

**AUSTRALIAN CENTRE
FOR INTERNATIONAL
AGRICULTURAL
RESEARCH
(ACIAR)**

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

Section 1: Overview, appropriations and budget measures summary

AGENCY OVERVIEW

The Australian Centre for International Agricultural Research has a single outcome: agriculture in developing countries and Australia is more productive and sustainable as a result of better technologies, practices, policies and systems. The Centre delivers against this outcome through two outputs: collaborative research to address agricultural problems of developing countries, and training of researchers in Australia and developing countries.

ACIAR funds research that utilises the skills of Australian and developing country scientists through partnerships to address agreed priorities. Projects deliver a range of knowledge and technologies to help partner countries achieve their agricultural development goals. Research partnerships take two forms: bilateral projects linking Australian institutions with counterparts in one or more developing countries; and multilateral partnerships with selected international agricultural research centres, through funding for specific projects and the provision of core funding on behalf of the Australian Government. Training of researchers in relevant skills through courses in Australia and in developing countries, and by the provision of fellowships in Australia for partner country scientists, is also undertaken.

ACIAR's focus is on the Asia-Pacific region, reflecting that of the broader Australian aid programme, and emphasises poverty reduction and improved livelihoods through more productive and sustainable agriculture.

Features of ACIAR's expenditure this year include:

- a 12 per cent increase in funding to Papua New Guinea and the Pacific Islands;
- a 9 per cent increase to South-East Asia, with larger programs in Cambodia, Indonesia, the Philippines and Vietnam;
- greater focus within South-East Asia (with the bilateral Malaysia programme coming to an end) and Africa (South Africa); and
- seeking greater co-investment in projects from countries well placed to provide research funds, such as Thailand and China.

Part C: Agency Budget Statements - ACIAR

Cooperation with AusAID will provide \$3.3 million for projects of mutual interest. On behalf of AusAID the Centre is managing agricultural research and development projects in Afghanistan, Cambodia, China, Papua New Guinea and the Philippines.

APPROPRIATIONS AND RESOURCING

The total appropriation for ACIAR in the 2004-05 Budget is \$47.5 million.

Table 1.1 shows the total appropriation for ACIAR for 2004-05 by the one outcome.

Australian Centre for International Agricultural Research — appropriations 2004-05

Table 1.1: Appropriations and other revenue ('000)

Outcome	Departmental (price of outputs) ('\$000)					Administered (\$'000)			Total appropriations (\$'000)	
	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 (A)	Special approps ⁽⁵⁾ (B)	Total (C = A+B) (C1) ⁽¹⁾	(D)	(E = C+D) (E1) ⁽¹⁾	Bill No. 1 (F)	Bill No. 2 (SPPs & NAOs) ⁽²⁾ (G)	(H)	(I = F+G+H) (I1) ⁽¹⁾	(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	47,523		47,523	3,516	51,039					51,039
Total	47,523		47,523	3,516	51,039					51,039
			93% (K1) ⁽¹⁾						(K2) ⁽¹⁾	
						Departmental capital (equity injections and loans)			(K3) ⁽¹⁾	0
						Administered assets and liabilities			(K4) ⁽¹⁾	0
						Total appropriations				51,039

Part C: Agency Budget Statements - ACIAR

1. Cells C1, E1 and I1 refer to information provided in Total Resources for Outcome tables. Amounts K1, K2 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 (SPP's), new agency Outcomes (NAO's), 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 and administered revenues are details in Appendix 1.
- Note: Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

MEASURES — SUMMARY

Table 1.2: Summary of measures disclosed in the 2004-05 Budget

ACIAR has no new measures.

