

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2003-2004 ADDITIONAL ESTIMATES HEARING

Outcome: 3
Output Group: 3.1 – Research Infrastructure

DEST Question No. E727_04

Senator Carr asked on 18 February 2004, EWRE Hansard page 22:

Question:

With regard to indexation arrangements for each BAA programme please provide a table which outlines the rationale for the use of each of the indices.

Answer:

The information on BAA programme indexation provided in the table below has been sourced from the portfolio agencies responsible for administering their respective BAA programmes.

Indexation Applied to BAA Programmes			
Backing Australia's Ability Program	Indexation Applied	Rationale	Reference
Portfolio: Education, Science and Training			
Fostering Science, Mathematics and Technology in Government Schools	No Indexation	The funding for this programme is provided to states where the Enrolment Benchmark Adjustment (EBA) is triggered. The EBA is calculated annually based on the proportional shift in enrolments from the government to the non-government sector in each State against a 1996 benchmark and State per capita expenditure on government and non-government students.	n/a
2000 Additional University Places	Operating grant: Cost Adjustment Factor (CAF); HECS student loans component: Consumer Price Index (CPI)	Funding for this programme comprises two components: (i) operating grants, which are indexed by CAF and (ii) HECS student loans which are indexed by CPI. This programme will be subsumed under the new higher education funding arrangements. The Higher Education Cost Adjustment Factor (CAF) is an index used to adjust the Commonwealth's contribution for increases in the operating costs of higher education institutions. The salary cost component of the CAF is based on the Safety Net Adjustment (SNA) as determined by the Australian Industrial Relations Commission while the non-salary cost component is indexed using the Consumer Price Index (CPI).	Higher Education Funding Act 1988/Higher Education Support Act 2003
Post-Graduate Education Loans Scheme (PELS)	Consumer Price Index (CPI)	The Student Post-Graduate Education Loans Scheme debts, for students enrolled in eligible courses, which are older than 12 months are indexed to the CPI. The indexation component of student debt is classified as non-tax revenue to the Commonwealth. This programme will be subsumed under the new higher education funding arrangements from 2005.	Revenue Measures - Budget Paper 2, 2001-02 Budget; Higher Education Support Act 2003
Systemic Infrastructure Initiative	Cost Adjustment Factor (CAF)	The Higher Education Cost Adjustment Factor (CAF) is an index used to adjust the Commonwealth's contribution for increases in the operating costs of higher education institutions. The salary cost component of the CAF is based on the Safety Net Adjustment (SNA) as determined by the Australian Industrial Relations Commission while the non-salary cost component is indexed using the Consumer Price Index (CPI).	Higher Education Funding Act 1988/Higher Education Support Act 2003
Online Curriculum Content	Non-Farm GDP	The index is based on the Non-Farm Sector Gross Domestic Product growth. Application of the index is based on a determination at the inception of the programme.	Historical indexation

Research Infrastructure Block Grants (RIBG)	Cost Adjustment Factor (CAF)	The Higher Education Cost Adjustment Factor (CAF) is an index used to adjust the Commonwealth's contribution for increases in the operating costs of higher education institutions. The salary cost component of the CAF is based on the Safety Net Adjustment (SNA) as determined by the Australian Industrial Relations Commission while the non-salary cost component is indexed using the Consumer Price Index (CPI).	Higher Education Funding Act 1988/Higher Education Support Act 2003
Cooperative Research Centre Grants (CRC)	Wage Cost Index 6 (WCI 6)	WCI 6 is applied on a through-the- year basis to December of the previous year. The application of this index is based on a determination of the salary to non-salary cost ratio at the programme's inception. This has been continued since the programme's transfer to the Education, Science and Training Portfolio.	Historical Indexation
Major National Research Facilities (MNRF)	GDP Deflator	The indexation to the GDP deflator was used as it reflected the programme's composition determined at the programme's inception and has been continued since the programme's transfer to the Education, Science and Training Portfolio.	Historical Indexation
Innovation Access Programme – International S&T	Wage Cost Index 6	WCI 6 is applied on a through-the- year basis to December of the previous year. The application of this index is based on a determination of the salary to non-salary cost ratio at the programme's inception.	Historical Indexation
National Innovation Awareness Strategy	Wage Cost Index 3 (WCI 3)	Funding for this programme consists of departmental expenses only. WCI 3 is applied on a through-the-year basis to December of the previous year. The application of this index is based on a determination of the salary to non-salary cost ratio at the programme's inception.	Historical Indexation
National Competitive Grants Programme (NCGP)	Cost Adjustment Factor (CAF)	The Higher Education Cost Adjustment Factor (CAF) is an index used to adjust the Commonwealth's contribution for increases in the operating costs of higher education institutions. The salary cost component of the CAF is based on the Safety Net Adjustment (SNA) as determined by the Australian Industrial Relations Commission while the non-salary cost component is indexed using the Consumer Price Index (CPI).	Australian Research Council Act 2001
Smart Moves	No Indexation	Funding for this programme was a fixed quantum and no indexation of the funding was applied at the inception of the programme. This programme was transferred to the Education, Science and Training Portfolio as of 1 July 2003.	n/a

