

# AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

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# AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

## Section 1: Overview

The Australian Centre for International Agricultural Research (ACIAR) utilises the skills of Australian scientists through project collaboration with their counterparts in developing countries to address agricultural problems of mutual priority. ACIAR operates as part of Australia's Official Development Assistance Programme, focusing on Papua New Guinea, the Pacific and South-East Asia, Northern and South Asia. ACIAR's projects aim to improve livelihoods, by reducing poverty and achieving sustainable development through research outcomes that result in more productive and sustainable agriculture. Through project partnerships ACIAR delivers appropriate knowledge and technologies, policy options and capacity building activities to address agreed priorities.

ACIAR 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. Two outputs: collaborative research to address agricultural problems of developing countries, and training of researchers in Australia and developing countries, deliver results that contribute to achieving ACIAR's outcome.

Collaborative research addresses agricultural problems through research partnerships that link Australian institutions with counterparts in one or more developing countries (bilateral projects); and partnerships with selected international agricultural research centres, through funding for specific projects and the provision of core funding on behalf of the Australian Government (multilateral projects). Training of researchers is undertaken through the provision of fellowships in Australia for partner country scientists, and also in relevant skills related to project delivery through courses in Australia and in developing countries.

Features of ACIAR's programme and expenditure this year include:

- a continued expansion of programmes in Indonesia, Vietnam, Philippines and Cambodia, representing an increase in funding for research and development projects in Southeast Asia of \$1.3 million in 2006-07;
- initiation of programmes on horticulture and linkage of policy to biophysical research;
- a continued reduction in bilateral expenditure in China and India, with a corresponding increase in co-funding arrangements by partner organisations in both countries;
- involvement in the Australia - Indonesia Partnership for Reconstruction and Development, designing and delivering components of the Smallholder

Agribusiness Development Initiative and Aceh Aquaculture Rehabilitation Scheme;

- implementation, with the Australian Agency for International Development (AusAID) funding, of a large multi-year project (Seeds of Life 2) in East Timor delivering improved varieties of staple food crops; and
- managing two of the four components of the Australia Pakistan Agricultural Linkages Programme.

Joint AusAID-ACIAR initiatives, including projects in Pakistan, East Timor, Afghanistan, Cambodia, Iraq, China, Papua New Guinea and the Philippines will account for \$7.2 million of R&D expenditure.

ACIAR continues to support technical interventions in areas of Indonesia’s Aceh province affected by the December 2004 Tsunami.

**Table 1.1: Agency outcomes and output groups**

Outcome	Description	Output groups
<b>Outcome 1</b>		
	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: Resources for 2006-07

### **2.1 APPROPRIATIONS AND OTHER RESOURCES**

Table 2.1 shows the total resources from all origins for 2006-07, including appropriations. The table summarises how resources will be applied by outcome, administered and departmental classification.

The total appropriation for ACIAR in the 2006-07 Budget is \$50.362 million.

**Table 2.1: Appropriations and other resources 2006-07 ('000)**

Agency/Outcome/ Non-operating	Departmental				Administered						Total \$'000
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000	Special Appropriation \$'000	Receipts (a) \$'000	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2		Special Appropriation \$'000	Receipts (a) \$'000		
						SPPs \$'000	Other (b) \$'000				
Outcome 1	-	-	-	7,700	-	-	-	-	-	-	7,700
Equity injections	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-	-
Previous years' outputs	-	-	-	-	-	-	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-	-	-	-	-	-	-
Special capital	-	-	-	-	-	-	-	-	-	-	-
Appropriation	50,362	-	-	-	-	-	-	-	-	-	50,362
<b>TOTAL</b>	<b>50,362</b>	<b>-</b>	<b>-</b>	<b>7,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,062</b>

(a) Departmental and administered receipts from other sources (i.e. other than appropriation amounts) that are available to be used.

(b) Includes new administered expenses and administered assets and liabilities.

Notes:

1. 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.

2. Refer to Budgeted Income Statement for application of agency revenue.

## 2.2 2006-07 BUDGET MEASURES

ACIAR has no new measures.

## 2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of other resources obtained by the agency for provision of goods and services. These resources are approved for use by the agency and are included in Table 2.1.