RECEIPTS FROM INDEPENDENT SOURCES

Table 1.3: Receipts from independent sources

	Estimated revenue 2003-04 \$'000	Estimated revenue 2004-05 \$'000
Sale of goods and services	30	30
Proceeds from sale of assets	20	20
External funds (e.g. AusAID)	3,632	3,446
Total estimated revenue	3,682	3,496

SPECIAL ACCOUNTS

Table 1.6: Estimates of special account flows and balances

	Estimate - 2004-05, Heavy Figures				
	<i>Estimated Actual - 2003-04, Light figures</i>				
	Opening Balance	Receipts	Payments	Adjustments ⁽²⁾	Closing Balance
	2004-05 ⁽¹⁾	2004-05	2004-05	2004-05	2004-05
	<i>2003-04 ^(1a)</i>	<i>2003-04</i>	<i>2003-04</i>	<i>2003-04</i>	<i>2003-04</i>
	\$'000	\$'000	\$'000	\$'000	\$'000
Australian Centre for International Agricultural Research Account	500	51,158	51,158	0	500
- s20 FMA Act (Departmental)	<i>456</i>	<i>50,504</i>	<i>50,460</i>	<i>0</i>	<i>500</i>
Other Trust Moneys Account	0	0	0	0	0
- s20 FMA Act (Departmental)	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Services for Other Governments and Non-Agency Bodies Account	0	0	0	0	0
- s20 FMA Act (Departmental)	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total Special Accounts	500	51,158	51,158	-	500
	<i>456</i>	<i>50,504</i>	<i>50,460</i>	<i>-</i>	<i>500</i>

FMA Act = *Financial Management and Accountability Act, 1997*

Note 1 The Opening Balance for 2004-05 is the same as the closing balance for 2003-04

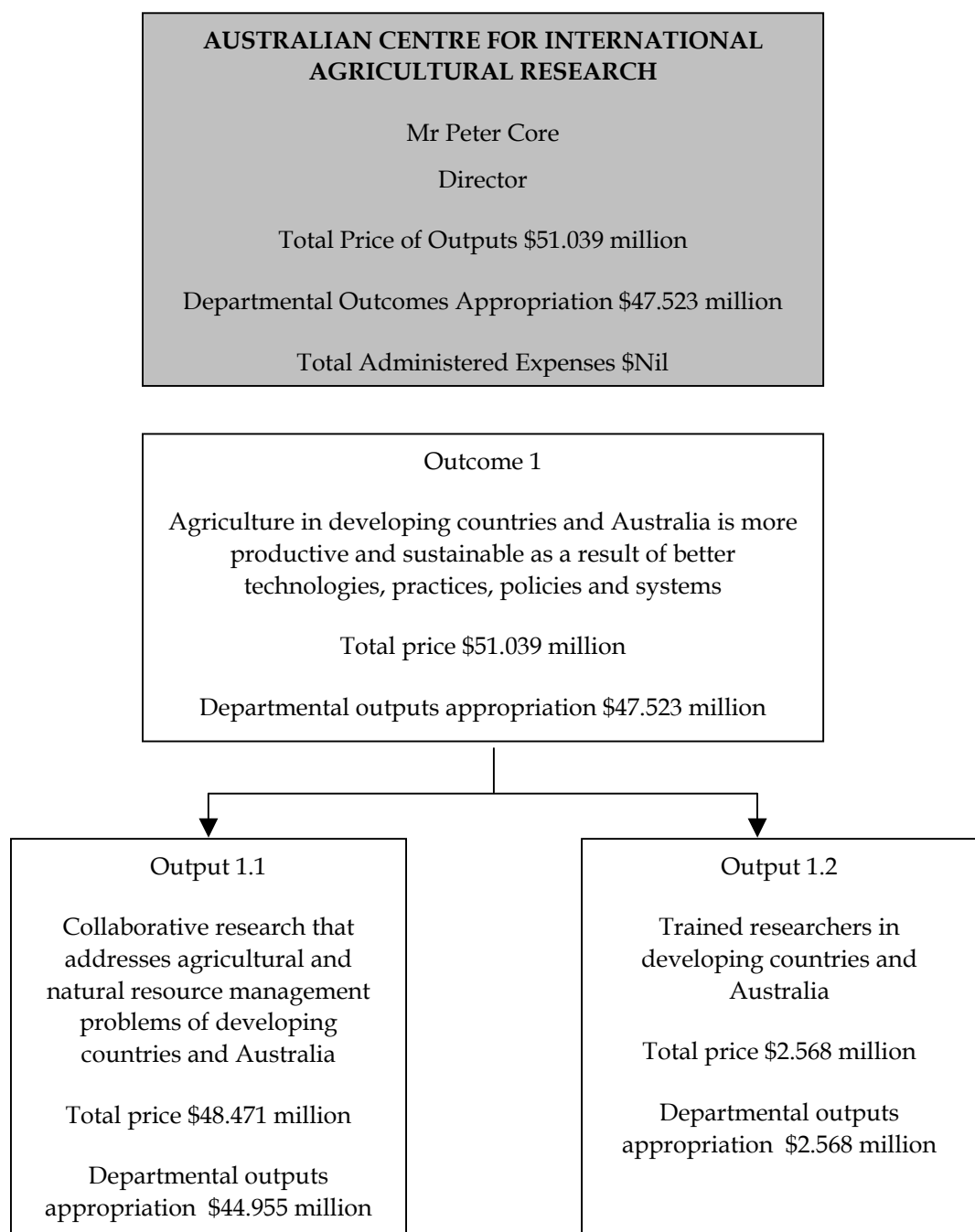
Note 2 Receipts from appropriations and other sources are further specified in the Total Resources for Outcome tables - Table 2.1.1