Portfolio: Industry, Tourism and Resources (DITR)

The funding for programmes administered by DITR, as identified in the table below, reflects ADMINISTERED FUNDS ONLY.

Departmental expenses for these programmes, where applicable, are indexed using Wage Cost Index 3 (WCI 3). WCI 3 is applied on a through-the- year basis to December of the previous year. The application of this index is based on a determination of the salary to non-salary cost ratio at the programme's inception.

Biotechnology World Class Centre of Excellence	No Indexation	Funding for this programme was a fixed quantum and no indexation of the funding was applied at the inception of the programme.	n/a
R&D Start	No Indexation	Funding for this programme was a fixed quantum and no indexation of the funding was applied at the inception of the programme.	n/a
125% R&D Tax Concession - revenue forgone	Treasury Estimates of Revenue Forgone	Not applicable.	n/a
Streamlining the R&D Tax Concession	Treasury Estimates		
175% R&D Tax Concession - revenue forgone	Treasury Estimates of Revenue Forgone		
R&D Tax Offset - revenue forgone	Treasury Estimates of Revenue Forgone	Not applicable.	n/a
Biotechnology Innovation Fund	No Indexation	Funding for this programme was a fixed quantum and no indexation of the funding was applied at the inception of the programme.	n/a
Commercialising Emerging Technologies	No Indexation	Funding for this programme was a fixed quantum and no indexation of the funding was applied at the inception of the programme.	n/a
Innovation Access Program - Industry	No Indexation	Funding for this programme was a fixed quantum and no indexation of the funding was applied at the inception of the programme.	n/a
National Innovation Awareness Strategy	No Indexation	Funding for this programme was a fixed quantum and no indexation of the funding was applied at the inception of the programme.	n/a

Pre-Seed Fund	No Indexation	The Pre-seed Fund is managed by a private sector fund manager with commercial experience in developing young firms. No indexation is applied to this programme.	Expense Measures - Budget Paper 2, 2001-02 Budget.
Portfolio: Communications, Information Technology and the Arts			
Information and Communication Technology World Class Centre of Excellence	No Indexation	Funding for this programme was a fixed quantum and no indexation of the funding was applied at the inception of the programme.	n/a
Information Technology Online	No Indexation	Funding for this programme was a fixed quantum and no indexation of the funding was applied at the inception of the programme.	n/a
Portfolio: Agriculture, Fisheries and Forestry			
New Industries Development Programme	Wage Cost Index 3 (WCI 3)	WCI 3 is applied on a through-the- year basis to December of the previous year. The application of this index is based on a determination of the salary to non-salary cost ratio at the programme's inception.	Historical Indexation
Portfolio: Immigration, Multicultural and Indigenous Affairs			
Attracting Information and Communication Technology Workers			
- Expenses	Wage Cost Index 6 (WCI 6)	WCI 6 is applied on a through-the- year basis to December of the previous year. The application of this index is based on a determination of the salary to non-salary cost ratio at the programme's inception.	Historical Indexation
- Revenue	Consumer Price Index (CPI)	The revenue resulting from this measure is from the higher visa application charge applied to applications lodged in Australia compared to applications lodged outside Australia.	Revenue Measures - Budget Paper 2, 2001-02 Budget.