



Dr Sharon Winocur
Executive Director

The Hon Nicola Roxon
Minister for Health and Ageing
MG 50
Parliament House
Canberra ACT 2600

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Dear Minister Roxon

Members of the Business/Higher Education Roundtable (B-HERT) recognise the value of a quality tertiary education system and the flow-on contributions to an innovative knowledge economy. As you are aware B-HERT's mission over the past 20 years is to improve effective and productive working relationships between the tertiary and business sectors.

As a member of an international competitive community, Australia must be sensitised to the vital importance of the highest educational standards for our tertiary graduates. This issue has been embraced by business who have become active participants in this debate. Most recently, the sector has expressed concern about industry skill shortages and the vital link between productivity performance and the quality of teaching and learning¹.

In this context of developing a world class education system, rumours of a significant budget cuts to the National Health and Medical Research Council is a matter of grave concern to fulfilling the government's commitment to innovation² and the tertiary education sector. Research, of course, is an essential component to the national university education and innovation system; Australian health and medical research outcomes are of benefit to the nation. There are many examples that could be cited but one example of international significance is Dr Ian Frazer's medical breakthrough, Gardasil. This cancer immunisation is the product of NHMRC research funding since 1985 and demonstrates the importance of research funding and its long term benefits.

¹ Lifting the Quality of Teaching and Learning in Higher Education (2011), Business Council of Australia, <http://www.bca.com.au>

² Powering Ideas, An innovation Agenda for the 21st Century (2009), DIISR, <http://www.innovation.gov.au/Innovation/Policy/Pages/PoweringIdeas.aspx>

B-HERT's concerns about any cuts to NHMRC research funding centre around:

i) the impact on the standard and quality of Australian university research graduates -

The high correlation between choice of study and employment prospects is well documented. Students are more likely to undertake a course of study if there are sound job prospects following graduation. If we are to support research activity in the health and medical area, opportunities to conduct research with adequate facilities are required. Limited research prospects will also limit new research entrants. Those who pursue research careers are likely to take up positions in countries with enhanced research support.

ii) the effect on the future academic workforce in general and the research workforce in particular

A quality higher education system is a combination of excellent teaching and research. In an environment where serious questions about filling the new generation of Australian academics have prompted universities to undertake international recruitment drives, government cutbacks on health and medical research will lessen Australia's attractiveness as a career destination. These impacts on research capacity are likely to have a major effect on the number and quality of university teachers. The government's prime education policy arising out of the Bradley Report of increasing university participation to 40 per cent by 2025 may be threatened as well. The federal government has already expressed concern that, in the absence of intervention, the supply of higher degree research qualified individuals is likely to fall short of demand for the period to 2020³. Further cuts in the specialised health and medical research area will exacerbate this predicted workforce shortage.

iii) Confidence in Government Commitment

The 2009-2010 federal budget announced a commitment of \$5.4 billion dollars over four years to improve the higher education and research sectors as part its 10 year plan. Supplementary funding was earmarked for science and innovation through the release of *Powering Ideas*. These resources were welcomed as part of the strategy to lift Australia's international position in both higher education and innovation among OECD countries. Recent economic developments such as the GFC, the decline of the international student market and the strength of the Australian dollar have contributed to growing concerns that university funding will barely be able to maintain the value of current funding levels. Research success is a critical component to university funding. Disappointment for real increased support to higher education prevails. The government has accepted that there may be serious funding shortfalls and is holding a number of reviews to examine how to alleviate the resource dilemmas.

³ Meeting Australia's research Workforce Needs(2009-10), DIISR, <http://www.innovation.gov.au/Research/Documents/ResearchWorkforceStrategyConsultationPaper.pdf>

Cutbacks to basic research funding such as those rumoured to be the case with the NHMRC will further diminish the confidence and support of the industry. At a time when organisations such as B-HERT are canvassing private sector support and action to contribute their part in improving the tertiary education system as a whole, government commitment must remain at the forefront.

B-HERT is of the view that any cuts to NHMRC funding are a retrograde step for health and medical research and for implementing a quality higher education system. We very much hope the rumours are misplaced and await the budget announcement.

Yours sincerely



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cc. Prime Minister Julia Gillard

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