**Table 2.3: Other resources available to be used<sup>1</sup>**

	Estimated receipts 2005-06 \$'000	Budget estimate 2006-07 \$'000
<b>Departmental resources</b>		
FMA Act s.31 <sup>2</sup>	-	-
Resources received free of charge	24	24
Sale of goods and services	10	10
Other	10	10
External funds (e.g. AusAID)	6,215	7,535
<b>Total departmental other resources available to be used</b>	<b>6,259</b>	<b>7,579</b>
<b>Administered other resources</b>		
FMA Act s.31 <sup>2</sup>	-	-
Other	-	-
<b>Total administered other resources available to be used</b>	<b>-</b>	<b>-</b>

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

2. *Financial Management and Accountability Act 1997* (FMA Act) section 31 items are to be included as separate rows. Significant section 31 items are to be identified separately from other section 31 resources where appropriate.

## 2.4 MOVEMENT OF ADMINISTERED FUNDS FROM 2005-06 TO 2006-07

ACIAR has no administered items.

## 2.5 SPECIAL APPROPRIATIONS

ACIAR has no special appropriations.

## 2.6 SPECIAL ACCOUNTS

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997*. These Determinations may be disallowed by the Parliament. Special Accounts can also be established by the passage of separate legislation. Abolition of Special Accounts requires a Determination to be made by the Finance Minister or, for those Accounts established by legislation, by repeal of the legislation in whole or part. Table 2.6 shows the expected additions (credits) and reductions (debits) for each account used by ACIAR.

**Table 2.6: Estimates of special account flows and balances**

Name of account	Outcome	Opening	Receipts	Payments	Adjustments	Closing
		balance	2006-07	2006-07	2006-07	balance
		2006-07	2006-07	2006-07	2006-07	2006-07
		2005-06	2005-06	2005-06	2005-06	2005-06
		\$'000	\$'000	\$'000	\$'000	\$'000
Australian Centre for International Agricultural Research Account - s20 FMA Act (Departmental)	1	500	60,587	60,587	-	500
Other Trust Moneys Account - s20 FMA Act (Departmental)		-	58,739	58,239	-	500
Services for Other Governments and Non-Agency Bodies Account - s20 FMA Act (Departmental)		-	-	-	-	-
<b>Total special accounts</b>						
<b>2006-07 Budget estimate</b>		<b>500</b>	<b>60,587</b>	<b>60,587</b>	<b>-</b>	<b>500</b>
Total Special Accounts						
2005-06 estimate actual		-	58,739	58,239	-	500

FMA Act = *Financial Management and Accountability Act 1997*

Note 1 The Opening Balance for 2006-07 is the same as the closing balance for 2005-06

