

**Australian Centre for
International Agricultural
Research**

**Agency resources and planned
performance**

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

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AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

The Australian Centre for International Agricultural Research (ACIAR) operates as part of Australia's Official Development Assistance Program. ACIAR develops programs that link Australian research organisations with their counterparts in developing countries in the Asia-Pacific region to address agricultural problems of mutual priority that can contribute to improving livelihoods and increasing agricultural productivity and sustainability. In many cases these partnerships also involve the International Agricultural Research Centres that are supported by many donors including Australia.

Priorities for each partner country are developed in close collaboration with partner government policy makers, research institutions and agricultural and natural resource systems managers. The individual country strategies in the Program are also integrated closely with the emerging new 'whole-of-government' aid program strategies for individual countries, regions and sectors.

Collectively these activities contribute to 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. In 2008-09 the Centre's appropriation will amount to \$52.33 million, AusAID will provide \$13.26 million for specific activities such as in Papua New Guinea and Indonesia and \$0.07 million will come from other revenue.

In 2008-09 ACIAR programs will closely align with the renewed focus on poverty reduction in the Australian Aid Program. There is an ongoing shift of ACIAR's investment to the poorer countries in the region and in particular this year's Program reflects a much greater emphasis on 'lagging' regions in key partner countries (southern Philippines, eastern Indonesia, parts of rain-fed eastern India, southern central coastal Vietnam and north-western Vietnam) where poverty has persisted. In many programs across partner countries there will be greater involvement of marginalised groups (including smallholder farmers, ethnic minorities and women).

The 2008-09 Program continues the trend towards ACIAR support of larger, integrated programs rather than numbers of free-standing projects. In 2008-09 a number of large (\$2 to \$5 million) multidisciplinary initiatives will be developed or implemented. Examples include two major new horticultural programs that address

major constraints in horticultural value chains in the southern Philippines. The trend towards making program co-investments with AusAID will continue. In other areas, for example avian influenza in Indonesia or sustainable forest management in Papua New Guinea (PNG) and Indonesia, ACIAR's research investments will complement AusAID's development programs.

Our support to the International Agricultural Research Centres will continue in 2008-09. Centre specific funding of \$5.5 million will be provided along with tied program specific initiatives. Increasingly the distinction between our bilateral and multilateral programs will weaken as larger program specific initiatives are developed that involve both Australian researchers and the international centres. In aggregate, ACIAR expenditure to the international centres is budgeted at around \$11 million in 2008-09, up from \$10.27 million in 2007-08.

Through its training program ACIAR will continue to develop the skills of partner country research scientists involved in Centre programs. Training program expenditure is budgeted at \$5.38 million in 2008-09. Two fellowship schemes will continue to be funded. The first offers developing country scientists post-graduate study opportunities in Australia in areas relevant to project activities addressing partner country priorities. The second targets emerging leaders in agricultural science through short-term research management training at relevant Australian institutions. Through the ATSE Crawford Fund, ACIAR also supports training activities that complement the Centre's projects.

For planning purposes regional benchmarks for ACIAR's total research budget in 2008-09 are:

- PNG and Pacific *around* 20%
- Southeast Asia > 45%
- South Asia *around* 15%
- North Asia < 15%
- Southern Africa < 5%

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: ACIAR resource statement — Budget estimates for 2008-09 as at Budget May 2008

	Estimate of prior ⁺ year amounts available in 2008-09 \$'000	Proposed at Budget ⁼ 2008-09 \$'000	Total Estimate 2008-09 \$'000	Estimated Appropriation Available 2007-08 \$'000
Ordinary Annual Services				
Departmental outputs				
Departmental outputs	1,500	52,333	53,833	51,242
s31 Relevant agency receipts	-	-	-	-
Total	1,500	52,333	53,833 ¹	51,242
Administered expenses				
Outcome 1	-	-	-	-
Total	-	-	-	-
Total ordinary annual services	1,500	52,333	53,833	51,242
Total Available Annual Appropriations	1,500	52,333	53,833	51,242
Special Accounts ²				
Opening balance	4,435	-	4,435	4,435
Appropriation Receipts	-	-	-	-
Appropriation Receipts - other agencies	-	-	-	-
Non-Appropriation receipts to Special Accounts	-	13,271	13,271	14,496
Total Special Account	4,435	13,271	17,706	18,931
Total resourcing				
Less appropriations drawn from annual or special appropriations above and credited to special accounts	-	-	-	-
Total net resourcing for ACIAR	5,935	65,604	71,539	70,173

