

Startup Year consultation

15 November 2022

The Australian Technology Network of Universities (ATN) appreciates the opportunity to provide this submission to the Department of Education for Startup Year program, to outline our vision of a program which will allow students to pursue their dreams and where our universities will play a leading role.

ATN is the peak body representing Australia's six most innovative and enterprising universities: Curtin University, Deakin University, RMIT University, The University of Newcastle, University of South Australia, and University of Technology Sydney. Our members will be crucial to the successful rollout of Startup Year, ensuring that our next generation of entrepreneurs and job creators can bring their ideas to life and that higher education in Australia is recognised and renowned as the home of innovation and enterprise.

Our members are best prepared for this game-changing initiative, having developed cutting edge programs such as:

- Curtin Accelerate
- Deakin ManuFutures
- RMIT Activator
- Newcastle's Integrated Innovation Network
- UniSA Venture Catalyst
- UTS Startups.

ATN universities are supporting thousands of student entrepreneurs by hosting hundreds of start-ups and micro-businesses at our campuses. These enterprising ATN universities will be key to maintaining the growth in wellbeing and productivity in the future as the nation's economy expands into service, value-added resources, data and knowledge-based economies. Investment in human capital is critical to Australia's economic recovery and productivity growth, as well as fostering the entrepreneurialism and ingenuity of Australians.

Recommendations

1. ATN expertise should be harnessed to create and deliver a Startup Year prep course.
2. Students should control their own capital to create their own opportunity.
3. Students from all backgrounds should share in the opportunity of Startup Year.
4. Students should be rewarded for taking risks, learn from every attempt and get further backing if they succeed.
5. Startup Year should be an option whenever students are ready for it.
6. Startup Year should be about developing student capability, not developing universities
7. Social enterprise and impact should be at the heart of Startup Year.
8. Flexibility is needed to ensure Startup Year is sustainable and scalable.

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Startup Year will provide 2,000 students access to world-class facilities, rare access to sector-leading mentors at our university campuses, to learn from academic experts, and to test their exciting, new business ideas.

Pivotal to meeting our objectives will be a need to be as flexible, dynamic and trailblazing as our students, their new ideas and innovations. By matching their enterprise, we will guarantee that they are ready and equipped for the world of work. The success of Startup Year will ensue if students are given the right preparation, we let them work as hard and as fast as they want, and we provide them the power and confidence to shape their respective startups.

Diverse backgrounds breed diverse ideas, so Startup Year must also reflect our communities. The students who will benefit most from Startup Year are those who would otherwise miss out on the chance to pursue their dreams.

Recommendation 1. ATN expertise should be harnessed to create and deliver a Startup Year prep course

We want students to be ready to hit the ground running and make the most out of their Startup Year experience. The Government should support ATN to create and deliver a micro-credential in entrepreneurship.

Startup Year is a valuable opportunity that is time-limited and only available to 2,000 aspiring entrepreneurs each year, so it is important that students have the best preparation before they begin the program. The best preparation will be undertaken while they are studying for their previous qualification and generating the ideas and plans that they can take into Startup Year.

A micro-credential in entrepreneurship should go beyond the practical and technical aspects of a Startup and help students decide what they want to do with their idea and design their own pathway to achieve their goals. Students may well decide that they are ready to start without Startup Year, freeing up a valuable place for another student.

A model for this micro-credential is ATN's Designing Your Future (DYF) program. DYF is an online short course offered designed to set up Australian workers for the next chapter of their careers. It uses 'design thinking', a powerful tool pioneered at Stanford University that helps workers considering their next career chapter to assess their strengths and goals, plan their future career and take the right steps needed to achieve it.

The Government should harness ATN expertise to create and deliver Designing Your Startup (DYS), an entrepreneurship micro-credential based on the same design thinking as DYF, as a precursor for students applying for Startup Year. This will ensure that students can make the most out of their Startup Year experience.

Recommendation 2. Students should control their own capital to create their own opportunity

With students fully prepared to create their own Startup, students should be able to use their own capital to create their opportunity. Students should be funding their own business, not supporting universities to build their capability.

Students having completed Designing Your Startup (DYS), who are fully prepared to launch their own startup with access to wrap around support, advice and infrastructure from their university, will benefit from direct access to their own capital and ability to direct their own expenditure.

