

**Australian Centre for International
Agricultural Research**

(ACIAR)

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

Section 1: Overview, appropriations and budget measures summary

OVERVIEW

The Australian Centre for International Agricultural Research was established by the Australian Government in 1982 to assist and encourage Australian scientists and institutions to use their skills to develop solutions to agricultural problems in developing countries. Australia is in an excellent position to do this. It has exceptionally strong capacity in agricultural research and development. Australia is also unique among developed countries in the range of climates, from tropical through to temperate, that match many of the climatic constraints in developing countries.

ACIAR's mission is to achieve more productive and sustainable agricultural systems, for the benefit of developing countries and Australia, through international agricultural research partnerships. To facilitate this ACIAR plans, funds and manages bilateral research and development activities across 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 works with partner governments mainly across the Asia-Pacific region, with a primary focus in Southeast Asia, to identify agricultural and natural resource problems, and to develop research and development projects addressing these priorities. Collaboration with partners includes the application of research results through extension and technology transfer.

ACIAR also administers the Australian Government's contribution to the International Agricultural Research Centres (IARCs). These are internationally funded, autonomous, non-profit organisations that carry out research and related activities to reduce poverty and improve food security in developing countries by promoting sustainable agriculture while conserving the natural resource base.

ACIAR's funding of IARCs is increasingly targeted at defined outcomes. ACIAR will make unrestricted contributions to 13 IARCs (down from 18 in 2001-02). It will also fund specific projects that link IARCS with Australian research groups and partner countries. Major funding criteria are: relevance to Australia's geopolitical interests and the objectives of Australia's global aid programme.

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 publishes scientific works in subjects highly relevant to developing country agriculture, and that relates to ACIAR supported work, but less likely to be published through traditional channels.

APPROPRIATIONS

The total appropriation for ACIAR in the 2002-03 Budget is \$46.322m.

Refer to Table 2.1.1 for total resources for Outcome 1.

Part C: Agency Budget Statements — ACIAR

Australian Centre for International Agricultural Research — appropriations 2002-03

Table 1.1: Appropriations and other revenue (\$'000)