1. The total available departmental operating appropriation (outputs) will not equal the total of all outputs in the Outcome Resource Statements as they budget for estimated appropriation attributable to outcomes and not the total available. For reconciliation see Table 3.1.1.
2. Estimated opening balance for special accounts. For further detail on special accounts see Table 3.1.3.

1.3 BUDGET MEASURES

ACIAR has no new budget measures. The impact of the 2008-09 Budget measure *Efficiency Dividend* was published in the 2007-08 Foreign Affairs and Trade Portfolio Additional Estimates Statements.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups which demonstrate their contribution to Government outcomes over the coming year.

Each outcome is described below by output groups, specifying the performance indicators and targets used to assess and monitor the performance of ACIAR in achieving government outcomes.

2.1.1 Outcome 1: Agriculture in developing countries and Australia is more productive and sustainable as a result of better technologies, practices, policies and systems

Outcome 1 Strategy

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. This is achieved through two outputs: collaborative research that addresses agricultural problems of developing countries and Australia; and training of researchers in developing countries and Australia. Key strategic directions for the organisation are described in section 1 above and in the Centres' Annual Operational Plan 2008-09 (www.aciar.gov.au).

The ACIAR program aligns strongly with the renewed focus on poverty reduction across the aid program. This is especially manifest through an ongoing shift in the balance of ACIAR's investment to poorer countries and in extending ACIAR's reach to highly-marginalised groups (farmers and other rural dwellers, ethnic minorities and women) in partner countries. Thus; in Indonesia, growth of the program in poorer Eastern provinces and Papua; in the Philippines, a greater emphasis on Mindanao; in Vietnam, new initiatives in the South Central Coast and North West Highlands; and in India, a greater emphasis on poor rainfed areas.

During 2008-09 a number of major initiatives will be commenced or progressed to contribute to ACIAR's single outcome. These include:

- A **targeted program on avian influenza** to provide necessary underlying research required to implement effective control programs in **Indonesia** and more broadly in South East Asia. This includes research to understand of the role of ducks as a reservoir host of the virus and how to manage this "reservoir" in the control of disease; studies of how movement of birds influences virus spread and how it can be controlled; and analysis of how the virus that causes avian influenza changes its surface structure over time and how this influences the effectiveness of

vaccination. In addition, studies on the economic impacts of the disease are being completed to inform policy decisions on disease control approaches, and quarantine procedures are being tested in collaboration with the commercial poultry sector in Indonesia.

- The first phase of the **Smallholder Agribusiness Development Initiative** in Eastern Indonesia, funded by AusAID but implemented by ACIAR, the International Finance Corporation, the World Bank and the Indonesian Government will be completed and the future program designed after external review. A second phase of ACIAR's program of assistance to strengthen research capacity and improve livelihoods from farming and aquaculture in **Aceh** and a new program of Research and Development cooperation in **Papua and West Papua** provinces will be designed and implemented.

Two major **multidisciplinary horticultural initiatives**, involving researchers, government, NGO and industry partners, will be implemented in the southern **Philippines** in 2008-09. The first aims to improve smallholder and industry profitability and market competitiveness of southern Philippines selected vegetable industries (including potato, tomato, bell pepper, brassica, leafy vegetables). The second addresses domestic profitability and export competitiveness of selected fruit value chains (mango, papaya, durian and jackfruit).