Students should be using their own capital to fund their own project, rather than funding their university to build its own capability and infrastructure. This would not preclude students purchasing goods and services at cost rates from their university (e.g., raw materials or access to advanced manufacturing machinery), but would empower students to make their own decisions.

This could operate on a similar basis to the OS-HELP scheme in which universities pay students their loan amount directly so they can fund overseas travel for study.

Recommendation 3. Students from all backgrounds should share in the opportunity of Startup Year

Given the Government's commendable focus on supporting students from diverse backgrounds, it must ensure that this opportunity is indeed accessible to all, and that student debt is not an actual or perceived barrier to participation.

ATN supports the Government's focus on providing entrepreneurship opportunities to students from diverse backgrounds, including first-in-family, Indigenous and low SES students.

We also acknowledge that Australia's world-class income contingent loan scheme reduces the financial risk for students and encourages personal investment in education. Notwithstanding that, students from less financially well-off backgrounds are still more sensitive to upfront costs (including implicit opportunity costs from not working) and incurring debt.

This is particular concern with Startup Year compared with the existing educational opportunities supported by the HELP scheme, given there is a higher risk of students exiting Startup Year with fewer tangible benefits than students undertaking an established qualification.

To further reduce the inherent risk of Startup Year and ensure students from all backgrounds can access its benefits, the Government should consider what additional support can be made available through scholarships, bursaries, income assistance and debt relief.

Recommendation 4. Students should be rewarded for taking risks, learn from every attempt and get further backing if they succeed

Risk is an inherent part of creating a startup. This is why Startup Year is an excellent opportunity to provide support to students while they take on this risk.

We need to ensure that students are supported sufficiently and provided with the tools to ensure they have the confidence to take on these risks and test new, innovative and radical ideas.

This is a chance to fund the students with ideas that otherwise might not get a chance. Startup Year needs to have an adequate threshold for risk and reward students with well-prepared and great ideas willing to take on these risks.

‘Failure’ of a startup is also part of the risks, but it should be something from which students can learn and make the most of any opportunities arising. It should be seen as a stepping-stone to another idea or business – not an endpoint.

Students should be supported to find an ‘exit point’ or ‘exit pathway’ from Startup Year that allows them to finish with some forms of recognition, knowledge, expertise and options for the future. We want all students finishing Startup Year with a positive outlook and an experience they can take into the next challenge. This could include a post-Startup Year follow up to Designing Your Startup called Designing Your Next Steps to support students to design what is next for them.

Startup Year should also be prepared to back successful startups. Similar to other stage-gated schemes, there should be follow up and ongoing opportunities available to proven startups – whether that is advice, access to further capital, support to apply for other trade and business grants, or something else.

Recommendation 5. Startup Year should be an option whenever students are ready for it

Some students will be ready to begin their startup soon after they start university and some students will want an accelerated program and be ready for launch in months.

The guiding principle of Startup Year should be in meeting students where they are at, providing them with what they need and keeping up with their pace. Trying to fit students and ideas into a predetermined format or progression is going to frustrate the most capable students.

There are many types of entrepreneurs, incubator and accelerator, Startup Year should be flexible to encourage diverse participants and solutions.

Universities run a variety of accelerator, incubator and startup programs targeted to a variety of participants and businesses including students, graduates, staff, community members and existing entrepreneurs. Some of these participants need a workspace, some need advice and a community of like-minded people, some need access to researchers and labs, and some need access to capital and cashflow.

The design of Startup Year should embrace this diversity of people, ideas and solutions by being flexible to their individual needs.

Recommendation 6. Startup Year should be about developing students, not universities

Startup Year should be focused on building student capability, but also take advantage of universities that have taken the initiative to build their capability in partnership with industry, community and state government.

This goes hand in hand with the recommendation that students be in control of their own capital and expenditure. Students on the verge of creating their own business should be investing in themselves and making their ideas a reality, rather than incurring debt in order to fund universities.

Universities do need funding to support student entrepreneurs and other community engagement, research translation and commercialisation activities – many of which have been supported to date by other university revenue and ad hoc government and philanthropic grants. Student entrepreneurialism benefits the wider economy and community and should have its own funding stream.

