

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates 19-23 October 2015

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet
Outcome/Program: Outcome 2: Indigenous
Topic: IAS grants

Senator: Senator the Hon Jan McLucas

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Question:

Senator McLUCAS: Can you tell me what they were as well. Consistency in reporting—this might assist the journalists in understanding what is actually happening: there are some small grants that are capital grants. I have one in front of me: "Purchase and delivery of a glass door, fridge and ice machine", or, "Supply and installation of two split system air conditioners". I am not questioning that they funded them; there are good reasons why you might have done it. They are reported as 12-month grants. Why do you report them as a 12-month grant? You are not going to take the air conditioner back after 12 months. Why are they not reported as a capital grant?

Ms Edwards: I might take a stab at that, and they can correct me on notice. Sometimes the funding agreement for a one-off capital thing might be longer, because you might have conditions or things that have to go with it, like you have to continue using the building—I do not know about this one. We are giving you money for an air conditioner, but you actually have to keep using that building for a period, to do your children's playgroup or something, and so you have a funding agreement that is longer than the actual one-off. I have seen ones like that in the past, so that is what I would presume. The period of it has to do with the conditions of the grant as much as the actual payment.

Answer:

The 12 month period is the duration of the Funding Agreement through which the grant is provided. This allows time for payments to be made, capital items to be purchased, reporting requirements and financial acquittal activities.

The capital items purchased by the grants continue to be available for use by the organisation.