Completion of the first year of a new ACIAR-University of the **South Pacific** scholarship scheme, which will result in a larger body of trained agricultural, forestry and fisheries researchers being available in these countries. Following formal consultations in May 2008, a new agreed program on smallholder agricultural development will be implemented in **PNG**.

Design and implementation of new agricultural research for development programs in South Central Coast and the North West Highlands of **Vietnam** targeting areas where poverty has persisted and technical challenges match Australian agricultural expertise.

A new program addressing adaptation of rainfed farming systems in **Mekong and South Asian** countries to **climate change and climate variability** will be designed and implemented in 2008-09.

A joint **Indian-Australian** funded program, on application of molecular markers as a selection tool in **wheat breeding**, will commence. Activities addressing the serious yellow wheat rust strain Ug99, a major threat to food security, and water-stresses will be implemented as part of the program.

Completion of the Agriculture Sector Linkages Program in **Pakistan** which undertakes joint technical, agribusiness and policy research to develop more productive and competitive mango and citrus production and marketing systems and improves dairy farmer livelihoods by increasing milk production.

Assisting in post-conflict agricultural reconstruction through implementation of new phases of on-going programs: in **Iraq** on the enhancement of barley, wheat and grain legume production under dryland conditions and in **Afghanistan** to disseminate improved wheat varieties and agronomic practices.

In each of these cases alignment with national programs and linkages with other donors are a feature. Adoption pathways are included in the design of projects and all project teams include implementers as well as researchers.

Outcome 1 Resource statement

Table 2.1 provides additional detail of Budget appropriations and the total resourcing for outcome 1.

Table 2.1: Total resources for Outcome 1

Outcome 1:	2008-09 Total estimate of available resources \$'000	2007-08 Estimated actual \$'000
Output Group 1.1:		
Departmental Outputs		
ACIAR operations	50,368	49,474
Revenues from other sources (s.31)	-	-
Special Accounts		
ACIAR Special Account		
Opening balance	2,445	1,445
Appropriation receipts	-	-
Non-Appropriation receipts to Special Accounts	11,271	13,496
Subtotal for Output Group 1.1	64,084	64,415
Output Group 1.2:		
Departmental Outputs		
ACIAR operations	1,965	1,768
Revenues from other sources (s.31)	-	-
Special Accounts		
ACIAR Special Account		
Opening balance	1,990	2,990
Appropriation receipts	-	-
Non-Appropriation receipts to Special Accounts	2,000	1,000
Subtotal for Output Group 1.2	5,955	5,758
Total resources for Outcome 1	70,039	70,173
Average staffing level (number)	2008-09 65	2007-08 64

Note: Departmental Appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

Average Staffing Levels are expressed as Full-time Equivalents (FTE) employed under the *Australian Public Service Act* and include locally engaged staff in overseas posts – 20.5 (2007-08) and 20.5 (2008-09) FTE.

Contributions to Outcome 1

Output Group 1.1: Collaborative research that addresses agricultural and natural resource management problems of developing countries and Australia	
<p>Description: In 2008-09 ACIAR will continue to focus its research activities primarily on its bilateral program, allocating \$37.6 million of its total revenue. Projects address mutually agreed priorities between partner countries and ACIAR. Multilateral projects will also be undertaken, involving an International Agricultural Research Centre, especially where there is limited Australian expertise in a priority area. Projects will be active in PNG and the Pacific Islands, South East Asia, South Asia, North Asia and Southern Africa. Program activities will focus across four strategic areas; economics and farming systems, cropping systems, natural resource management and livestock production systems.</p>	
Key Performance Indicators	2008-09 Target
Cross Program Indicators:	
Further substantiated evidence of significant economic, social and environmental impacts from completed ACIAR projects	Publish at least 5 independent impact assessment studies, including an independent assessment each for a programmatic theme and country program. Majority of independent assessments reveal a significant positive benefit costs ratio for ACIAR's investment
Concluded projects are assessed for having achieved their main objectives and large projects for adoption of outcomes	Publish final reports for all completed projects. Publish an annual Adoption Studies report including assessments of adoption for all large projects 3 years after they finish
Regional investment profiles are appropriate	Program expenditure balance consistent with Australian Government aid priorities (see above benchmarks)
Research partners financial contribution	Overall co-funding from research partners is at least 40% of project costs
ACIAR research publications and papers readily available in Australia and to developing partner countries	10,000 copies of ACIAR research publications and papers are requested or downloaded. All publications available electronically on www.aciar.gov.au
Program Specific Indicators:	
Constraints to increasing smallholder productivity and income in the oil palm and cocoa sectors in PNG identified, and promising technologies disseminated	Reports identifying constraints and solutions published and disseminated to industry and extension agencies
Research program implemented that underpins the emerging high-value forestry plantation programs for teak, whitewood and sandalwood in Pacific island countries	Program designed and implemented in close consultation with government and industry in three Pacific island states