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: Outcomes**

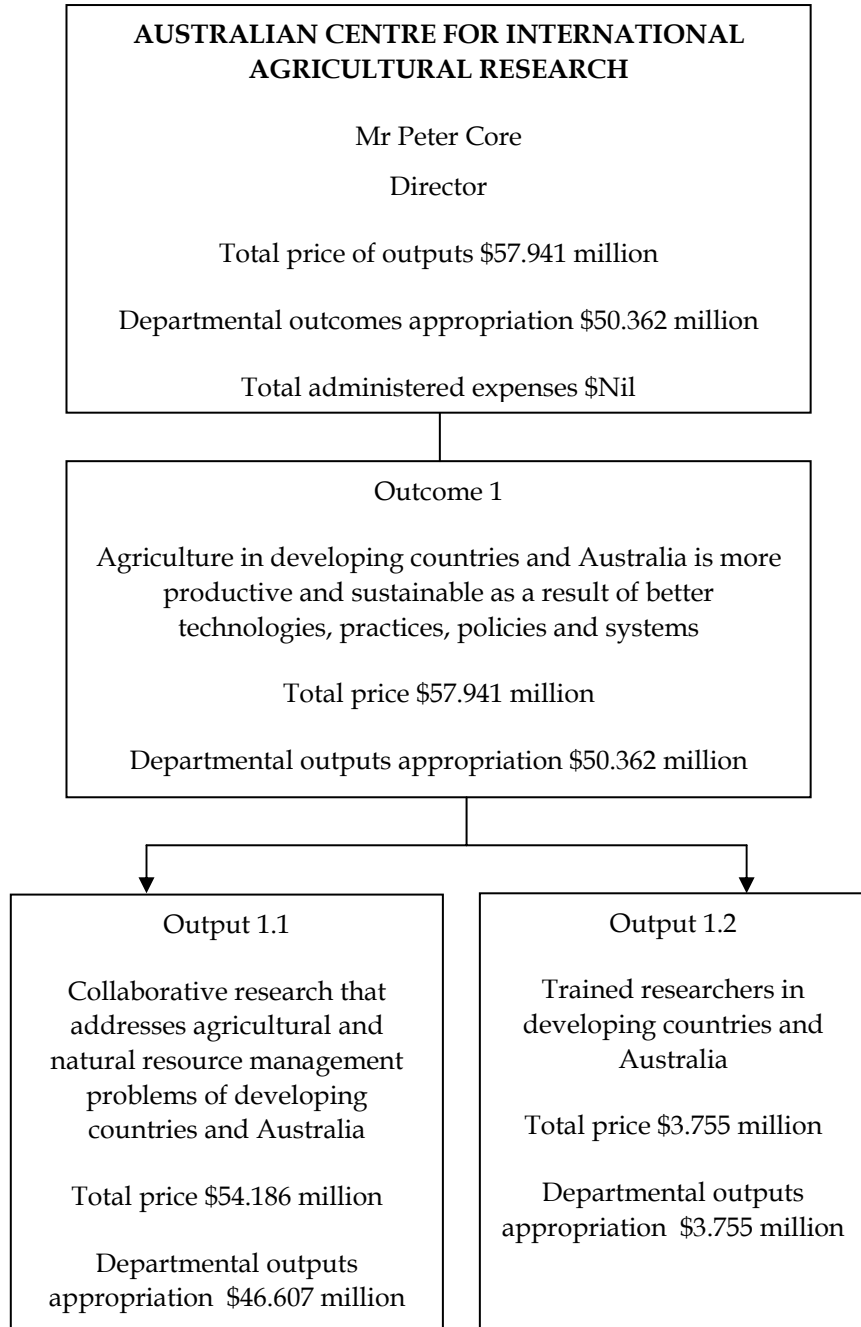
General government sector (GGS) agencies are required to plan, budget and report under an outcomes structure. GGS agencies produce outputs (departmental items) and also administer activities and programmes on behalf of the Government (administered items). This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the outcome for ACIAR.

Each agency will publish an expanded description of the strategy contained in the agency overview, relating resources to outcomes, administered items and outputs, as well as key performance information such as targets/indicators.

### **3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES**

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

**Figure 4: Contributions to outcomes**



## **3.2 OUTCOMES — DEPARTMENTAL AND ADMINISTERED**

### **Departmental appropriations by outcome**

ACIAR has a single outcome.

## **3.3 OUTCOMES AND PERFORMANCE**

### **Outcome 1 resourcing**

Table 3.1 shows how the 2006-07 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 2005-06 \$'000	Budget estimate 2006-07 \$'000
<b>Administered appropriations</b>	-	-
<b>Total administered appropriations</b>	-	-
<b>Departmental appropriations</b>		
Output Group 1.1 - Colaborative research that addresses agricultural and natural resource management problems of developing countries and Australia	46,647	46,607
<b>Subtotal Output Group 1.1</b>	46,647	46,607
<b>Departmental appropriations</b>		
Output Group 1.2 - Training researchers in developing countries and Australia	2,687	3,755
<b>Subtotal Output Group 1.2</b>	2,687	3,755
<b>Total revenue from government (appropriations)</b>	49,334	50,362
<b>Contributing to price of departmental outputs</b>	88%	87%
<b>Other resources available to be used</b>		
Resources received free of charge	24	24
Sale of goods and services	10	10
Sale of assets	10	10
External funds	6,515	7,535
<b>Total revenue from other sources</b>	6,559	7,579
<b>Total resources</b> (Total revenue from government and from other sources)	55,893	57,941
<b>Total estimated resourcing for Outcome 1</b> (Total price of outputs and administered appropriations)	55,893	57,941
	2005-06	2006-07
<b>Average staffing level (number)</b>	63	64

- 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* and includes locally engaged staff in overseas posts – 20.5 (2005-06) and 20.5 (2006-07) FTE.

