



Australian Government

Australian Centre for
International Agricultural Research

ACIAR

ANNUAL
REPORT

2019–20



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Letter of transmittal



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15 October 2020

Senator the Hon. Marise Payne
Minister for Foreign Affairs
Parliament House
Canberra ACT 2600

Dear Minister,

It is my pleasure to present to you the Annual Report of the Australian Centre for International Agricultural Research for the financial year ending 30 June 2020.

This report has been prepared in accordance with all applicable obligations of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), including section 46 which requires that an annual report is provided to our Minister for tabling in Parliament.

This report includes the audited financial statements of ACIAR as required by section 43 of the PGPA Act.

As required by section 10 of the Public Governance, Performance and Accountability Rule 2014, I certify that I am satisfied that our agency took all reasonable measures to prevent, detect and deal with fraud relating to the entity, including:

- conducting fraud risk assessments
- having in place an appropriate fraud control plan
- having in place appropriate mechanisms for preventing, detecting, investigating and reporting fraud.

In presenting this Annual Report, I acknowledge the important contribution to international agricultural research made by ACIAR staff and partner research organisations, for the benefit of partner countries in the Indo-Pacific region and Australia.

Yours sincerely,

Professor Andrew Campbell
Chief Executive Officer



Contents

Letter of transmittal	i
CEO review	1
ACIAR objectives	2
Multilateral collaborations and co-investments	2
Bilateral country research partnerships	4
Capacity building	6
The year ahead	7
Part 1. Overview	8
About ACIAR	8
Roles and functions	8
Purpose, outcome and program	9
ACIAR executive	11
Part 2. Performance	14
Annual Performance Statement	14
Financial performance	22
Part 3. Management and accountability	24
Corporate governance	24
External scrutiny	34
Management of human resources	34
Procurement	38
Other mandatory information	41
Part 4. Financial statements	45
Part 5. Appendixes	86
Appendix 1. Organisational structure	86
Appendix 2. Staffing statistics	87
Appendix 3. Executive remuneration	94
Part 6. Reference material	97
Abbreviations and acronyms	97
List of requirements	98
Index	103
Contact ACIAR	106

CEO review

The 2019–20 financial year began with the world enjoying historically high levels of aggregate food supply after good seasons in major food-producing regions. It ended with a global pandemic (the sixth major zoonotic disease since 1980) threatening to precipitate food security crises in vulnerable regions everywhere.

As we continue to grapple with the multifaceted and far-reaching implications of the COVID-19 pandemic, it is clear that the reasons for which ACIAR was established are more compelling than ever: Australia's deep and broad scientific expertise in sustainable and resilient food systems is a strategic national asset as we work with partners across the region to tackle the intersecting challenges of health security, food security, water security and biosecurity—which all feed ultimately into our own national security.

The purpose of ACIAR is to contribute to reducing poverty and improving the livelihoods of many in the Indo-Pacific region through more productive and sustainable agriculture emerging from collaborative international research.

The work of ACIAR, targeted at the agriculture, fisheries and forestry sectors, is part of Australia's broader development assistance program, supporting research collaboration while emphasising individual and institutional capacity building and private sector-led development.

As set out in the *Australian Centre for International Agricultural Research Act 1982*, our core business is to:

- commission research to identify and find solutions to the agricultural problems of developing countries
- communicate the results of that research
- establish and fund training schemes and development activities related to those research programs
- fund international agricultural research centres.

I am very confident that in 2019–20, notwithstanding the biggest disruption in a generation, ACIAR delivered very effectively against its statutory mandate.

Despite the disruptive influence of the pandemic in every facet of our operation, and the very heavy impact of the COVID-19 disease in some of our partner countries, 2019–20 was a successful year of innovation, consolidation and achievement for ACIAR.

ACIAR objectives

ACIAR works towards six high-level objectives, as articulated in the ACIAR 10-Year Strategy 2018–2027.

Our research partnerships build knowledge to underpin three crucial development objectives.

- Improving food security and reducing poverty among smallholder farmers and rural communities
- Managing natural resources and producing food more sustainably, adapting to climate variability and mitigating climate change
- Enhancing human nutrition and reducing risks to human health

Three objectives ensure that our work is equitable, inclusive and empowering.

- Improving gender equity and empowerment of women and girls
- Fostering more inclusive agrifood and forestry value chains, engaging the private sector where possible
- Building scientific and policy capability within our partner countries

Our objectives also align with and contribute to the broader goals of the Australian Government development assistance program and the Sustainable Development Goals of the 2020 Agenda for Sustainable Development.

ACIAR builds and fosters science and policy partnerships to achieve its objectives. Through these partnerships, we grow the knowledge base for sustainable farming and food systems, which in turn improve livelihoods of smallholder farmers, fishers and forest growers in our partner countries. Our work in 2019–20 was delivered through three modalities:

- multilateral collaborations and co-investments
- bilateral country research partnerships
- capacity building programs.

Multilateral collaborations and co-investments

Through multilateral collaborations and co-investment programs, ACIAR works with development partners to pursue shared goals. During 2019–20, ACIAR provided funding to support, on behalf of Australia, about 25 multilateral and regional collaborations.

Chief among our multilateral collaborations is support to CGIAR—the world’s largest agricultural innovation network. The CGIAR comprises 15 international agricultural research centres dedicated to reducing rural poverty, increasing food and nutrition security for human health and improving natural resource systems and ecosystem services. It hosts the most important gene banks for the world’s major food crops. As part of its mandated role, ACIAR has managed Australia’s contribution to CGIAR since 1982. Accordingly, Australia has high-level representation on the CGIAR governance bodies, which in 2019–20 included the System Council and its Strategic Impact Monitoring and Evaluation Committee, and the System Management Board. Australia’s expertise in, and commitment to, international agricultural research is reflected in ACIAR staff and Australian research leaders being involved in the highest levels of governance of the CGIAR system.

CGIAR donors work together to deliver greatest impact. One current example is The Crops to End Hunger Initiative, which aims to improve and modernise global crop breeding programs. Australia has provided significant leadership to the initiative, which was implemented in 2019–20 after two years of planning.

CGIAR delivers significant economic and social returns on investment. Over its lifetime, the average return on investment for every US\$1 provided to CGIAR is evaluated at US\$17. The outcomes of CGIAR investment contribute to the Sustainable Development Goals of the United Nations 2030 Agenda for Sustainable Development and advance the interests of developed and developing countries alike. Benefits of CGIAR wheat research, for example, range from US\$2.2 billion to US\$3.1 billion per year—up to a 100-fold return on investment.

Australian agricultural industries have benefited from CGIAR research, with research outputs keeping Australian farmers competitive in world markets, by increasing yields and/or reducing costs. For example, CGIAR germplasm has been incorporated into, and greatly improved Australian sorghum and chickpea varieties. Research collaboration with the CGIAR, through exchange of livestock germplasm, has led improvements in the productivity of Australia’s livestock sector.

The CGIAR is currently undertaking an historic reform process (One CGIAR) to bring the 15 centres into a much better integrated and more cohesive governance framework to build on a unique comparative advantage. ACIAR actively contributed to the reform process throughout 2019–20.

During 2019–20, ACIAR also continued its engagement with international agricultural research centres and networks outside the CGIAR system:

- The Pacific Community (SPC)
- Asia–Pacific Association of Agricultural Research Institutions (APAARI), which ACIAR chaired in 2019–20
- World Vegetable Centre (WorldVeg)
- Centre for Agricultural Biosciences International (CABI)
- Australia Africa Universities Network (AAUN).

Co-investment alliances were also built upon to facilitate programs with:

- Coconut Genetic Resources Network
- Pacific Plant Biosecurity Partnership
- Alliance for Agricultural Research and Development for Food Security (an initiative between ACIAR, the Syngenta Foundation for Sustainable Agriculture and the Crawford Fund)
- Cultivate Africa’s Future Fund (CultiAF) (a partnership with the Canadian International Development Research Centre)
- Department of Foreign Affairs and Trade (DFAT).

ACIAR worked closely with governments and institutions in the Pacific region to participate in the Pacific Week of Agriculture and Forestry, held in Samoa in September 2019. The event was an intensive week of meetings, workshops and displays aligned to the theme, ‘Enhanced Partnerships for Sustainable Agriculture and Forestry Systems in the Pacific’. The forum provides a valuable opportunity to engage with many partners to inform our program in the Pacific region. ACIAR will have a significant role working with partners to develop the 2021 Pacific Week of Agriculture as a premier regional event.

Bilateral country research partnerships

Our research program brokers and manages bilateral research partnerships in partner countries to address challenges to productivity and sustainability for smallholder farmers, fishers and foresters throughout the Indo-Pacific region. During 2019–20, ACIAR:

- managed a portfolio of more than 200 ongoing or new projects
- worked with almost 500 organisations from Australia and partner countries.

While the research we support takes a longer-term view of solutions to improve livelihoods, inevitably in the last quarter of 2019–20, all projects faced short-term challenges due to the COVID-19 pandemic. As part of the ACIAR Business Continuity Plan, we intensively managed our partnerships in-country, including maintaining formal and informal communication through the response, re-engagement and recovery phases and reassuring all major partners of our ongoing commitment to collaboration.

A significant initiative of our Business Continuity Plan was to commission very quickly a multi-stage assessment of current and emerging impacts of the COVID-19 pandemic on food system risks and resilience across the Indo-Pacific region. The first phase, 'Food System Security, Resilience and Emerging Risks in the Indo Pacific in the context of COVID-19: a rapid assessment', was released in May 2020. This phase collated insights from the ACIAR network of partners, researchers and advisors, including the Commission for International Agricultural Research and the Policy Advisory Council, to rapidly develop a picture of food systems vulnerabilities across the region. The second stage assessment, led by CSIRO and the Australian National University, was a series of detailed studies based on Papua New Guinea, Pacific island countries, Timor-Leste, Indonesia and the Philippines to identify specific vulnerabilities, impacts and opportunities for action. The findings of the second phase will be released in November 2020.

This work suggests that there are serious risks that the COVID-19 health crisis will precipitate food security crises in our region, at least at sub-national levels. The third phase of this work will identify intervention options for ACIAR and our partners.

ACIAR analysed likely COVID-19 impacts and risks on active research projects. The initial indication was that at least 25% of projects would need substantive redesign, including potential adjustment to objectives, methodologies and partners. This analysis and adaptive management is ongoing to maximise productivity despite restrictions on travel for Australian scientists and their on-country partners.

Amidst the disruption of the global pandemic, ACIAR-supported projects continued to yield benefits at individual, community and institutional levels in our partner countries. Diverse project results reflect the program areas in which ACIAR invests—the key sectors of crops, fisheries, forestry, horticulture and livestock; sciences that support the resource base (soil and land management, and water and climate), and the science to generate economic and social benefit (agribusiness and social sciences).

During 2019–20, ACIAR started planning a new research program on agriculture's contribution to climate change, and opportunities to reduce greenhouse gas emissions from the agriculture, fisheries and forestry sectors in our region. The Climate Change Program commenced in September 2020. In 2019–20, ACIAR was vice-chair of the Global Research Alliance for Agricultural Greenhouse Gases and will assume the chair role in 2020–21.

ACIAR consolidated its partnership with DFAT on the Research for One Health Systems Strengthening program during 2019–20, which focuses on the intersection of animal, human and environmental health to develop effective integration across the human and animal health regulatory systems, surveillance, diagnostics and response. The COVID-19 pandemic, arising from a zoonotic disease (a disease caused by a 'spillover' virus from animals to humans) highlights the importance of One Health. With its network of highly relevant partnerships and its track record as

a trusted science broker with deep in-house expertise, ACIAR is a regional leader in One Health research that is closely linked to policy and development objectives.

With more than 200 active projects throughout the Indo-Pacific region during 2019–20, it is beyond the scope of this review to summarise the impacts and results of all ACIAR-supported projects. However, by way of example, some notable project achievements are highlighted as follows.

- A project in Papua New Guinea, led by Dr Geoff Gurr of Charles Sturt University, broadened the knowledge of Borgia coconut syndrome and will inform protocols for the safe movement of coconuts. The lethal yellowing disease affects coconut and banana, and threatens both industries in the Pacific and Australia. The project has educated stakeholders about host range, vectors and possible modes of spread, as well as diagnostics for the disease. The new knowledge is timely as Papua New Guinea prepares to move its international coconut gene bank from Madang to Milne Bay, and as the demand for planting material of high-quality varieties grows rapidly. Results suggest that the disease is not seed borne, although the transfer of sprouted seed with green leaf attached is a major mode of transmission.
- In Tonga, the Ministry of Agriculture, Food, Forests and Fisheries (MAFFF) imported 1600 citrus trees (various cultivars) and 655 mixed species fruit trees to distribute to households and villages across all the key islands in Tonga. A project led by Professor Steven Underhill of the University of the Sunshine Coast had tangible impact on Tonga's agricultural policy by providing confidence in the ability to grow fruit trees commercially and the need to diversify and enhance locally-sourced fruits. This coincided with the first commercial harvest of ACIAR-funded citrus orchards located on the Nishi farm on Tongatapu.
- Australian scientists and engineers working in the Murray–Darling Basin developed fish passages (concrete staircases) to enable fish to swim upstream, through or around structures such as dams and weirs. This technology is now being adapted to the much more challenging context of the regulated rivers in South-East Asia, with the Xayaburi Corporation constructing the largest fishway in the world on the Mekong River in Laos. A project led by Professor Lee Baumgartner of Charles Sturt University has pioneered new methodologies to monitor fish passage in tropical river systems, in partnership with Xayaburi Corporation and the Lao government.
- A tool to aid risk assessments in wet markets in Vietnam has been developed through a project led Dr Fred Unger of the International Livestock Research Institute. The Food Safety Performance Tool developed by the 'SafePork' project will be promoted to ensure a consistent approach to risk assessments in wet/informal market systems and is relevant across east Asia.
- Improved biosecurity practices and a new vegetable supply chain has tripled the income of tomato farmers in Myanmar. A project led by Dr Gordon Rogers of Applied Horticultural Research enabled access to high-value markets and farmers from Taungobyi village in Southern Shan State delivered 900 kg of tomatoes to retail markets in Yangon. Grown in accordance with Good Agricultural Practices protocols, ensuring crops are grown and handled to safe standards and in a way that excludes food-borne diseases and pathogens, the farmers were able to sell their tomatoes for 34 cents/kg, much higher than the typical farm gate price of 10 cents/kg. The project is part of a wider effort across Myanmar and Vietnam to help farmers maximise returns for their produce and supply vegetables to more profitable, but more demanding, urban markets.
- A meta-analysis of thousands of comparisons between conventional and conservation agriculture practices in South Asia, incorporating data from large ACIAR-supported projects on conservation agriculture in the region, was published in *Nature Sustainability*. The review found that in most systems and environments, conservation agriculture practices (many of which were developed in Australia) benefit farmers and the environment, even when only partly adopted. The conclusions were consistent with results of much earlier ACIAR projects in the Middle East in the 1990s.

Capacity building

Our Capacity Building Program identifies and establishes opportunities for individuals and institutions in partner countries to boost leadership, technical, policy and management skills in agricultural research-for-development.

In March 2020, ACIAR moved quickly to design and launch a new program to enable ACIAR alumni to access support for small (up to A\$20,000) research projects, especially for short-term COVID-19 relevant work. The Alumni Research Support Facility initiative provided funding for 40 small projects that build resilience and respond to the emerging challenges that COVID-19 placed on agricultural systems in our partner countries.

Many of the activities within the ACIAR Capacity Building Program continued during 2019–20, however substantial modifications to online delivery were required as the impact of the pandemic intensified.

- The Meryl Williams Fellowship, targeting women in research leadership, was launched in February 2020, in Sydney. Dr Meryl Williams attended the launch and met the inaugural cohort of 20 Fellows from Fiji, Papua New Guinea, Laos, Cambodia, Indonesia and Vietnam. The Meryl Williams Fellowship is a key initiative in the ACIAR Gender Policy and Strategy, complementing our leadership (alongside the Bill and Melinda Gates Foundation and the Canadian International Development Research Centre in particular) in boosting gender research support across the CGIAR. It is delivered by the University of New England in partnership with Coffey (International Development). It aims to help more women achieve and succeed in positions of leadership in international agricultural research by strengthening their leadership skills, confidence and networks. Candidates undertake a 15-month study program, which was modified from a combination of face-to-face and online delivery, to entirely online delivery. Applications for the second cohort of the Meryl Williams Fellowship opened on 1 May 2020.
- The first cohort of the John Allwright Fellowship Executive Leadership program graduated in an on-line certificate ceremony hosted by the University of New England in June 2020. There were 25 inaugural Fellows who completed a 15-month tailor-made program designed to give emerging scientists the skills needed to become effective leaders in their home countries. The executive leadership program adds value to our significant investment in John Allwright Fellows by equipping them with leadership and management skills to complement their postgraduate journey in Australia.

The year ahead

The ACIAR portfolio of applied research targets long-term challenges: food security, water security and biosecurity, climate change, equity of opportunities for men and women farmers, and access to opportunities to improve livelihoods for the 500 million smallholder farmers who produce food for half of the world's population. Addressing these challenges remains as urgent as ever. However, for the year ahead, our attention is understandably focused on the steps to recovery from the COVID-19 pandemic.

The work of ACIAR and its partners will be vital in the next few years, to equip smallholder farmers in the Indo-Pacific region with the knowledge, skills, technology and frameworks to restore disrupted production systems and value chains across the agriculture, fisheries and forestry sectors. In some regions disrupted supply chains may lead to greater investment in revitalising local food production, creating opportunities for ACIAR partners. The breadth of the ACIAR research portfolio, reflecting the world-leading capabilities of the Australian agricultural innovation system, is a strategic soft power asset—from the sciences that support productivity, biosecurity and sustainability, to the disciplines that support the development of effective value chains and adoption processes.

In 2020–21, we will be reshaping our traditional operating models that have depended heavily on international travel by Australian scientists to partner countries, extensive regional travel within partner countries, and travel to Australia for training by scientists from partner countries. While a global crisis accelerates this remodelling, it also presents new opportunities to experiment with and identify new technologies and new modalities to achieve our purpose more efficiently and effectively.

In delivering on our far-sighted mandate, I am lucky to be leading an organisation staffed by very talented and committed people, in Australia and our 10 country offices, who are doing an outstanding job in challenging circumstances. We are guided in this work by eminent experts on the Commission for International Agricultural Research, and I would like to acknowledge the outstanding contributions of Commissioners who retired in 2019–20, in particular the Chair Mr Don Heatley, Ms Catherine Marriott and Professor Gabrielle Persley.

Part 1. Overview

About ACIAR

The Australian Centre for International Agricultural Research (ACIAR) is the Australian Government's specialist agricultural research-for-development agency.

ACIAR is established by the *Australian Centre for International Agricultural Research Act 1982* (the ACIAR Act), as amended. It is a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act) and a statutory agency under the *Public Service Act 1999*.

ACIAR is a portfolio agency of the Department of Foreign Affairs and Trade, and significantly contributes to Australia's development assistance program.

