

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

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AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

Section 1: Agency overview

OVERVIEW

The Australian Centre for International Agricultural Research operates as part of Australia's Official Development Assistance Program, by linking the skills of Australian scientists with their counterparts in developing countries throughout Papua New Guinea, the Pacific and South-East Asia. This reflects the broader Australian aid program, and emphasises poverty reduction and improved livelihoods through more productive and sustainable agriculture. Through these partnerships ACIAR-supported projects deliver a range of knowledge and technologies, policy options and capacity building activities to address agreed priorities.

ACIAR's single outcome: Agriculture in developing countries and Australia is more productive and sustainable as a result of better technologies, practices, policies and systems, is delivered through two outputs: collaborative research to address agricultural problems of developing countries, and training of researchers in Australia and developing countries.

The first output is achieved through research partnerships that 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 undertaken as part of the Centre's second output.

Features of ACIAR's expenditure this year include:

- an increase in the total investment in Indonesia to \$5.2m (budgeted figure for 2004-05 is \$4.3m);
- an increased investment in bilateral research in the Papua New Guinea to \$4.5m and the Pacific Islands to \$2.5m (budgeted figures for 2004-05 are \$3.4m and \$2.1m respectively) ;
- a reduction in bilateral research expenditure in China with increased co-investment by Chinese partners and other agencies in new projects;

Agency Budget Statements – Agency resources – ACIAR

- an increase in the number of projects targeting pilot-scale delivery of research outcomes to end-users (farmers, natural resource managers and policy-makers); and
- a greater focus of support of International Agriculture Research Centre programs and projects that target the Asia-Pacific region.

Joint AusAID-ACIAR initiatives, including projects in Afghanistan, Cambodia, Iraq, China, Papua New Guinea and the Philippines will account for \$3.9 million of research expenditure.

ACIAR is supporting appropriate interventions targeting the areas of Indonesia's Northern Sumatra and Aceh provinces affected by the December 2004 tsunami.

Table 1.1: Agency outcomes and outputs

Outcome	Description	Outputs
Outcome 1		
	Agriculture in developing countries and Australia is more productive and sustainable as a result of better technologies, practices, policies and systems	Output 1.1 Collaborative research that addresses agricultural and natural resource management problems of developing countries and Australia
		Output 1.2 Training researchers in developing countries and Australia

Section 2: Agency resources for 2005-06

2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2005-06, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification.

The total appropriation for ACIAR in the 2005-06 Budget is \$49.3 million.

Table 2.1: Appropriations and other revenue 2005-06¹ ('000)

Outcome	Appropriations				Revenue from other sources ⁵		Total resources ⁷
	\$'000 Bill No. 1	\$'000 Bill No. 2 ²	\$'000 Special approp ³	\$'000 Total approp ⁴	\$'000	% ⁶	
Outcome 1							
Agriculture in developing countries and Australia is more productive and sustainable as a result of better technologies, practices, policies and systems							
Administered	0	0	0	0	0	0	0
Departmental	49,334	0	0	49,334	4,340	8%	53,674
Total outcome 1	49,334	0	0	49,334	4,340	8%	53,674
Total agency							
Administered	0	0	0	0	0	0	0
Total agency							
Departmental	49,334	0	0	49,334	4,340	8%	53,674
Total agency	49,334	0	0	49,334	4,340	8%	53,674
Departmental capital (equity injections)							
Previous year's outputs							
Administered assets and liabilities							
Total resources	49,334	0	0	49,334	4,340	8%	53,674

1 This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.

2 Under the appropriation structure. Bill No. 2 includes Specific Purpose Payments (SPPs), new agency Outcomes (NACs), administered capital and departmental capital via departmental injections and loans.

3 Estimated expenses from individual Special Appropriations are shown at Section 3, Tables 3.1, etc.

4 Total appropriations = Bill No. 1 + Bill No. 2 + Special appropriations.

- 5 Revenue from other sources includes FMA s.31 revenues, CAC body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.
- 6 Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the total price of outputs, by outcome, and the percentage contribution of Revenue from other sources (Departmental) to the total price of outputs, by outcome.
- 7 Total resources = Total appropriations + Revenue from other sources.

Note: Refer to Budgeted statement of financial performance for application of agency revenue. See also Table 3.1.