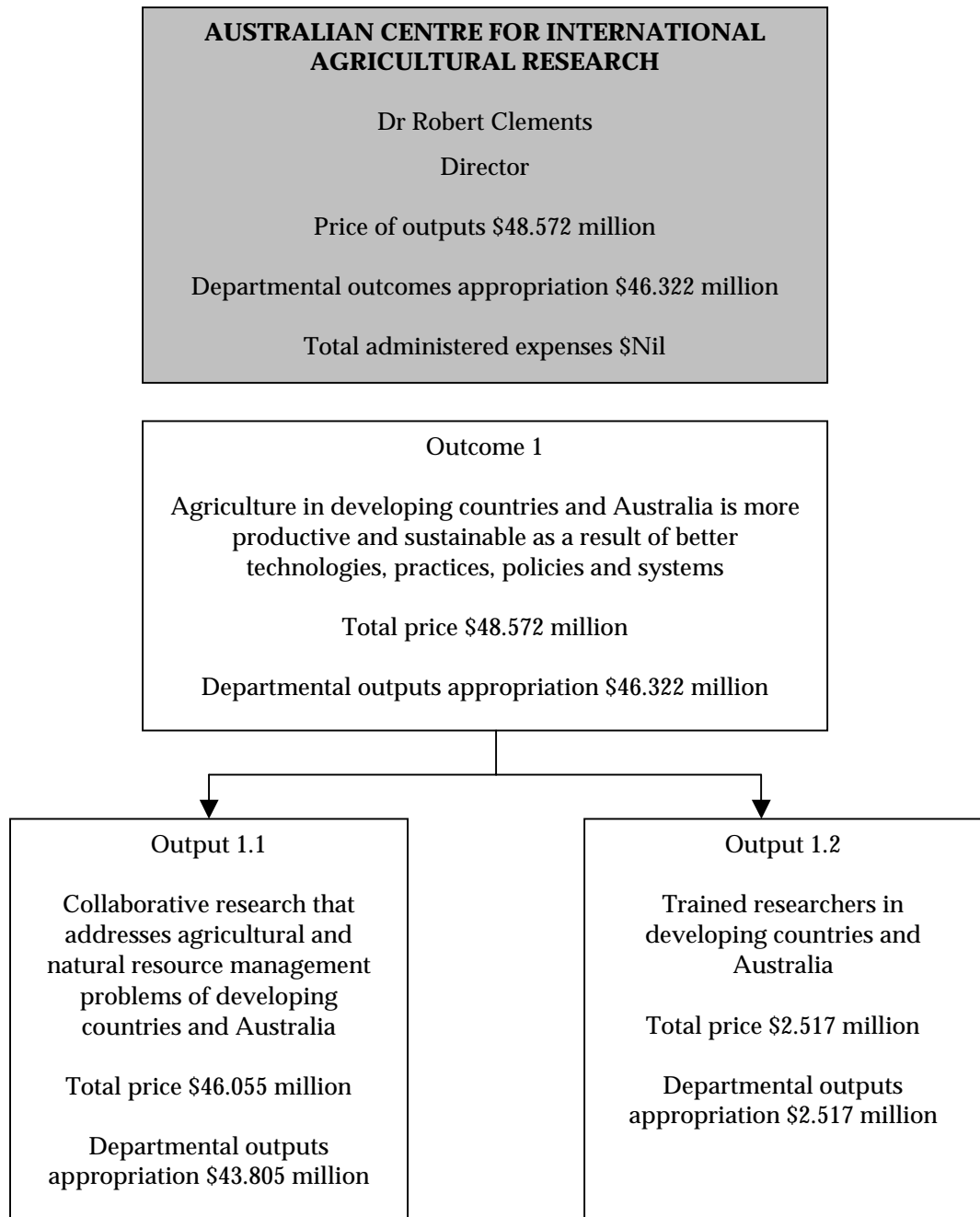
Outcome	Departmental (price of outputs)					Administered				
	Revenue from Government (appropriations)		Revenue from other sources ⁽⁴⁾	Price of outputs ⁽³⁾	Annual appropriations (\$'000)	Special appropriations ⁽⁵⁾	Total administered appropriations	Total appropriations		
	Bill No. 1	Special approps	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs) ⁽²⁾			
	(A)	(B)	(C = A+B)	(D)	(E = C+D)	(F)	(G)	(H)	(I = F+G+H)	(J=C+I)
Outcome 1 - Agriculture in developing countries and Australia is more productive and sustainable as a result of better technologies, practices, policies and systems	46,322		46,322	2,250	48,572					48,572
			(C1)		(E1)				(I1)	
			95%							
Total	46,322		46,322	2,250	48,572					48,572
			(K1)						(K2)	
								Departmental capital (equity injections and loans)	(K3)	0
								Administered capital	(K4)	0
								Total appropriations		48,572

1. Cells C1, E1 and I1 refer to information provided in Table 2.1.1. Amounts K1, K2 refer to Budgeted Statement of Financial Performance, and amounts K3, K4 to Capital Budget Statements.
 2. Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
 3. Refer to Budgeted Statement of Financial Performance for application of agency revenue.
 4. Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from other sources (for example, sales of goods and services). Non-appropriated departmental revenues are detailed in Appendix 1.
- Note: Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

Section 2: Outcomes and outputs information

OUTCOMES AND OUTPUTS

Map 1: Outcome and outputs

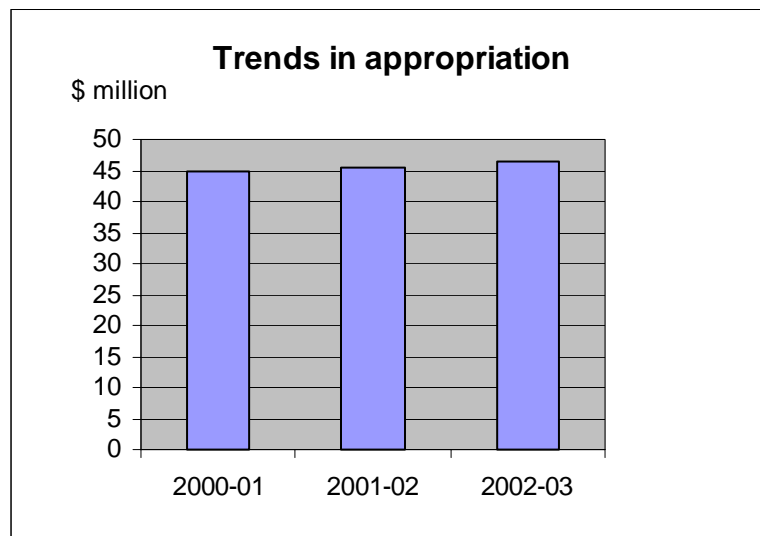


CHANGES TO OUTCOMES AND OUTPUTS

There has been no change in the outcome / output structure.