The ACIAR 10-Year Strategy 2018–2027 guides the agency, consistent with its enabling legislation, Australia's development assistance policy and the United Nations 2030 Agenda for Sustainable Development.

Roles and functions

ACIAR works with public and private research institutions to improve the productivity and sustainability of agricultural systems and the resilience of food systems in partner countries. It identifies opportunities and brokers partnerships to undertake international agricultural research and capacity building, and supports the implementation of these partnerships.

ACIAR-supported projects are designed to produce specific research outputs that translate to development outcomes such as improved food security, better nutrition, improved health and increased prosperity. Economic returns to ACIAR bilateral project investments since 1982 have been conservatively valued at 5:1 but estimates of returns on some projects are as high as 60:1. Individual projects also deliver social, environmental and capacity benefits that are not included in these economic measures.

The collaborative international programs and partnerships underpinning ACIAR-supported research also improve the productivity and sustainability of agricultural systems in Australia. Improved technologies and practices identified and developed through ACIAR research programs often address the shared challenges of all farmers in the Indo-Pacific region, Australia included.

The success of ACIAR programs in partner countries supports Australia's national interests. Enhanced prosperity and reduced poverty in partner countries contributes directly to regional peace and security. Economic prosperity leads to stronger economies in the region, offering new trade, investment and business opportunities for Australia. These science partnerships also have brought regional and international respect for ACIAR and for Australia, and represent an integral part of the Australian Government's economic diplomacy strategy in the Indo-Pacific region.

Australia's contribution to the international agricultural research network, including the CGIAR (formerly the Consultative Group on International Agricultural Research), is managed by ACIAR. Dedicated to addressing poverty, hunger and nutrition, and environmental degradation, the CGIAR is a global research leader and a key partner for ACIAR and Australia. Outputs of the CGIAR research programs also flow to Australia.

Purpose, outcome and program

The purpose of ACIAR is:

To contribute to reducing poverty and improving the livelihoods of many in the Indo-Pacific region through more productive and sustainable agriculture emerging from collaborative international research.

Our purpose reflects the commitment of the Australian Government development assistance program to promote Australia's national interests by contributing to sustainable economic growth and poverty reduction in our region. We work with public and private research institutions to improve the productivity and sustainability of agricultural systems and the resilience of food systems in partner countries. In doing so, ACIAR contributes to poverty reduction and improved livelihoods in low- and middle-income countries.

Our purpose also supports Australia's national interests by contributing to sustainable economic growth and enhanced regional stability, with a particular focus on economic diplomacy and women's economic empowerment.

Under the enhanced Commonwealth performance framework, ACIAR works to one government outcome (Outcome 1) and one program (Program 1). Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Programs are the primary vehicle by which government entities achieve the intended results of their outcomes.

ACIAR plans and implements its operations according to its 10-Year Strategy 2018–2027, which defines six high-level objectives that guide primary planning documents. Performance for the period covered in this annual report is guided by the ACIAR Corporate Plan 2019–20, which covers the four-year period 2019–20 to 2022–23.

The Corporate Plan 2019–20 identifies targets for performance, which are aligned with performance criteria and targets set out for ACIAR in the Portfolio Budget Statements 2019–20.

Figure 1 illustrates the relationship between the outcome, program and purpose of ACIAR, as set out in Portfolio Budget Statements 2019–20, and how ACIAR plans and reports its performance according to these.

Relationship between Portfolio Budget Statements, Corporate Plan and Annual Performance Statement

Portfolio Budget Statements	Outcome 1	
	To achieve more productive and sustainable agricultural systems for the benefit of developing countries and Australia through international agricultural research and training partnerships.	
	Program 1	
Corporate Plan	International agricultural research-for-development for more productive and sustainable agriculture.	
	Purpose	
	To contribute to reducing poverty and improving the livelihoods of many in the Indo-Pacific region through more productive and sustainable agriculture emerging from collaborative international research.	
	Performance criteria	Target
Annual performance statement (Annual Report)	Report achievement of targets set for performance criteria	

Figure 1: ACIAR performance structure

ACIAR executive

ACIAR has an executive management governance structure. The Chief Executive Officer (CEO) manages the administrative and financial affairs of ACIAR and its staff, subject to, and in accordance with, any directions given by the Minister for Foreign Affairs.

The CEO leads an executive team, which provides strategic leadership of the agency to ensure program delivery is consistent with government policy objectives to an appropriate level of performance. The Executive undertakes key strategic discussions, considers emerging risks, and considers and actions recommendations of agency staff.

The ACIAR organisational structure at 30 June 2020 is shown at Appendix 1.

Chief Executive Officer — Professor Andrew Campbell, FTSE, FAICD



Professor Andrew Campbell is the ACIAR CEO and was appointed to the role on 31 July, 2016.

Previously, Andrew was the inaugural Director of the Research Institute for the Environment and Livelihoods at Charles Darwin University, in the Northern Territory. Andrew has played influential roles in sustainable agriculture and natural resource management in Australia for more than 30 years.

Andrew has a Diploma of Forestry from Creswick, a Bachelor of Forest Science (Hons) from the University of Melbourne and a Master of Science (Management of Agricultural Knowledge Systems) from Wageningen University in The Netherlands. Professor Campbell is an elected Fellow of the Academy of Technology and Engineering, Fellow of the Australian Institute of Company Directors and an honorary Professorial Fellow at the Australian National University and Charles Darwin University.

Chief Finance Officer — Ms Audrey Gormley



The Chief Finance Officer is responsible for providing strategic financial advice to the organisation, in addition to managing human resources, business systems (IT), procurement, legal, property and other corporate activity.

Ms Audrey Gormley joined ACIAR in July 2017 and has more than 30 years' experience in all facets of finance and accounting both at strategic and operational levels, working in investment banking and insurance sectors before joining the Australian Government. Prior to joining ACIAR, Audrey was Chief Finance Officer at Food Standards Australia New Zealand for more than 10 years. She holds a Bachelor of Commerce from University College Dublin and is a Fellow of the Association of Chartered Certified Accountants.

Chief Scientist — Dr Daniel Walker



The Chief Scientist oversees the strategic science focus of the ACIAR research portfolio and its impact assessment, monitoring and evaluation work. The Chief Scientist also provides leadership for Research Program Managers across nine research areas, and oversight of our relationship with the Australian innovation system.

Dr Daniel Walker joined ACIAR in November 2017 to take up the newly-created role of Chief Scientist. Prior to ACIAR, Daniel spent 23 years at CSIRO, where he was Research Director for Agriculture and Global Change with CSIRO Agriculture and Food and previously, Chief of CSIRO Ecosystem Sciences. Daniel has a Bachelor of Science (Hons) in agriculture, forestry and rural economy from the University of Edinburgh and a PhD from the University of Wales.

General Manager, Country Programs — Dr Peter Horne



The General Manager, Country Programs is responsible for leading and setting the research strategy for ACIAR country (bilateral) programs, managing the ACIAR country office network, and leading the engagement with key research partners and stakeholders, in Australia and overseas.

Previously, Dr Peter Horne was Research Program Manager for Livestock Production Systems for ACIAR. Peter has spent most of his career based in Asia involved in agricultural research-for-development, with a particular focus on forages and livestock systems. Peter has a Bachelor of Science (Hons) in environmental sciences from Griffith University and a PhD in tropical forage agronomy from University of New England, Australia.

General Manager, Outreach and Capacity Building — Ms Eleanor Dean



The General Manager, Outreach and Capacity Building leads the development and implementation of the ACIAR outreach strategy, and leads and directs a team responsible for the ACIAR communications, stakeholder engagement, capacity building and outreach activities.

Ms Eleanor Dean has worked in public affairs and communication for the Australian Government for more than 25 years, on a diverse range of issues including natural resource management, biodiversity, education and training. Prior to joining ACIAR in 2017, Eleanor led the safety promotion and communication branch at the Civil Aviation Safety Authority. She has a Bachelor of Communication (Hons) from the University of Canberra.

General Manager, Global Program — Ms Mellissa Wood



Up until October 2019, the ACIAR Executive included the position General Manager, Global Program. The Global Program led the formulation and implementation of Australia's stakeholder engagement with CGIAR and other international agricultural research centres, and provided oversight of ACIAR co-investment alliances, notably with DFAT and the Canadian International Development Research Center.

On the resignation of the General Manager, Global Program in October 2019, the functions of the role were delegated to the new position of Director, Multilateral Engagement and to existing roles in ACIAR.

Ms Mellissa Wood joined ACIAR in 2012 and was appointed General Manager, Global Program in 2015. Prior to ACIAR, Mellissa held positions improving the adoption of research outputs for food and nutrition security, through partnering with policymakers and the private sector, including with the Crop Trust in Rome. She holds a Bachelor of Science in resource and environmental management and Master of Public Policy in development.

Part 2. Performance

Part 2 reports on the results achieved in 2019–20 against the purpose and performance criteria published in the ACIAR Corporate Plan 2019–20 and ACIAR Portfolio Budget Statements 2019–20.

Annual Performance Statement

Introductory statement



Australian Government
**Australian Centre for
International Agricultural Research**

I, Andrew Campbell, as the accountable authority of the Australian Centre for International Agricultural Research (ACIAR), present the 2019–20 Annual Performance Statement of ACIAR, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the entity, and complies with subsection 39(2) of the PGPA Act.

A handwritten signature in blue ink, appearing to read 'A Campbell', is written over a horizontal line.

Professor Andrew Campbell
Chief Executive Officer

30 September 2020

Results

Under the enhanced Commonwealth performance framework, ACIAR achieves its purpose through a single government outcome (Outcome 1) and program (Program 1).

Purpose
<i>To contribute to reducing poverty and improving the livelihoods of many in the Indo-Pacific region through more productive and sustainable agriculture emerging from collaborative international research.</i>
Outcome 1
<i>To achieve more productive and sustainable agricultural systems for the benefit of developing countries and Australia through supporting international agricultural research and training partnerships.</i>
Program 1
<i>International agricultural research and development</i>

During 2019–20, ACIAR instigated, brokered and managed research partnerships and programs with approximately 500 research organisations and institutions, across 35 countries in the Indo-Pacific region. There were approximately 200 active research projects and programs (ongoing or commencing).

ACIAR performance for the reporting period was monitored and reported against three key areas of work:

- multilateral research collaborations and co-investments
- bilateral country research partnerships
- capacity building programs.

The investment and design of our projects, programs and partnerships are guided by our high-level strategic objectives (ACIAR 10-Year Strategy 2018–2027) and evaluated against our performance criteria and targets (ACIAR Corporate Plan 2019–20 and ACIAR Portfolio Budget Statements 2019–20).

ACIAR manages and monitors its investments in research and partnerships to maximise impact and returns. We have a well-established approach to assessing adoption of research results and their subsequent impact at a project level. More recently, we developed a portfolio-scale approach to help refine our priorities, learn lessons from current and past projects, and report accurately to our Minister, the Parliament and the Australian public.

We assess our performance through an integrated approach to monitoring and evaluation at a project level and at a portfolio level.

The impact of ACIAR projects, programs and partnerships is complex to measure, as it involves technological and sociological changes in developing countries in the Indo-Pacific region, which may be realised over many years, even decades, after the original research investment. The ACIAR monitoring and evaluation framework continues the development and refinement of indicators and their measurability.

The following tables record the performance of ACIAR during 2019–20 against performance criteria and targets set out in the ACIAR Portfolio Budget Statements 2019–20.

Multilateral research collaboration and co-investments

ACIAR performance against targets, 2019–20

Performance criteria	Delivery in line with the ACIAR 10-Year Strategy 2018–2027 of multilateral research collaborations and co-investment with development partners through the Global Program		
Target	Through case studies (quantitative and qualitative), mid- and end-project reviews, long-term adoption studies and impact pathway analyses, and financial activity indicators, as appropriate to each performance criteria, ACIAR will measure the extent to which these are: <ul style="list-style-type: none"> · achieved · on track · not on track 		
Source	Portfolio Budget Statements 2019–20, page 110, Corporate Plan 2019–20, page 12		
Area monitored	Consistency as a donor		
Performance indicator	% variations in financial support from previous financial year		
Target	Achieved	On track	Not on track
Result	Achieved	On track	Not on track
Analysis			
The target was to achieve less than 5% increase or decrease in support for all organisations from the previous financial year and the result for 2019–20 was 6% increase from 2018–19, marginally exceeding the target 5% range. The jump in multilateral spend was the result of a one off injection of funds to support the development and launch of the CGIAR GENDER Platform . GENDER (Generating Evidence and New Directions for Equitable Results) is designed to put gender equality at the forefront of global agricultural research for development. This expenditure is in line with the ACIAR Gender Strategy and ACIAR commitment to tackling gender inequity in research design, delivery and impact.			
Area monitored	Influence as a donor		
Performance indicator	% of supported multilateral research collaborations in which ACIAR is represented on a governance body		
Target	Achieved	On track	Not on track
Result	Achieved	On track	Not on track
Analysis			
The target was representation on governance committees for 100% of the supported multilateral research collaborations and the result for 2019–20 was 100%. The result is considered achieved. ACIAR builds and maintains multilateral partnerships with a range of international organisations, institutes and associations that are engaged in agricultural research and the delivery of global public goods. Our goal is to be a valued, engaged donor and a strong, innovative partner in international agricultural research. Partnerships built by the ACIAR Multilateral Collaboration program contribute to Australia’s global citizenship goals. Representation through governance positions provides deep engagement in global forums and ensures that Australia is influential and held in high esteem by the international agricultural research sector, national governments and donor communities.			

Area monitored	Complementary expertise accessed through co-investment in emerging areas		
Performance indicator	% of ACIAR portfolio managed through a co-investment partnership		
Target	Achieved	On track	Not on track
Result	Achieved	On track	Not on track

Analysis

The target was to continue an upward trajectory towards an 8% level of co-investment by 2022, in line with commitments made in the ACIAR Strategic Plan. This level of 8% was achieved during the 2019–20 financial year. This was largely the result of ACIAR attracting co-investment from national research agencies in partner countries to advance areas of mutual interest.

Area monitored	Maximising investment in priority areas		
Performance indicator	Ratio of total ACIAR committed funds: total co-investor committed funds		
Target	Achieved	On track	Not on track
Result	Achieved	On track	Not on track

Analysis

The target was to achieve a ratio of between 1:0.5 – 0.99 and result for 2019–20 was a ratio 1:1 of ACIAR funds and co-investor funds. This is a significant improvement on the previous financial year and means that performance exceeded expectations for this financial year. This result was largely the result of the strengthening co-investment relationship between ACIAR and the International Development Research Center in Canada including through [Cultivate Africa's Future Fund](#).

Bilateral country research partnerships

ACIAR performance against targets, 2019–20

Performance criteria	Delivery in line with the ACIAR 10-Year Strategy 2018–2027 of bilateral country research partnerships through ten research programs		
Target	Through case studies (quantitative and qualitative), mid- and end-project reviews, long-term adoption studies and impact pathway analyses, and financial activity indicators, as appropriate to each performance criteria, ACIAR will measure the extent to which these are: <ul style="list-style-type: none"> · achieved · on track · not on track 		
Source	Portfolio Budget Statements 2019–20, page 110, Corporate Plan 2019–20, page 12		
Area monitored	Project management		
Performance indicator	% of annual deliverables submitted on schedule		
Target	Achieved	On track	Not on track
Result	Achieved	On track	Not on track
Analysis			
<p>During 2019–20, ACIAR worked with over 70 commissioned organisations, who work with over 457 overseas research organisations to submit deliverables in a timely manner. For 2019–20, ACIAR aimed to have more than 50% of annual deliverables submitted within expected timeframes. Before the COVID-19 pandemic, ACIAR was on track to achieve this target, however the pandemic has limited the ability of both Australian research institutions and international collaborators to deliver, resulting in the timely submission of just 32% of deliverables. As business practices adjust to new operating conditions and we implement improved tools for tracking and reporting on deliverable status, ACIAR anticipates it will be able to work with commissioned organisations to improve performance in this area.</p>			
Performance indicator	% of annual and final reports submitted on schedule		
Target	Achieved	On track	Not on track
Result	Achieved	On track	Not on track
Analysis			
<p>ACIAR aimed to have more than 50% of annual and final reports submitted within expected timeframes during 2019–20. Achieving this target was significantly impacted by the outbreak of COVID-19 and the resulting flux in the Australian University system. As a result just 28% of reports were submitted in a timely manner. This is significantly less than in previous years. As business practices adjust to new operating conditions and we implement improved tools for tracking and reporting on deliverable status, ACIAR anticipates it will be able to work with commissioned organisations to improve performance in this area.</p>			

Area monitored	Delivery of intended project objectives		
Performance indicator	% of projects concluded during the financial year that rated as good quality or above on the effectiveness criteria in final project reviews		
Target	Achieved	On track	Not on track
Result	Achieved	On track	Not on track

Analysis

ACIAR aimed to have over 70% of concluded projects demonstrating effective delivery of project objectives during 2019–20. The goal was comfortably exceeded with 93% of concluding projects demonstrating achievement of objectives. This is a significant achievement given the complex contexts in which research activities are conducted.

Performance indicator	% of projects concluded during the financial year that rated as good quality or above on the gender equity criteria in final project reviews		
Target	Achieved	On track	Not on track
Result	Achieved	On track	Not on track

Analysis

To reflect the emphasis that ACIAR, and the Australian aid program more broadly, gives to improving the status of women and girls through our activities, ACIAR tracks and reports on how consistently our projects contribute to improved gender equity. In 2019–20 ACIAR aimed to have over 70% of concluded project reviews showing a positive contribution. The result exceeded expectations, with a total of 83% rated as good or above in relation to contribution to gender equity. This places ACIAR ahead of the aspirational threshold of 80% established across the Australian aid program.

Area monitored	Contribution to development outcomes		
Performance indicator	% of long-term adoption studies completed during the financial year showing evidence of significant use of identified project outputs by next and/or final users		
Target	Achieved	On track	Not on track
Result	Achieved	On track	Not on track

Analysis

Three to five years after project conclusion, ACIAR revisits a sample of projects to establish how intended users are making use of the knowledge, practice and/or varieties produced through our research. In 2019–20 we aimed to see over 70% of ex-post adoption studies showing evidence of significant use of identified project outputs by next and/or final users. The result exceeded expectations with 93% of studies showing uptake and use by intended users. As researchers can manage for but not guarantee the eventual use of knowledge by intended users, this is a strong result. In this set of cases the projects reviewed were well-judged investments and the implementing contexts were conducive to adoption at the time innovations were delivered.

Performance indicator	% of long-term economic impact assessments completed during the financial year showing benefit:cost ratio of 3:1 or above		
Target	Achieved	On track	Not on track
Result	Achieved	On track	Not on track

Analysis

Five to 10 years after project conclusion, ACIAR revisits a sample of projects to assess the value returned from our research investments (expressed as a benefit:cost ratio). In 2019–20 we aimed to see over 70% of benefit:cost studies show a return on investment of 3:1 or higher. In this financial year, all studies completed showed a return of more than 3:1.