Key Performance Indicators	2008-09 Target
Implementation of new ACIAR– University of the South Pacific scholarship scheme	At least five Pacific Islander students placed within active ACIAR projects and simultaneously successfully completing postgraduate studies
Methods for culture of higher-value aquaculture / mariculture species developed and communicated to industry stakeholders in Vietnam	Evidence of at least 4 significant Vietnam partners using ACIAR-developed technologies in their aquaculture/ mariculture production systems
Institutionalisation of the national Landcare program through a Philippines-led organisation	Evidence that the Philippines Landcare organisation is functioning and taking a national leadership role
Suitable conditions for successful production in Cambodia of legume crops following rainfed rice identified in lowland environments	Research results assessed on-farm by collaborating farmers and extension agencies in at least two lowland provinces
Significant farmer-level adoption of improved cattle and pig feed options from ACIAR projects in Northern Laos	At least 10 villages in at least two provinces of Northern Laos adopt the technology packages and approaches for wider scale adoption organised with other donors and the Lao government extension system
Principles of farmer participatory soil fertility management and water harvesting techniques in India based on ACIAR research refined and applied by key NGOs	Evidence that NGOs have incorporated the techniques into their community development programs and applied these techniques with at least 10 farmer groups in India
In Pakistan , innovative approaches to agricultural extension being piloted in the broadacre cropping, horticultural and dairy sectors, underpinned by the development and dissemination of consolidated technology packages	Technology packages developed and published and pilot assessment underway at four locations
Assessment provided on sustainable land use policy in north west China and progress consideration of alternative options	Assessment reports prepared and published jointly with Chinese counterparts and communicated in for a and workshops with high-level Chinese policymakers

Output Group 1.2: Trained researchers in developing countries and Australia	
<p>Building capacity of agricultural research institutes in partner countries is one of ACIAR's key priorities. The training program aims to enhance research capabilities of institutions and individuals involved in ACIAR projects. Much of this is done in conjunction with individual projects through 'on-the-job' training, where either developing-country scientists visit Australia or Australian specialists visit partner countries to present a training program. ACIAR also offers several specialised training activities: John Allwright Fellowships for postgraduate study in Australia, postgraduate programs in PNG and the South Pacific, small grants for fellowship returnees, Research Management (John Dillon Memorial) Fellowships, and short-term training courses.</p>	
Key Performance Indicators	2008-09 Target
Tracer survey for postgraduate students supported by ACIAR successfully completed and published	Survey results demonstrate that at least 85 per cent of ACIAR-funded postgraduate students studying in Australia successfully complete their awards and at least 75 per cent utilise their training on return to their home countries
Students in the new ACIAR–University of the South Pacific program are academically successful	At least 75 per cent of the first group of postgraduate students pass examinations and assignment work in 2008
Targeted technical and institutional development courses and workshops delivered to targeted 'lagging' regions—including Aceh and Eastern Indonesia including Papua and Cambodia and Laos	At least six courses or workshops designed and delivered that meet the priorities of senior government officials and are assessed by participants as providing relevant and useful training
Trainees take part in formal, ACIAR-supported training activities	At least 75 Trainees take part in formal, ACIAR-supported training courses
Short-course trainees indicate satisfaction with training in exit surveys	At least 90 per cent of trainees indicate satisfaction with training

