

Senate Standing Committee on Education and Employment - Education

**QUESTIONS ON NOTICE
Additional Estimates 2013-2014**

Agency - Australian Research Council

Department of Education Question No. ED0415_14

Senator Carr asked on 26 February 2014 , Hansard page 38

Question

ARC - Grants

Senator KIM CARR: If the majority of grants were to go to five years, what would the effect be in terms of the cost of the change on an accrual-accounting basis? Prof. Byrne: I would have to take that on notice because it is tricky, but I will certainly try and get you that answer. Senator KIM CARR: Thank you, because I will be asking the NHMRC the same question. It will probably save a lot of trouble if you at least do a little collusion on this one. Prof. Byrne: To help our people get the answer, what specifically do you want? Senator KIM CARR: The whole point of accrual accounting is to work out the costs in a different way from a cash basis. Prof. Byrne: Yes. Please help us to clarify what you are asking. If all of our grants— Senator KIM CARR: I am asking: what is the cost of moving to a five-year grant program from a three-year grant program on an accrual-accounting basis. Prof. Byrne: Right. Is that all five-year grants? Senator KIM CARR: You will have to have some assumptions to give you an answer. Prof. Byrne: This is what I am trying to ask— Senator KIM CARR: But that is the decision, isn't it? Prof. Byrne: Would you be happy if I model it for our discovery program? Senator KIM CARR: That is not the decision, is it? Prof. Byrne: No. Senator KIM CARR: The decision is all grants. Prof. Byrne: No. Again, what decision? We have a variable period of time on all of our grants, so it makes no sense to some of them.

Answer

The Australian Research Council has provided the following response;

Assuming that all grants shifted to 5 years duration, and assuming the same level of annual funding ,the effect would be that the ARC would need to commit 5/3 times the amount of money that would be required for the situation where grants were awarded with a duration of three years.