Capacity building programs

ACIAR performance against targets, 2019–20

Performance criteria	Delivery in line with the ACIAR 10-Year Strategy 2018–2027 of capacity building programs targeted to agricultural researchers in partner countries		
Target	Through case studies (quantitative and qualitative), mid- and end-project reviews, long-term adoption studies and impact pathway analyses, and financial activity indicators, as appropriate to each performance criteria, ACIAR will measure the extent to which these are: <ul style="list-style-type: none"> · achieved · on track · not on track 		
Source	Portfolio Budget Statements 2019–20, page 110, Corporate Plan 2019–20, page 12		
Area monitored	Project management		
Performance indicator	% of annual deliverables submitted on schedule		
Target	Achieved	On track	Not on track
Result	Achieved	On track	Not on track
Analysis			
<p>The target for this area was 100% of annual deliverables submitted on schedule. This includes delivery of the John Dillon Fellowship program, mobilisation of any new John Allwright fellows, progress towards research goals of the existing John Allwright Fellowship cohort, finalisation of the first John Allwright Fellowship executive leadership cohort and the launch of the Meryl Williams Fellowship. This was achieved in the 2019–20 financial year. Key highlights during this period include agile approaches to delivery to account for COVID-19 travel restrictions, including online training approaches delivered and the continuation of research outputs from the John Allwright fellows through re-negotiation of research staging.</p>			
Performance indicator	% of total participants identifying as female or non-binary		
Target	Achieved	On track	Not on track
Result	Achieved	On track	Not on track
Analysis			
<p>In line with the ACIAR Gender Equity Policy and Strategy, our target is to ensure 50% of participants in capacity building programs are women or non-gender conforming. In 2019–20 this target was exceeded, with 61% of participants identifying as female. ACIAR is committed to increasing women’s voices and access to agricultural technology in developing countries in our region. The Meryl Williams Fellowship, named after a prominent Australian Agricultural Scientist, supports female international agricultural researchers and scientists across the Indo-Pacific to improve their leadership and management skills. The Fellowship contributes to more productive and secure food systems in developing countries by providing women with greater access to resources and decision making. In addition to the targeted Meryl Williams Fellowship, ACIAR has mainstreamed gender equity across all our capacity building programs.</p>			

Area monitored	Delivery of intended project objectives		
Performance indicator	% of total program participants successfully completing		
Target	Achieved	On track	Not on track
Result	Achieved	On track	Not on track
Analysis			
ACIAR acknowledges that completing post-graduate studies in Australia is challenging and in 2019–20 we aimed to have more than 50% participants in capacity building programs complete their training successfully. We massively exceeded this minimum standard, with 98% of participants successfully completing. To maintain standard in 2020–21 we will be continuing to undertake oversight activities of the universities involved in the John Allwright Fellowship program to ensure they are adequately supporting the fellows to complete their masters and PhD programs, especially given the difficult circumstances they are facing in light of the COVID-19 travel restrictions.			
Performance indicator	% of participants who self-assess their experience of the program as satisfactory or above at completion		
Target	Achieved	On track	Not on track
Result	Achieved	On track	Not on track
Analysis			
ACIAR aimed to achieve over 70% of participants self-assessing their experience of capacity building programs as satisfactory or above at completion. In 2019–20 we achieved 100% of participants with a minimum satisfactory rating on their program, and 66% rating their experience as highly satisfactory. This reflects the high quality of capacity building programs, and positively reflects on our providers and design of these courses.			
Area monitored	Contribution to development outcomes		
Performance indicator	% of total program alumni profiled in qualitative case studies annually who are engaged in relevant sectors		
Target	Achieved	On track	Not on track
Result	Achieved	On track	Not on track
Analysis			
ACIAR is on track to achieve the target of over 50% of total program alumni profiled in studies annually who are engaged in relevant sectors in the 2019–20 financial year (91% in 2019–20). In this financial year, ACIAR commissioned an independent review of the John Dillon Fellowship Program, the review demonstrated the relevance of our training program, with 91% of alumni of this program remaining in the agricultural sector over the tracer study period (10 years).			
Performance indicator	% of total program alumni profiled in qualitative case-studies annually who self-assess the program as a significant contribution to career development		
Target	Achieved	On track	Not on track
Result	Achieved	On track	Not on track
Analysis			
ACIAR aims to see over 70% of program alumni profiled in qualitative case studies annually, who self-assess the program as a significant contribution to career development. In 2019–20, 91% of alumni surveyed assessed the program they undertook as having a significant contribution to career development. In 2020–21 we are increasing our efforts in engaging with alumni of ACIAR capacity building programs to gain further insights into the relevance of our programs and re-design approaches accordingly.			

Financial performance

The 2019–20 financial statements for ACIAR are presented in Part 4 of this report. A summary of financial performance for departmental activities and the activities administered on behalf of the Government is provided below.

Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by ACIAR in its own right (costs of running the business). Administered activities involve the management or overseeing by ACIAR, on behalf of the Australian Government, of items controlled or incurred by the government (program delivery).

Departmental activity

The net operating result for 2019–20 was a deficit of \$0.407 million (2018–19: deficit \$0.324 million). Revenue included a direct appropriation of \$9.312 million (2018–19: \$9.302 million) supplemented by other income of \$2.231 million (2018–19: \$2.668 million) and minor gains of \$0.012 million (2018–19: \$0.008 million) from asset sales. Other income is mostly fees derived for the management of research monies received under separate agreements or records of understanding with external parties.

Total Departmental expenditure for 2019–20 was \$11.962 million (2018–19: \$12.302 million). This included staff costs \$7.510 million, operating expenses (for example, property expenses, travel, IT, communications, etc.) \$2.961 million, and depreciation, amortisation and other asset write-downs of \$1.410 million.

Administered activity

Total administered funds appropriated to ACIAR for 2019–20 was \$92.151 million (2018–19: \$97.965 million). ACIAR received an additional \$12.941 million (2018–19: \$11.951 million) primarily under separate agreements or records of understanding with external parties.

Total program expenditure for 2019–20 was \$104.187 million (2018–19: \$113.217 million). This included \$11.987 million (2018–19: \$15.090 million) expenditure of monies received under separate agreements or records of understanding with external parties (mainly DFAT).

Accounting policies

ACIAR complies with relevant accounting standards and legislative reporting requirements.

Entity resource statement

Table 1 presents a summary of total resources and payments for ACIAR in 2019–20. Note that ACIAR administers one government outcome and one program.

Table 1: Entity resource statement, 2019–20

	Actual resources available	Resources used	Remaining balance 30 June 2020
	\$'000s	\$'000s	\$'000s
Departmental			
Annual appropriations – ordinary annual services	12,555	9,083	3,472
Annual appropriations – other services – non-operating	243	243	-
Total departmental annual appropriations	12,798	9,326	3,472
Own source income	2,197	2,197	-
Resources received free of charge	34	34	-
Total departmental resourcing (A)	15,029	11,557	3,472
Administered			
Annual appropriations – ordinary annual services	94,521	91,625	2,896
Total administered appropriation	94,521	91,625	2,896
Special account			
Opening balance	8,851	-	-
Receipts	11,460	-	-
Payments	-	12,802	-
Closing balance	-	-	7,509
Total administered resourcing (B)	114,832	104,427	10,405
Total resourcing and payments (A)+(B)	129,861	115,984	13,877

Part 3. Management and accountability

Corporate governance

ACIAR is established by the *Australian Centre for International Agricultural Research Act 1982* (the ACIAR Act), as amended. It is a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act) and a statutory agency under the *Public Service Act 1999*. ACIAR is part of the Foreign Affairs and Trade portfolio.

The agency has an executive management governance structure. The Chief Executive Officer (CEO) manages the administrative and financial affairs of ACIAR and its staff, subject to, and in accordance with, any directions given by the Minister for Foreign Affairs.

The CEO is supported by the Audit Committee, which provides independent assurance to the CEO on financial and performance reporting responsibilities, risk oversight and management, and systems of internal auditing of ACIAR. ACIAR complies with relevant accounting standards and legislative reporting requirements.

Also established under the ACIAR Act is the Commission for International Agricultural Research (the Commission), which provides collective decision-making and expert strategic advice to the Minister on the operations of ACIAR; and the Policy Advisory Council, which provides advice to the Minister on strategic aspects of national and regional development.

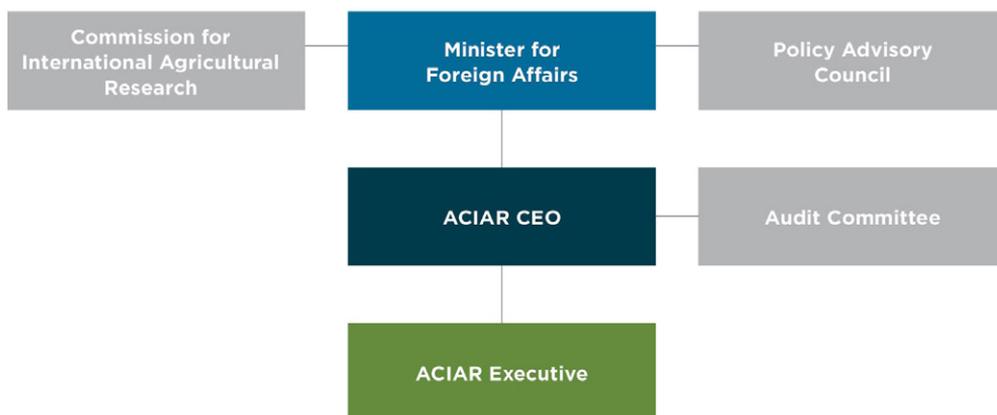


Figure 2: Governance structure of ACIAR

The operations of ACIAR are determined at the highest level by the ACIAR 10-Year Strategy 2018–2027, which guides the agency, consistent with its enabling legislation, Australia’s development assistance policy and the United Nations 2030 Agenda for Sustainable Development.

Performance is planned and monitored within the enhanced Commonwealth performance framework. Planning in terms of the outcome and program administered by ACIAR is documented by the ACIAR Corporate Plan 2019–20, which covers the four-year period 2019–20 to 2022–23. The Corporate Plan 2019–20 identifies targets for performance, which are aligned with performance criteria and targets set out for ACIAR in the Portfolio Budget Statements 2019–20.

ACIAR has policies and guidelines in place to support ethical behaviour and mandate the APS Values and Code of Conduct. During 2019–20 ACIAR reviewed its Human Resources policies, which included the APS Values, ACIAR Values, Diversity Framework and Code of Conduct Procedures, to ensure all policies and guidance material is current and aligns with legislative requirements.

Executive management

The ACIAR Act prescribes the appointment and functions of the CEO and staff, as well as their remuneration and employment conditions.

Chief Executive Officer

The office and role of the Chief Executive Officer (CEO) are established in sections 4A and 5 of the ACIAR Act. The CEO manages the administrative and financial affairs of ACIAR and its staff, subject to, and in accordance with, any directions given by the Minister for Foreign Affairs under Section 5 of the Act.

The primary responsibilities of the CEO are to:

- formulate programs and policies with respect to agricultural research that identify and/or solve agricultural problems in developing countries
- commission agricultural research to address programs and policies formulated
- communicate the results of such agricultural research
- establish and fund training schemes related to ACIAR research programs
- conduct and fund development activities related to ACIAR research programs
- fund international agricultural research centres.

The CEO holds responsibilities as Head of Agency as set out in the PGPA Act and the *Public Service Act 1999*. The CEO is not subject to direction by the Commission in relation to the performance of functions or exercise of powers under these Acts.

Professor Andrew Campbell was appointed to the role of CEO on 31 July 2016. The Governor-General appoints the CEO and the Minister is the identified Employing Body for remuneration purposes. The remuneration and terms and conditions of the CEO are determined by the Remuneration Tribunal (Remuneration and Allowances for Holders of Full-time Public Office) Determination 2020, made under subsections 7(3) and (4) of the *Remuneration Tribunal Act 1973* and Remuneration Tribunal (Official Travel) Determination 2018.

Written directions may be given to the CEO by the Minister regarding the exercising of his powers or the performance of his functions. This includes directions with respect to the commissioning of particular research. In 2019–20 there were no directions given.

Executive personnel

The CEO leads an executive team that supports and advises the CEO on strategic priorities and corporate and operational policies. During the reporting period ended 30 June 2020, ACIAR had six executives who met the definition of key management personnel (Table 2). The ACIAR Executive met 15 times during 2019–20.

In the notes to the financial statements for the period ending 30 June 2020, ACIAR discloses a summary of remuneration expenses for key management personnel, as outlined in Table 2. In accordance with the PGPA Rule, the summary information is disaggregated and presented in Appendix 3.

All staff of the agency are engaged under the Public Service Act 1999, which allows the CEO to determine in writing the terms and conditions of employment applying to the employees of the agency (subsection 24(1)). Senior Executive Service officers are employed under individual subsection 24(1) determinations agreed by the CEO.

Table 2: Key management personnel, 2019–20

Name	Position	Term as KMP
Prof Andrew Campbell	Chief Executive Officer (CEO)	Full year
Ms Eleanor Dean	General Manager, Outreach and Capacity Building	Full year
Ms Audrey Gormley	Chief Finance Officer (CFO)	Full year
Dr Peter Horne	General Manager, Country Programs	Full year
Dr Daniel Walker	Chief Scientist	Full year
Ms Mellissa Wood	General Manager, Global Program	Part year ¹

¹Position terminated on 11 October 2019 with resignation of incumbent

Financial accountability and compliance

ACIAR, as a statutory authority, is subject to the policy guidelines determined by the Australian Government from time to time regarding accountability, reporting, review and general operations.

The agency is accountable through the Minister to Parliament. It is also subject to government financial and accounting policies and procedures. Staff members are employed under the *Public Service Act 1999*. Within these constraints, ACIAR has the power to do all things it considers appropriate for the performance of its statutory functions.

Authority

ACIAR derives its authority from the *Australian Centre for International Agricultural Research Act 1982* (ACIAR Act). Financial powers and duties are also drawn from the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and subordinate rules, and from the *Public Service Act 1999* in the case of staffing.

Accounting practices

ACIAR follows accounting practices in accordance with the PGPA Act, other related legislation and recognised accounting standards. Financial statements are presented in accrual accounting format in Part 4 of this annual report. The financial statements have been audited by the Australian National Audit Office.

Insurances

Primary corporate insurance for ACIAR is provided through Comcover, as the manager of the Commonwealth's insurable risks. Comcover coverage includes general and products liability professional indemnity, CEO and officer's liability, property loss and damage, personal accident and official travel. The insurance premium for 2019–20 was \$69,242 (excluding GST). The premium paid for 2018–19 was \$59,401 (excluding GST).

Significant non-compliance issues with finance law

During 2019–20, ACIAR did not report any matters of significant non-compliance with finance law to the Minister under paragraph 19(1)(e) of the PGPA Act.

Audit Committee

The primary role of the Audit Committee is to provide independent assurance to the CEO on financial and performance reporting responsibilities, risk oversight and management, and systems of internal auditing of ACIAR. The ACIAR Audit Committee is established in accordance with Section 45 of the PGPA Act.

The functions and responsibilities of the Audit Committee are published on the [ACIAR website](#).

Four Audit Committee meetings were held in 2019–20. Each committee meeting was supported by advisers from ACIAR external auditors (Australian National Audit Office), internal auditors (Protiviti) and relevant agency staff with secretariat support provided by the ACIAR finance team.

Table 3 shows Audit Committee membership during 2019–20, and the number of meetings attended by each member during the year. Only one member of the committee is remunerated for services. Ms Fagan received a fee of \$1,500 per meeting.

Table 3: Audit Committee membership and meeting attendance

Member	Organisation	Term of appointment		Meetings eligible	Meetings attended
		Start	End		
Mr Mark Craig Chair & External Member	Executive Director, Tourism Australia	1 Aug 2019	1 Aug 2021	4	3
Ms Bronwyn Fagan External Member	Legal consultant	1 Aug 2019	1 Aug 2022	4	4
Dr Robyn Johnston Internal member	Research Program Manager, ACIAR	1 Aug 2019	1 Aug 2022	4	3

Risk management and business continuity planning

The Audit Committee is responsible for monitoring risk management and business continuity planning.

Internal audit and countering fraud

Internal audit is an important part of ACIAR governance framework, providing an integral contribution to governance, risk management and control.

In 2019–20, internal audit activity consisted of a phase two review of the ACIAR project life cycle, a review of ACIAR Essential Eight maturity and a Payroll Compliance audit. All recommendations arising from these processes were either satisfactorily addressed during the year or were in the process of being addressed.

ACIAR procedures and processes for fraud prevention, investigation, reporting and data collection meet our specific needs and comply with Commonwealth fraud control requirements. The ACIAR fraud control plan is focused on raising awareness among staff, through fraud prevention training, fostering an ethical and professional working environment aligned with the Australian Public Service (APS) Values and APS Code of Conduct, and maintaining strong internal control and audit processes that reduce fraud risks.

The Audit Committee is responsible for overseeing implementation of the fraud control plan. The plan is brought to the attention of new staff as part of the ACIAR induction process and is available electronically to all staff.

Commission for International Agricultural Research

The Commission for International Agricultural Research (the Commission) is established by Section 7 of the ACIAR Act. The Commission provides advice to the Foreign Minister in relation to:

- the formulation of agricultural research programs and policies, to identify agricultural problems and find solutions in developing countries
- commissioning and communicating research, and establishing and funding training schemes related to ACIAR-supported research
- priorities for the ACIAR program and funding
- on the Minister's request, any other matter relating to the Act.

The Commission comprises a Chair appointed by the Minister and six other Commissioners. Commissioners are appointed by the Governor-General and hold office for a period specified in the instrument of appointment, not exceeding three years. Commissioners for 2019–20 are listed in Table 4, noting that one vacancy was carried for the period. Terms of appointment are shown in Table 5.

The ACIAR Act requires that the Commission holds at least four meetings each financial year. During 2019–20, the Commission met four times (Table 6).

Table 4: Membership of the Commission for International Agricultural Research, 2019–20

Commissioner	
Mr Don Heatley (Chair)	Grazier, north Queensland
Professor Andrew Campbell	CEO, ACIAR
Dr Sasha Courville	General Manager, Social Impact, National Australia Bank
Ms Catherine Marriott	Western Australia State Manager, Cooperative Research Centre, Northern Australia
Ms Su McCluskey	Cattle farmer, southern New South Wales
Professor Gabrielle Persley	Adjunct Professor, Global Change Institute, University of Queensland

Table 5: Terms and meetings attended for members of the Commission, 2019–20

Commissioner	Term of appointment		Meetings eligible	Meetings attended
	Start	End		
Mr Don Heatley (Chair)	18 Sep 2017	30 Jun 2020	4	4
Professor Andrew Campbell	31 Jul 2016	31 Jul 2019	0 ¹	3
	28 May 2020	27 May 2023	1	1
Dr Sasha Courville	18 Sep 2017	30 Jun 2020	4	4
Ms Catherine Marriott	18 Sep 2017	30 Jun 2020	4	4
Ms Su McCluskey	29 May 2018	30 Jun 2020	4	4
Professor Gabrielle Persley	18 Sep 2017	30 Jun 2020	4	4

¹Professor Campbell attended meetings as an observer between 1 Aug 2019 and 27 May 2020, prior to his appointment to the Commission for a second term.