Startup Year should also recognise universities that already have established capacity, capability and industry networks because they will offer a better experience and better opportunities for student entrepreneurs.

Recommendation 7. Social enterprise and impact should be at the heart of Startup Year

Students are increasingly socially aware and seeking opportunities to pursue social enterprise and maximise their social impact. The success of programs such as the AsiaBound and New Colombo Plan also demonstrates that students are seeking opportunities to learn and grow through overseas experiences.

There is a valuable opportunity to support the Government's \$1.4 billion investment over four years from 2022–23 to rebuild Australia's international development program, re-establish Australia as a partner of choice in the region and enhance regional security and cooperation. Funding which includes \$900 million to increase support to the Pacific region and \$470 million to increase support to Southeast Asia.

Setting some mission-oriented goals targeting development and practical assistance in the Pacific and Southeast Asia would be a useful focal point for Startup Year. It would also provide an opportunity for Startup Year students to network and cooperate with each other.

Recommendation 8. Flexibility is needed to ensure Startup Year is sustainable and scalable

Some flexibility and administrative tweaks are needed to ensure Startup Year is efficient and effective, including:

- Places should be allocated and transferable across multiple years to enable longer term investment by universities and effective response to student demand
- Startup Year should be scalable and sustainable to allow universities to build on success, meet student demand, and develop capability and infrastructure
- A clearer connection between registration and selection criteria needs to be articulated to ensure only necessary information is being collected
- Focusing the allocation process on universities instead of students raises the potential for under-utilised funding and unfilled demand
- The requirement to address National Reconstruction Fund priorities potentially inhibits emerging industries and places a lot of requirements on Startup Year
- Timelines are tight for full implementation in 2023 – either the pilot or full implementation will have to utilise universities with existing capacity.

Case studies and examples from ATN universities are attached

Further enquiries should be addressed to:

Executive Director

Australian Technology Network of Universities
info@atn.edu.au

Curtin Ignition

[Curtin Ignition](#) is an intensive training program for aspiring entrepreneurs, academics and corporate innovators to trial and then prepare business ideas for the commercial environment

Ignition comprises of practical teaching sessions, expert clinics, mentor sessions and experienced advice and support from leading entrepreneurs and innovators.

It gives participants the tools, contacts and confidence to transform your idea into a successful business venture.

[Purposeful](#) is an edtech start-up, on a mission to transform the future of education. Our on-demand programs and career advice services give young people a structured way of finding direction and purpose in life after graduation.

Elizabeth Knight, Founder and Director, Purposeful

“As a solo founder and having run my business on my own for 18 months, Ignition showed me the incredible value of having a team of diverse minds supporting you to bring your ideas to life. Before Ignition I’d been complicating my business and I was my perfectionism was the biggest barrier to my growth. On day 1, Olivia from Kanopy shared in her keynote, “what would it look like if it were easy?”. That became the theme of my week, I simplified my approach to doing business and my expectations of myself. As a result I achieved more in the few months that followed than I had done in my business to date, including hiring my very first team members.”

“Ignition was my first venture out of isolation after the pandemic, so it not only gave me hope but an incredible network of passionate people working on such different and diverse problems. That was the best part - that everyone was so different but so unified in wanting to support each other to do well. The change for me after Ignition was all in my mindset, I finally gave myself permission to succeed in my business, to be confident in my worth and to be bolder in my ambitions.”

“The most valuable part of the experience for me were the mentors and the networks. The Ignition team brought an amazing group of people together who are the key leaders and funders of Perth’s start-up ecosystem. It’s such a great chance to put yourself out there and to get an intimate audience with Perth’s most passionate and supportive industry experts.”



Flaim - Deakin University

[Flaim](#) is a business incubated and spun out of Deakin University. Flaim provides multi-sensory immersive virtual reality (VR) fire training simulation to strengthen cognitive recognition amongst:

- emergency services first responders
- workplace fire safety officers
- Australian defence personnel.

The synthetic environments created by Flaim carry strong ESG (environmental, social and governance) benefits including, reduced carbon dioxide emissions, chemical foam contamination, and water consumption. Flaim reduces overall training cost, but improves learning outcomes, with users logging continuous development online to extract data-driven insights. A subscription model has allowed customer to access over 45 emergency scenarios (and growing), and training certification.