Section 2: Outcomes and outputs information

OUTCOMES AND OUTPUTS

ACIAR works to achieving one outcome specified by Government.

Map 2: Outcome and outputs



Output cost attribution

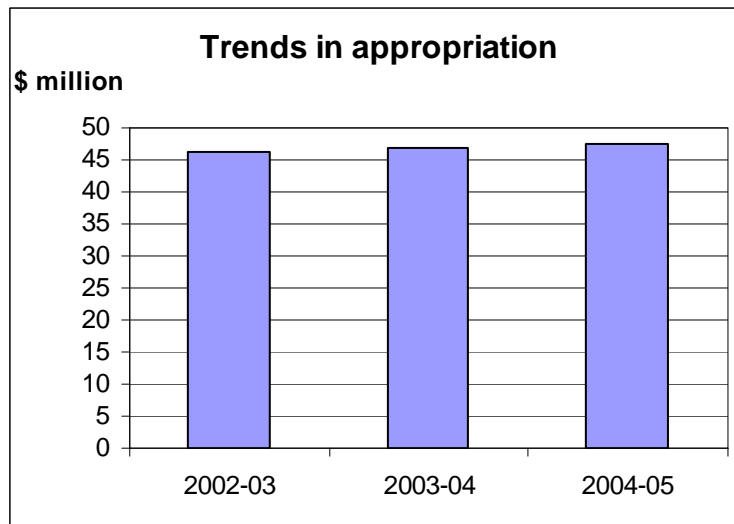
ACIAR costs have been attributed between the two outputs on the basis of direct programme expenditure and salary costs plus a proportion of other administrative costs based on staff numbers.

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 1 — 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 unique role of the Centre within the Government's Aid Programme and its contribution to the Government's objectives through 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 programme;
- conduct and fund development activities related to its research programmes; and
- fund international agricultural research centres.

Measures affecting Outcome 1⁸

There are no new measures in the 2004-05 Budget that affect this outcome.

⁸ This relates to measures disclosed in the 2004-05 budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook (MYEFO)*).

OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2004-05 Budget 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

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000
from Special Accounts (estimated payments from Special Account balances)		
Australian Centre for International Agricultural Research Account	50,460	51,158
Total Special Account Outflows	50,460	51,158
Departmental appropriations		
Output 1.1		
Collaborative research that addresses agricultural and natural resource management problems of developing countries and Australia	44,333	44,955
Subtotal Output Group 1.1	44,333	44,955
Departmental appropriations		
Output 1.2		
Trained researchers in developing countries and Australia	2,499	2,568
Subtotal Output Group 1.2	2,499	2,568
Total revenue from government (appropriations)	46,832	47,523
Contributing to price of departmental outputs	92.7%	93.1%
Revenue from other sources		
Resources received free of charge	20	20
Sale of goods and services	30	30
Sale of assets	20	20
External funds	3,632	3,446
Total revenue from other sources	3,702	3,516
Total price from departmental outputs (Total revenue from government and from other sources)	50,534	51,039
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	50,534	51,039
	2003-04	2004-05
Average staffing level (number) ⁴	65	65

Note 1. Flows into Special Accounts are also shown in the receipts column of the Special Accounts table in Table 1.5

Note 2. Special Account outflows are shown in the payments column of the Special Account table in Table 1.5

Note 3. The text box above is for information only and does not represent resourcing.