Table 6: Meetings of the Commission, 2019–20

Meeting	Date	Location
#48	17–20 September 2019	Townsville
#49	2–3 December 2019	Canberra
#50	9–12 March 2020	Indonesia
#51	2–3 June 2020	Virtual meeting

Disclosure of interests

Commissioners are required to disclose to the Minister and to the Commission any direct or indirect pecuniary interest that might conflict with the proper performance of the Commissioners' functions. The disclosure and the nature of the interest are recorded in the Commission meeting minutes, which are available for consideration by ACIAR auditors.

Commission costs

The cost of operation of the Commission during 2019–20 was \$153,741 including fees, travel and other meeting expenses. The comparative figure for 2018–19 was \$190,802.

Fees for the Chair and members of the Commission are set by the Remuneration Tribunal. The daily fees for the Chair and Members (other than the CEO) were \$1000 and \$750 respectively as at 30 June 2020.

Policy Advisory Council

The Policy Advisory Council (the Council) is established under Section 17 of the ACIAR Act. The Council provides advice to the Minister regarding:

- agricultural problems of developing countries
- programs and policies with respect to agricultural research that will either or both identify agricultural problems of developing countries and find solutions to agricultural problems of developing countries.

The role of the Council is to advise the Minister, the Commission and ACIAR on matters including:

- national and regional development constraints
- opportunities for research and development collaboration
- national and regional research priorities, particularly those of ACIAR partner countries
- the matching of Australian expertise (Australia's competitive advantage) with these priorities
- sources of national and international expertise.

The Council's membership is limited to 13, comprising a President, the Secretary of the Department of Foreign Affairs and Trade or her nominee, and 9–11 other members appointed by the Minister. Predominantly, members are appointed from ACIAR partner countries, bringing a range of agricultural and development expertise and experience to the Council. Under the Act, the Minister is required to ensure that a substantial number of Council members are residents of countries other than Australia, having regard for the knowledge of appointees concerning the agricultural problems of developing countries or their experience in organising or conducting agricultural research. Members of the Policy Advisory Council are listed in Table 7 and appointment terms are shown in Table 8.

The Council meets bi-annually to discuss areas related to its role and functions, once in Australia and once internationally, with associated field visits. Scheduled meetings for 2019–20 are shown in Table 9.

The Council met in Townsville, Queensland, Australia, 16–19 September 2019. This was an informal meeting due to the inability to reach a quorum of members, as two members were waiting reappointment at the time of the meeting. During this time, Council members were involved in meetings held in parallel and in conjunction with the Commission for International Agricultural Research (the Commission), providing an opportunity for the two bodies to share information and ideas on future directions for international agricultural research. The meeting included field visits that provided opportunities for knowledge exchange between Australian agricultural experts, members of the Council and the Commission. Council members also met with stakeholders in Townsville and visited James Cook University where they were presented with a showcase of activities at the university.

The second meeting of the Council was planned to be held in March 2020 in Indonesia. However, this meeting was cancelled due to COVID-19 travel restrictions.

Table 7: President and members of the Policy Advisory Council, 2019–20

Council member	
Professor Kym Anderson (President)	Professor of Economics, University of Adelaide, Australia Crawford School of Public Policy
Dr Nguyen Van Bo	President, Vietnam Academy of Agricultural Sciences, Vietnam
Dr Jia Jingdun	Director General, China Rural Technology Development Centre, Ministry of Science and Technology, China
Dr Lindiwe Majele Sibanda	CEO Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN), South Africa
Dr Sar Chetra	Deputy Director, Ministry of Agriculture, Forestry, and Fisheries, Cambodia
Professor Ramesh Chand	Member, Union Minister of State National Institute of Transforming India (NITI) Aayog, India
HE Naela Chohan	High Commissioner Pakistan, High Commission to Australia, Pakistan
Dr Audrey Aumua	Deputy Director General, Secretariat of the Pacific Community, Fiji
Dr Su Su Win	Director, Soil Science, Water Utilisation and Agricultural Engineering Division, Department of Agricultural Research, Myanmar
Prof Teatulo Maitainaho	Chairman, PNG Science and Technology Council Chief Science Advisor to the Papua New Guinea Government
Dr Segenet Kelemu	Director General and CEO of the International Centre of Insect Physiology and Ecology (icipe) Nairobi, Kenya

Table 8: Terms of appointment of the Policy Advisory Council, 2019–20

Council member	Term of appointment (previous appointment in brackets)	
	Start	End
Professor Kym Anderson (President)	1 Oct 2017 (1 Oct 2014)	30 Sep 2020 (30 Sep 2017)
Dr Nguyen Van Bo	29 Oct 2019 (3 Aug 2016)	28 Oct 2021 (2 Aug 2019)
Dr Jia Jingdun	3 Aug 2016	02 Aug 2019
Dr Lindiwe Majele Sibanda	3 Aug 2016	02 Aug 2019
Dr Sar Chetra	29 Oct 2019 (3 Aug 2016)	28 Oct 2020 (2 Aug 2019)
Professor Ramesh Chand	17 Jul 2020 (2 Feb 2017)	16 Jul 2023 (1 Feb 2020)
HE Naela Chohan	30 Mar 2017	30 Mar 2020
Dr Audrey Aumua	19 Feb 2019	18 Feb 2022
Dr Su Su Win	19 Feb 2019	18 Feb 2022
Prof Teatulohi Matainaho	19 Feb 2019	18 Feb 2022
Dr Segenet Kelemu	19 Feb 2019	18 Feb 2022

Table 9: Planned meetings of the Policy Advisory Council, 2019–20

Meeting	Date	Location
#38	16–19 September 2019	Townsville, Queensland
#39	9–12 March 2020	Indonesia

External scrutiny

During the reporting period, there were no judicial decisions or reviews by outside bodies that had a significant impact on the operations of ACIAR.

Management of human resources

At 30 June 2020, ACIAR employed 79 employees. Of these, 57 are employed under the *Public Service Act 1999* (Public Service Act) and are located in Canberra; and 22 are at overseas missions and embassies. The ACIAR CEO is not included in these statistics as he is a Full-Time Office Holder under the Remuneration Tribunal Determination 2020.

Snapshot of ACIAR staff as at 30 June 2020

<i>Staff employed under Public Service Act</i>	<i>54.6 FTE¹</i>
<i>Median length of APS service</i>	<i>2 years</i>
<i>Median age</i>	<i>41 years</i>
<i>Females as % of total</i>	<i>70%</i>
<i>Part-time staff as % of total</i>	<i>19%</i>
<i>Non-ongoing staff as % of total</i>	<i>33%</i>
<i>Employees turnover for 2019–20</i>	<i>10%</i>
<i>Employees identifying as indigenous</i>	<i>0%</i>

¹FTE = full-time equivalent

Managing and developing employees

ACIAR employs ongoing and non-ongoing staff and provides a flexible working environment offering full-time and part-time employment at all classification levels from APS level 4 to SES Band 1. Table 10 provides a summary of staff statistics for 2019–20. Full details of ACIAR staffing statistics are provided in Appendix 2. Staffing statistics.

Table 10: Details of staff employed by ACIAR under the *Public Service Act 1999*

Staff detail	2018–19	2019–20
Canberra-based staff		
Number of staff	61	57
Staff (full-time equivalent)	51.39	54.60
Female	39	41
Male	20	16
Base salaries	\$6,882,433	\$6,936,813
Cessations	13	7
Part-time	11	11
Full-time	50	46
Non-ongoing	26	19
Ongoing	35	38
Learning and development	\$150,177	\$97,851
Overseas staff		
Staff (full-time equivalent)	22	22
Base salaries	\$1,059,450	\$1,194,402
Learning and development	\$8,841	\$15,514

Enterprise agreement

Staff other than Senior Executive Service (SES) are covered by the ACIAR Enterprise Agreement 2015–18 and the ACIAR Determination 2018/04 for remuneration increases signed by the CEO, December 2018. These documents outline the core terms and conditions of employment and are supported in their application by the ACIAR Human Resource Manual. The enterprise agreement also includes a clause that allows the CEO and an employee covered by the agreement to make an individual flexibility arrangement. They may be used to vary the effect of terms of the agreement.

During 2019–20 there were 46 non-SES employees covered by the ACIAR Enterprise Agreement. Nine non-SES employees had Individual Flexibility Arrangements in place and two SES Officers had determinations under subsection 24(1) of the Public Service Act. Individual agreements did not provide for any additional non-salary benefits not included in the Enterprise Agreement.

The enterprise agreement includes an organisational performance bonus which is linked to achievement of the agency's key performance indicators (KPIs). Where the CEO determines that 75–90% of KPIs have been met in a financial year, a bonus of \$1,000 is payable to eligible employees. Where the CEO determines that greater than 90% of KPIs have been met in a financial year, a bonus of \$2,000 is payable to eligible employees. The bonus payment is subject to individual employee performance criteria, minimum terms of employment, and is pro-rated for part-time employees.

Employee development

ACIAR uses its Individual Development and Performance Evaluation Scheme to identify and measure the effectiveness of employee’s capability development and performance. The scheme links each individual’s performance and skill needs to the achievement of the goals and organisational capability needs of ACIAR. The agency encourages engagement and ongoing development through the scheme. Each employee makes a commitment to enhance their knowledge and capability contributing to a high performing culture.

ACIAR encouraged a range of learning and development opportunities for its Canberra based employees in 2019–20, spending a total of \$97,851 on professional learning and development. This expenditure does not include attendance of Research Program Managers at professional conferences and seminars in Australia and overseas. ACIAR also offers a studies assistance scheme that aims to enhance the skills and knowledge of its employees by providing financial and leave assistance to complete study for career development.

Performance management

The Individual Development and Performance Evaluation Scheme encourages high achievement by improving individual performance through development, evaluation and planning to meet the needs of individuals and ACIAR.

The scheme operates on a three-point rating scale and employees who are rated as ‘meets expectations’ or ‘exceeds expectations’ in the annual performance assessment receive an increment, provided they are not already at the top of a salary range. In the cycle concluded in June 2020, there were 48 completed assessments, with 48 rated as ‘meets expectations’ or higher.

A bonus of \$2000 is granted to employees rated as ‘meets expectations’ or higher in the performance cycle, who have worked for ACIAR for at least nine months and who were still employed by ACIAR on 30 June 2020, in recognition of achievements against the ACIAR Corporate Plan 2019–20. Part-time employees received a pro-rata payment based on hours worked. 52 employees received the performance bonus with payments totalling \$95,599. Bonus payments are shown in Table 11.

Table 11: Bonus payments to staff, 2019–20

APS classification	No. of employees	No. part-time staff receiving bonus	No. full-time staff receiving bonus	Total no. of staff receiving bonus	Aggregate bonus for each classification
EL2–RPM	10	0	9	9	\$18,000
EL2	6	1	4	5	\$8,706
EL 1	9	1	8	9	\$15,493
APS 6	10	1	8	9	\$17,600
APS 5	11	4	7	11	\$20,533
APS 4	9	3	6	9	\$15,267

Note: SES are not included in the above table as they do not receive the bonus payment

Inclusion and diversity

Social inclusion strategy

The Australian Government's Social Inclusion Statement, *A Stronger, Fairer Australia*, sets out the Government's plan for achieving greater social inclusion and seeks to ensure that all Australians have the capabilities, opportunities, responsibilities and resources to learn, work, connect with others and have a say.

ACIAR fosters an environment of inclusiveness through several program areas such as supporting workplace diversity, workplace health and safety, learning and development and adherence to mechanisms such as the *Commonwealth Disability Strategy and the Carer Recognition Act 2010*.

Workplace diversity

A culture of professional behaviour is promoted by ACIAR and we encourage relationships based on respect and appreciation of differences. Achieving an appropriate balance of work, family and cultural responsibilities is encouraged and supported through the ACIAR Workplace Diversity Program, as is the importance of all employees.

ACIAR continued support for and participation in APS-wide initiatives to promote workplace diversity. We promote Indigenous training and development opportunities and encourage people with disabilities to apply for ACIAR employment opportunities. ACIAR had no staff who identified as Indigenous, as at 30 June 2020.

Commonwealth Disability Strategy

ACIAR continues to adhere to the principles embodied in the Commonwealth Disability Strategy framework and is committed to ensuring that all people seeking employment have fair access to employment opportunities. As at 30 June 2020, no staff had identified as having a disability.

Work health and safety

A healthy lifestyle is actively encouraged and promoted by ACIAR, through providing access to non-salary benefits such as subsidies for healthy lifestyle initiatives, annual influenza injections and pre-travel assessments for overseas travellers by the Travel Doctor.

Access to an Employee Assistance Program is also provided. This program provides free professional counselling and career-planning services to ACIAR employees and their families. The service also includes wellbeing seminars, conflict resolution services and assistance to line managers.

Ergonomic assessments for new employees and employees who experience discomfort at their workstation are carried out by a qualified workplace assessor. Modifications are made to work practices and work areas as required, resulting in less work-related physical ailments and increased productivity.

In 2019–20, there were no accidents or dangerous occurrences giving rise to the issue of any formal notices or directions under the *Work Health and Safety Act 2011*.

Procurement

ACIAR complies with the Commonwealth Procurement Rules and the objectives of Commonwealth procurement. Value for money is applied as the core principle in the procurement process, consistent with Section 4 (4.4) of the rules. ACIAR Accountable Authority Instructions include details on delegations, the commitment of public moneys, management of risk and dealing with public property. These instructions have been developed in accordance with the Commonwealth Procurement Rules.

Purchasing

Purchasing activities are subject to the provisions of the Accountable Authority Instruction (AAI 3 Procurement Process) relating to procurement. In accordance with the Commonwealth Procurement Rules that ACIAR publishes an Annual Procurement Plan on the AusTender website <www.tenders.gov.au>

The majority of ACIAR procurement activity (by expenditure) is exempt from Division 2 of the Commonwealth Procurement Rules, predominantly exemption 6: procurement of research and development services, but not the procurement of inputs to research and development undertaken by the agency.

Agreements executed under exemption 6 include contracts for the conduct of research projects by Australian universities and research organisations with the collaboration of other governments and international agencies. In relation to research project activities, ACIAR:

- publishes an Annual Operational Plan that includes areas of priority for research developed in consultation with partner countries
- disseminates this to research providers, both within and outside Australia, inviting suitable experts to submit ideas and develop these in consultation with ACIAR Research Program Managers.

Reporting against the Senate Order of 20 June 2001 requiring departments and agencies to list contracts entered into with a value of more than \$100,000, that were still to be concluded or had been concluded during the previous 12 months, is available on the ACIAR website and is reported separately from that outlined below.

In addition to contracts in excess of \$100,000 reported under the Senate Order referred to above, ACIAR entered into an additional 177 contracts, agreements and variations to acquire services mainly related to research program support and services. These contracts totalled \$56,516,334 in 2019–20. All contracts greater than \$10,000 are reported on the AusTender website.

No contracts were let in excess of \$10,000 that were exempted from publication in AusTender due to freedom of information exemptions. All ACIAR contracts in excess of \$100,000 contained clauses permitting the Auditor-General through the Australian National Audit Office access to contractor premises.

Competitive tendering

ACIAR conducted two approaches to market for Requests for Tender (greater than \$80,000) during 2019–20. The total expenditure from contracts arising from the procurements was \$0. ACIAR conducted four approaches to market in FY 2018–19 (previous FY) with total expenditure for these contracts of \$1,584,296.

Two responses were reported on AusTender where ACIAR had engaged whole of government arrangements for travel, IT services and other services.

Consultants and contracts

ACIAR engages consultants where it lacks specialist expertise or when independent research, review or assessment is required. Consultants are typically engaged to investigate or diagnose a defined issue or problem; carry out defined reviews or evaluations; or provide independent advice, information or creative solutions to assist in ACIAR decision making.

Prior to engaging consultants, ACIAR considers the skills and resources required for the task, the skills available internally, and the cost-effectiveness of engaging external expertise. The decision to engage a consultant is made in accordance with the PGPA Act and related Rules including the CPRs and relevant internal policies.

The agency selects consultants through the use of panel arrangements or by making an open approach to market.

Expenditure on reportable consultancy contracts

During 2019–20, a total of three new consultancy contracts were entered into, involving total actual expenditure of \$42,074 (inclusive of GST) (Table 12). In addition, three ongoing consultancy contracts were active during the period, involving total actual expenditure of \$37,654 (inclusive of GST).

All consultancy contracts valued at \$10,000 (inclusive of GST) or more, that were awarded in 2019–20, are published on the AusTender website.

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.

Table 12: Organisations receiving a share of reportable consultancy contract expenditure, 2019–20

Organisation	Expenditure \$
Richard Markham	28,736
Datacom Systems (AU) Pty Ltd	27,060
Foodlink Advocacy Co-operative	15,014
RDSM Consulting (NZ)	8,918

Expenditure on reportable non-consultancy contracts

During 2019–20, a total of 169 new non-consultancy contracts were entered into involving total actual expenditure of \$15,331,891 (inclusive of GST). In addition, 298 ongoing non-consultancy contracts were active during the period, involving total actual expenditure of \$60,697,563.

All non-consultancy contracts valued at \$10,000 (inclusive of GST) or more, that were awarded in 2019–20, are published on the AusTender website.

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the reportable non-consultancy contracts' value is available on the AusTender website.

Table 13: Organisations receiving a share of reportable non-consultancy contract expenditure, 2019–20

Organisation	Expenditure \$
Commonwealth Scientific and Industrial Research Organisation	\$6,739,408
University of Sunshine Coast	\$6,683,197
University of Queensland	\$5,802,018
University of New England	\$4,122,099
University of Melbourne	\$3,311,124

Small business

ACIAR supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the [Department of Finance](#) website.

In supporting small and medium enterprises, ACIAR applies:

- the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000
- Australian Industry Participation plans in whole-of-government procurement, where applicable
- the Small Business Engagement Principles (outlined in the government's Industry Innovation and Competitiveness Agenda), such as communicating in clear, simple language and presenting information in an accessible format.

ACIAR recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury website.

Other mandatory information

Advertising and market research

During 2019–20, ACIAR did not conduct any advertising campaigns. There were no other advertisements or agreements undertaken with media advertising organisations. There was no direct marketing of information to the public. ACIAR has no ongoing contracts for any such activities.

Grants

ACIAR does not issue grants, and therefore did not issue any discretionary grants during 2019–20 or have any ongoing grants from previous years.

Disability reporting mechanism

The National Disability Strategy 2010–2020 is Australia’s overarching framework for disability reform. It acts to ensure the principles underpinning the United Nations *Convention on the Rights of Persons with Disabilities* are incorporated into Australia’s policies and programs that affect people with disability, their families and carers.

All levels of government will continue to be held accountable for the implementation of the strategy through biennial progress reporting to the Council of Australian Governments. Progress reports can be found at dss.gov.au. Disability reporting is included the Australian Public Service Commission’s State of the Service reports and the APS Statistical Bulletin. The report is available on the Department of Social Services website.

