

Senate Standing Committee on Education and Employment - Education

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2014-2015**

Agency - Australian Research Council (ARC)

Department of Education Question No. ED0398_15

Senator Carr provided in writing.

Refers to previous Question No ED0035_15.

Question

ARC - indexation

In relation to indexation and the answer to QON ED0035_15, (a) why does the savings indicated in the table escalate so quickly over the three year period (b) Why does the ARC actually receive more in the first year with the new arrangements?

Answer

The Australian Research Council has provided the following response.

From 1 January 2016 the current composite index known as the Higher Education Grant Index (HEGI) will be replaced by the Consumer Price Index (CPI).

The ARC receives more in 2015–16 because in the first year the index is a combination of HEGI for that year and the CPI for that year. The effect of the CPI is for half a year beginning on 1 January 2016 and the projected CPI in this year is higher than the financial year HEGI.

The ARCs savings escalates over the forward estimate period because the projected CPI in these years is lower than the financial year HEGI.