Flaim is a Victorian based start-up with truly a global reach:

- Firefighter Training, geared at fire departments, launched in 2019 and has sold over 147 systems to 71 customers in 35 countries
- Extinguisher Training, geared at commercial OH&S, launched in 2020 and has sold over 257 systems to 110 customers in 30 countries.

The start-up continues to partner with Deakin in new innovations for the Australian Department of Defence Navy. It regularly engages Deakin's student body for industry placements and internships and is a model employer within the Waurn Ponds economic precinct.



RMIT Activator

[RMIT Activator](#), established in 2015, is the entrepreneurial hub of the University. Through its entrepreneurial activity it supports the University's mission to create impact in the communities it serves. It does this by nurturing emerging founders, ventures and entrepreneurial ecosystems to deliver global impact at scale.

Since 2017, RMIT Activator has created over 100 start-ups through its LaunchHUB program alone. In 2021, RMIT Activator generated significant impact across the entire program portfolio. The highlights are captured in the visual below.



The University of Newcastle's Integrated Innovation Network (I2N)

I2N was established in 2016 to develop the entrepreneurial mindsets and enterprise skills of students, staff, alumni and the wider community to enhance employability prospects and drive new venture creation in our regions. To date the I2N has hosted over 400 skill development, knowledge sharing and networking events for more than 4,000 attendees, from high school students through the tech scaleup founders.

More than 125 teams have been accelerated or incubated through our own or partner programs, regardless of their affiliation to the University. These teams have gone on to raise more than \$25 million in capital and have created more than 100 new jobs.

IMPACT PATHWAYS

EXPLORE

Explore your impact potential by being introduced to enterprise and lean startup fundamentals

EXPERIMENT

Validate the real-world impact for any idea by learning how to quickly test for problem-solution fit

ACCELERATE

Accelerate your product or service to market by building out a sustainable business model with coaching support

SCALE

Scale your business knowing our team of mentors, coaches and alumni are on hand to support your global growth

RESEARCHERS

I2N Research to Impact

2-day workshop
Offered 4 times a year
Up to 20 people

ON Prime

9 weeks, 6 full-days
Offered 2 times a year
Up to 10 teams

ON Accelerate

12 weeks, full-time
Offered 1 time a year
Up to 10 teams

ON Runway

Ongoing

ENTREPRENEURS

I2N Navigator

3-hour workshops
Offered 2 times a year
Up to 40 people

I2N Pre-Accelerator

4-weeks, full-time
Offered 1 time a year
Up to 20 teams

I2N Accelerator

12-weeks, full-time
Offered 1 time a year
Up to 10 teams

I2N Incubator

Ongoing

UniSA Innovation & Collaboration Centre (ICC)

Since opening in November 2016, the [ICC](#) has supported more than 115 startup companies who have gone on to raise \$72 million in additional funding, created more than 348 new jobs and placed more than 140 student internships with startups.

- Supported 78 of these startups through the venture catalyst programs, providing them more than \$960k in equity free funding.
- Delivered more than 350 community events including 11 hackathons.

Bringing together businesses and marketing expertise from the University and industry professionals, along with energy and entrepreneurial talents from students, the team at [Taste Studios](#) has been able to assist local producers to understand and effectively work with hospitality and retail channels across the country. Supported by the ICC, the food innovation company took part in the ICC's Venture Catalyst business incubator program in 2019.

Taste Studios continues to support a number of university interns, in line with the company's vision to empower students to work on real-world business problems and test their ideas in an actual market. Brand manager and former UniSA student Charmain Ooi began her university degree like anyone else; not knowing if she would gain employment after she received her graduate parchment.

"In my final year, I took up an internship with Taste Studios, which in hindsight was a was a great opportunity to experience the 'real world' and find my strengths and interests," she says.

[Venture Catalyst Space](#) was established in 2018 through the Space Innovation Fund managed by the South Australian Government's Space Industry Centre (SASIC).

- Australia's first of its kind accelerator program for space startups within an incubator environment.
- Since 2018 the ICC has supported 29 space startups through four programs delivered annually.
- Attracted interest from global participants with nine attending the program from overseas.

[Safety from Space](#) is an ingenious idea that uses space technology to enable people in distress to immediately call for help from any location. It is a game changer for those in remote location where wireless coverage isn't available.