Note 4. There has been a change in the basis of staffing numbers to include staff not employed under the *Public Service Act* to reflect total staffing of ACIAR (overseas staff not previously included).

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

ACIAR's outputs reflect the Government's aim of reducing poverty and achieving sustainable development through partnerships that facilitate the provision of effective assistance.

ACIAR's outputs also reflect the specific role of the Centre within the aid programme to help achieve the Government's aims: in Output 1 through collaborative bilateral and multilateral research, and in Output 2 through capacity building to extend and transfer research results.

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

PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.2.1: Performance information for Outcome

<p>Output 1 - Collaborative research that addresses agricultural and natural resource management problems of developing countries and Australia</p>	<p>Quality:</p> <ul style="list-style-type: none"> • Regional investment profile is consistent with Australian Government aid priorities • Research partners are contributing 45-55% of project costs • >90% of concluding projects are assessed by external reviews as having achieved their main objectives • There is further substantiated evidence of significant economic, social and environmental impacts from completed ACIAR projects • Support for multilateral research providers is concentrated on those international agricultural research centres with greatest comparative advantage
	<p>Quantity:</p> <ul style="list-style-type: none"> • 235-245 research projects are delivering outputs during 2004-05 • >10,000 copies of ACIAR research publications and papers are requested or downloaded <p>Price: \$48.471m</p>

Part C: Agency Budget Statements - ACIAR

Output 2 - Trained researchers in developing countries and Australia	Quality: <ul style="list-style-type: none">• >80% of trainees indicate satisfaction with training Quantity: <ul style="list-style-type: none">• >100 trainees are in formal, ACIAR-supported training courses Price: \$2.568m
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EVALUATIONS

In the 2004-05 financial year, evaluations of a number of ACIAR projects will be completed. All studies are commissioned by ACIAR's Impact Assessment Unit and are outsourced to external consultants. Results will be published in the ACIAR Annual Report.

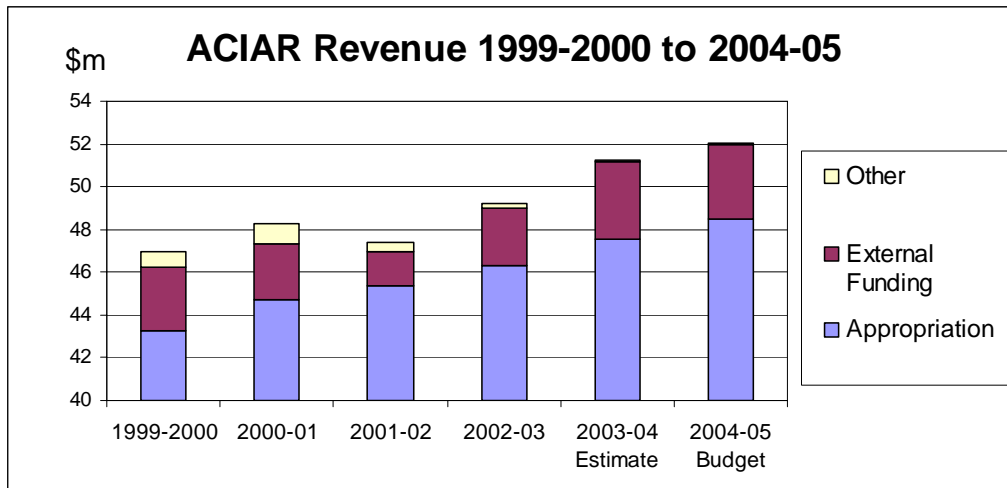
Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of ACIAR's budgeted financial statements for 2004-05 is provided below.