Freedom of information

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to make information publicly available as part of the Information Publication Scheme. This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements. The content is available at [Government Reporting](#) on the ACIAR website.

One freedom of information request received during 2018–19 was considered and rejected in accordance with Section 24A of the FOI Act. No requests were received during 2019–20.

Ecologically sustainable development and environmental performance

This section reports on the ecologically sustainable development and environmental performance of ACIAR and is provided in accordance with Section 516A of the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act).

Project-related environmental impacts

The ACIAR project development guidelines include triggers to ensure that any projects developed that may result in significant environmental impacts follow the requirements under the EPBC Act. When partner organisations (proponents) are developing projects, the commissioned (lead) agency must consider all relevant obligations under the EPBC Act.

Should any potential significant environmental impacts be identified by ACIAR or project proponents, both ACIAR and the proponents are obliged to ensure that all relevant EPBC obligations have been appropriately considered. Reference to the EPBC Administrative Guidelines on Significance (EPBC Guidelines) is included in project development processes. If a proposal may have significant environmental impact, the Research Program Manager and project proponent must use a risk assessment and management-based approach to assess the potential risks and may have informal consultation with the EPBC Referrals Unit of the Department of Agriculture, Water and Environment. ACIAR requires the proponent to submit a letter indicating that it agrees with the findings of the risk assessment.

Under the EPBC Guidelines, the ACIAR CEO is required to decide if there is still a significant risk of environmental impact, even with the proposed risk-management approaches in place, to warrant a formal referral of the matter to the Australian Government Department of Agriculture, Water and Environment.

For any project for which potential significant environmental risks were identified during the project development phase, ACIAR includes a standard condition that the commissioned organisation must annually report to ACIAR on its implementation of the stated environmental risk-management procedures and/or any special conditions imposed by the relevant Minister in the event that the project had been formally referred to the Department of Agriculture, Water and Environment.

During project development, ACIAR also considers whether a project has any relevance to other international arrangements to which Australia is a signatory. This includes obligations under international arrangements to which Australia is a signatory, specifically for the use of biological resources, being met and properly documented.

Letters of approval relating to the use of experimental animals and/or genetically modified organisms must be provided, along with five letters confirming compliance with regulations relating to germplasm transfer, quarantine requirements, biosafety and so on.

How the organisation's outcomes contribute to ecologically sustainable development

The governing legislation outlines the mandate and functions of ACIAR under Section 5, including the formulation of policies to deliver against this mandate. Agricultural research is linked explicitly with sustainability. At the operational level project development, evaluation and monitoring deliver on this mandate.

Effect of the organisation's activities on the environment

ACIAR-supported projects often have strong environmental benefits. These are spread throughout the organisation's mandated region of operations, in developing countries of the Indo-Pacific. ACIAR projects address problems in developing countries that may also yield results applicable to environmental management in Australia. Such benefits are either a secondary objective or are the result of research having application within Australian settings.

Benefits arising from our research programs include:

- Social Sciences—mitigating and adapting against climate change; policy and institutional frameworks and their impacts on water management
- Crops—introducing crop management practices in concert with higher yielding varieties in farming systems, deploying alternative cropping methods; developing control and management strategies for weeds and pests threatening crop species; collection and conservation of unique crop and legume germplasm
- Fisheries—management of cross-country fisheries resources, sustainable management of marine species, including inshore fisheries; and research to develop and implement sustainable aquaculture technologies to minimise wild capture and harvest in the ACIAR-mandated region
- Forestry—enhancements of breeding technologies for Australian species, such as eucalypts and acacias, widely used for forestry plantations in Australia and parts of Asia; improving disease and pest-surveillance methodologies and management; germplasm utilisation and management
- Water and Climate Change—developing water allocation and management strategies; investigating new approaches to managing and alleviating the effects of salinity and soil acidification; assessing land suitability, crop diversification and constraints; minimising pollutants in waterways; developing and promoting new cropping systems for conservation agriculture.

Organisational measures to reduce environmental impact

Measures taken to minimise the impact of activities on the environment

The size and resourcing of the agency has resulted in the choice to adopt an informal system for managing environmental impacts, built upon the EMS framework circulated to government departments and agencies. The framework has been used to ensure that environmental performance within the Canberra premises is as effective as possible.

ACIAR has installed several measures to mitigate its use of resources. ACIAR House in Canberra has 50 solar panels installed on the roof producing an estimated output of 8.8 kilowatts. Rainwater tanks with a capacity of 40,000 litres capture runoff, and a grey-water reuse system is installed.

ACIAR established a Sustainability Committee in 2018–19, to explore additional environmental measures that can be undertaken by the organisation, including better ways of offsetting travel-related emissions and ways of improving wildlife habitat in the environs of ACIAR House.

ACIAR is the sole building tenant, responsible for the management of all infrastructure and implementation of policies to deliver sound environmental management at its Canberra premises. Like all government agencies and departments, daily operations generate waste and consume electricity, water and materials.

Mechanisms for reviewing and increasing the effectiveness of these measures

Formal reporting guidelines on environmental management and associated activities are used for an internal review of environment management processes. These include:

- Sustainable procurement guide (2013)
- Energy Use in Commonwealth Operations (annual publication)
- The Australian National Audit Office (ANAO) Green Office Procurement and Sustainable Office Management (2008).

Resource use by the organisation

Table 14: Resource use by ACIAR House, Canberra, 2018-19 and 2019-20

Resource	Usage	
	2018-19	2019-20
Energy (kilowatt hours)	308,754	222,986
Water (kilolitres)	2448	3695

Part 4. Financial statements

Contents

Independent auditor's report	46
Statement by Chief Executive Officer and Chief Finance Officer	48
Primary financial statements	
Statement of comprehensive income.....	49
Statement of financial position	51
Statement of changes in equity	53
Cash flow statement	54
Administered schedule of comprehensive income.....	56
Administered schedule of assets and liabilities	57
Administered reconciliation schedule	59
Administered cash flow statement.....	60
Overview	61
Notes to the financial statements	
<i>1. Financial performance</i>	
1.1 Expenses	66
1.2 Own-source revenue and gains.....	67
<i>2. Income and expenses administered on behalf of government</i>	
2.1 Administered expenses	68
2.2 Administered income.....	68
<i>3. Financial position</i>	
3.1 Financial assets	69
3.2 Non-financial assets	70
3.3 Payables	73
3.4 Interest bearing liabilities.....	73
<i>4. Assets and liabilities administered on behalf of government</i>	
4.1 Administered – financial assets.....	74
4.2 Administered – non-financial assets	74
4.3 Administered – payables.....	74
<i>5. Funding</i>	
5.1 Appropriations.....	75
5.2 Special accounts.....	77
5.3 Net cash appropriation arrangements	78
<i>6. People and relationships</i>	
6.1 Employee provisions	79
6.2 Key management personnel remuneration	80
6.3 Related party disclosures.....	80
<i>7. Managing uncertainties</i>	
7.1 Contingent assets and liabilities	81
7.2 Financial instruments	81
7.3. Administered – financial instruments.....	83
7.4 Fair value measurement.....	84
<i>8. Other information</i>	
8.1 Aggregate assets and liabilities	85

Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

To the Minister for Foreign Affairs

Opinion

In my opinion, the financial statements of the Australian Centre for International Agricultural Research (the Entity) for the year ended 30 June 2020:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2020 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2020 and for the year then ended:

- Statement by the Chief Executive Officer and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the Chief Executive Officer is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Rita Bhana

Audit Principal

Delegate of the Auditor-General

Canberra

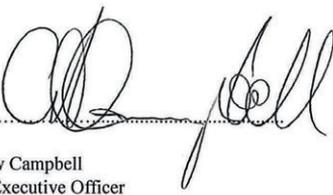
14 September 2020

Statement by Chief Executive Officer and Chief Finance Officer

STATEMENT BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2020 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Centre for International Agricultural Research will be able to pay its debts as and when they fall due.

Signed 

Andrew Campbell
Chief Executive Officer

14 September 2020

Signed 

Audrey Gornley
Chief Finance Officer

14 September 2020

Statement of Comprehensive Income
for the period ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	7,510	7,329	6,879
Suppliers	1.1B	2,961	4,491	4,419
Depreciation and amortisation	3.2A	1,410	482	511
Finance costs	1.1C	80	-	-
Foreign exchange losses	1.1D	1	-	-
Total expenses		11,962	12,302	11,809
Own-Source Income				
Own-source revenue				
Revenue from contracts with customers	1.2A	656	2,636	1,954
Other revenue	1.2B	1,575	32	32
Total own-source revenue		2,231	2,668	1,986
Gains				
Gains from sale of assets		12	8	-
Total gains		12	8	-
Total own-source income		2,243	2,676	1,986
Net cost of services		(9,719)	(9,626)	(9,823)
Revenue from Government	1.2C	9,312	9,302	9,312
Deficit on continuing operations		(407)	(324)	(511)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		133	(49)	-
Total other comprehensive income / (loss)		133	(49)	-
Total Comprehensive loss		(274)	(373)	(511)

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

All variances above 10% of the relevant category are considered significant and explained below.

Suppliers

This largely reflects the impact of Covid-19 across a range of expenditure items, the recognition of some supplier costs as Administered expense following a review of work (and associated costs) performed by locally engaged staff in international offices, and the introduction of AASB 16 and its application to ACIAR's lease arrangements.

Depreciation and amortisation

This largely reflects the application of the new accounting standard AASB 16 which accounts for leases as a 'right of use' asset with a corresponding amortisation expense recognised against Depreciation and Amortisation.

Finance costs

This reflects the impact of AASB 16 which recognises a right of use asset and an associated interest expense equivalent to that which a lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset.

Revenue from contracts with customers

Revenue from rendering services is primarily associated with management fees from agreements with the Department of Foreign Affairs and Trade for the management of Research Programs. The agreements provide flexibility for ACIAR to draw on the management fee as needed (to a capped limit) with the movement between years reflecting the movement in overall costs across the same period. In 2019-20 the budget included an amount for locally engaged staff which was subsequently treated as an internal on-charge between Departmental and Administered appropriations following a review of their work (and associated costs) which has been recognised in Other Revenue.

Other revenue

Other Revenue reflects an on-charge from Departmental to Administered for costs associated with locally engaged staff in international offices, which has been charged for the first time in 2019-20 after a review identified these costs were more accurately reported as an administered expense. This change will be ongoing.

Gains from sale of asset

This reflects a gain on sale of the Manila Office fitout.

Changes in asset revaluation surplus

In accordance with AASB 116 and AASB 13, the agency undertook a fair value assessment of its buildings (excluding right of use assets), and plant and equipment as at 30 June 2020. This reflects the impact of that revaluation.

Statement of Financial Position
as at 30 June 2020

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
ASSETS				
Financial Assets				
Cash and cash equivalents	3.1A	12	12	11
Trade and other receivables	3.1B	3,499	3,280	3,808
Total financial assets		3,511	3,292	3,819
Non-financial assets¹				
Buildings	3.2A	7,453	859	652
Plant and equipment	3.2A	819	596	84
Intangibles	3.2A	1,537	1,752	1,824
Other non-financial assets	3.2B	71	261	96
Total non-financial assets		9,880	3,468	2,656
Total assets		13,391	6,760	6,475
LIABILITIES				
Payables				
Suppliers	3.3A	209	327	351
Other payables	3.3B	204	667	466
Total payables		413	994	817
Interest Bearing Liabilities				
Leases	3.4A	6,592	-	-
Total interest bearing liabilities		6,592	-	-
Provisions				
Employee provisions	6.1A	2,431	2,059	2,251
Total provisions		2,431	2,059	2,251
Total liabilities		9,436	3,053	3,068
Net assets		3,955	3,707	3,407
EQUITY				
Contributed equity		2,836	2,593	2,967
Reserves		231	98	147
Retained surplus		888	1,016	293
Total equity		3,955	3,707	3,407

¹Right-of-use assets are included in Buildings.

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

All variances above 10% of the relevant category are considered significant and explained below.

Buildings

This largely reflects the application of AASB 16 which recognises a right of use asset for accommodation lease arrangements, the impact of the asset revaluation, as well as some minor movements in leasehold assets.

Plant and equipment

ACIAR budgeted for purchases of P&E consistent with its known Departmental Capital Budget. However, during the year ACIAR made planned use of current year revenue which it had not included in its budget to upgrade aged IT hardware.

Intangibles

During budget development ACIAR anticipated the need for ongoing expenditure on internally developed software. However during the year this was redirected to upgrade aged IT hardware.

Other non-financial assets

ACIAR recognises prepayments at the end of the year for goods and services paid for but not yet consumed, this amount changes from time to time in the normal course of business.

Payables - suppliers

ACIAR recognises payables and accrued expenditure at the end of the year for work performed but not yet paid (including salaries), this amount changes from time to time in the normal course of business.

Other payables

This primarily reflects the application of AASB 16 which brought the balance of the Canberra lease incentive and rent payment straight lining to account at the date of initial application as an adjustment against equity. The balance reflects an accrual for salaries and wages which changes from time to time in the normal course of business.

Interest bearing liabilities - leases

Interest bearing liabilities is reported for the first time and reflects the application of AASB 16 which recognises a right of use asset with a corresponding 'obligation to make lease payments' liability.

**Statement of Changes in Equity
for the period ended 30 June 2020**

	Retained earnings			Asset revaluation reserve			Contributed equity/capital			Total equity		
	Original		2019 \$'000	Original		2019 \$'000	Original		2019 \$'000	Original		2019 \$'000
	2020	Budget		2020	Budget		2020	Budget		2020	Budget	
Opening balance	1,016	1,291	804	98	147	147	2,593	2,479	2,724	3,707	3,917	3,675
Balance carried forward from previous period												
Adjustment on initial application of AASB 16	269									269		
Adjusted opening balance	1,285	1,291	804	98	147	147	2,593	2,479	2,724	3,976	3,917	3,675
Comprehensive income												
Deficit for the period	(407)	(324)	(511)	n/a	n/a	n/a	n/a	n/a	n/a	(407)	(324)	(511)
Other comprehensive income / (loss)	10	49	-	133	(49)	-	-	-	-	143	-	-
Total comprehensive income / (loss)	(397)	(275)	(511)	133	(49)	-	-	-	-	(264)	(324)	(511)
Transactions with owners												
Distributions to owners												
Returns of capital:												
Equity injection - Appropriations	-	-	-	-	-	-	-	(131)	-	-	(131)	-
Contributions by owners												
Departmental capital budget	-	-	-	-	-	-	243	245	243	243	245	243
Equity injection - Appropriations	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	243	114	243	243	114	243
Closing balance as at 30 June	888	1,016	293	231	98	147	2,836	2,593	2,967	3,955	3,707	3,407

The above statement should be read in conjunction with the accompanying notes.

Accounting Policy

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Budget Variances Commentary

All variances above 10% of the relevant category are considered significant and explained below.

Variances reflect the flow-on impact of items referred to in the Statement of Comprehensive Income and the Statement of Financial Position, particularly the asset revaluation and the adjustment to opening retained earnings for the lease incentive for the Canberra Office and rental payment straight lining as a result of the introduction of AASB 16.

Cash Flow Statement
for the period ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		9,083	9,754	9,278
Sales of goods and rendering of services		2,196	2,636	1,954
Net GST received		348	376	-
Total cash received		11,627	12,766	11,232
Cash used				
Employees		7,108	7,223	6,811
Suppliers		3,602	5,044	4,421
Interest payments on lease liabilities		80	-	-
Total cash used		10,790	12,267	11,232
Net cash from operating activities		837	499	-
INVESTING ACTIVITIES				
Cash received				
Proceeds from sales of property, plant and equipment		33	14	-
Total cash received		33	14	-
Cash used				
Purchase of property, plant and equipment		429	626	243
Total cash used		429	626	243
Net cash (used by) investing activities		(396)	(612)	(243)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		243	245	243
Total cash received		243	245	243
Cash used				
Returns of capital		-	131	-
Principal payments of lease liabilities		684	-	-
Total cash used		684	131	-
Net cash (used by) / from financing activities		(441)	114	243
Net increase / (decrease) in cash held		-	1	-
Cash and cash equivalents at the beginning of the reporting period		12	11	11
Cash and cash equivalents at the end of the reporting period	3.1A	12	12	11

The above statement should be read in conjunction with the accompanying notes.

Cash Flow Statement (con't)
for the period ended 30 June 2020

Budget Variances Commentary

All variances above 10% of the relevant category are considered significant and explained below.

Sales of goods and rendering of services

Revenue from rendering services is primarily associated with management fees from agreements with the Department of Foreign Affairs and Trade for the management of Research Programs. The agreements provide flexibility for ACIAR to draw on the management fee as needed (to a capped limit) with the movement between years reflecting the movement in overall costs across the same period. In 2019-20 this amount also included an internal on-charge between Departmental and Administered appropriations for locally engaged staff in international offices.

Net GST received

This reflects GST payments expected to be received from the Australian Taxation Office and it is not unusual for this amount to change from time to time in the normal course of business.

Suppliers

This largely reflects the impact of Covid-19 across a range of expenditure items, the recognition of some supplier costs as Administered expense following a review of work (and associated costs) performed by locally engaged staff in international offices, and the introduction of AASB 16 and its application to ACIAR's lease arrangements.

Interest payment on lease liabilities

This reflects the impact of AASB 16 which recognises a right of use asset and an associated interest expense equivalent to that which a lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset. When combined, the principal repayment of lease liabilities and the interest expense equal the value of lease payments made over the life of the lease.

Proceeds from sales of property, plant and equipment

Lease fitout was sold following a change in leasing arrangements at the Manila office.

Purchase of property, plant and equipment (PP&E)

ACIAR budgeted for purchases of PP&E consistent with its known Departmental Capital Budget. However, during the year ACIAR made planned use of current year revenue which it had not included in its budget to upgrade aged IT hardware.

Principal repayment of lease liabilities

This reflects the introduction of AASB 16 and its application to ACIAR's lease arrangements.

Administered Schedule of Comprehensive Income
for the period ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
International development assistance	2.1A	104,187	113,217	111,414
Total expenses		104,187	113,217	111,414
Income				
Revenue				
Non-taxation revenue				
External funds	2.2A	12,941	11,951	17,567
Total non-taxation revenue		12,941	11,951	17,567
Total revenue		12,941	11,951	17,567
Net cost of services		91,246	101,266	93,847
Total comprehensive (loss)		(91,246)	(101,266)	(93,847)

The above schedule should be read in conjunction with the accompanying notes.

Budget Variances Commentary

All variances above 10% of the relevant category are considered significant and explained below.

External funds

Less than budgeted due to changes in scope of several projects following planned mid-term reviews, delays in contracting overseas research activities due to Covid-19, and the securing of less external funding.