Mark Rice, Founder of Safety from Space, was working as a Senior Engineering Fellow for an international company and still in early stages of developing the lifesaving idea prior to being accepted into the Venture Catalyst Space program in 2018.

"I needed mentoring and a progressive environment to get things up and running so that I could prepare for partnering and investment. Over the six months, my business pitch came a long way, benefiting from the mentoring and group training that provided solid foundations to organise a business and make it scalable. Networking with other startups and potential partners has also been advantageous to short term progress and paving the way for long term success."

"For a newcomer creating a new business in a space related area, the help is invaluable and frankly you'd be crazy if you chose to go it alone. It's certainly the best on offer in Adelaide."

University of Technology Sydney

[UTS Startups](#) is the home of entrepreneurship at UTS. The program inspires students to be entrepreneurs and supports them at scale. It is the largest community of startups in Australia, and the largest program to inspire new tech entrepreneurs in schools, the community and at UTS.

Tech Gym is a startup founded by UTS mechatronic engineering students Rowan Smith and Thirunisha Thirumurugan uses robots for stroke victim rehabilitation. Within the first two weeks of joining UTS Startups, the Tech Gym team met with an accelerator program and investors. Through initiatives like UTS Startups, Startups Internships and the support from UTS faculties, Tech Gym have been able to explore their own educational paths, unique to their ambitions, abilities and passions whilst advancing their startup.

“Thanks to UTS, I have been able to go on international exchanges, pitch my business and develop my skills. It also means I get to work with other amazing founders on a daily basis and access some of the best researchers and equipment to build prototypes” – Rowan Smith

The [Techcelerator](#) is designed to enhance student prototyping skills and problem solving skills, offering funding for top students or student teams along with exclusive access to UTS world-class facilities and mentors. It is a Deep Tech Early-Stage Accelerator that is free, co-curricular and runs for four months, focused on facilitating the development of a working prototype.

Deep technology, is the innovative design, deployment, use or development of technologies from a variety of engineering and information technology disciplines such as additive manufacturing, AI, blockchain, IoT, machine learning and robotics, among many others.

Up to \$10,000 of funding is awarded to the top student or student teams competing in this program.