### Measures affecting Outcome 1

ACIAR had no new measure.

**Performance information for Outcome 1**

**Table 3.2: Performance information for Outcome 1**

<p><b>Output 1</b> - Collaborative research that addresses agricultural and natural resource management problems of developing countries and Australia</p>	<p><b>Quality:</b></p> <ul style="list-style-type: none"> <li>• Regional investment profile is consistent with Australian Government aid priorities</li> <li>• Research partners are contributing 40-55% of project costs</li> <li>• &gt;90% of concluding projects are assessed by external reviews as having achieved their main objectives</li> <li>• There is further substantiated evidence of significant economic, social and environmental impacts from completed ACIAR projects</li> <li>• Support for multilateral research providers is concentrated on those international agricultural research centres with greatest comparative advantage</li> </ul> <p><b>Quantity:</b></p> <ul style="list-style-type: none"> <li>• Around 200 research projects are delivering outputs during 2006-07</li> <li>• &gt;10,000 copies of ACIAR research publications and papers are requested or downloaded</li> </ul> <p>Price: \$54.186m</p>
<p><b>Output 2</b> - Trained researchers in developing countries and Australia</p>	<p><b>Quality:</b></p> <ul style="list-style-type: none"> <li>• &gt;90% of trainees indicate satisfaction with training</li> </ul> <p><b>Quantity:</b></p> <ul style="list-style-type: none"> <li>• &gt;100 trainees take part in formal, ACIAR-supported training courses</li> </ul> <p>Price: \$3.755m</p>

### **Evaluations for Outcome 1**

In the 2006-07 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 2006-07 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.

## 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 2006-07 will be reported in ACIAR's 2006-07 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)**

Refer to Portfolio Table 1 in the 'Portfolio Overview' section.

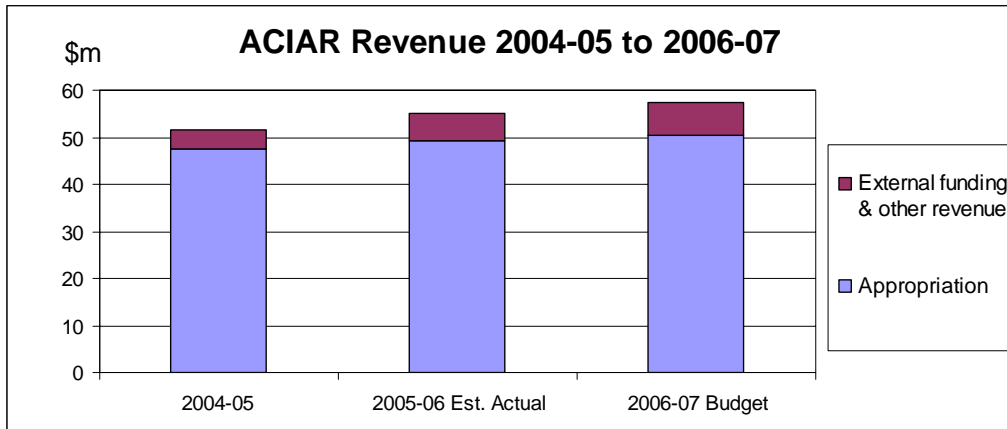
## Section 5: Budgeted financial statements

### 5.1 ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of ACIAR’s budgeted financial statements for 2006-07 is provided below:

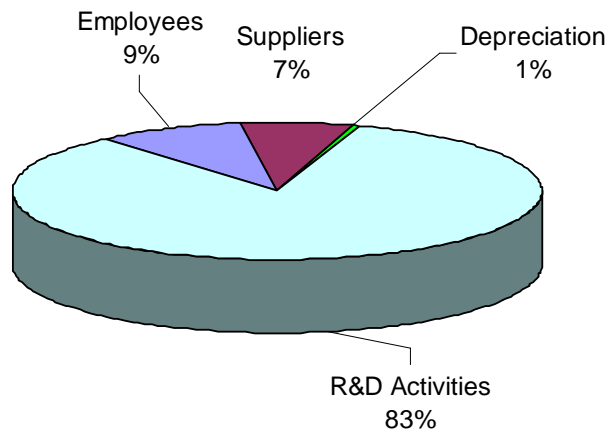
#### Departmental

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 2006-07



For 2004-05 and onwards ACIAR has budgeted for a balanced budget. 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 a more strategic approach to managing ACIAR's balance sheet.