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the budget year 2008-09. It explains how budget plans are incorporated into the financial statements and provides further details of movements in administered funds, special accounts and government indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Reconciliation of total available appropriation and outcomes

The Agency Resource Statement (Table 1.1) details the total appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. The difference between the agency resource statement and the sum of all payments made at the departmental outputs level is the expected carry-forward amount of resources for the 2009-10 Budget year, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities.

Table 3.1.1: Reconciliation of total available appropriation and outcomes

	\$'000
Total available departmental operating appropriation (outputs)	53,833
Less estimated payments in 2008-09	52,333
Estimated departmental outpus carried forward and available for 2009-10	1,500

3.1.2 Movement of administered funds between years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period are subject to review by the Minister for Finance and Deregulation, and may be moved to a future period, in accordance with provisions in legislation. Table 3.1.2 shows the movement of administered funds approved since the 2007-08 Additional Estimates.

Table 3.1.2: Movement of administered funds between years

ACIAR currently has no administered funds.

3.1.3 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* or under separate enabling legislation. Table 3.1.3 shows the expected additions (receipts) and reductions (payments) for each account used by ACIAR.

Table 3.1.3: Estimates of Special Account cash flows and balances

Name of Account	Outcome	Opening balance	Receipts	Payments	Adjustments	Closing balance
		2008-09 2007-08	2008-09 2007-08	2008-09 2007-08	2008-09 2007-08	2008-09 2007-08
		\$'000	\$'000	\$'000	\$'000	\$'000
Australian Centre for International Agricultural Research Account (D)	1	4,435	13,271	13,271	-	4,435
Other Trust Moneys Account (D)		-	-	-	-	-
Services for Other Governments and Non-Agency Bodies Account (D)		-	-	-	-	-
Total special accounts						
2008-09 Budget estimate		4,435	13,271	13,271	-	4,435
Total special accounts 2007-08 estimate actual		4,435	14,496	14,496	-	4,435

(D) = Departmental

The ACIAR Account was established by the *ACIAR Act 1982*. The Special Account has been used to hold cash from AusAID and other government agencies in advance of project expenditure.

3.1.4 Australian Government Indigenous Expenditure (AGIE)

While ACIAR programs are focused primarily on assisting developing countries to reduce poverty and achieve sustainable development, they also deliver significant benefits to Australian industries (agricultural forestry and fisheries). In some ACIAR projects ACIAR’s partnership approach provides opportunities for engagement with Australian indigenous communities. In 2008-09 there will be 8 projects that involve indigenous communities. In addition ACIAR will support two training initiatives involving indigenous communities in 2008-09.

Table 3.1.4: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other \$'000	Total \$'000	Output Group
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special Approp \$'000	Total Approp \$'000			
	ACIAR						
Outcome 1							
Departmental 2008-09	184	-	-	184	-	184	1.1
<i>Departmental 2007-08</i>	<i>167</i>	<i>-</i>	<i>-</i>	<i>167</i>	<i>-</i>	<i>167</i>	<i>1.1</i>
Total Outcome 2008-09	184	-	-	184	-	184	
<i>Total Outcome 2007-08</i>	<i>167</i>	<i>-</i>	<i>-</i>	<i>167</i>	<i>-</i>	<i>167</i>	
<hr/>							
Total Departmental 2008-09	184	-	-	184	-	184	
<i>Total Departmental 2007-08</i>	<i>167</i>	<i>-</i>	<i>-</i>	<i>167</i>	<i>-</i>	<i>167</i>	
Total AGIE 2008-09	184	-	-	184	-	184	
<i>Total AGIE 2007-08</i>	<i>167</i>	<i>-</i>	<i>-</i>	<i>167</i>	<i>-</i>	<i>167</i>	