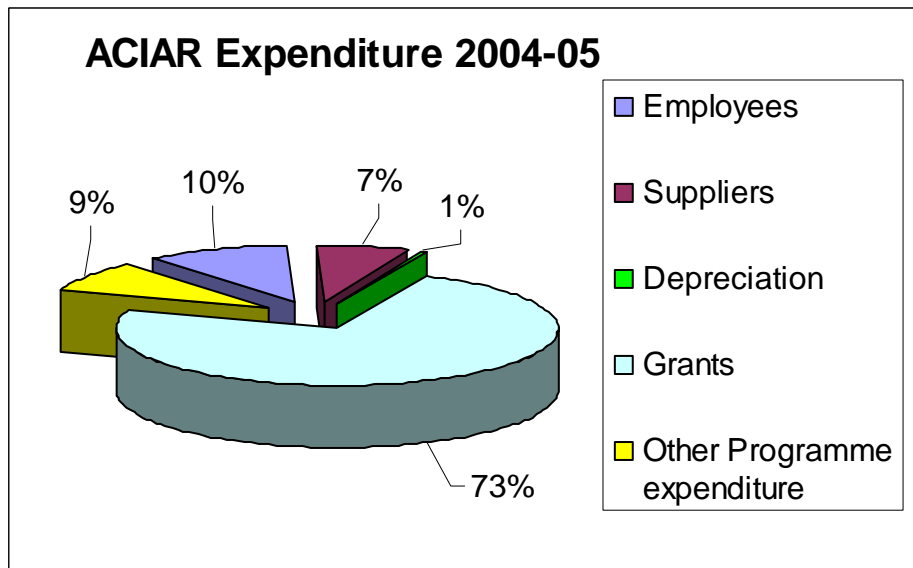
Departmental

ACIAR obtains its funds primarily from the Commonwealth appropriation, with some external funding and other revenue from interest and sale of publications. Over recent years ACIAR has maintained its level of appropriation in real terms. Other revenue and external funding has fluctuated over the same period.

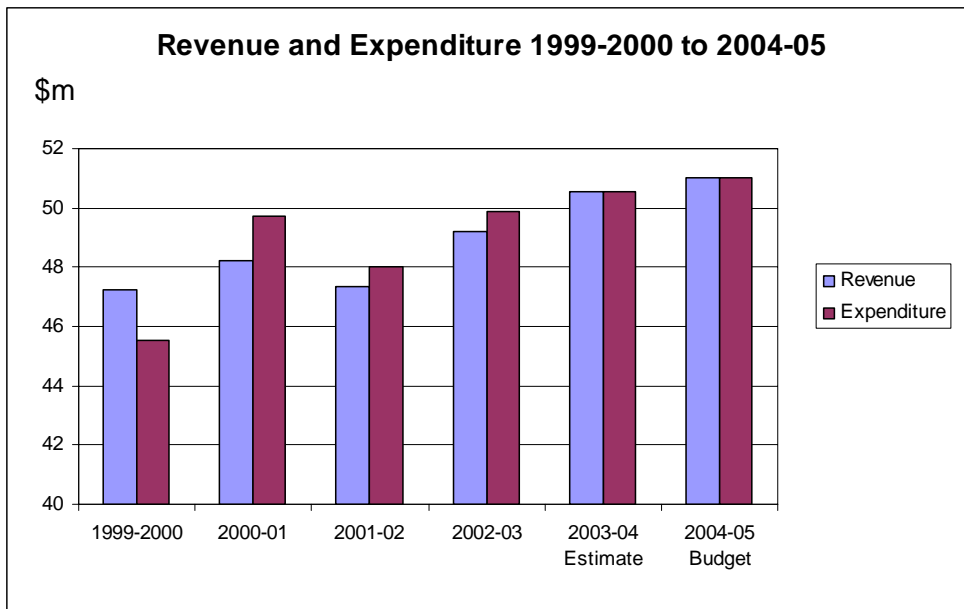


About 82% of ACIAR's expenditure is on bilateral and multilateral research (shown as "Grants" in the graph below), education and training of researchers, and publication to assist in project impacts (shown as "Other Programme expenditure").