## **DEPARTMENTAL FINANCIAL STATEMENTS**

### **Budgeted departmental income statement**

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

### **Budgeted departmental balance sheet**

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 Statement of changes in equity – summary of movement**

This statement shows the movement in equity.

### **Departmental capital budget statement**

Shows all planned capital acquisitions that are funded from internal sources.

### **Departmental property, plant, equipment and intangibles - summary of movement**

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

## 5.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 5.1: Budgeted departmental income statement  
(for the period ended 30 June 2007)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	49,358	50,386	50,781	51,156	51,655
Goods and services	10	10	10	10	10
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	6,525	7,545	8,545	9,545	9,545
<b>Total revenue</b>	<b>55,893</b>	<b>57,941</b>	<b>59,336</b>	<b>60,711</b>	<b>61,210</b>
<b>Gains</b>					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income</b>	<b>55,893</b>	<b>57,941</b>	<b>59,336</b>	<b>60,711</b>	<b>61,210</b>
<b>EXPENSE</b>					
Employees	5,007	5,165	5,235	5,325	5,385
Suppliers	3,804	3,848	3,961	4,003	4,076
Grants	42,582	43,432	43,644	43,887	44,253
Subsidies	-	-	-	-	-
Depreciation and amortisation	295	295	295	295	295
Finance costs	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-
Net losses from sale of assets	10	10	10	10	10
Net foreign exchange losses	-	-	-	-	-
Other	4,195	5,191	6,191	7,191	7,191
<b>Total expenses</b>	<b>55,893</b>	<b>57,941</b>	<b>59,336</b>	<b>60,711</b>	<b>61,210</b>
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-

**Table 5.1: Budgeted departmental income statement  
(for the period ended 30 June 2007) (continued)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>Operating result from continuing operations</b>					
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discontinued operations	-	-	-	-	-
<b>Operating result</b>					
Minority interest in net surplus or (deficit)	-	-	-	-	-
<b>Net surplus or (deficit) attributable to the Australian Government</b>	-	-	-	-	-

**Table 5.2: Budgeted departmental balance sheet (as at 30 June 2007)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	500	500	500	500	500
Receivables	2,624	2,724	2,824	2,924	3,024
Investments accounted for under the equity method	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
<b>Total financial assets</b>	<b>3,124</b>	<b>3,224</b>	<b>3,324</b>	<b>3,424</b>	<b>3,524</b>
<b>Non-financial assets</b>					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	620	620	620	620	754
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	200	200	200	200	200
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other	150	150	150	150	150
<b>Total non-financial assets</b>	<b>970</b>	<b>970</b>	<b>970</b>	<b>970</b>	<b>1,104</b>
<b>Total assets</b>	<b>4,094</b>	<b>4,194</b>	<b>4,294</b>	<b>4,394</b>	<b>4,628</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>					
Employees	1,450	1,550	1,650	1,750	1,850
Other	-	-	-	-	-
<b>Total provisions</b>	<b>1,450</b>	<b>1,550</b>	<b>1,650</b>	<b>1,750</b>	<b>1,850</b>
<b>Payables</b>					
Suppliers	100	100	100	100	100
Grants	2,000	2,000	2,000	2,000	2,000
Dividends	-	-	-	-	-
Finance costs	-	-	-	-	-
Other	200	200	200	200	200
<b>Total payables</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>
Liabilities included in disposal groups held for sale	-	-	-	-	-
<b>Total liabilities</b>	<b>3,750</b>	<b>3,850</b>	<b>3,950</b>	<b>4,050</b>	<b>4,150</b>

**Table 5.2: Budgeted departmental balance sheet (as at 30 June 2007)  
(continued)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	344	344	344	344	478
<b>Total parent entity interest</b>	344	344	344	344	478
<b>Minority interest</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
<b>Total minority interest</b>	-	-	-	-	-
<b>Total equity</b>	344	344	344	344	478
<b>Current assets</b>	3,274	3,374	3,474	3,574	3,540
<b>Non-current assets</b>	820	820	820	820	954
<b>Current liabilities</b>	2,445	2,455	2,465	2,475	2,485
<b>Non-current liabilities</b>	1,305	1,395	1,485	1,575	1,665