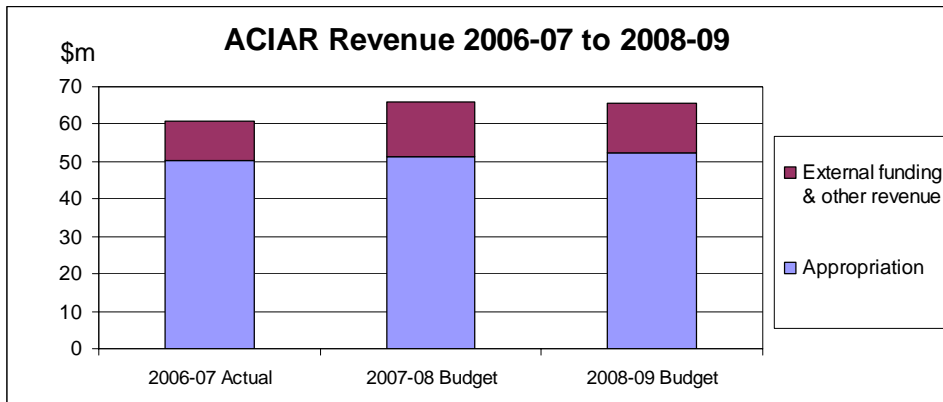
3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

An analysis of ACIAR’s budgeted financial statements for 2008-09 is provided below:

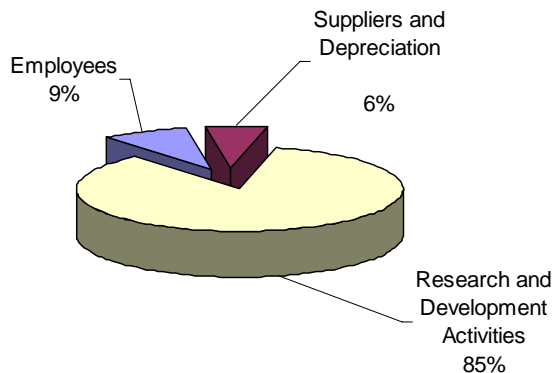
Departmental

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.



About 85 per cent of ACIAR’s expenditure is on “Research and Development Program Activities” which comprise bilateral and multilateral projects, impact assessment activities, education and training of researchers and publication of research results.

ACIAR Expenditure 2007-08



Since 2004-05 ACIAR has budgeted for a balanced budget.

ACIAR will continue its focus on good stewardship of its financial resources and a more strategic approach to managing its balance sheet.

