

**Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Industry, Innovation, Science, Research and Tertiary Education Portfolio  
Additional Estimates Hearing 2012-13  
13 February 2013

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION

**TOPIC:** Payments to Universities by indexation

**REFERENCE:** Question on Notice (Hansard, 13 February 2013, pages 83 and 84,)

**QUESTION No.:** AI-39

**Senator MASON:** Can I jump to the Higher Education Participation and Partnerships Program. At the last estimates I was trying to find what accounted for the growth in the participation component—that is, what proportion of the increase in the program was to do with the increase in the number of low SES students and what proportion were to do with the increase of the overall allocation and/or indexation. Do you recall that conversation?

**Mr de Carvalho:** Yes.

**Senator MASON:** I have asked on notice how much of the amount paid to the university per student is made up by indexation. Do you remember that?

**Mr de Carvalho:** Yes.

**Senator MASON:** In the answer you provided on notice—and thank you to the department—you said that indexation is applied to the total program funded and not to the individual per head amount.

**Mr de Carvalho:** Correct.

**Senator MASON:** I think I understand that. I am not very good at mathematics, but we will carry on. Would you be able to tell the committee in terms of dollars and percentages how much of the participation components allocations each year over the forward estimates is made out of indexation? Is that possible?

**Mr de Carvalho:** Out of the total allocation as opposed to the per student amount?

**Senator MASON:** Yes.

**Mr de Carvalho:** Which, as we said in the answer, we cannot disaggregate for you.

**Senator MASON:** Yes.

**Mr de Carvalho:** We should be able to get that for you.

**Senator MASON:** And the partnership component, too, I suppose.

**Mr de Carvalho:** Yes, we can do that on notice for you.

**Senator MASON:** And participation and partnership, both components?

**Mr de Carvalho:** Yes.

## **ANSWER**

Indexation is applied on a calendar year basis.

The rate of indexation applied in 2012 was 3.8 per cent. The indexation rate applied in 2013 is 3.9 per cent. Future year indexation is not publicly available.

Indexation in dollar terms for each year of the forward estimates is outlined in the following table.

| <b>HEPPP Funding 2012-2016</b> | <b>2012-13</b> | <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> |
|--------------------------------|----------------|----------------|----------------|----------------|
|--------------------------------|----------------|----------------|----------------|----------------|

| <b>PARTNERSHIPS</b>                      |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|
| <b>Base Value at 2011 constant price</b> | 42,952,843        | 57,466,289        | 56,865,572        | 58,262,124        |
| <b>Indexation from 2011 base</b>         | 2,642,934         | 5,395,475         | 7,432,920         | 9,689,009         |
| <b>Total Partnerships</b>                | <b>45,595,777</b> | <b>62,861,764</b> | <b>64,298,492</b> | <b>67,951,133</b> |

| <b>PARTICIPATION</b>                     |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|
| <b>Base Value at 2011 constant price</b> | 115,660,111        | 106,303,833        | 111,868,141        | 116,810,676        |
| <b>Indexation from 2011 base</b>         | 6,491,405          | 10,342,091         | 14,992,076         | 20,078,344         |
| <b>Total Participation</b>               | <b>122,151,516</b> | <b>116,645,924</b> | <b>126,860,217</b> | <b>136,889,021</b> |

|   |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|
| <b>Base Value Total of Partnerships and Participation<br/><i>at 2011 constant price</i></b> | 158,612,954        | 163,770,122        | 168,733,713        | 175,072,800        |
| <b>Indexation Total of Partnerships and Participation<br/><i>from 2011 base</i></b>         | 9,134,339          | 15,737,566         | 22,424,996         | 29,767,353         |
| <b>Financial year total HEPPP funding</b>   | <b>167,747,293</b> | <b>179,507,688</b> | <b>191,158,709</b> | <b>204,840,153</b> |