Questions on Notice from Senator Henderson

Senate inquiry into the Education Legislation Amendment (Startup Year and Other Measures) Bill 2023 (Bill)

Questions to Central Queensland University

1. Do you consider the Startup Year program offers a clear value proposition for regional universities?

   As it stands, the program is too light on detail to provide a detailed response. What we understand is that the government is committed, and has a proposed funding solution, but no real value proposition for regional universities that might need help in setting this up.

   It appears to be geared more towards institutions that have accelerator programs already established, which tend to be larger/metropolitan universities. It does not appear to cater for regional universities that currently outsource intellectual property advancement education and programs and are resource challenged to develop content and programs internally. The universities who have accelerator programs in place are well advanced in progressing innovation toward commercial impact. It is the universities who are less mature in this area that require assistance to increase the opportunities for students to advance their ideas.

   Accelerator programs assume that a level of ideation and proof of concept has been attained. It is questionable whether this can occur at the undergraduate level. Foundation skills in understanding markets, engaging with industry and communicating with markets are critical to participation in an accelerator program. It would be important to consider ideation or incubator programs as the initial step to tease out commercial merit in the early TRLs prior to advancing to participation in an accelerator program.

   The other consideration here is the focus on startups as the seemingly only way to commercialise. Startups require significant financial and resource investment and sometimes-lengthy incubation periods that even further drains resources, unless particularly disruptive. Jobs, new product development, product innovation and product enhancement are equally created through partnerships with industry whether through collaboration agreements, licensing arrangements, employment, or services contracts. Increased industry partnerships and collaborations should be a clear focus of any initiative to drive innovation, not just a measure of success.

2. Do you consider the Startup Year program is adequately designed for regional universities and regional students?

   In addition to the comments provided in question one, we feel that it should not be a 'one size fits all' initiative, given the differences between universities in regions and capital cities, particularly the differences in innovations generated out of the regions and the associated markets in which these innovations will potentially operate. Having relevant expertise within the regions to deliver the Startup Year program is critical for the regional audience who expect knowledge of the regional context, competition and the markets in which we operate. As a result, there will be a lack of focus on regional, remote and first nations participation as these equity groups sit firmly with regional universities. These students are best supported by programs and initiatives delivered and undertaken within or close to their own community support structure. Fewer employment opportunities could

suggest that more regional people require entrepreneurial jobs to keep them in regions, particularly, for indigenous people and females.

3. Do you consider the Startup Year program adequately funds regional universities with lower student numbers?

   Not on face value. As far as can be determined from the information provided, the startup funding facilitates students enrolling in courses, but this approach does not provide sufficient funding to facilitate regional university investment into accelerators with lower student numbers.

   Recent studies show that the cost of delivery and support at regional universities is significantly higher than that of our metropolitan counterparts, as we do not experience the same economies of scale that larger institutions do. It would stand to reason that the same applied to the funding attached to the Start up Year program, as it is not nuanced to meet regional delivery needs.

   However, further information would need to be provided to gain a more detailed understanding of student demand and also program delivery requirements.

4. Is there a risk that the Startup Year program will contribute to regional drain, where students move away from their regional homes to undertake startup year courses at metropolitan universities with existing accelerator programs?

   Yes, without the right policy setting and nuance, such a program could incentivise regional students to move from the region to take-up opportunities in metropolitan areas, if regional universities are not resourced to deliver such opportunities. We need to be mindful of such an outcome, as this would only serve to further foster a two-speed education two-speed system of higher education attainment as it exists between metropolitan and regional Australia due to an undifferentiated 'one-size-fits-all' approach to policy.

   Even worse, the national research and commercialisation agenda would suffer as there is potential for important and impactful ideas in regions to be missed, never able to be realised and/or commercialised. As previously stated, programs delivered from metropolitan institutions do not have context for a regional environment and do not convey an understanding of regional markets and customers and region-specific challenges. Regional students will seek a regional context for this program.

   Further to this, VET programs such as Certificates are often the best mechanism for pathways into higher education for low socioeconomic students and First Nations students. Research indicates that VET programs are seen as more accessible and achievable for these students perhaps influenced by perceptions about their own abilities. It is critical that mechanisms for delivery to and communicating amongst First Nations people are considered.

5. Please describe, if any, the accelerator courses which will be offered by your university to Startup Year students from 1 July 2023? Will these courses offer credentials or qualifications? Please provide full details of each course including the course duration, course outline, third party partnerships, total costs, and the costs borne by each student and the university.