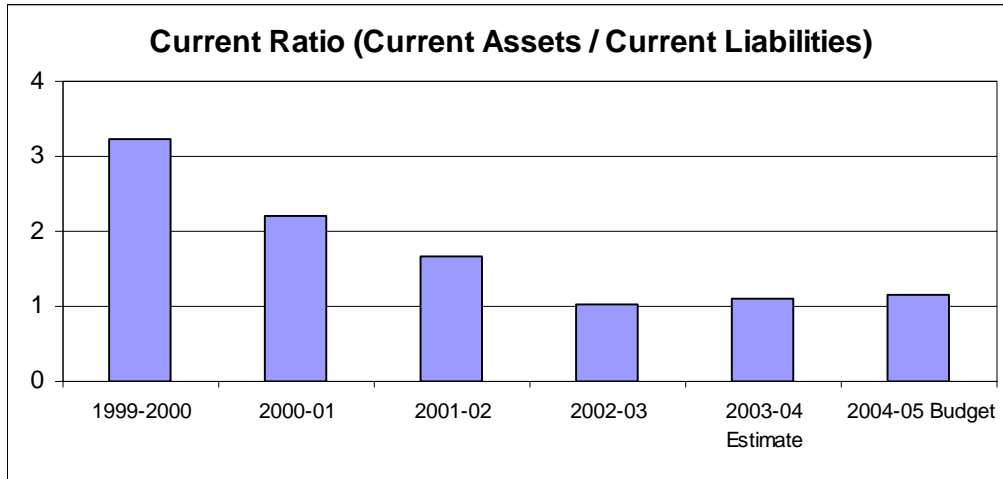
Part C: Agency Budget Statements - ACIAR



In 1999-2000 ACIAR had a significant surplus which resulted from delays in project start dates. During subsequent years ACIAR has refined its budgeting strategy to cater for such delays and has incurred operating deficits to achieve a more optimal level of cash and equity. For 2003-04 and onwards ACIAR has budgeted for a balanced budget.



ACIAR's current ratio closely reflects these changes and is now at an optimal level.



ACIAR will continue its focus on good stewardship of its financial resources and has adopted a more strategic approach to manage ACIAR's balance sheet.

DEPARTMENTAL FINANCIAL STATEMENTS

Budgeted Departmental Statement of Financial Performance

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

Budgeted Departmental Statement of Financial Position

This statement shows the financial position of ACIAR. It helps decision makers to track the management of ACIAR'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 capital acquisitions that are funded from internal sources.

Departmental Non Financial Assets — Summary of Movement

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

**Table 3.1: Budgeted Departmental Statement of Financial Performance
for the period ended 30 June 2005**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from Government	46,852	47,543	48,493	49,463	50,452
Goods and services	30	30	30	30	30
Interest	0	0	0	0	0
Dividends	0	0	0	0	0
Revenue from sales of assets	20	20	20	20	20
Reversals of previous asset write-downs	0	0	0	0	0
Rents	0	0	0	0	0
Royalties	0	0	0	0	0
Net foreign exchange gains	0	0	0	0	0
Correction of fundamental error	0	0	0	0	0
Other	3,632	3,446	2,560	2,600	2,650
Revenues from ordinary activities	50,534	51,039	51,103	52,113	53,152
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	5,084	5,318	5,400	5,500	5,600
Suppliers	3,192	3,385	3,400	3,500	3,600
Grants	37,205	37,504	37,363	38,118	38,902
Subsidies	0	0	0	0	0
Depreciation and amortisation	310	315	320	325	330
Write-down of assets	0	0	0	0	0
Value of assets sold	20	20	20	20	20
Net foreign exchange losses	0	0	0	0	0
Correction of fundamental error	0	0	0	0	0
Other	4,723	4,497	4,600	4,650	4,700
Expenses from ordinary activities (excluding borrowing costs expense)	50,534	51,039	51,103	52,113	53,152
Borrowing costs expense	0	0	0	0	0
Share of net profits or (losses) of associates and joint ventures accounted for using the equity method	0	0	0	0	0
Correction of fundamental error	0	0	0	0	0
Operating surplus or (deficit) from ordinary activities	0	0	0	0	0
Gain or (loss) on extraordinary items	0	0	0	0	0
Correction of fundamental error	0	0	0	0	0
Net surplus or (deficit)	0	0	0	0	0