TRENDS IN RESOURCING ACROSS OUTCOMES

Chart 1: Trends in appropriations for Outcome 1



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 outcome reflects the specific role of the Centre within the Government's aid programme and its contribution to the Government's objectives through international agricultural research.

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 (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 1³

There are no new measures in the 2002-03 Budget that affect the outcome.

³ This relates to measures disclosed in the 2002-03 budget context (that is, measures agreed since the *Mid Year Economic and Fiscal Outlook* (MYEFO)).

OUTCOME — RESOURCING

Table 2.1.1 shows how the 2002-03 appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs. Cell references **C1, E1 And I1** show the links back to Table 1.1, the Appropriations Table.

Table 2.1.1: Total resources for Outcome 1 (\$'000)

	Estimated actual 2001-02	Budget estimate 2002-03
Departmental appropriations		
Output 1.1- Collaborative research that addresses agricultural and natural resource management problems of developing countries and Australia	42,786	43,724
Output 1.2 - Trained researchers in developing countries and Australia	2,583	2,598
Total revenue from government (appropriations)	45,369	46,322
Contributing to price of departmental outputs	94.0%	(C1) 95.4%
Revenue from other sources	2,910	2,250
Total revenue from other sources	2,910	2,250
Total price of departmental outputs (Total revenue from government and from other sources)	48,279	(E1) 48,572
Total estimated resourcing for Outcome 1 (Total price of outputs)	48,279	48,572
	2001-02	2002-03
Average staffing level (number)	52	50

OUTCOME — CONTRIBUTION OF OUTPUTS

ACIAR's outputs reflect the Government's aim to provide effective assistance in partnership with developing countries to reduce poverty and achieve sustainable development.

ACIAR's outputs also reflect the specific role the Centre has within the aid programme to help achieve the Government's aims: in Output 1.1 through collaborative bilateral and multilateral research, and in Output 1.2 through capacity-building.

Table 2.2.1 outlines the indicators and measures adopted by ACIAR to assess performance against the Centre's outputs to deliver Outcome 1. These indicators also reflect the critical success factors outlined in ACIAR's 2001-06 Corporate Plan.

PERFORMANCE INFORMATION FOR OUTCOME

Table 2.2.1: Performance information for Outcome

Performance information for agency outputs	
Output 1.1- Collaborative research that addresses agricultural and natural resource management problems of developing countries and Australia	
<u>Collaborative Research</u>	<p>Quantity:</p> <p>180-210 research projects will be delivering outputs during 2002-03</p> <p>> 15,000 publications of ACIAR-supported research will be disseminated</p> <p>Quality:</p> <p>Research partners will contribute 45-60 percent of project costs</p> <p>>90 percent of projects will receive a favourable external review</p> <p>The benefit:cost ratio of the investment in ACIAR projects will increase in 2002-03</p> <p>Support for multilateral research providers will be concentrated on fewer IARCs with greatest comparative advantage</p> <p>Price: \$46.055m</p>
Output 1.2 - Trained researchers in developing countries and Australia	
<u>ACIAR-supported Training</u>	<p>Quantity:</p> <p>Number of trainees in formal, ACIAR-supported training courses</p> <p>Quality:</p> <p>>80 percent of trainees will indicate satisfaction with training</p> <p>Price: \$1.867m</p>
<u>Crawford Fund</u>	<p>Quality:</p> <p>Favourable annual audit report for Crawford Fund</p> <p>Price: \$0.650m</p>

EVALUATIONS

In the 2001-02 financial year, evaluations of a number of ACIAR projects will be completed. All studies are commissioned by ACIAR's Impact Assessment Programme and are outsourced to external consultants. Results will be published in the ACIAR Annual Report.

