b>-206</b>	<b>-206</b>	<b>-206</b>
<b>Net cash from financing activities</b>					
	<b>-150</b>	<b>-211</b>	<b>-206</b>	<b>-206</b>	<b>-206</b>
<b>Net increase in cash held</b>					
	<b>-2,069</b>	<b>-14</b>	<b>184</b>	<b>-280</b>	<b>288</b>
Cash at the beginning of the reporting period	3,420	1,351	1,337	1,521	1,241
Cash at the end of the reporting period	1,351	1,337	1,521	1,241	1,529

**Table 3.4: Departmental Capital Budget Statement**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections					
Total loans					
<b>Represented by:</b>					
Purchase of non-current assets	209	250	195	250	210
Other					
Total					
<b>PURCHASE OF NON-CURRENT ASSETS</b>					
Funded by capital appropriations					
Funded internally by					
Departmental resources	209	250	195	250	210

Part C: Agency Budget Statements —ACIAR

**Table 3.5: Departmental Non-financial Assets — Summary of Movement  
Budget Year 2001-02**

	Infrastructure Plant and Equipment	Intangibles	Total
	\$'000	\$'000	\$'000
<b>GROSS VALUE</b>			
<i>As at 1 July 2001 (opening)</i>	1,214	259	1,473
Additions	150	100	250
Disposals	-	-	-
Other movements	-	-	-
<i>As at 30 June 2002 (closing)</i>	1,364	359	1,723
<b>ACCUMULATED DEPRECIATION</b>			
<i>As at 1 July 2001 (opening)</i>	676	106	782
Disposals	-	-	-
Charge for the reporting period	160	31	191
Other movements	-	-	-
<i>As at 30 June 2002 (closing)</i>	836	137	974
<b>Net book value</b>			
<b>As at 30 June 2002 (closing book value)</b>	<b>528</b>	<b>222</b>	<b>750</b>
<b>Net book value as at 1 July 2001 opening book value)</b>	<b>538</b>	<b>154</b>	<b>691</b>
<b>TOTAL ADDITIONS</b>			
Self funded	150	100	250
Appropriations			
<b>Total</b>	<b>150</b>	<b>100</b>	<b>250</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Departmental

Under the Commonwealth's accrual budgeting framework, and consistent with Australian Accounting Standards, ACIAR controls all of the agency's transactions. ACIAR is fully accountable for assets, liabilities, revenues and expenses in relation to the agency. ACIAR has no administered transactions.

ACIAR's financial statements are required by section 49 of the *Financial Management Accountability Act 1997* and are prepared in accordance with schedule 2 of the Financial Management and Accountability (FMA) Orders.

The Centre is a Statutory Authority under the *Australian Centre for International Agricultural Research Act 1982*. The accounts have been prepared in accordance with that Act.

### Appropriations in the Accrual Budgeting Framework

Under the Commonwealth's accrual budgeting framework appropriations are provided for:

- Departmental price of outputs appropriations representing the Government's purchase of outputs from ACIAR.

### Capital-Use Charge

A Capital-Use Charge (CUC) is levied on agencies and authorities to reflect the cost of the Commonwealth's investment in those entities. It is levied on agencies' closing departmental net assets (equity) at a rate of 12 per cent.

With the updated estimated actual figures for 2000-01, equity for the year has reduced from \$2.996 million to \$1.138 million. The CUC from 2001-02 to 2004-05 is based on PBS 2000-01 figures. Adjustments to the CUC will be made at Additional Estimates.

The CUC will be reduced from 12 per cent per annum to 11 per cent per annum in line with movements in markets. The 11 per cent rate will apply from 2001-02. Adjustments to the CUC will be made at Additional Estimates.

### Estimated loss for 2000-01

During 1999-2000, delays in the progress of various projects resulted in a surplus of cash at 30 June 2000. The estimated loss in 2000-01 is the result of intentional action by ACIAR to remove the impact of the timing differences in project disbursements and restore the Centre's equity position.

## **Asset Valuation**

Property, plant and equipment are progressively revalued in accordance with the 'deprival' method of valuation.

Assets in each class acquired after the commencement of the progressive revaluation cycle are reported at cost for the duration of the progressive revaluation then in progress.

The application of the deprival method values the Centre's assets at their depreciated replacement cost. Any assets that would not be replaced or are surplus to requirements are valued at net realisable value.

All valuations are independent.

Depreciation/amortisation rates (useful lives) and methods are reviewed at each balance date and necessary adjustments are recognised in the current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

## **Liability for Employee Entitlements**

The liability for employee entitlements encompasses 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 by employees is less than the annual entitlement for sick leave.

## Section 4: Purchaser/Provider Arrangements

### **Cross agency overview**

The Australian Centre for International Agricultural Research purchases services from the Department of Foreign Affairs and Trade under the Common Administrative Services (CAS) agreement.

ACIAR also purchases telecommunications services at overseas missions from the Department of Foreign Affairs and Trade.

ACIAR purchases payroll services from the Australian Agency for International Development.

### **Performance against outcomes and outputs**

The performance information can be found in table 2.2.1.

Actual results against performance targets and indicators for the 2000-01 will be reported in ACIAR's 2000-01 annual report.

**Non-Appropriation Departmental Revenue**

	Estimated Revenue 2000-01 \$'000	Estimated Revenue 2001-02 \$'000
Resources free of charge	20	20
Sale of goods and services	30	30
Interest	572	572
Other	2,775	2,288
<b>Total estimated revenue</b>	<b>3,397</b>	<b>2,910</b>