2.2: 2005-06 BUDGET MEASURES

Budget measures relating to ACIAR as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

Table 2.2: Agency measures

Measure	Outcome	Output groups affected	Appropriations budget 2005-06 (\$'000)			Appropriations forward estimate 2006-07 (\$'000)			Appropriations forward estimate 2007-08 (\$'000)			Appropriations forward estimate 2008-09 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Improved security for Australian overseas missions (expense measure)	1	1.1	0	2	2	0	0	0	0	43	43	0	155	155
Improved security for Australian overseas missions (capital measure)	1	1.1	0	0	0	0	34	34	0	270	270	0	0	0
Total			0	2	2	0	34	34	0	313	313	0	155	155

2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used and other receipts that are available to be spent, special accounts (non-appropriation receipts) and resources received free of charge.

Table 2.3: Other receipts available to be used

Outcome	Estimated	Budget
	receipts	estimate
	2004-05	2005-06
	\$'000	\$'000
Departmental other receipts		
Resources received free of charge	20	20
Sale of goods and services	30	10
Proceeds from sale of assets	20	10
External funds (e.g. AusAID)	3,901	4,300
Total departmental other receipts available to be used	3,971	4,340

1. This table replaces the former table 'Receipts from independent sources'. It represents own source receipts available for spending on departmental purposes.

2.4: MOVEMENT OF ADMINISTERED FUNDS FROM 2004-05 TO 2005-06

ACIAR has no administered items.

2.5: SPECIAL APPROPRIATIONS

ACIAR has no special appropriations.

2.6: SPECIAL ACCOUNTS

Table 2.6: Estimates of special account flows and balances

Name of account	Outcome	Opening balance	Receipts	Payments	Adjustments	Closing balance
		2005-06	2005-06	2005-06	2005-06	2005-06
		2004-05	2004-05	2004-05	2004-05	2004-05
		\$'000	\$'000	\$'000	\$'000	\$'000
Australian Centre for International Agricultural Research Account	1	500	55,259	55,259	0	500
- s20 FMA Act (Departmental) Other Trust Moneys Account		459	53,358	53,317	0	500
- s20 FMA Act (Departmental) Services for Other Governments and Non-Agency Bodies Account		0	0	0	0	0
- s20 FMA Act (Departmental)		0	0	0	0	0
Total special accounts 2005-06 Budget estimate		500	55,259	55,259	0	500
Total Special Accounts 2004-05 estimate actual		459	53,358	53,317	0	500

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

Note 1 The Opening Balance for 2005-06 is the same as the closing balance for 2004-05

Note 2 Receipts from appropriations and other sources are further specified in the Total Resources for Outcome tables – Table 3.1

2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

ACIAR has no equity injections or loans.