Section 3: Budgeted financial statements

DEPARTMENTAL FINANCIAL STATEMENTS

- Budgeted Departmental Statement of Financial Performance.
- Budgeted Departmental Statement of Financial Position.
- Budgeted Departmental Statement of Cash Flows.
- Departmental Capital Budget Statements.
- Departmental Non-Financial Assets — Summary of Movement.
- Note to the Estimated Actual Column of the Departmental Statement of Financial Performance.

Table 3.1: Budgeted Departmental Statement of Financial Performance
for the period ended 30 June 2003

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
Revenues from ordinary activities					
Appropriations	45,369	46,322	47,434	48,620	49,835
Resources received free of charge	20	20	20	20	20
Sales of goods and services	20	30	30	30	30
Interest	272	250	250	250	250
Proceeds from sales of assets	15	20	20	20	20
Other	1,719	1,930	2,000	2,000	2,000
Total revenues from ordinary activities	47,415	48,572	49,754	50,940	52,155
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	4,637	4,487	4,641	4,757	4,879
Suppliers	3,409	2,937	2,989	3,013	3,034
Depreciation and amortisation	232	230	230	230	230
Write-down of assets	0	0	0	0	0
Value of assets sold	20	20	20	20	20
Grants	35,924	36,554	37,422	38,357	39,316
Other	4,395	4,307	4,415	4,526	4,639
Total expenses from ordinary activities (excluding borrowing costs expense)	48,617	48,535	49,717	50,903	52,118
Borrowing costs expense	1	0	0	0	0
Net surplus or deficit from ordinary activities	-1,202	37	37	37	37
Gain or loss on extraordinary items					
Net surplus or deficit	-1,202	37	37	37	37
Capital use charge	0	37	37	37	37
Net surplus or deficit after capital use charge	-1,202	0	0	0	0

Table 3.2: Budgeted Departmental Statement of Financial Position
as at 30 June 2003

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
ASSETS					
Financial assets					
Cash	236	230	220	235	250
Receivables	266	200	260	245	230
Investments	800	700	700	750	800
Accrued revenues	0	0	0	0	0
Other	0	0	0	0	0
Total financial assets	1,302	1,130	1,180	1,230	1,280
Non-financial assets					
Land and buildings	0	0	0	0	0
Infrastructure, plant and equipment	685	685	685	685	685
Inventories	0	0	0	0	0
Intangibles	170	170	170	170	170
Other	163	250	250	250	250
Total non-financial assets	1,018	1,105	1,105	1,105	1,105
Total assets	2,320	2,235	2,285	2,335	2,385
LIABILITIES					
Debt					
Loans	0	0	0	0	0
Leases	0	0	0	0	0
Deposits	0	0	0	0	0
Overdrafts	0	0	0	0	0
Other	0	0	0	0	0
Total debt	0	0	0	0	0
Provisions and payables					
Employees	1,500	1,550	1,600	1,650	1,700
Suppliers	185	100	100	100	100
Grants	200	150	150	150	150
Other	100	100	100	100	100
Total provisions and payables	1,985	1,900	1,950	2,000	2,050
Total liabilities	1,985	1,900	1,950	2,000	2,050
EQUITY					
Capital	0	0	0	0	0
Reserves	0	0	0	0	0
Accumulated surpluses or deficits	335	335	335	335	335
Total equity	335	335	335	335	335
Current liabilities	1,085	970	990	1,010	1,030
Non-current liabilities	900	930	960	990	1,020
Current assets	1,465	1,380	1,430	1,480	1,530
Non-current assets	855	855	855	855	855

Part C: Agency Budget Statements — ACIAR

Table 3.3: Budgeted Departmental Statement of Cash Flows
for the period ended 30 June 2003