**Table 3.1: Budgeted Departmental Statement of Financial Performance
for the period ended 30 June 2005 (continued)**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
Outside equity interests in net surplus or (deficit)	0	0	0	0	0
Net surplus or deficit attributable to the Australian Government	0	0	0	0	0
Net credit or (debit) to asset revaluation reserve	0	0	0	0	0
Net exchange difference recognised as a direct debit or (credit) to equity	0	0	0	0	0
Adjustments arising from Standards recognised as direct debit or (credit) to equity	0	0	0	0	0
Initial adjustments from transitional UIG consensus view recognised as direct debit or (credit) to equity	0	0	0	0	0
Total changes in equity other than those resulting from transactions with owners as owners	0	0	0	0	0

*Note: this total is not required if there is only one relevant preceding row.

**Table 3.2: Budgeted Departmental Statement of Financial Position
as at 30 June 2005**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
ASSETS					
Financial assets					
Cash	500	500	500	500	500
Receivables	1,055	1,070	1,185	1,285	1,385
Investments accounted for under the equity method	0	0	0	0	0
Investments (s.39 FMA Act)	0	0	0	0	0
Other investments	0	0	0	0	0
Accrued revenues	0	0	0	0	0
Other financial assets	0	0	0	0	0
Total financial assets	1,555	1,570	1,685	1,785	1,885
Non-financial assets					
Land and buildings	0	0	0	0	0
Infrastructure, plant and equipment	840	820	820	820	820
Heritage and cultural assets	0	0	0	0	0
Inventories	0	0	0	0	0
Intangibles	175	175	170	170	170
Other non-financial assets	170	160	150	150	150
Total non-financial assets	1,185	1,155	1,140	1,140	1,140
Total assets	2,740	2,725	2,825	2,925	3,025
LIABILITIES					
Interest bearing liabilities					
Loans	0	0	0	0	0
Leases	0	0	0	0	0
Deposits	0	0	0	0	0
Overdraft	0	0	0	0	0
Other interest bearing liabilities	0	0	0	0	0
Total interest bearing liabilities	0	0	0	0	0
Provisions					
Employees	1,800	1,900	2,000	2,100	2,200
Capital use charge	0	0	0	0	0
Other provisions	0	0	0	0	0
Total provisions	1,800	1,900	2,000	2,100	2,200
Payables					
Suppliers	100	50	50	50	50
Grants	565	500	500	500	500
Dividends	100	100	100	100	100
Borrowing costs	0	0	0	0	0
Other payables	0	0	0	0	0
Total payables	765	650	650	650	650
Total liabilities	2,565	2,550	2,650	2,750	2,850

**Table 3.2: Budgeted Departmental Statement of Financial Position
as at 30 June 2005 (continued)**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
EQUITY*					
Parent entity interest					
Contributed equity	0	0	0	0	0
Reserves	0	0	0	0	0
Statutory funds	0	0	0	0	0
Retained surpluses or accumulated deficits	175	175	175	175	175
Total parent entity interest	175	175	175	175	175
Outside Equity Interest					
Contributed equity	0	0	0	0	0
Reserves	0	0	0	0	0
Retained surpluses or accumulated deficits	0	0	0	0	0
Total outside equity interest	0	0	0	0	0
Total equity	175	175	175	175	175
Total assets and liabilities by maturity:					
Current assets	1,725	1,730	1,835	1,935	2,035
Non-current assets	1,015	995	990	990	990
Current liabilities	1,565	1,500	1,550	1,600	1,650
Non-current liabilities	1,000	1,050	1,100	1,150	1,200

*Note: 'Equity' is the residual interest in assets after deduction of liabilities.