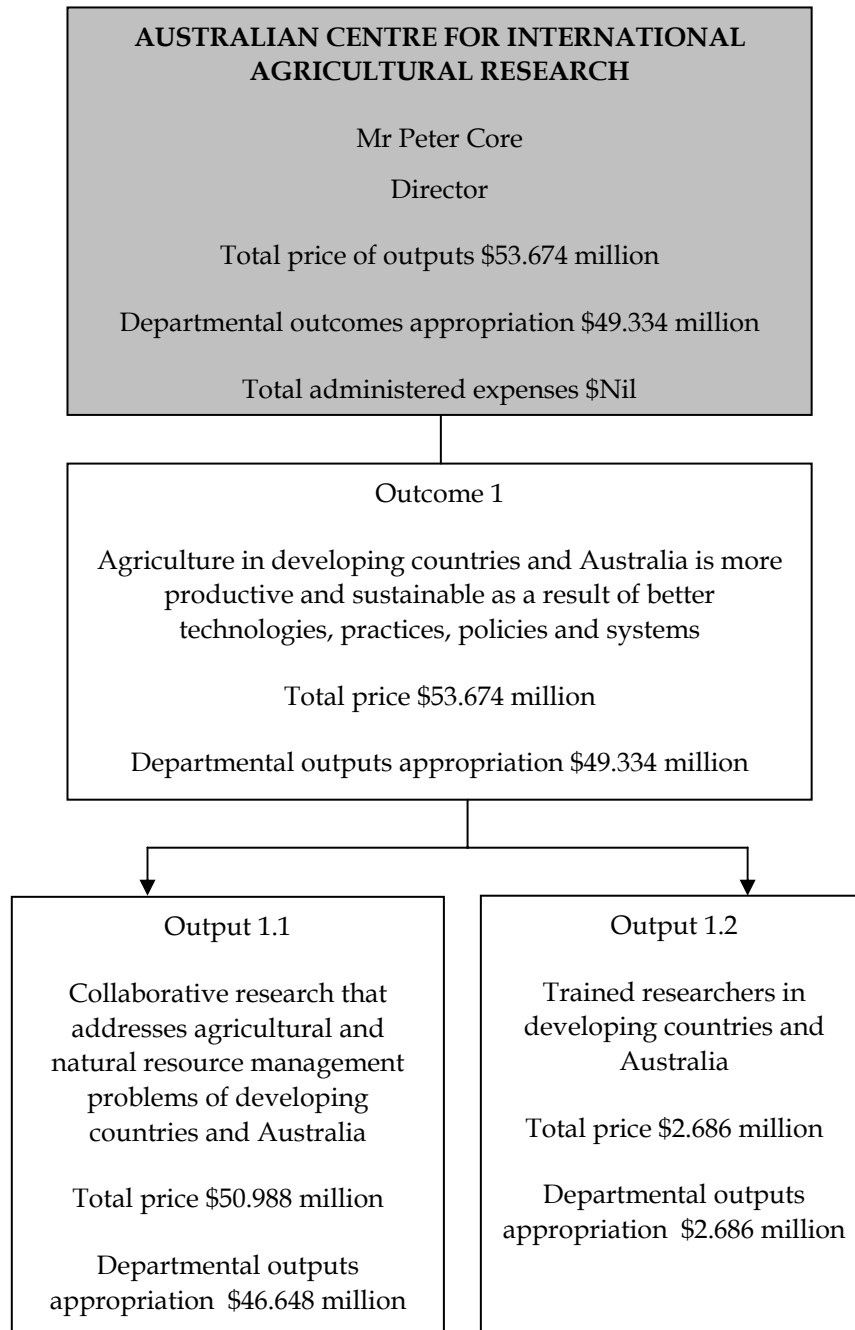
Section 3: Agency outcomes

This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the outcome for ACIAR.

3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS

The relationship between activities of ACIAR and the outcomes is summarised in Figure 4.

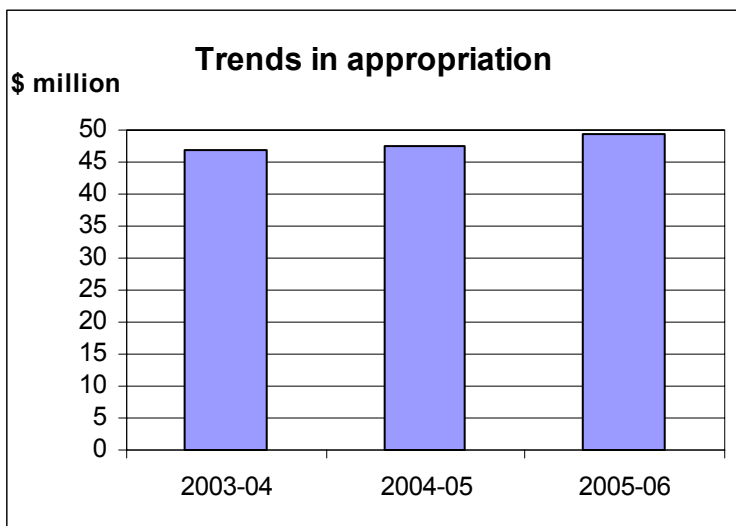
Figure 4: Outcomes and outputs and administered items



3.2: OUTCOMES — DEPARTMENTAL AND ADMINISTERED

Departmental appropriations by outcome

ACIAR has a single outcome.



3.3: OUTCOMES RESOURCING

Outcome 1 resourcing

Table 3.1 shows how the 2005-06 Budget appropriations translate to total resourcing for Outcome 1, including revenue from government (appropriation), revenue from other sources (Departmental) and the total price of outputs.

Table 3.1: Total resources for Outcome 1 (\$'000)

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000
from Special Accounts (estimated payments from Special Account balances)²		
Australian Centre for International Agricultural Research Account	51,494	53,674
Total Special Account outflows	51,494	53,674
Departmental appropriations		
Output 1.1 -		
Collaborative research that addresses agricultural and natural resource management problems of developing countries and Australia	44,987	46,648
Subtotal Output 1.1	44,987	46,648
Departmental appropriations		
Output 1.2 -		
Training researchers in developing countries and Australia	2,536	2,686
Subtotal Output 1.2	2,536	2,686
Total revenue from government (appropriations)	47,523	49,334
Contributing to price of departmental outputs	92%	92%
Revenue from other sources		
Resources received free of charge	20	20
Sale of goods and services	30	10
Sale of assets	20	10
External funds	3,901	4,300
Total revenue from other sources	3,971	4,340
Total price from departmental outputs (Total revenue from government and from other sources)	51,494	53,674
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	51,494	53,674
	2004-05	2005-06
Average staffing level (number)⁴	42.4	42.4

1 Flows into Special Accounts are also shown in the receipts column of the Special Accounts table in Table 2.6.

2 Special Account outflows are shown in the payments column of the Special Account table in Table 2.6. The estimated payments from special account balances are provided by way of note only and do not form part of the total estimated resourcing.

