

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2005-2006 BUDGET ESTIMATES HEARING

**Outcome:** 2

**Output Group:** 2.4 – Funding for Higher Education

#### **DEST Question No. E342\_06**

Senator Carr provided in writing.

#### **Question:**

And that means that your statement on p.5 of the report – that universities' total wage costs have risen by 28%, which is similar to the increase in the Safety Net Adjustment over the same period – is misleading, because it's not the SNA as a percentage of the minimum wage that is applied to universities, but the SNA as a percentage of AWOTE. Is that right?

#### **Answer:**

##### *Safety Net Adjustment*

The *Review of Indexation Arrangements in the Higher Education Sector* noted that “the growth in [higher education] wage costs . . . is broadly comparable to growth in the SNA”. The comparison was provided in order to provide some context for the rate of growth in wage costs. No link between the two measures was suggested.

As noted in the answers to E338\_06 and E340\_06, the Safety Net Adjustment is applied to AWOTE in order to obtain the percentage increase in wage costs that does not reflect productivity improvements, in line with the Government's indexation framework.