3.2.3 Budgeted financial statements tables

**Table 3.2.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
INCOME					
Revenue					
Revenues from Government	51,242	52,333	52,904	53,442	52,927
Goods and services	10	10	10	10	10
Fees and fines	-	-	-	-	-
Interest	-	-	-	-	-
Royalties	-	-	-	-	-
Grants Received	14,481	13,256	10,414	7,414	7,414
Other	40	40	40	40	40
Total revenue	65,773	65,639	63,368	60,906	60,391
Gains					
Foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Sale of assets	-	-	-	-	-
Other	24	24	24	24	24
Total gains	24	24	24	24	24
Total income	65,797	65,663	63,392	60,930	60,415
EXPENSE					
Employees	5,525	5,600	5,650	5,700	5,750
Suppliers	3,930	3,689	3,724	3,752	3,724
Grants	48,793	48,598	46,232	46,692	46,125
Depreciation and amortisation	295	295	295	295	325
Finance costs	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-
Losses from sale of assets	10	10	10	10	10
Foreign exchange losses	-	-	-	-	-
Other	7,244	7,471	7,481	4,481	4,481
Total expenses	65,797	65,663	63,392	60,930	60,415
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Surplus (Deficit) before income tax	-	-	-	-	-
Income tax expense	-	-	-	-	-
Surplus/(Deficit)	-	-	-	-	-
Minority interest in surplus (deficit)	-	-	-	-	-
Surplus (deficit) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet
(as at 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
ASSETS					
Financial assets					
Cash and equivalents	4,932	4,932	4,932	4,932	4,932
Trade and other Receivables	2,489	2,589	2,689	2,789	2,789
Investments accounted for under the equity method	-	-	-	-	-
Investments	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Other	-	-	-	-	-
Total financial assets	7,421	7,521	7,621	7,721	7,721
Non-financial assets					
Land and buildings	425	425	425	425	729
Infrastructure, plant and equipment	382	382	382	382	382
Investment properties	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	169	169	169	169	169
Biological assets	-	-	-	-	-
Other	347	347	347	347	347
Total non-financial assets	1,323	1,323	1,323	1,323	1,627
Assets held for sale	-	-	-	-	-
Total assets	8,744	8,844	8,944	9,044	9,348
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	1,327	1,427	1,527	1,627	1,627
Other	-	-	-	-	-
Total provisions	1,327	1,427	1,527	1,627	1,627
Payables					
Suppliers	315	315	315	315	315
Grants	1,820	1,820	1,820	1,820	1,820
Dividends	-	-	-	-	-
Other	4,399	4,399	4,399	4,399	4,399
Total payables	6,534	6,534	6,534	6,534	6,534
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	7,861	7,961	8,061	8,161	8,161
Net assets	883	883	883	883	1,187

**Table 3.2.2: Budgeted departmental balance sheet
(as at 30 June) (continued)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
EQUITY*					
Parent entity interest					
Contributed equity	-	-	-	-	304
Reserves	325	325	325	325	325
Retained surpluses or accumulated deficits	558	558	558	558	558
Total parent entity interest	883	883	883	883	1,187
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	883	883	883	883	1,187
Current assets	7,768	7,868	7,968	8,068	8,068
Non-current assets	976	976	976	976	1,280
Current liabilities	7,596	7,676	7,756	7,836	7,836
Non-current liabilities	265	285	305	325	325

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	15	15	15	15	15
Appropriations	51,242	52,333	52,904	53,442	52,927
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Other	16,981	15,756	12,914	9,914	9,914
Total cash received	68,238	68,104	65,833	63,371	62,856
Cash used					
Employees	5,625	5,700	5,750	5,800	5,850
Suppliers	3,780	3,539	3,565	3,592	3,584
Grants	50,804	50,609	48,252	48,713	48,156
Borrowing costs	-	-	-	-	-
Other	7,744	7,971	7,981	4,981	4,981
Income taxes paid	-	-	-	-	-
Total cash used	67,953	67,819	65,548	63,086	62,571
Net cash from or (used by) operating activities	285	285	285	285	285
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	10	10	10	10	10
Proceeds from sales of financial instruments	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	10	10	10	10	10
Cash used					
Purchase of property, plant and equipment	295	295	295	295	599
Purchase of financial instruments	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	295	295	295	295	599
Net cash from or (used by) investing activities	(285)	(285)	(285)	(285)	(589)

**Table 3.2.3: Budgeted departmental statement of cash flows
(for the period ended 30 June) (continued)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	-	-	-	-	304
Proceeds from issuing financial instruments	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	304
Cash used					
Repayments of debt	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	-	-	-	-	304
Net increase or (decrease) in cash held	-	-	-	-	-
Cash at the beginning of the reporting period	4,932	4,932	4,932	4,932	4,932
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	4,932	4,932	4,932	4,932	4,932

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2008-09)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2008					
Balance carried forward from previous period	558	325	-	-	883
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	558	325	-	-	883
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expense	-	-	-	-	-
Surplus (deficit) for the period	-	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-	-
Transactions with owners					
<i>Distribution to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	-	-
Other:					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	-
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2009	558	325	-	-	883

Prepared on Australian Accounting Standards basis.

3.2.4 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.