**Table 3.3: Budgeted Departmental Statement of Cash Flows
for the period ended 30 June 2005**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	15	15	15	15	15
Appropriations	46,832	47,523	48,473	49,443	50,432
Interest	0	0	0	0	0
Dividends	0	0	0	0	0
Other	3,637	3,300	2,500	2,600	2,650
Extraordinary items	0	0	0	0	0
Total cash received	50,484	50,838	50,988	52,058	53,097
Cash used					
Employees	5,160	5,200	5,300	5,400	5,500
Suppliers	3,210	3,200	3,250	3,350	3,450
Grants	36,905	37,583	37,393	38,223	39,027
Borrowing costs	0	0	0	0	0
Other	4,875	4,560	4,745	4,780	4,810
Extraordinary items	0	0	0	0	0
Total cash used	50,150	50,543	50,688	51,753	52,787
Net cash from or (used by) operating activities	334	295	300	305	310
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	20	20	20	20	20
Proceeds from sales of financial instruments	0	0	0	0	0
Bills of exchange and promissory notes	0	0	0	0	0
Repayments of loans made	0	0	0	0	0
Proceeds from sales of Investments (s.39 FMA Act)	0	0	0	0	0
Other	0	0	0	0	0
Extraordinary items	0	0	0	0	0
Total cash received	20	20	20	20	20
Cash used					
Purchase of property, plant and equipment	310	315	320	325	330
Purchase of financial Instruments	0	0	0	0	0
Bills of exchange and promissory notes	0	0	0	0	0
Loans made	0	0	0	0	0
Purchase of Investments (s.39 FMA Act)	0	0	0	0	0
Other	0	0	0	0	0
Extraordinary items	0	0	0	0	0
Total cash used	310	315	320	325	330
Net cash from or (used by) investing activities	(290)	(295)	(300)	(305)	(310)

**Table 3.3: Budgeted Departmental Statement of Cash Flows
for the period ended 30 June 2005 (continued)**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - Contributed equity	0	0	0	0	0
Proceeds from issuing financial instruments	0	0	0	0	0
Proceeds from loans	0	0	0	0	0
Other	0	0	0	0	0
Extraordinary items	0	0	0	0	0
Total cash received	0	0	0	0	0
Cash used					
Repayments of debt	0	0	0	0	0
Capital use charge paid	0	0	0	0	0
Dividends paid	0	0	0	0	0
Other	0	0	0	0	0
Extraordinary items	0	0	0	0	0
Total cash used	0	0	0	0	0
Net cash from / (used by) financing activities	0	0	0	0	0
Net increase or (decrease) in cash held	44	0	0	0	0
Cash at the beginning of the reporting period	456	500	500	500	500
Effect of exchange rate movements on cash at the beginning of reporting period	44	0	0	0	0
Cash at the end of the reporting period	500	500	500	500	500

Table 3.4: Departmental Capital Budget Statement

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	0	0 (K3)	0	0	0
Total loans	0	0	0	0	0
Represented by		(K3) ¹			
Purchase of non-current assets	0	0	0	0	0
Other	0	0	0	0	0
Total	0	0	0	0	0
PURCHASE OF NON CURRENT ASSETS					
Funded by capital appropriation	0	0	0	0	0
Funded internally by					
Departmental resources	310	315	320	325	330

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

**Table 3.5: Departmental Non-financial Assets — Summary of Movement
(Budget year 2004-05)**

	Other infrastructure plant and equipment \$'000	Computer software \$'000	Total \$'000
Carrying amount at the start of year	840	175	1,015
Additions	245	70	315
Disposals	10	10	20
Net revaluation increments / decrements	0	0	0
Recoverable amount write-downs	0	0	0
Depreciation / amortisation expense	255	60	315
Other movements	0	0	0
Carrying amount at the end of year	820	175	995
Total additions	245	70	315
Represented by:			
Self funded	245	70	315
Appropriations	0	0	0
Total represented by:	245	70	315

NOTES TO THE FINANCIAL STATEMENTS

Departmental Financial Statements and Notes

Under the Commonwealth's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from transactions agencies do not have control over (Administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.

Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the Government according to set Government directions. Administered expenses include subsidies, grants and personal benefit payments and Administered revenues include taxes, fees, fines and excises.

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.

Asset valuation

From 30 June 2003 Property, Plant and Equipment have been valued on a fair value basis. Fair value essentially reflects the current market value of an asset.

Section 4: Purchaser-provider and cost recovery arrangements

PURCHASER-PROVIDER ARRANGEMENTS

Cross agency overview

ACIAR purchases services from the Department of Foreign Affairs and Trade under a Service Level Agreement (SLA).

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 of purchased outputs

The performance information can be found in Table 2.2.1.

Actual results against performance targets and indicators for 2004-05 will be reported in ACIAR's 2004-05 annual report.