**Table 5.3: Budgeted departmental statement of cash flows  
(for the period ended 30 June 2007)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	15	15	15	15	15
Appropriations	49,334	50,362	50,757	51,132	51,765
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Other	8,880	10,200	11,300	12,400	12,400
<b>Total cash received</b>	<b>58,229</b>	<b>60,577</b>	<b>62,072</b>	<b>63,547</b>	<b>64,180</b>
<b>Cash used</b>					
Employees	5,150	5,250	5,350	5,450	5,550
Suppliers	4,178	4,253	4,355	4,412	4,583
Grants	43,283	44,380	44,573	44,891	45,119
Financing costs	-	-	-	-	-
Other	5,333	6,409	7,509	8,509	8,509
<b>Total cash used</b>	<b>57,944</b>	<b>60,292</b>	<b>61,787</b>	<b>63,262</b>	<b>63,761</b>
<b>Net cash from or (used by) operating activities</b>	<b>285</b>	<b>285</b>	<b>285</b>	<b>285</b>	<b>419</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	10	10	10	10	10
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash received</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	295	295	295	295	429
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash used</b>	<b>295</b>	<b>295</b>	<b>295</b>	<b>295</b>	<b>429</b>
<b>Net cash from or (used by) investing activities</b>	<b>(285)</b>	<b>(285)</b>	<b>(285)</b>	<b>(285)</b>	<b>(419)</b>

**Table 5.3: Budgeted departmental statement of cash flows  
(for the period ended 30 June 2007) (continued)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	-	-	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
Repayments of debt	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from or (used by) financing activities</b>	-	-	-	-	-
<b>Net increase or (decrease) in cash held</b>	-	-	-	-	-
Cash at the beginning of the reporting period	500	500	500	500	500
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
<b>Cash at the end of the reporting period</b>	500	500	500	500	500

**Table 5.4: Departmental statement of equity - summary of movement  
(Budget year 2006-07)**

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2006</b>					
Balance carried forward from previous period	344	-	-	-	344
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>344</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>344</b>
<b>Income and expense</b>					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
<b>Sub-total income and expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net operating result	-	-	-	-	-
<b>Total income and expenses recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners</b>					
<i>Distribution to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	-	-
Other:					
Restructuring	-	-	-	-	-
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers between equity components	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2007</b>	<b>344</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>344</b>

**Table 5.5 Departmental capital budget statement**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	-	-	-	-	134
Total loans	-	-	-	-	-
<b>Total capital appropriations</b>	-	-	-	-	134
<b>Represented by:</b>					
Purchase of non-financial assets	-	-	-	-	134
Other	-	-	-	-	-
<b>Total represented by</b>	-	-	-	-	134
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	-	-	-	-	134
Funded internally by					
Departmental resources	295	295	295	295	295
<b>Total</b>	295	295	295	295	429

**Table 5.6: Departmental property, plant, equipment and intangibles  
— summary of movement (Budget year 2006-07)**

	Other infrastructure plant and equipment \$'000	Computer software \$'000	Total \$'000
<b>As at 1 July 2006</b>			
Gross book value	1,860	320	2,180
Accumulated depreciation	1,240	120	1,360
<b>Opening net book value</b>	<b>620</b>	<b>200</b>	<b>820</b>
Additions:			
by purchase	220	85	305
by finance lease	-	-	-
internally developed	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-
Revaluations and impairment through equity	-	-	-
Reclassifications	-	-	-
Depreciation/amortisation expense	210	85	295
Impairments recognised in operating result	-	-	-
Other movements	-	-	-
Disposals:			
from disposal of entities or operations (including restructuring)	-	-	-
other disposals	10	-	10
<b>As at 30 June 2007</b>			
Gross book value	2,070	405	2,475
Accumulated depreciation	1,450	205	1,655
<b>Estimated closing net book value</b>	<b>620</b>	<b>200</b>	<b>820</b>

## **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.