



**Cooperative
Research
Australia**

**Submission to the Education Legislation
Amendment (Startup Year and Other Measures)
Bill 2023 Inquiry by Senate Education and
Employment Legislation Committee**

April 2023

Cooperative Research Australia acknowledges the traditional custodians of the land on which we operate, the Ngunnawal people. We also acknowledge the traditional custodians of the various lands across Australia upon which our members operate.

We pay our respects to Elders past, present and emerging and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to our lands and waters.

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Executive Summary

Cooperative Research Australia (CRA) welcomes the opportunity to make a submission to the Senate Education and Employment Legislation Committee inquiry on Education Legislation Amendment (Startup Year and Other Measures) Bill 2023.

CRA is the voice of industry-research collaboration and advocates for the translation of research into commercial, economic, social, and environmental outcomes that benefit all Australians. Our members are the lynchpin in the Australian innovation system and are focused on creating new products, services, industries, and value in our economy. CRA represents Cooperative Research Centres (CRCs) and their spinoff/successor entities, CRC – Projects grant participants, 30 universities and research institutions, as well as other industry-research collaboration entities, associated businesses, alumni and professionals.

The highlights of CRA recommendations are:

1. Broader scope of the definition of an accelerator program and program design to make space for collaboration with industry.
2. A registration, selection and allocation process for providers to participate in the Startup Year initiative that ensures transparency, sustainability, inclusion and alignment with matters of national importance.
3. Recognition that the success of the initiative should include measures beyond return on investment.

Cooperative Research Australia is committed to working collaboratively with the Australian Government to transform this country's industry and economy for a prosperous, sustainable and innovative future for all Australians.

Recommendations

The inquiry into this Bill which fosters entrepreneurship among final year students and recent graduates provides an opportunity for Cooperative Research Australia (CRA) to highlight the expertise and success of the highly skilled individuals embedded within the industry-led research we represent.

This cohort – skilled in working with both industry and research, plays an integral role in driving innovation, technological advancement, and economic growth in Australia.

As an organization committed to advancing research and development in Australia, we call welcome initiatives that promote entrepreneurship, particularly those aimed at growing a highly-skilled research-literate workforce. Such investments help secure Australia's future as a global leader in research and innovation and provide the workforce needed to grow our economic complexity.

CRA submitted a response to the Startup Year Consultation by the Department of Education, and we encourage its consideration as part of this submission. A copy of this document is attached to this submission.

Broader scope of the definition of an accelerator program and program design to make space for collaboration with industry.

Cooperative Research Australia believes that the creation of value in the professional experience for students could be enhanced by adding an element of collaboration or mentoring with industry to fully capture the mission of a higher education accelerator.

We believe that expanding opportunities for industry involvement in cultivating a new generation of entrepreneurs would be beneficial. Involving experienced industry practitioners and start-up veterans to mentor students would ensure program success and support students in overcoming challenges associated with starting a new business, including finance, business models, market analysis, product development, governance, taxation, industrial relations, and building a trusted advisory team.

Furthermore, the program would be strengthened by mapping its relationship to existing programs inside and outside tertiary institutions, and its relationship to the innovation ecosystem.

To optimize investment and expertise, we propose promoting greater collaboration across programs and entities by adopting an ecosystem perspective. In our capacity as an industry-led cooperative research organization with connections to the innovation ecosystem, we anticipate a link between industry-based PhD students/graduates and accelerator programs, which could manifest in opportunities for collaboration, mentorship, networking, or a potential pathway for entrepreneurs. For example, entrepreneurs could enrol in highly-skilled programs like the Cooperative Research Centre (CRC) PhD programs.

A registration, selection and allocation processes for providers to participate in the Startup Year initiative that reflect transparency, sustainability, inclusion and alignment with matters of national importance.

CRA believes that clear rules for participants would be enriched by adding:

- A definition of success for the institution and for the student participants.
- Demonstrated market opportunity and a plan to sustainability.
- A KPI matrix, with specific milestones to be met periodically (monthly, biannually, yearly, etc) against measure of progress of the student.
- Measures linked to national social, economic and environmental priorities could be included, such as First Nations leadership, decarbonisation, social equality.
- Prioritisation of regional and culturally diverse projects.

Moreover, considering the loan scheme model, we believe that the additional debt mixed with high rate of failure in startups, could prove a disincentive for some students.

Therefore, we recommend that that the program seek to ensure:

- That the accelerators and support that students will partner with will demonstrably increase their chances of success.
- The learning value of failure and resilience to recover from it are built into the program.
- That adding to graduate HECS /OS-HELP debts do not negatively impact entrepreneurial ambitions.

Understanding that the success of the initiative should include measures beyond return on investment.

CRA recommends that a qualitative approach, in addition to basic quantitative indicators - such as enrolment vs completion ratios, minimum return on investment, duration of entrepreneurship projects, etc., would better measure the impacts to the Australian economy. These should include student satisfaction and career paths, impact to key national priorities and preparation of skills necessary to become an entrepreneur or businessperson.

For this same reason, we believe that a one-year pilot should consider that entrepreneurial skills usually take longer to seed. Therefore, it would be important to set realistic expectations for success within the limited timeframe.

An alternative option would be allocating fewer students for the pilot program but allowing them to be on the program for longer than a year. This would give the opportunity of a longitudinal approach. Also, to mitigate the risk of failure and provide an opportunity for students to fully engage with the program without financial burden, the pilot could take the form of a grant or small equity stake.