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	45,369	46,322	47,434	48,620	49,835
Sales of goods and services	20	30	30	30	30
Interest	250	250	250	250	250
Other	2,980	3,600	3,600	3,700	3,700
Total cash received	48,619	50,202	51,314	52,600	53,815
Cash used					
Employees	4,500	4,576	4,591	4,707	4,829
Suppliers	3,431	3,090	3,066	3,015	3,036
Grants	36,244	36,504	37,422	38,357	39,316
Interest	1	0	0	0	0
Other	5,400	5,908	6,015	6,226	6,339
Total cash used	49,576	50,078	51,094	52,305	53,520
Net cash from operating activities	-957	124	220	295	295
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	10	20	20	20	20
Repayments of loans made	0	0	0	0	0
Other	0	0	0	0	0
Total cash received	10	20	20	20	20
Cash used					
Purchase of property, plant and equipment	250	250	250	250	250
Loans made	0	0	0	0	0
Other	0	0	0	0	0
Total cash used	250	250	250	250	250
Net cash from investing activities	-240	-230	-230	-230	-230
FINANCING ACTIVITIES					
Cash received					
Proceeds from issuing equity instruments	0	0	0	0	0
Proceeds from debt	0	0	0	0	0
Other	0	0	0	0	0
Total cash received	0	0	0	0	0
Cash used					
Repayments of debt	1	0	0	0	0
Capital use and dividends paid	7	0	0	0	0
Other	0	0	0	0	0
Total cash used	8	0	0	0	0
Net cash from financing activities	-8	0	0	0	0

Part C: Agency Budget Statements — ACIAR

Table 3.3: Budgeted Departmental Statement of Cash Flows *for the period ended 30 June 2003(continued)*

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
Net increase (decrease) in cash held	-1,205	-106	-10	65	65
Cash at the beginning of the reporting period	2,241	1,036	930	920	985
Cash at the end of the reporting period	1,036	930	920	985	1,050

Table 3.4: Departmental Capital Budget Statement

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000
CAPITAL APPROPRIATIONS				
Total equity injections	0	(K3) 0	0	0
Total loans	0	(K3) 0	0	0
Represented by				
Purchase of non-current assets	0	0	0	0
Other	0	0	0	0
Total	0	0	0	0
PURCHASE OF NON CURRENT ASSETS				
Funded by capital appropriation	0	0	0	0
Funded internally by				
Agency resources	250	250	250	250

1 These two lines link to (K3) in Table 1.1

Part C: Agency Budget Statements — ACIAR

**Table 3.5: Departmental Non-financial Assets — Summary of Movement
(Budget year 2002-03)**

	Infrastructure plant and equipment \$'000	Intangibles \$'000	Total \$'000
Carrying amount at the start of year	685	170	855
Additions	200	50	250
Disposals	10	10	20
Revaluation increments	0	0	0
Recoverable amount w rite-dow ns	0	0	0
Net transfers free of charge	0	0	0
Depreciation/amortisation expense	190	40	230
Write-off of assets	0	0	0
Carrying amount at the end of year	685	170	855
Total additions	200	50	250
Self funded	200	50	250
Appropriations	0	0	0
Total	200	50	250

**Table 3.6: Note to the Estimated Actual Column of the Departmental
Statement of Financial Performance**

Table not required.

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 transactions classified as "administered" but has programme costs ("grants" and "other") amounting to \$40.861m in 2002-03.

ACIAR's financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are prepared in accordance with 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, annual appropriations are provided for Departmental price of outputs representing the Government's purchase of outputs from agencies.

Capital Use Charge

A Capital Use Charge is levied on agencies and authorities to reflect the cost of the Commonwealth's investment in those entities. It is levied on those agencies' closing Departmental net assets (equity) at a rate of 11 per cent.

Funding for the Capital Use Charge is included in agencies' and authorities' Departmental price of outputs appropriations. The Capital Use Charge is accounted for as a 'below Operating Result line' dividend payment.

Asset valuation

From 1 July 2002 Commonwealth agencies and authorities are required to use either the cost basis or the fair value basis to measure Property, Plant and Equipment. The shift from the deprival method of valuation to fair value should occur gradually over a three-year period. Fair value essentially reflects the current market value of an asset.

Section 4: Purchaser/Provider

CROSS AGENCY OVERVIEW

ACIAR purchases services from the Department of Foreign Affairs and Trade under a 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 2001-02 will be reported in ACIAR's 2001-02 annual report.

APPENDIX 1: NON-APPROPRIATION REVENUE

Departmental

	Estimated revenue 2001-02 \$'000	Estimated revenue 2002-03 \$'000
Resources free of charge	20	20
Sale of goods and services	30	30
Proceeds from sale of assets	0	20
Interest	572	250
External sources (AusAID)	0	1,900
Other	2,288	30
Total estimated revenue	2,910	2,250

Note: In 2001-02 revenue from external sources was included in "Other".