   CQUniversity would need to develop an accelerator course in order to participate in this initiative. This could be part of a pilot program that starts with content development specific to regional Australia.

6. Please outline the number of accelerator courses offered by your university - for each course, please include the course duration, course outline, third party partnerships, total costs, the costs borne by each student and the university and whether any credentials are offered?

   N/A

7. How will the $2.2 billion University Research Commercialisation Action Plan (URCAP) support accelerator courses run by your university and the students who wish to complete an accelerator course?

   CQUniversity was not successful in its bid for the Trailblazer Universities Program. CQUniversity has submitted applications for the Economic Accelerator Seed Grants which are awaiting assessment. It is important to note that these grants fund inventions and innovations at a TRL level of 3 or more. As regional universities are challenged for resources and funding to identify and advance innovations along the commercialisation pipeline, this absence of translation funding makes applications for funding such as the Economic Accelerator Seed Grants difficult.

8. Would you support a separate regional pilot program for the Startup Year program?

   CQUniversity would certainly support a regional pilot program for the Startup Year program. In fact, we think this is very important and necessary for success. It will also be crucial to consider policy approaches that support online/blended learning opportunities to account for the vast geographical spread of regional Australia and the untapped opportunities embedded in rural, regional and remote communities.

9. Do you consider the Startup Year program provides adequate resourcing for indigenous students and students from low SES backgrounds?

   I would reaffirm my suggestion in the hearing to utilize MBGA funding for these two groups so that they receive a CSP for the full course fee, as nearly all universities are well under funding caps and therefore would not require additional funding streams. This would then remove additional debt for these two groups.

   Insufficient funding would mean we could not offer a competitive product leading to loss of talent from the region, at a time the regions are seeking to attract and retain talent for maximizing regional potential. Our demographics suggests for students who are not in major population centres we would need to consider residential workshops or consider virtual incubators.

10. Do you have any concerns about the funding model employed by the Startup Year program?

The only concern is that the course is being proposed as full fee paying with a Startup loan funding the fee. The government should consider a Commonwealth-supported place (CSP) for this course.

As this initiative and the associated funding model is targeting undergraduate students, this assumes that those students have had the time, opportunity, and know-how to ideate their opportunity and test/incubate it to the extent it has gone beyond the low TRLs and has the merit for an accelerator program. Such a funding model also assumes that foundation skills (creative thinking and persuasive communication skills) are well advanced to move forward into the accelerator phase. Regional university student cohorts tend to be part-time mature-age students who most likely would not be able to engage in their enrolled degree as well as an accelerator program. This program and associated funding models must be designed for different student cohorts, not just for existing students.

11. Would you agree that there is significant work still left to be done to develop a pipeline of skilled students ready to commercialise their business ideas?

Yes. For the reasons identified above, regional universities are resource and funding challenged to offer programs to develop and advance student ideas. It is also questionable whether undergraduate students will be well positioned to participate in an accelerator program in the absence of programs and initiatives that build foundation skills and focus on ideation. It is difficult to determine without talking to the students as we would need to understand the level of demand.

12. What are your concerns about the $11,800 loan amount? Is it sufficient to enable regional universities like yours to develop and sustain accelerator programs?

Depending on student numbers we could sustain the program, but it will not cover the development of the program. As outlined in responses to earlier questions, this approach does not provide sufficient funding to facilitate regional university investment into accelerators with lower student numbers.

13. Do you consider that students will willingly take on more HELP debt in order to participate in a Startup Year program?

   CQUniversity feels direct consultation with students would be the best approach to answer this question.

   However, CQUniversity notes that accelerator programs assume that a level of ideation and proof of concept has been attained and therefore questions if this could be achieved at undergraduate level. With this in mind, it may be that under the current proposal, students would not yet be ready to take up a further HELP debt in order to participate in a Startup Year program.

14. In your evidence, you suggested that the Bill will limit accessibility for some students. Can you explain how?

   The limited accessibility is around the entry requirements. I mentioned that much of the user-driven innovation in regions comes from small businesses, primarily in manufacturing, many with only VET qualifications. These entry requirements may also exclude indigenous peoples who may only have VET qualifications.

15. Are you concerned that the guidelines for the Startup Year program have not yet been released? Does this make it more difficult to propose solutions to the Bill's current problems?

   CQUniversity is concerned that the lack of detail around the program, including appropriate guidelines, makes it difficult to provide substantial commentary on the direction and effectiveness of the proposed program.

16. How would you improve this Bill?

   The Bill just addresses the funding mechanism. In order to provide improvements, we need to review the guidelines.