Administered Schedule of Assets and Liabilities*as at 30 June 2020*

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	4.1A	7,519	8,861	7,210
Taxation receivables	4.1B	499	825	2,115
Trade and other receivables	4.1C	10	1,626	-
Total financial assets		8,028	11,312	9,325
Non-financial assets				
Other non-financial assets	4.2	26	54	34
Total non-financial assets		26	54	34
Total assets administered on behalf of Government		8,054	11,366	9,359
LIABILITIES				
Payables				
Suppliers	4.3A	1,830	2,645	2,396
Other payables	4.3B	7,914	900	1,403
Total payables		9,744	3,545	3,799
Provisions				
Employee provisions	6.1B	345	153	209
Total provisions		345	153	209
Total liabilities administered on behalf of Government		10,089	3,698	4,008
Net assets / (Liabilities)		(2,035)	7,668	5,351

The above schedule should be read in conjunction with the accompanying notes.

Administered Schedule of Assets and Liabilities (con't)

as at 30 June 2020

Budget Variances Commentary

All variances above 10% of the relevant category are considered significant and explained below.

Taxation receivables

This reflects GST receivable from the Australian Taxation Office based on estimates of expenditure made during budget development. It is not unusual for this amount to change from time to time in the normal course of business.

Trade and other receivables

The budget assumes that revenues will be received before year end. In this instance the closing balance reflects minor receivables outstanding at year end.

Other non-financial assets

ACIAR recognises prepayments at the end of the year for goods and services paid for but not yet consumed, this amount changes from time to time in the normal course of business.

Payables - Suppliers

ACIAR recognises payables and accrued expenditure at the end of the year for work performed but not yet paid (including salaries), this amount changes from time to time in the normal course of business.

Payables - Other payables

ACIAR recognised a 'performance obligation' liability following the application of AASB 15 on contracts between ACIAR and external parties for the provision of research programs for the first time in 2019-20. Refer to the Overview section for accounting policy on AASB 15.

Employee provisions

The increase in employee provisions reflects changes in the long-term bond rate, changes in exchange rates, and the impact of Covid-19 with employees taking less leave than budgeted.

Administered Reconciliation Schedule

	2020	2019
	\$'000	\$'000
Opening assets less liabilities as at 1 July	7,668	11,322
Adjustment on initial application of AASB 15 / AASB 1058	(10,082)	-
Adjusted opening assets less liabilities	(2,414)	11,322
Net (cost of)/contribution by services		
Income	12,941	11,951
Expenses	(104,187)	(113,217)
Transfers (to)/from the Australian Government		
Appropriation transfers from Official Public Account		
Annual appropriations		
Payments to entities other than corporate Commonwealth entities	92,596	97,946
Appropriation transfers to OPA		
Transfers to OPA	(971)	(334)
Closing assets less liabilities as at 30 June	(2,035)	7,668

The above schedule should be read in conjunction with the accompanying notes.

Accounting Policy***Administered Cash Transfers to and from the Official Public Account***

Revenue collected by ACIAR for use by the Government, rather than ACIAR, is Administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the Administered cash held by the entity on behalf of the Government and reported as such in the Schedule of Administered Cash Flows and in the Administered Reconciliation Schedule.

Administered Cash Flow Statement
for the period ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
OPERATING ACTIVITIES				
Cash received				
External funds		11,829	10,972	17,567
Net GST received		5,811	6,624	5,000
Total cash received		17,640	17,596	22,567
Cash used				
International development assistance		110,607	119,529	116,414
Total cash used		110,607	119,529	116,414
Net cash (used by) operating activities		(92,967)	(101,933)	(93,847)
Cash and cash equivalents at the beginning of the reporting period				
		8,861	13,181	8,906
Cash from Official Public Account				
Appropriations		98,677	104,573	92,151
		98,677	104,573	92,151
Cash to Official Public Account				
Appropriations		7,052	6,960	-
		7,052	6,960	-
Cash and cash equivalents at the end of the reporting period				
	4.1A	7,519	8,861	7,210

This schedule should be read in conjunction with the accompanying notes.

Budget Variances Commentary

All variances above 10% of the relevant category are considered significant and explained below.

External funds

Less than budgeted due to changes in scope of several projects following planned mid-term reviews, delays in contracting overseas research activities due to Covid-19, and the securing of less external funding.

Net GST received

This reflects GST payments expected to be received from the Australian Taxation Office based on estimates of expenditure made during budget development. It is not unusual for this amount to change from time to time in the normal course of business.

Overview

Objectives of ACIAR

The Australian Centre for International Agricultural Research (ACIAR) is an Australian Government controlled entity. ACIAR is a not-for-profit entity. The objective of ACIAR is to achieve more productive and sustainable agricultural systems, for the benefit of developing countries and Australia, through international agricultural research partnerships. Developing countries are the major beneficiaries but there are also spin-offs for Australia. To achieve this objective, ACIAR facilitates and supports bilateral and multilateral research and development activities in a broad range of agricultural areas, including crops, animals, fisheries, forestry, land and water resources management, post-harvest technology, and economic studies of agricultural and natural resource utilisation.

ACIAR is structured to meet one outcome:

Outcome 1: To achieve more productive and sustainable agricultural systems for the benefit of developing countries and Australia through international agricultural research and training partnerships.

Although a portion of ACIAR's revenue is from external sources, the continued existence of ACIAR in its present form and with its present programme is dependent on Government policy and on continuing funding by Parliament for ACIAR's administration and programme.

ACIAR's activities contributing towards this outcome are classified as either Departmental or Administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by ACIAR in its own right. Administered activities involve the management or oversight by ACIAR, on behalf of the Government, of items controlled or incurred by the Government.

ACIAR conducts the following Administered activity on behalf of the Government:

- International agriculture research and development.

Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with :

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b) Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

Overview (con't)

New Accounting Standards

Adoption of New Australian Accounting Standard Requirements

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 15 <i>Revenue from Contracts with Customers</i> / AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i> and AASB 1058 <i>Income of Not-For-Profit Entities</i>	<p>AASB 15, AASB 2016-8 and AASB 1058 became effective 1 July 2019.</p> <p>AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 <i>Revenue</i>, AASB 111 <i>Construction Contracts</i> and Interpretation 13 <i>Customer Loyalty Programmes</i>. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.</p> <p>AASB 1058 is relevant in circumstances where AASB 15 does not apply. AASB 1058 replaces most of the not-for-profit (NFP) provisions of AASB 1004 <i>Contributions</i> and applies to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable the entity to further its objectives, and where volunteer services are received.</p> <p>The details of the changes in accounting policies, transitional provisions and adjustments are disclosed below and in the relevant notes to the financial statements.</p>
AASB 16 <i>Leases</i>	<p>AASB 16 became effective on 1 July 2019.</p> <p>This new standard has replaced AASB 117 <i>Leases</i>, Interpretation 4 <i>Determining whether an Arrangement contains a Lease</i>, Interpretation 115 <i>Operating Leases—Incentives</i> and Interpretation 127 <i>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i>.</p> <p>AASB 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. AASB 16 substantially carries forward the lessor accounting in AASB 117, with the distinction between operating leases and finance leases being retained. The details of the changes in accounting policies, transitional provisions and adjustments are disclosed below and in the relevant notes to the financial statements.</p>

Application of AASB 15 *Revenue from Contracts with Customers* / AASB 1058 *Income of Not-For-Profit Entities*

ACIAR adopted AASB 15 and AASB 1058 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated, that is, it is presented as previously reported under the various applicable AASBs and related interpretations.

Under the new income recognition model ACIAR shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'. If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), ACIAR applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, ACIAR shall consider whether AASB 1058 applies.

In terms of AASB 1058, ACIAR is required to recognise volunteer services at fair value if those services would have been purchased if not provided voluntarily, and the fair value of those services can be measured reliably.

Overview (con't)

Following a review of relevant arrangements ACIAR determined that AASB 15 applied to Administered transactions in 2019-20, and the accounting for revenue for Departmental transactions continued to be the same. External revenue is primarily associated with management fees from agreements with the Department of Foreign Affairs and Trade for the management of Research Programs. The agreements provide flexibility for ACIAR to draw on the management fee as needed (to a capped limit) or to apply funds to additional Administered project activities. Undrawn management fees are reported as unearned income in Administered liabilities.

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 30 June 2020 as a result of the adoption of AASB 15. The first column shows amounts prepared under AASB 15 and the second column shows what the amounts would have been had AASB 15 not been adopted:

Administered	AASB 15	Previous	Increase /
	\$'000	AAS	(decrease)
		\$'000	\$'000
Revenue and Expenses			
Expenses			
Supplier expenses	11,988	11,988	-
Total Expenses	11,988	11,988	-
Revenue			
External funds	11,988	9,259	2,729
Total Revenue	11,988	9,259	2,729
Net cost of services	-	(2,729)	2,729
Assets and Liabilities			
Assets			
Special account	7,509	7,509	-
Total Assets	7,509	7,509	-
Liabilities			
Unearned Income	7,353	-	7,353
Payables	156	156	-
Total Liabilities	7,509	156	7,353
Retained earnings	-	(2,729)	2,729
Adjustment to opening retained earnings			
Liabilities			
Unearned income	10,082	-	10,082
Total liabilities	10,082	-	10,082
Total adjustment to retained earnings	10,082	-	10,082

ACIAR adopted the modified retrospective application for AASB 15 on transition. As a consequence, comparative information for the preceding periods has not been restated.

Previously ACIAR accounted for external income under AASB 1004 and recognised revenue when income was received. On the date of initial application of AASB 15 this meant that the balance of funds held in the special account represented an unperformed performance obligation (\$8.851 million) adjusted for receivables of (\$1.571 million) less project accruals (\$0.340 million), which was taken up as a liability with a corresponding adjustment against the opening balance of retained earnings as at 1 July 2019.

Revenue will now be recognised as performance obligations are satisfied. Consistent with AASB 15.35(a) this will be as project services are consumed, which will be determined by reference to expenses incurred for project services at the end of each month.

Overview (con't)

Application of AASB 16 Leases

ACIAR adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated, that is, it is presented as previously reported under AASB 117 and related interpretations.

ACIAR elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under AASB 117 were not reassessed. The definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019.

AASB 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. ACIAR applied the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if AASB 16 had been applied since the commencement date;
- Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under AASB 136 Impairment of assets as at the date of initial application; and
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, ACIAR previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, ACIAR recognises right-of-use assets and lease liabilities for most leases. However, ACIAR has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

On adoption of AASB 16, ACIAR recognised right-of-use assets and lease liabilities in relation to leases of office space which had previously been classified as operating leases.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using ACIAR's incremental borrowing rate as at 1 July 2019. ACIAR's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 1.17%

The right-of-use assets were measured as follows:

Office space: measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

Overview (con't)

Impact on transition

On transition to AASB 16, ACIAR recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

Departmental	1 July 2019 \$'000
Right-of-use assets - Buildings	7,461
Lease liabilities	(7,276)
Prepayments	(185)
Rent payable	(33)
Lease Incentive	(236)
Retained earnings	269

The following table reconciles the Departmental minimum lease commitments disclosed in the ACIAR's 30 June 2019 annual financial statements to the amount of lease liabilities recognised on 1 July 2019:

	1 July 2019 \$'000
Minimum operating lease commitment at 30 June 2019	5,459
Less GST included in commitments	(429)
Less: non leasing components	(648)
Plus: effect of extension options reasonably certain to be exercised	3,367
Undiscounted lease payments	7,749
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	473
Lease liabilities recognised at 1 July 2019	7,276

All other new/revised/amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on ACIAR's financial statements.

Taxation

ACIAR is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Administered Schedules and related notes.

Except where otherwise stated, Administered items are accounted for on the same basis and using the same policies as for Departmental items, including the application of Australian Accounting Standards.

Events After the Reporting Period

Departmental

There have been no events or transactions after the reporting date which could significantly affect the ongoing structure and financial activities of ACIAR.

Administered

There have been no events or transactions after the reporting date which could significantly affect the ongoing structure and financial activities of ACIAR.

Financial Performance

This section analyses the financial performance of ACIAR for the year ended 2020.

1.1: Expenses

	2020	2019
	\$'000	\$'000
1.1A: Employee Benefits		
Wages and salaries	5,516	5,381
Superannuation:		
Defined contribution plans	441	455
Defined benefit plans	877	585
Leave and other entitlements	652	879
Separation and redundancies	24	29
Total employee benefits	<u>7,510</u>	<u>7,329</u>

Accounting Policy

Accounting policies for employee related expenses are contained in the People and Relationships section.

1.1B: Suppliers

Goods and services supplied or rendered

Contractors, consultants and service providers	1,262	1,311
Travel	351	624
IT Services	629	832
Property services (excluding rent)	285	350
Workforce capability	166	329
Publications and promotion	30	48
Other	198	258
Total goods and services supplied or rendered	<u>2,921</u>	<u>3,752</u>
Goods supplied	473	542
Services rendered	2,448	3,210
Total goods and services supplied or rendered	<u>2,921</u>	<u>3,752</u>

Other suppliers

Operating lease rentals ^{1&2}	10	699
Workers compensation expenses	30	40
Total other suppliers	<u>40</u>	<u>739</u>
Total suppliers	<u>2,961</u>	<u>4,491</u>

¹ACIAR has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

²Rental payment for overseas office for the period 1 July 2017 to 30 June 2019.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1C, 3.2A and 3.4A.

1.1C: Finance Costs

Interest on lease liabilities ¹	<u>80</u>	-
Total finance costs	<u>80</u>	-

¹ACIAR has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 3.2A and 3.4A.

1.1D: Foreign Exchange Losses

Non-speculative	<u>1</u>	-
Total foreign exchange losses	<u>1</u>	-

1.2 Own-Source Revenue and Gains

	2020	2019
	\$'000	\$'000
Own-Source Revenue		
<u>1.2A: Revenue from contracts with customers</u>		
Sale of goods	25	20
Rendering of services	631	2,616
Total sale of goods and rendering of services	656	2,636
Disaggregation of revenue from contracts with customers		
Major product / service line:		
Research services	656	2,636
	656	2,636
Type of customer:		
Australian Government entities (related parties)	631	2,616
Non-government entities	25	20
	656	2,636
Timing of transfer of goods and services:		
Over time	656	2,636
	656	2,636

Accounting Policy

Revenue from the sale of goods is recognised when:

- a) the risks and rewards of ownership have been transferred to the buyer; and
- b) ACIAR retains no managerial involvement or effective control over the goods.

Revenue from rendering of services is recognised when performance obligations are satisfied. The revenue is determined by reference to expenses incurred for project services at the end of each month.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period.

Allowances are made when collectability of the debt is no longer probable.

1.2B: Other Revenue

Resources received free of charge

Remuneration of auditors	34	32
Other non taxation revenue	1,541	-
Total other revenue	1,575	32

Accounting Policy

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Other non taxation revenue

Other non taxation revenue is recognised over time as Departmental incurs costs associated with locally engaged staff in international offices which are on-charged to Administered.

1.2C: Revenue from Government

Appropriations

Departmental appropriation	9,312	9,302
Total revenue from Government	9,312	9,302

Accounting Policy

Revenue from Government

Amounts appropriated for Departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the entity gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Income and Expenses Administered on Behalf of Government

This section analyses the activities that ACIAR does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for Departmental reporting

2.1: Administered - Expenses

	2020	2019
	\$'000	\$'000
2.1A: International Development Assistance		
Research program	72,138	77,168
Multilateral program	23,796	22,907
Education and training	6,163	10,277
Communicating research results	2,090	2,865
Total international development assistance	104,187	113,217
International Development Assistance is made up of:		
Employee benefits ¹	4,039	2,282
Supplier expenses	100,148	110,935
Total	104,187	113,217

¹The increase in employee benefits largely reflects an on-charge from Departmental to Administered for costs associated with locally engaged staff in international offices, which has been charged for the first time in 2019-20 after a review identified that these costs were more accurately reported as an Administered expense. This change will be ongoing.

Accounting Policy

International Development Assistance

ACIAR administers international development assistance programs and projects on behalf of the Government.

International development assistance liabilities are recognised to the extent that:

- (i) the services required to be performed by the recipient have been performed; or
- (ii) the contract eligibility criteria have been satisfied, but payments due have not been made.

2.2: Administered - Income

	2020	2019
	\$'000	\$'000
Revenue		
Non-Taxation Revenue		
2.2A: External Funds		
External funds	12,941	11,951
Total external funds	12,941	11,951

Accounting Policy

All Administered revenues are revenues relating to ordinary activities performed by the entity on behalf of the Australian Government.

Financial Position

This section analyses the ACIAR's assets used to conduct its operations and the operating liabilities incurred as a result.

Employee related information is disclosed in the People and Relationships section.

3.1: Financial Assets

	2020	2019
	\$'000	\$'000
3.1A: Cash and Cash Equivalents		
Cash on hand or on deposit	12	12
Total cash and cash equivalents	12	12

Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand;
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value; and
- c) cash in special accounts.

3.1B: Trade and Other Receivables

Appropriations receivable

Appropriation receivable	3,460	3,231
Total appropriations receivable	3,460	3,231

Other receivables

GST receivable from the Australian Taxation Office	18	49
Other	21	-
Total other receivables	39	49
Total trade and other receivables (net)	3,499	3,280

Credit terms for goods and services were within 30 days (2019: 30 days)

Accounting Policy

Financial Assets

Trade receivables and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

3.2: Non-Financial Assets

3.2.A: Reconciliation of the Opening and Closing Balances of Buildings, Plant and Equipment and Intangibles

	Buildings \$'000	Plant and equipment \$'000	Intangibles computer software ¹ \$'000	Total \$'000
As at 1 July 2019	1,143	778	2,519	4,440
Gross book value	(284)	(182)	(767)	(1,233)
Accumulated depreciation, amortisation and impairment	859	596	1,752	3,207
Total as at 1 July 2019	7,461	-	-	7,461
Recognition of right of use asset on initial application of AASB 16	8,320	596	1,752	10,668
Adjusted total as at 1 July 2019				
Additions				
Purchase	9	420	-	429
Revaluations recognised in other comprehensive income	98	45	-	143
Depreciation and amortisation	(153)	(242)	(215)	(610)
Depreciation on right-of-use assets	(800)	-	-	(800)
Disposals				
Asset cost	(23)	(14)	(436)	(473)
Accumulated depreciation	2	14	436	452
Total as at 30 June 2020	7,453	819	1,537	9,809
Total as at 30 June 2020 represented by				
Gross book value	8,253	819	2,083	11,155
Accumulated depreciation, amortisation and impairment	(800)	-	(546)	(1,346)
Total as at 30 June 2020	7,453	819	1,537	9,809
Carrying amount of right-of-use assets	6,661	-	-	6,661

¹The carrying amount of computer software included \$1,523 million of internally generated software.

No indicators of impairments were found for buildings, plant and equipment or computer software.

No buildings, plant and equipment or computer software are expected to be sold or disposed of within the next 12 months.

3.2: Non-Financial Assets (con't)

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 7.4. On 30 June 2020, an independent valuer from Jones Lang LaSalle conducted the revaluations. The valuation resulted in a change to the fair value of buildings and plant and equipment.

Contractual commitments for the acquisition of plant, equipment and intangible assets

At 30 June 2020 ACIAR was committed to purchase equipment for the value of \$95,338, excluding GST.

