Grattan Report Takes Narrow View of Public Benefit

The Regional Universities Network (RUN) considers that the approach to public benefit used in the Grattan Report, Graduate Winners: Assessing the public and private benefits of education, is limited and does not take account of the contribution of graduates to regional or national development.

The report proposes a new model for setting higher education spending which requires a net public benefit to justify subsidies to any higher education discipline. It concludes that tuition subsidies from government are too high and proposes a significant increase in private contribution.

The Chair of RUN, Professor David Battersby, said that, while the report contributed to the public debate about the funding of university places, its assessment of public benefit was somewhat limited.

"Public benefit is largely assessed in the report as being financial, based on how much the government earns from higher education," Professor Battersby said.

"The model uses additional taxes paid by bachelor graduates over a lifetime compared with those who finished an education at Year 12. The model is flawed with respect to a majority of students at RUN universities who are mature age, and will not necessarily have a lifetime of earnings after graduation. Such students may be reluctant to make a significantly higher private contribution to their education.

"The report identifies performing arts, humanities, and agriculture as having the lowest public benefit. Graduates in performing arts and humanities contribute greatly to the cultural and social development of regional Australia. Agriculture graduates contribute greatly to issues of global significance such as food security. There is already a shortage of graduates in agriculture and any further disincentive for study would potentially be highly detrimental.

"Also, the approach taken in the report does not take into account the cost of delivering disciplines, which is a particular issue in regional Australia where many costs are higher than in capital cities," Professor Battersby said.

"Regional universities play a key role in improving the economic, social, cultural and environmental wellbeing of communities. Any funding model for higher education needs to take this fully into account."

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Contact: Dr Caroline Perkins
Executive Director
Regional Universities Network
0408 482 736