3 Where names of Acts have been abbreviated, the full name of the Act can be found in the Acts Glossary at the end of Table 2.6.

4 Average Staffing Levels are expressed as Full-time Equivalent (FTE) staff employed under the *Australian Public Service Act*. ACIAR also employs locally engaged staff in overseas posts - 19.4 (2004-05) and 20.5 (2005-06) FTE.

Measures affecting Outcome 1¹

- Improved security for Australian overseas missions.

Performance information for Outcome 1

Table 3.2: Performance information for Outcome 1

<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 40-55% 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"> • Around 200 research projects are delivering outputs during 2005-06 • >10,000 copies of ACIAR research publications and papers are requested or downloaded
<p>Output 2 - Trained researchers in developing countries and Australia</p>	<p>Price: \$50.988m</p> <p>Quality:</p> <ul style="list-style-type: none"> • >90% of trainees indicate satisfaction with training <p>Quantity:</p> <ul style="list-style-type: none"> • >100 trainees take part in formal, ACIAR-supported training courses <p>Price: \$2.686m</p>

1 This relates to measures disclosed in the 2005-06 Budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook 2004-05* (MYEFO)).

Evaluations for Outcome 1

In the 2005-06 financial year, evaluations of a number of ACIAR projects will be completed. All studies are commissioned by ACIAR and are outsourced to external consultants. Results will be published in the ACIAR Annual Report and on the ACIAR website.

Other planned evaluations and reviews affecting ACIAR in 2005-06 include:

- Risk Management – appropriate reviews will be undertaken to ensure that sound financial, legal and ethical decision making processes are adhered to and monitored. This includes a review of our risk register, fraud control plan and the operation of the internal audit plan.
- Australian National Audit Office Performance Audit – Management of Agricultural Research Projects for Developing Countries

Section 4: Other reporting requirements

4.1: 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 (AusAID).

Performance against outcomes of purchased outputs

The performance information can be found in Table 3.2.

Actual results against performance targets and indicators for 2005-06 will be reported in ACIAR's 2005-06 annual report.

4.2: COST RECOVERY ARRANGEMENTS

ACIAR has no cost recovery arrangements in place as defined in Finance Circular 2002/02 issued by the Department of Finance and Administration.

4.3: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)

Not applicable to ACIAR.

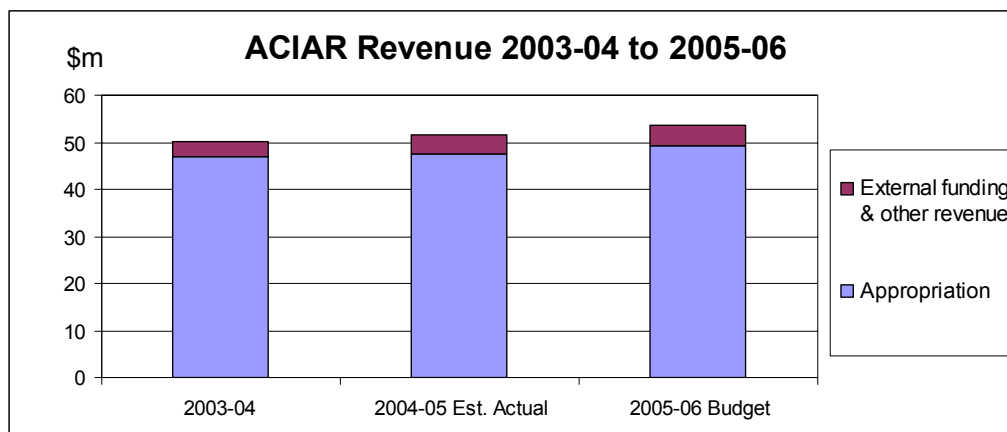
Section 5: Budgeted financial statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of ACIAR's budgeted financial statements for 2005-06 is provided below:

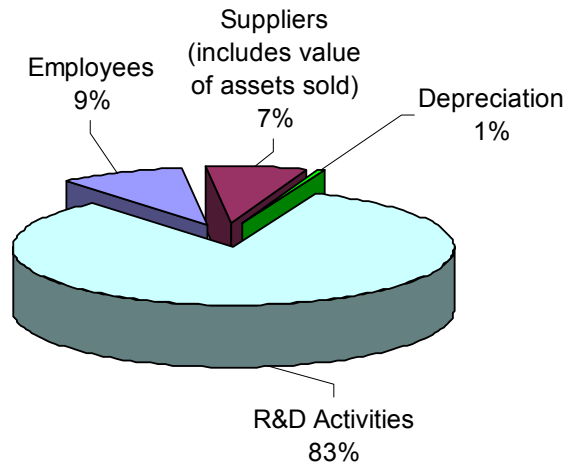
Departmental

ACIAR obtains its funds primarily from the Australian Government appropriation, with some external funding and other revenue from sale of publications. Over recent years ACIAR has maintained its level of appropriation, in real terms. External funding has increased over the same period and other revenue has declined.



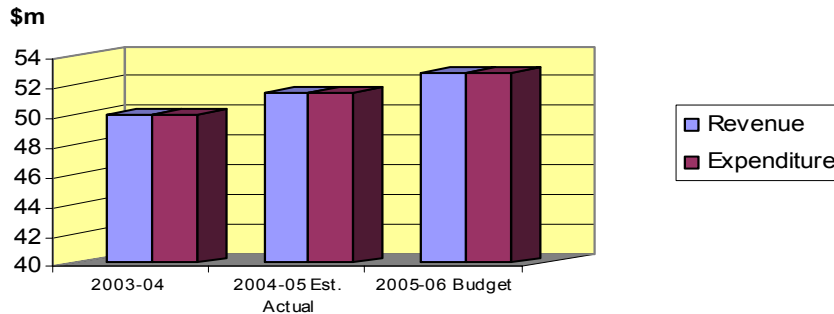
About 83 per cent of ACIAR's expenditure is on "Research and Development Programme Activities" which comprises bilateral and multilateral projects, impact assessment activities, education and training of researchers and publication of research results.

ACIAR Expenditure 2005-06



During 2001-02 and 2002-03 ACIAR refined its budgeting strategy to cater for delays in projects and incurred operating deficits to achieve a more optimal level of cash and equity. For 2003-2004 and onwards ACIAR has budgeted for a balanced budget.

Revenue and Expenditure 2003-04 to 2005-06



Our 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.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted departmental statement of financial performance for the period ended 30 June 2006

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from Government	47,543	49,354	50,231	51,174	52,097
Goods and services	30	10	10	10	10
Interest	0	0	0	0	0
Dividends	0	0	0	0	0
Revenue from sales of assets	20	10	10	10	10
Reversals of previous asset write-downs	0	0	0	0	0
Net foreign exchange gains	0	0	0	0	0
Rents	0	0	0	0	0
Royalties	0	0	0	0	0
Correction of fundamental error	0	0	0	0	0
Other	3,901	4,300	3,369	3,000	3,000
Revenues from ordinary activities	51,494	53,674	53,620	54,194	55,117
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	4,984	5,007	5,051	5,096	5,153
Suppliers	3,855	3,794	3,947	4,145	4,332
Grants	37,520	39,423	39,070	39,296	39,850
Subsidies	0	0	0	0	0
Depreciation and amortisation	325	325	325	325	344
Write-down of assets and impairment of assets	0	0	0	0	0
Value of assets sold	20	10	10	10	10
Net foreign exchange losses	0	0	0	0	0
Correction of fundamental error	0	0	0	0	0
Other	4,790	5,115	5,217	5,322	5,428
Expenses from ordinary activities (excluding borrowing costs expense)	51,494	53,674	53,620	54,194	55,117
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

Table 5.1: Budgeted departmental statement of financial performance for the period ended 30 June 2006 (continued)

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
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
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
Total changes in equity other than those resulting from transactions with owners as owners	0	0	0	0	0

Table 5.2: Budgeted departmental statement of financial position as at 30 June 2006

