

EDUCATION, SCIENCE AND TRAINING

**SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE
2007-2008 BUDGET ESTIMATES HEARING**

Outcome 2 - HIGHER EDUCATION

DEST Question No. E147_08

Senator Stott Despoja provided in writing.

Question:

Do you have figures on the difference in funds awarded to the sector between 1996 and now with the use of the Safety Net Adjustment versus what would have been awarded using the Wage Cost Index? Were these two tested against each other at any point?

Answer:

Indexation

The *Review of Indexation Arrangements in the Higher Education Sector* in 2005 detailed alternative ways of indexing funding that incorporate productivity increases, across the years 2005 to 2008. The review found that such indices were "...inconsistent with the Government's indexation framework, and would create inconsistencies with other sectors, and would have had a Budget effect of between \$911 and \$998 million (over the four years) in excess of current arrangements".