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Asset Recognition Threshold

Purchases of buildings, plant and equipment and intangibles are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16 ACIAR has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in Commonwealth agency, GGS and Whole of Government financial statements.

Revaluations

Following initial recognition at cost, buildings, plant and equipment assets (excluding ROU assets) are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

3.2: Non-Financial Assets (con't)

Depreciation

Depreciable buildings, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to ACIAR using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2020	2019
Buildings	Lower of useful life or lease term	Lower of useful life or lease term
Plant and equipment	3 to 10 years	3 to 10 years

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

All assets are assessed for impairment annually. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if ACIAR were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of buildings or plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

ACIAR's intangibles comprise software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the ACIAR's software are 3 to 10 years (2019: 3 to 10 years).

All computer software assets are assessed for indications of impairment annually.

	2020	2019
	\$'000	\$'000
3.2B: Other Non-Financial Assets		
Prepayments	71	261
Total other non-financial assets	71	261

No indicators of impairment were found for other non-financial assets.

3.3: Payables

	2020	2019
	\$'000	\$'000
3.3A: Suppliers		
Trade creditors and accruals	209	327
Total suppliers	<u>209</u>	<u>327</u>

All supplier payables are expected to be settled within 12 months.

Settlement was usually made within 30 days.

3.3B: Other Payables

Salaries and wages	181	159
Superannuation	12	6
Rent payable ¹	-	33
Lease incentive ¹	-	237
Other	11	232
Total other payables	<u>204</u>	<u>667</u>

¹ACIAR has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

3.4: Interest Bearing Liabilities

	2020	2019
	\$'000	\$'000
3.4A: Leases		
Finance Leases ¹	6,592	-
Total leases	<u>6,592</u>	<u>-</u>

¹ACIAR has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.1C and 3.2A.

Total cash outflow for leases for the year ended 30 June 2020 was \$ 763,964.

Accounting Policy

Refer to the Overview section for accounting policy on leases.

Assets and Liabilities Administered on Behalf of Government

This section analyses assets used to conduct operations and the operating liabilities incurred as a result which ACIAR does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for Departmental reporting.

4.1: Administered - Financial Assets

	2020	2019
	\$'000	\$'000
4.1A: Cash and Cash Equivalents		
Cash in special accounts	7,509	8,851
Cash on hand or on deposit	10	10
Total cash and cash equivalents	7,519	8,861
4.1B: Taxation Receivables		
GST receivable from Australian Taxation Office	499	825
Total taxation receivables (net)	499	825
4.1C: Trade and Other Receivables		
Goods and services receivables	10	1,626
Total trade and other receivables (net)	10	1,626

No indicators of impairment were found for trade and other receivables.

Trade and other receivables credit terms were within 30 days (2019 : 30 days).

4.2: Administered - Non-Financial Assets

	2020	2019
	\$'000	\$'000
4.2: Other Non-Financial Assets		
Prepayments	26	54
Total other non-financial assets	26	54

4.3: Administered - Payables

	2020	2019
	\$'000	\$'000
4.3A: Suppliers		
Trade creditors and accruals	1,830	2,645
Total suppliers	1,830	2,645
Settlement was usually made within 30 days.		
4.3B: Other Payables		
GST payable to OPA	498	856
Unearned income ¹	7,353	-
Salaries and wages	58	42
Superannuation	5	2
Total other payables	7,914	900

¹Refer to the Overview section for accounting policy on AASB 15 *Revenue from Contracts with Customers*.

Funding

This section identifies ACIAR's funding structure.

5.1: Appropriations

5.1A: Annual Appropriations ('Recoverable GST exclusive')

Annual Appropriations for 2020

	Annual Appropriation ¹ \$'000	Section 74 Adjustments to appropriation \$'000	Total appropriation \$'000	Appropriation applied in 2020 (current and prior years) \$'000	Variance ² \$'000
DEPARTMENTAL					
Ordinary annual services	9,312	2,230	11,542	11,313	229
Capital Budget ³	243	-	243	243	-
Total departmental	9,555	2,230	11,785	11,556	229
ADMINISTERED					
Ordinary annual services Administered items	92,151	-	92,151	91,625	526
Total administered	92,151	-	92,151	91,625	526

Notes:

¹In 2019-20, there were no appropriations quarantined.

²In 2019-20, the variances reflect:

Departmental – the variance relates to the movement in appropriation receivable between the current and prior financial year.

Administered - the variance is not considered material.

³Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

5.1: Appropriations (con't)

Annual Appropriations for 2019

	Annual Appropriation ¹ \$'000	Section 74 Adjustments to appropriation \$'000	Total appropriation \$'000	Appropriation applied in 2019 (current and prior years) \$'000	Variance ² \$'000
DEPARTMENTAL					
Ordinary annual services	9,302	2,650	11,952	12,266	(314)
Capital Budget ³	245	-	245	252	(7)
Total departmental	9,547	2,650	12,197	12,518	(321)
ADMINISTERED					
Ordinary annual services Administered items	97,965	-	97,965	97,612	353
Total administered	97,965	-	97,965	97,612	353

Notes:

¹In 2018-19, there was an unspent 2015-16 equity injection (\$131k) which expired on 1 July 2018.

²In 2018-19, the variances reflect:

Ordinary annual services- ACIAR use of available appropriation for the upgrade of aged IT hardware.

Capital Budget - The overspend is offset by a corresponding underspend in 2017-18 Financial years.

³Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

5.1: Appropriations (con't)

5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2020	2019
Authority	\$'000	\$'000
DEPARTMENTAL		
Appropriation Act (No 1) 2018-19	-	3,231
Appropriation Act (No 1) 2019-20	3,460	-
Cash on hand or on deposit	12	12
Total	3,472	3,243
ADMINISTERED		
Appropriation Act (No 1) 2017-18	416	416
Appropriation Act (No 1) 2018-19	141	2,360
Appropriation Act (No 1) 2019-20	2,745	-
Supply Act (No 1) 2019-20	-	-
Cash on hand or on deposit	10	10
Total	3,312	2,786

5.2: Special Accounts

5.2: Special Accounts (Recoverable GST exclusive)

	ACIAR Special Account ¹	
	2020	2019
	\$'000	\$'000
Balance brought forward from previous period	8,851	13,171
Increases		
Other receipts	11,460	13,257
Total increases	11,460	13,257
Available for payments	20,311	26,428
Decreases		
Administered		
Payments made to suppliers	(12,802)	(17,577)
Total Administered	(12,802)	(17,577)
Total decreases	(12,802)	(17,577)
Total balance carried to the next period	7,509	8,851
Balance represented by:		
Cash held in the Official Public Account	7,509	8,851
Total balance carried to the next period	7,509	8,851

¹Appropriation: *Public Governance, Performance and Accountability Act 2013* section 80
Establishing Instrument: *Australian Centre for International Agricultural Research Act 1982* section 33
Purpose: For crediting amounts received from time to time to cover the discharge of costs.

5.3 Net Cash Appropriation Arrangements

	2020	2019
	\$'000	\$'000
Total comprehensive loss as per statement of comprehensive income	(274)	(373)
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	610	482
Plus: depreciation right-of-use assets	800	-
Less: principal repayments - leased assets	<u>(684)</u>	<u>-</u>
Total comprehensive income less expenses previously funded through revenue appropriations	<u>452</u>	<u>109</u>
Change in asset revaluation reserve	<u>(133)</u>	<u>49</u>
Surplus attributable to the Australian Government less expenses previously funded through revenue appropriation	<u>319</u>	<u>158</u>

From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principle repayment amount reflects the cash impact on implementation of AASB 16 Leases, it does not directly reflect a change in appropriation arrangements.

People and relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

6.1 Employee Provisions

	2020	2019
	\$'000	\$'000
6.1A: Employee Provisions		
Leave	1,913	1,561
Other	518	498
Total employee provisions	2,431	2,059

6.1B: Administered - Employee Provisions

Leave	345	153
Total employee provisions	345	153

Accounting policy

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period, minus the fair value at the end of the reporting period of plan assets (if any), out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including ACIAR's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long-service leave has been determined by reference to the shorthand method. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. ACIAR recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

ACIAR's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap and other superannuation funds held outside the Australian Government are defined contribution schemes.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's Administered schedules and notes.

ACIAR makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. ACIAR accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

For other superannuation funds held outside the Australian Government, as employer, ACIAR, contributes a minimum of 9.5% of superannuable salaries.

6.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of ACIAR, directly or indirectly, including any director (whether executive or otherwise) of ACIAR. ACIAR has determined the key management personnel to be the Portfolio Minister (Minister for Foreign Affairs), Cabinet Ministers, Chief Executive Officer, Chief Finance Officer and other Senior Management Team members. Key management personnel remuneration is reported in the table below:

	2020	2019
	\$'000	\$'000
Short-term employee benefits	1,338	1,448
Post-employment benefits	235	249
Other long-term employee benefits	60	103
Termination benefits	44	-
Total senior executive remuneration expenses¹	1,677	1,800

The total number of key management personnel that are included in the above table is 6 (2019: 6).

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister and Cabinet Ministers. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by ACIAR.

6.3 Related Party Disclosures

Related party relationships:

ACIAR is an Australian Government controlled entity. Related parties to this entity are Key Management Personnel including the Portfolio Minister (Minister for Foreign Affairs), Cabinet Ministers, and Executive, and other Australian Government entities.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

The following transactions with related parties occurred during the financial year:

- The entity transacts with other Australian Government controlled entities consistent with normal day-to-day business operations provided under normal terms and conditions, including the payment of workers compensation and insurance premiums. These are not considered individually significant to warrant separate disclosure as related party transactions.
- Refer to Note 6.1 Employee Provisions for details on superannuation arrangements with the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), and the PSS accumulation plan (PSSap).

Managing uncertainties

This section analyses how the ACIAR manages financial risks within its operating

7.1A: Contingent Assets and Liabilities

Quantifiable Contingencies

At 30 June 2020, ACIAR had no quantifiable contingencies (2019: \$Nil).

Unquantifiable Contingencies

At 30 June 2020, ACIAR had no unquantifiable contingencies (2019: \$Nil).

7.1B: Administered - Contingent Assets and Liabilities

Quantifiable Contingencies

At 30 June 2020, ACIAR had no quantifiable contingencies (2019: \$Nil).

Unquantifiable Contingencies

At 30 June 2020, ACIAR had no unquantifiable contingencies (2019: \$Nil).

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position, but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

7.2: Financial Instruments

	2020	2019
	\$'000	\$'000
7.2A: Categories of Financial Instruments		
Financial assets at amortised cost		
Cash and cash equivalents	12	12
Trade and other receivables	21	-
Total financial assets at amortised cost	33	12
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	209	327
Other payables	11	502
Total financial liabilities at amortised cost	220	829
7.2B: Net losses on financial liabilities		
Financial liabilities measured at amortised cost		
Exchange losses	1	-
Net losses on financial liabilities measured at amortised cost	1	-

7.2: Financial Instruments (con't)

Accounting policy

Financial assets

ACIAR classifies its financial assets as financial assets measured at amortised cost.

The classification depends on ACIAR's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when ACIAR becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial Liabilities

Financial liabilities are classified as other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

7.3: Administered - Financial Instruments

	2020	2019
	\$'000	\$'000
7.3A: Categories of Financial Instruments		
Financial assets at amortised cost		
Cash on hand or on deposit	7,519	8,861
Trade and other receivables	10	1,626
Total financial assets at amortised cost	7,529	10,487
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	1,830	2,645
Unearned income ¹	7,353	-
Total financial liabilities at amortised cost	9,183	2,645

¹Refer to the Overview section for accounting policy on AASB 15 *Revenue from Contracts with Customers*

7.4: Fair Value Measurements

Accounting policy

ACIAR engaged the service of Jones Lang LaSalle (JLL) to conduct a desktop review of carrying amounts for all buildings (excluding right of use assets) and plant and equipment assets at 30 June 2020. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. ACIAR conducted a comprehensive valuation, including physical inspection as at 30 June 2016 and annual desktop valuations from 30 June 2017 through to 30 June 2019. Consistent with AASB 116 ACIAR intended to conduct a comprehensive valuation as at 30 June 2020. However due to Health Orders and travel restrictions implemented to combat Covid-19 the agency decided that a desktop review would be undertaken for 30 June 2020. This was on the basis that ACIAR's assets are ordinary assets and they do not have any unique elements that makes them volatile or difficult to value. JLL has provided written assurance to ACIAR that the models developed are in compliance with AASB 13.

The methods utilised to determine and substantiate the unobservable inputs are derived and evaluated as follows:

Physical Depreciation and Obsolescence - Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the Depreciated Replacement Cost approach. Under the Depreciated Replacement Cost approach the estimated cost to replace the asset is calculated and then adjusted to take into physical depreciation and obsolescence. Physical depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration. For all Leasehold Improvement assets, the consumed economic benefit / asset obsolescence deduction is determined based on the term of the associated lease.

ACIAR's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

	Valuation Method	Fair value measurements at the end of the reporting period	
		2020 \$'000	2019 \$'000
Non-financial assets¹			
Buildings ²	Depreciated replacement cost	793	859
Plant and equipment	Depreciated replacement cost	819	596

¹No non-financial assets were measured at fair value on a non-recurring basis as at 30 June 2020 (2019: Nil).

²Excluding right of use assets.

ACIAR's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all non-financial asset's is considered their highest and best use.

Other information

8.1 Aggregate Assets and Liabilities

8.1A: Aggregate Assets and Liabilities

	2020	2019
	\$'000	\$'000
Assets expected to be recovered in:		
No more than 12 months	3,570	3,553
More than 12 months	9,821	3,207
Total assets	13,391	6,760
Liabilities expected to be settled in:		
No more than 12 months	2,468	1,943
More than 12 months	6,968	1,110
Total liabilities	9,436	3,053

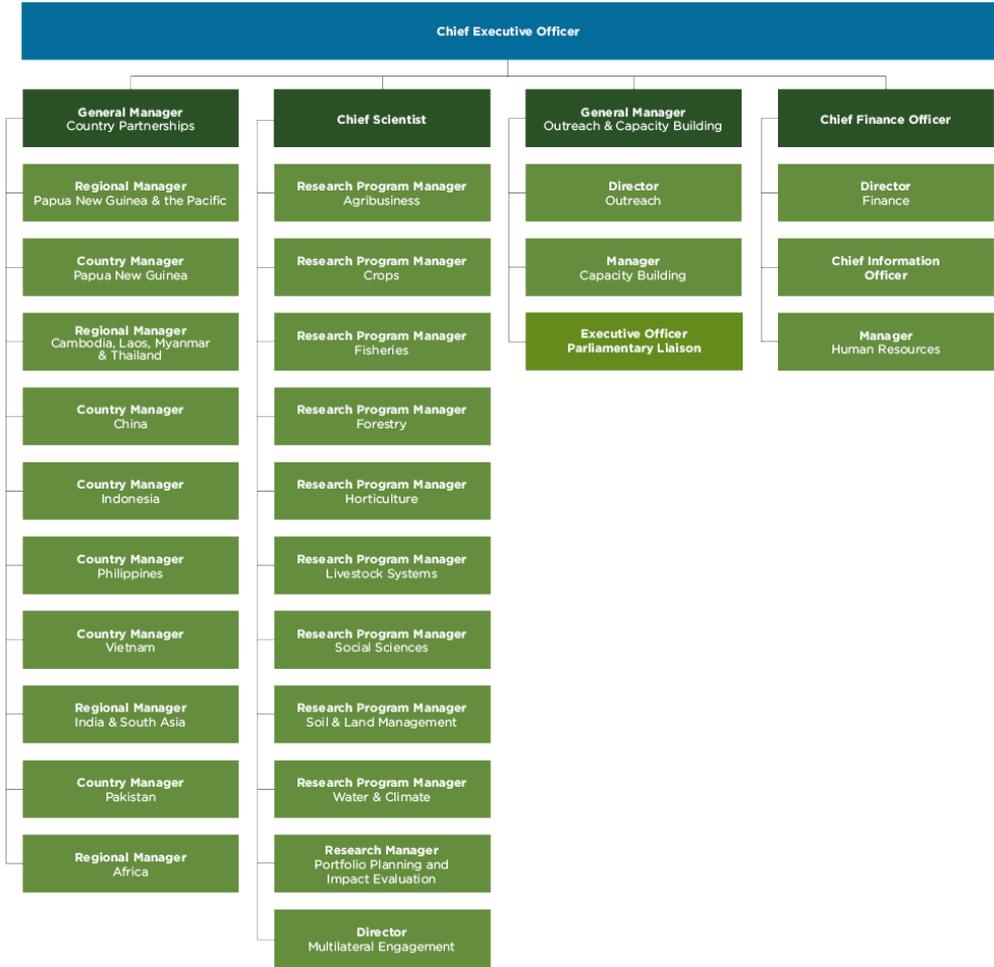
8.1B: Administered - Aggregate Assets and Liabilities

	2020	2019
	\$'000	\$'000
Assets expected to be recovered in:		
No more than 12 months	8,054	11,366
Total assets	8,054	11,366
Liabilities expected to be settled in:		
No more than 12 months	9,923	3,610
More than 12 months	166	88
Total liabilities	10,089	3,698

Part 5. Appendixes

Appendix 1. Organisational structure

ACIAR organisational structure (October 2019 to June 2020)



Appendix 2. Staffing statistics

ACIAR is a small agency of 79 staff in total. Fifty-seven staff are employed under the *Australian Public Service Act 1999* and all are located in Canberra, ACT. As a small agency, ACIAR does not have employees in all bands of the APS scale.

ACIAR also employs 22 staff overseas. These are locally-engaged staff (non-APS) who provide in-country program support.

Table 15 to Table 18 present a simplified summary of staff characteristics, the year ended 30 June 2020.

Staffing statistics for the periods ending 30 June 2020 and 30 June 2019, as required by PGPA Rule 17AG(4)(b), are presented in Table 19 to Table 32.

Summary of ACIAR staffing, 30 June 2020

Table 15: ACIAR Canberra-based employees covered by the ACIAR Enterprise Agreement 2015–2018, 30 June 2020

ACIAR broadband	APS classification	Salary range	No.	Ongoing	Non-ongoing	Female	Male	Part-time	Full-time
Band 4	EL 2	\$130,693 – 183,462	16	4	12	10	6	1	15
Band 3	EL 1	\$104,445 – \$109,858	9	9	–	4	5	1	8
	APS 6	\$82,311 – \$91,163	10	8	2	8	2	1	9
Band 2	APS 5	\$74,958 – \$77,915	11	9	2	10	1	4	7
	APS 4	\$67,763 – \$71,530	9	7	2	8	1	4	5

Note: This summary excludes SES staff (1 Male, 1 Female).