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	500	500	500	500	500
Receivables	1,330	1,430	1,530	1,630	1,730
Investments accounted for under the equity method	0	0	0	0	0
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC 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	1,830	1,930	2,030	2,130	2,230
Non-financial assets					
Land and buildings	0	0	0	0	0
Infrastructure, plant and equipment	820	820	854	1,124	1,124
Investment properties	0	0	0	0	0
Heritage and cultural assets	0	0	0	0	0
Inventories	0	0	0	0	0
Intangibles	175	175	175	175	175
Other non-financial assets	150	150	150	150	150
Total non-financial assets	1,145	1,145	1,179	1,449	1,449
Total assets	2,975	3,075	3,209	3,579	3,679
LIABILITIES					
Interest bearing liabilities					
Loans	0	0	0	0	0
Leases	0	0	0	0	0
Deposits	0	0	0	0	0
Overdraft					
Other interest bearing liabilities	0	0	0	0	0
Total interest bearing liabilities	0	0	0	0	0
Provisions					
Employees	1,500	1,600	1,700	1,800	1,900
Other provisions	0	0	0	0	0
Total provisions	1,500	1,600	1,700	1,800	1,900
Payables					
Suppliers	100	100	100	100	100
Grants	1,000	1,000	1,000	1,000	1,000
Dividends	0	0	0	0	0
Borrowing costs	0	0	0	0	0
Other payables	200	200	200	200	200
Total payables	1,300	1,300	1,300	1,300	1,300
Total liabilities	2,800	2,900	3,000	3,100	3,200

Table 5.2: Budgeted departmental statement of financial position as at 30 June 2006 (continued)

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'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	209	479	479
Total parent entity interest	175	175	209	479	479
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	209	479	479
Current assets	1,980	2,080	2,180	2,280	2,380
Non-current assets	995	995	1,029	1,299	1,299
Current liabilities	1,900	1,940	1,980	2,020	2,060
Non-current liabilities	900	960	1,020	1,080	1,140

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

Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June 2006

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	15	15	15	15	15
Appropriations	47,523	49,234	50,112	51,054	51,978
Interest	0	0	0	0	0
Dividends	0	0	0	0	0
Other	5,800	6,000	5,500	5,000	5,000
Extraordinary items	0	0	0	0	0
Total cash received	53,338	55,249	55,627	56,069	56,993
Cash used					
Employees	5,134	4,932	4,976	5,021	5,078
Suppliers	4,155	4,093	4,281	4,714	4,632
Grants	38,493	40,333	40,437	40,286	41,129
Borrowing costs	0	0	0	0	0
Other	5,190	5,566	5,618	5,723	5,829
Extraordinary items	0	0	0	0	0
Total cash used	52,972	54,924	55,312	55,744	56,668
Net cash from or (used by) operating activities	366	325	315	325	325
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	20	10	10	10	10
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
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	10	10	10	10
Cash used					
Purchase of property, plant and equipment	345	335	359	605	335
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
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	0	0	0	0	0
Other	0	0	0	0	0
Extraordinary items	0	0	0	0	0
Total cash used	345	335	359	605	335
Net cash from or (used by) investing activities	(325)	(325)	(349)	(595)	(325)

Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June 2006 (continued)

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	0	0	34	270	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	34	270	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	34	270	0
Net increase or (decrease) in cash held	41	0	0	0	0
Cash at the beginning of the reporting period	459	500	500	500	500
Effect of exchange rate movements on cash at the beginning of reporting period	41	0	0	0	0
Cash at the end of the reporting period	500	500	500	500	500

Table 5.4: Departmental capital budget statement

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	0	0	34	270	0
Total loans	0	0	0	0	0
Total capital appropriations	0	0	34	270	0
Represented by:					
Purchase of non-financial assets	0	0	34	270	0
Other	0	0	0	0	0
Total represented by	0	0	34	270	0
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	0	0	34	270	0
Funded internally by					
Departmental resources	325	325	325	325	344
Total	325	325	359	595	344

**Table 5.5: Departmental property, plant, equipment and intangibles
— summary of movement (Budget year 2005-06)**

	Other infrastructure plant and equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2005			
Gross book value	2,045	525	2,570
Accumulated depreciation	1,225	350	1,575
Opening net book value	820	175	995
Additions:			
by purchase	260	75	335
by finance lease	0	0	0
from acquisitions of entities or operations (including restructuring)	0	0	0
Net revaluation increment/decrement	0	0	0
Reclassifications	0	0	0
Depreciation/amortisation expense	250	75	325
Recoverable amount write-downs	0	0	0
Other movements	0	0	0
Disposals:			
from disposal of entities or operations (including restructuring)	0	0	0
other disposals	10	0	10
As at 30 June 2006			
Gross book value	2,295	600	2,895
Accumulated depreciation	1,475	425	1,900
Closing net book value	820	175	995

5.3: NOTES TO THE FINANCIAL STATEMENTS

Departmental Financial Statements and Notes

Under the Australian Government'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 Australian Government'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.