Table 16: ACIAR staff employed under the Public Service Act, 30 June 2020

	Ongoing staff	Non-ongoing staff	Total
Full-time	27	19	46
Male	7	8	15
Female	20	11	31
Part-time	11	—	11
Male	1	—	1
Female	10	—	10
Total	38	19	57

Table 17: Non-APS employees employed overseas

Location	Male	Female	Full-time	Part-time	Total
Vientiane	1	1	2	—	2
Beijing	1	—	1	—	1
Hanoi	1	2	3	—	3
Jakarta	—	3	3	—	3
Manila	—	2	2	—	2
New Delhi	—	2	2	—	2
Nairobi	1	1	2	—	2
Port Moresby	—	2	2	—	2
Fiji	1	1	2	—	2
Yangon	1	—	1	—	1
Islamabad	1	1	2	—	2
Total	7	15	22	0	22

Table 18: Employee turnover for four years

	2016–17	2017–18	2018–19	2019–20
Retrenched	—	3	1	1
Promotions/transfers	3	1	—	1
End of contract	3	6	6	3
Resigned	3	13	3	2
Retired	2	—	3	—
Leave without pay	4	—	—	—
Temporary movement	—	—	—	—
Other	—	—	—	—
Total	15	23	13	7

Gender and employment type by classification

Table 19: Employment type by classification and gender for ongoing employees, 30 June 2020

Classification	Male			Female			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 1	–	–	–	1	–	1	1
EL 2	1	1	2	2	–	2	4
EL 1	5	–	5	3	1	4	9
APS 6	1	–	1	6	1	7	8
APS 5	–	–	–	5	4	9	9
APS 4	–	–	–	3	4	7	7
Total	7	1	8	20	10	30	38

Note: ACIAR has employees in bands of the APS scale, as listed. Employees identify as male or female (none as indeterminate).

Table 20: Employment type by classification and gender for ongoing employees, 30 June 2019

Classification	Male			Female			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 1	–	–	–	2	–	2	2
EL 2	–	1	1	2	–	2	3
EL 1	3	–	3	3	–	3	6
APS 6	3	–	3	7	–	7	10
APS 5	–	–	–	4	3	7	7
APS 4	–	–	–	1	6	7	7
Total	6	1	7	19	9	28	35

Note: ACIAR has employees in bands of the APS scale, as listed. Employees identify as male or female (none as indeterminate).

Table 21: Employment type by classification and gender for non-ongoing employees, 30 June 2020

Classification	Male			Female			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 1	1	–	1	–	–	–	1
EL 2	4	–	4	8	–	8	12
EL 1	–	–	–	–	–	–	–
APS 6	1	–	1	1	–	1	2
APS 5	1	–	1	1	–	1	2
APS 4	1	–	1	1	–	1	2
Total	8	–	8	11	–	11	19

Note: ACIAR has employees in bands of the APS scale, as listed. Employees identify as male or female (none as indeterminate).

Table 22: Table: Employment type by classification and gender for non-ongoing employees, 30 June 2019

Classification	Male			Female			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 1	1	–	1	–	–	–	1
EL 2	5	–	5	8	–	8	13
EL 1	1	–	1	1	1	2	3
APS 6	1	–	1	1	–	1	2
APS 5	1	–	1	1	–	1	2
APS 4	2	–	2	3	–	3	5
TOTAL	11	–	11	14	1	15	26

Note: ACIAR has employees in bands of the APS scale, as listed. Employees identify as male or female (none as indeterminate).

Employment type by classification

Table 23: Employment type by classification for ongoing and non-ongoing employees, 30 June 2020

Classification	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 1	1	–	1	1	–	1	2
EL 2	3	1	4	12	–	12	16
EL 1	8	1	9	–	–	–	9
APS 6	7	1	8	2	–	2	10
APS 5	5	4	9	2	–	2	11
APS 4	3	4	7	2	–	2	9
Total	27	11	38	19	–	19	57

Note: ACIAR has employees in bands of the APS scale, as listed. Employees identify as male or female (none as indeterminate).

Table 24: Employment type by classification for ongoing and non-ongoing employees, 30 June 2019

Classification	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 1	2	–	2	1	–	1	3
EL 2	2	1	3	13	–	13	16
EL 1	6	–	6	2	1	3	9
APS 6	10	–	10	2	–	2	12
APS 5	4	3	7	2	–	2	9
APS 4	1	6	7	5	–	5	12
Total	25	10	35	25	1	26	61

Note: ACIAR has employees in bands of the APS scale, as listed. Employees identify as male or female (none as indeterminate).

Gender and employment type by location

Table 25: Employment type by location and gender for ongoing employees, 30 June 2020

Location	Male			Female			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
ACT	7	1	8	20	10	30	38
Overseas	–	–	–	–	–	–	–
Total	7	1	8	20	10	30	38

Note: ACIAR has ongoing APS employees in the ACT only. Employees identify as male or female (none as indeterminate).

Table 26: Employment type by location and gender for ongoing employees, 30 June 2019

Location	Male			Female			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
ACT	6	1	7	19	9	28	35
Overseas	–	–	–	–	–	–	–
Total	6	1	7	19	9	28	35

Note: ACIAR has ongoing APS employees in the ACT only. Employees identify as male or female (none as indeterminate).

Table 27: Employment type by location and gender for non-ongoing employees, 30 June 2020

Location	Male			Female			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
ACT	8	–	8	11	–	11	19
Overseas	7	–	7	15	–	15	22
Total	15	–	15	26	–	26	41

Note: ACIAR has non-ongoing APS employees in the ACT and overseas only. Employees identify as male or female (none as indeterminate).

Table 28: Employment type by location and gender for non-ongoing employees, 30 June 2019

Location	Male			Female			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
ACT	11	–	11	14	1	15	26
Overseas	7	–	7	15	–	15	22
Total	18	–	18	29	1	30	48

Note: ACIAR has non-ongoing APS employees in the ACT and overseas only. Employees identify as male or female (none as indeterminate).

Employment type by location

Table 29: Employment location for ongoing and non-ongoing employees, 30 June 2020

	Ongoing	Non-ongoing	Total
ACT	38	19	57
Overseas	—	22	22
Total	38	41	79

Note: ACIAR has ongoing and non-ongoing APS employees in the ACT and overseas only.

Table 30: Employment location for ongoing and non-ongoing employees, 30 June 2019

	Ongoing	Non-ongoing	Total
ACT	35	26	61
Overseas	—	22	22
Total	35	48	83

Note: ACIAR has ongoing and non-ongoing APS employees in the ACT and overseas only.

Indigenous employment

ACIAR does not employ any staff who identifies as Indigenous.

Workplace agreements

Table 31: APS employment arrangements, 2019–20

	SES	Non-SES	Total
Enterprise agreement	—	46	46
Individual flexibility arrangements	—	9	9
Determination under subsection 24 (1) of the Public Service Act	2	—	2
Total	2	55	57

Table 32: Salary range for employees by classification, 2019–20

Classification	Minimum salary (\$)	Maximum salary (\$)
EL 2	130,693	183,462
EL 1	104,445	109,858
APS 6	82,311	91,163
APS 5	74,958	77,915
APS 4	67,763	71,530
Minimum/maximum range	67,763	183,462

Note: ACIAR has employees in bands of the APS scale, as listed.

Appendix 3. Executive remuneration

During the reporting period ended 30 June 2020, ACIAR had six executives who met the definition of key management personnel. In the notes to the financial statements for the period ending 30 June 2019, ACIAR discloses a summary of remuneration expenses for key management personnel as outlined in Table 25. In accordance with the PGPA Rule, the summary information is disaggregated and presented in the following tables.

Summary of remuneration

Table 33: Summary of remuneration for key management personnel, 2019–20

Remuneration type	\$
Short-term benefits	
Base salary	1,290,543
Bonus	
Other benefits and allowances	47,751
Total short-term benefits	1,338,294
Post-employment benefits	
Superannuation	234,580
Total post-employment benefits	234,580
Other long-term benefits	
Long-service leave	60,460
Total other long-term benefits	60,460
Termination benefits	43,875
Total key management personnel remuneration	1,677,209

Remuneration detail for key management personnel

Table 34: Remuneration detail for key management personnel for the reporting period, 2019–20

Name	Position	Short-term benefits		Post-employment benefits		Other long-term benefits	Termination benefits	Total remuneration
		Base salary ⁴ (\$)	Other benefits and allowances (\$)	Superannuation contribution (\$)	Long service leave ² (\$)			
Andrew Campbell	Chief Executive Officer	263,923	47,751	49,141	10,119	—	—	370,933
Eleanor Dean	General Manager, Outreach and Capacity Building	239,969	—	43,580	19,036	—	—	302,584
Audrey Gormley	Chief Finance Officer	250,684	—	43,580	4,640	—	—	298,904
Peter Horne	General Manager, Country Programs	224,963	—	43,342	8,308	—	—	276,613
Daniel Walker	Chief Scientist	245,180	—	43,547	18,358	—	—	307,084
Melissa Wood ³	General Manager, Global Program	65,823	—	11,392	—	—	43,875	121,090
Total		1,290,543	47,751	234,580	60,460	43,875	—	1,677,209

¹All senior executives have the same base salary. The base salary in this table is calculated as salary with adjustments for annual leave provisions.

²Long-service leave includes adjustment for incorrect prior year closing balances.

³Ms Wood resigned in October 2019.

Remuneration detail for other highly paid staff

Table 35: Remuneration detail for other highly paid staff for the reporting period, 2019–20

Remuneration band	No. of other highly paid staff	Short-term benefits		Post-employment benefits		Other long-term benefits		Total remuneration
		Average base salary (\$)	Average bonuses (\$)	Average superannuation contribution (\$)	Average long service leave (\$)	Average total remuneration (\$)		
\$225,001 – \$245,000	5	19,945	2,000	29,481	5,209	228,635		

Part 6. Reference material

Abbreviations and acronyms

AC Companion of the Order of Australia

ACIAR Australian Centre for International Agricultural Research

ACIAR Act *Australian Centre for International Agricultural Research Act 1982*

ACT Australian Capital Territory

APS Australian Public Service

CEO Chief Executive Officer

CGIAR formerly the Consultative Group on International Agricultural Research

Commission Commission for International Agricultural Research

Council Policy Advisory Council

DFAT Department of Foreign Affairs and Trade (Australia)

EL Executive Level

EPBC Act *Environmental Protection and Biodiversity Conservation Act 1999*

FAO Food and Agriculture Organization (of the United Nations)

FOI Act *Freedom of Information Act 1982*

FTE full-time equivalent (staff)

FTSE Fellow of the Australian Academy of Technology and Engineering

GST goods and services tax

No. number

PGPA Act *Public Governance, Performance and Accountability Act 2013*

Public Service Act *Public Service Act 1999*

RPM Research Program Manager

SES Senior Executive Service (of APS)

List of requirements

PGPA Rule Reference	Description	Requirement	Page
17AD(g)	Letter of transmittal		
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	i
17AD(h)	Aids to access		
17AJ(a)	Table of contents.	Mandatory	iii
17AJ(b)	Alphabetical index.	Mandatory	103
17AJ(c)	Abbreviations and acronyms.	Mandatory	97
17AJ(d)	List of requirements.	Mandatory	98
17AJ(e)	Details of contact officer.	Mandatory	106
17AJ(f)	Entity's website address.	Mandatory	160
17AJ(g)	Electronic address of report.	Mandatory	106
17AD(a)	Review by accountable authority		
17AD(a)	A review by the accountable authority of the entity.	Mandatory	1
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	A description of the role and functions of the entity.	Mandatory	8
17AE(1)(a)(ii)	A description of the organisational structure of the entity.	Mandatory	24
17AE(1)(a)(iii)	A description of the outcomes and programmes administered by the entity.	Mandatory	9
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan.	Mandatory	9
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority.	Mandatory	25
17AE(1)(aa)(ii)	Position of the accountable authority or each member of the accountable authority.	Mandatory	25
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	25
17AE(1)(b)	An outline of the structure of the portfolio of the entity.	Not applicable	—
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	Not applicable	—
17AD(c)	Report on the performance of the entity		
	Annual performance statements		
17AD(c)(i); 16F	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	14

17AD(c)(ii)	Report on financial performance		
17AF(1)(a)	A discussion and analysis of the entity's financial performance.	Mandatory	22
17AF(1)(b)	A table summarising the total resources and total payments of the entity.	Mandatory	23
17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	Not applicable	–
17AD(d)	Management and accountability		
	Corporate governance		
17AG(2)(a)	Information on compliance with section 10 (fraud systems).	Mandatory	28
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	i
17AG(2)(b)(ii)	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	i
17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	i
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	24–28
17AG(2)(d) – (e)	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	Not applicable	–
	Audit Committee		
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	28
17AG(2A)(b)	The name of each member of the entity's audit committee.	Mandatory	28
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	28
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	28
17AG(2A)(e)	The remuneration of each member of the entity's audit committee	Mandatory	28

External scrutiny			
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	34
17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	Not applicable	—
17AG(3)(b)	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	Not applicable	—
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period.	Not applicable	—
Management of human resources			
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	34
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: <ul style="list-style-type: none"> • statistics on full-time employees; • statistics on part-time employees; • statistics on gender; • statistics on staff location. 	Mandatory	87–93
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: <ul style="list-style-type: none"> • Statistics on staffing classification level; • Statistics on full-time employees; • Statistics on part-time employees; • Statistics on gender; • Statistics on staff location; • Statistics on employees who identify as Indigenous. 	Mandatory	87–93
17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the Public Service Act 1999.	Mandatory	35
17AG(4)(c)(i)	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c)	Mandatory	35
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level.	Mandatory	93
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees.	Mandatory	36
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay.	Mandatory	36
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level.	Mandatory	36
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level.	Mandatory	36
17AG(4)(d)(iv)	Information on aggregate amount of performance payments.	Mandatory	36

Assets management			
17AG(5)	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	Not applicable	—
Purchasing			
17AG(6)	An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory	38
Consultants			
17AG(7)(a)	A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory	39
17AG(7)(b)	A statement that <i>"During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]."</i>	Mandatory	39
17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	38
17AG(7)(d)	A statement that <i>"Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website."</i>	Mandatory	39
Australian National Audit Office Access Clauses			
17AG(8)	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	Not applicable	—
Exempt contracts			
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	Not applicable	—

Small business			
17AG(10)(a)	A statement that <i>"[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."</i>	Mandatory	40
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	40
17AG(10)(c)	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that <i>"[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."</i>	Not applicable	—
Financial statements			
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	45
Executive remuneration			
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory	94–96
Other Mandatory Information			
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that <i>"During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."</i>	Not applicable	—
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect.	Not applicable	—
17AH(1)(b)	A statement that <i>"Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]."</i>	Not applicable	—
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	41
17AH(1)(d)	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	41
17AH(1)(e)	Correction of material errors in previous annual report.	Not applicable	—
17AH(2)	Information required by other legislation.	Mandatory	42

Index

A

abbreviations and acronyms	97
Accountable Authority	38, 49, 47
accounting policies	22, 66
accounting practices.....	27
administered activity (financial overview) ...	22
Administered cash flow statement (financial statement)	60
Administered reconciliation schedule (financial statement)	59
Administered schedule of assets and liabilities (financial statement).....	57
Administered schedule of comprehensive income (financial statement)	56
Advertising and market research.....	41
Annual performance statement	14–21, 98
APS Code of Conduct.....	25, 28
APS Values.....	25, 28
Assets and liabilities administered on behalf of government (note to financial statements)	74
Audit Committee.....	24, 28
<i>Australian Centre for International Agricultural Research Act 1982 (ACIAR Act)</i>	1, 8, 24, 25, 27, 29, 31
Authority (legislated)	27

B

Bilateral country research partnerships.	4, 18
business continuity	28

C

Capacity building program.....	6, 20
<i>Carer Recognition Act 2010</i>	37
Cash flow statement (financial statement).....	54

CEO review.....	1
CGIAR	2, 3, 6, 8, 13, 16
Chief Executive Officer	11, 24, 25, 26, 48, 95
Chief Finance Officer.....	11, 26, 48, 95
Chief Scientist	12, 26, 95
Commission for International Agricultural Research.....	4, 7, 24, 29, 31
Commonwealth Disability Strategy	37
Commonwealth Procurement Rules	38
competitive tendering.....	39
consultants and contracts.....	39
corporate governance.....	24
Corporate Plan 2019–20	9, 14, 15, 16, 18, 20, 25, 36
COVID-19	1, 4, 6, 7, 18, 20, 21, 31, 50, 55, 56, 58, 60, 84

D

departmental activity (financial overview)...	22
development assistance.....	1, 2, 8, 9, 68
Disability reporting.....	41

E

Ecologically sustainable development and environmental performance.....	42
Employee Assistance Program	37
Employee development	36
enterprise agreement	35, 87, 93
Entity resource statement	22, 23
<i>Environmental Protection and Biodiversity Conservation Act 1999</i>	42
executive (management)	11, 24, 26

external scrutiny34

F

financial accountability and compliance27

financial performance (overview).....22

Financial performance (note to financial statements)66

Financial position (note to financial statements)69

financial statements 22, 26, 27, 61, 94

Financial statements 2019–2045

fraud control plan.....28

freedom of information.....41

Funding (note to financial statements).....75

G

General Manager, Country Programs12, 26, 95

General Manager, Global Program 13, 26, 95

General Manager, Outreach and Capacity Building..... 13, 26, 95

governance structure.....24

grants.....41

H

human resources34

Human Resource Manual.....35

I

Income and expenses administered on behalf of government (note to financial statements)68

Independent auditor’s report46

Individual Development and Performance Evaluation Scheme36

insurances27

internal audit and countering fraud.....28

Introductory statement14

K

key management personnel..... 26, 45, 80

L

letter of transmittaliii

list of requirements.....98

M

management and accountability24

management of human resources34

Managing uncertainties (note to financial statements)81

Minister for Foreign Affairs 11, 15, 24, 25, 27, 29, 30, 31

Multilateral research collaboration and co-investments2, 16

O

organisational structure86

Other information (note to financial statements)85

Other mandatory information.....41

outcome (government) ..9, 10, 15, 22, 25, 61

Overview (to financial statements).....61

P

People and relationships (notes to financial statements)79

performance assessment.....36

performance framework9, 15, 25

performance management36

Policy Advisory Council ..4, 24, 31, 32, 33, 96

Portfolio Budget Statements 2019–209, 15, 16, 18, 20, 25

procurement.....38

program (government) .9, 10, 11, 15, 22, 25,

Project-related environmental impacts.....42

Public Service Act 1999 8, 24, 25, 26, 27, 34, 35, 87

purchasing.....	38
purpose (government)	9, 15

R

remuneration.....	25, 26, 35, 45, 79, 80, 94, 95, 96
resource use.....	44
risk management.....	28
roles and functions	8

S

Senior Executive Service	26, 35
Significant non-compliance issues with finance law	27
small business participation	40, 101
Social inclusion strategy	37
staffing statistics	34, 87
Statement of changes in equity (financial statement).....	53
Statement of comprehensive income (financial statement).....	49
Statement of financial position (financial statement).....	51

T

10-Year Strategy 2018–2027 ..	2, 8, 9, 15, 25
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W

Work health and safety.....	37
<i>Work Health and Safety Act 2011</i>	37
Workplace diversity	37

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