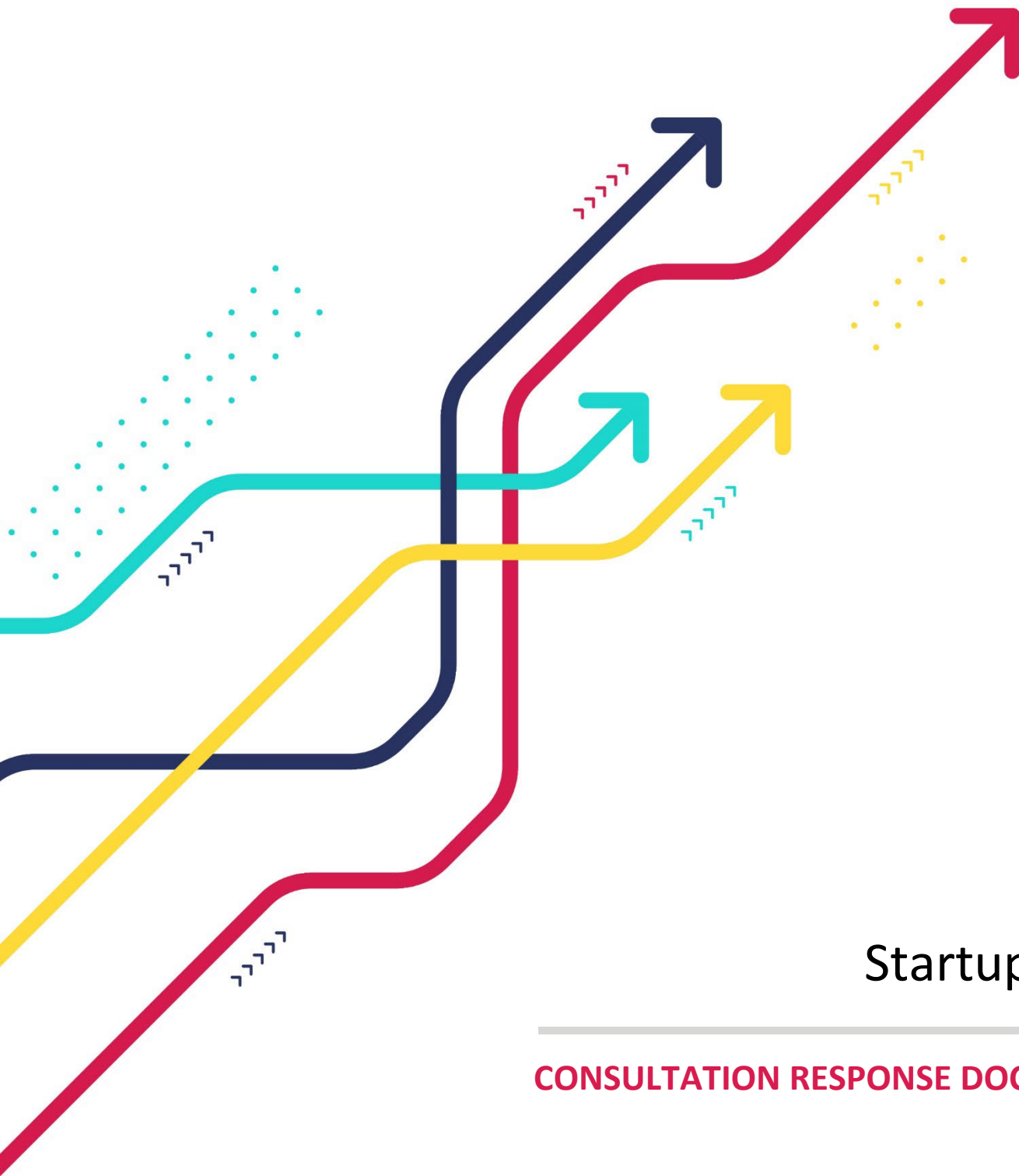
Heary is an AI and Machine Learning based solution that helps sufferers of tinnitus reduce the impact of their symptoms, and helps prevent younger audiences from developing tinnitus at an early age. With one in five Australians suffering from tinnitus, Heary are passionate about helping reduce the impact of tinnitus through advances in technology.

The [Green Light Accelerator Program](#) (Green Light) is the world’s first algae biotech accelerator program and is dedicated to supporting the development of algae biotech solutions across a broad range of industries in NSW. Supported by the Investment NSW Boosting Business Innovation Program, Green Light is open to all NSW-based small-to-medium enterprises (SMEs) and startups.

Green Light provides up to \$15,000 in seed funding and curated support over three months to help startup and SMEs develop or implement an algae-based product or service. The aim is for participants to walk away with a customer validated business model with a rigorous research and development plan ready to pitch to investors.

[Sea Health Products](#), based on the NSW South Coast, is Australia’s first kelp business and was one of three successful teams accepted for Round 1 of Green Light in 2019. Sea Health Products selects and collects Golden Kelp by hand from the beach and converts the seaweed into a range of kelp based health products and foods.

“The seed funding we received through the Green Light program has also helped bring our ideas to life. I was really attracted to the program because it is totally focused on algae and helping algae businesses, which we are.” – Ms Jo Lane, owner of Sea Health Products



Startup Year

CONSULTATION RESPONSE DOCUMENT

Startup Year Consultation Submissions

Please use this response document to provide a submission to the Department of Education on the proposed Startup Year initiative.

Completed submissions are to be submitted to accelerator@dese.gov.au. Submissions should not exceed 1,500 words. Please contact the Department if you require this document in an alternate format.

Submissions will close at **11.59 AEDT Tuesday 15 November 2022**

Please provide your details in the table below:

Organisation name	Regional Universities Network (RUN)
Organisation type (e.g. university, startup)	Peak organisation
Contact name	[REDACTED]
Contact email	[REDACTED]
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

1 Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

RUN universities play an invaluable role in the ongoing development and renewal of key workforces in regional, rural, and remote (RRR) Australia, while driving much of the research and innovation that underpins the prosperity of established and emerging regional industries.

RUN supports opportunities for students studying at regional universities to build on their aspirations through access to programs that will enable innovation and creativity, while working alongside local industry and communities in regional Australia.

RUN seeks further clarification regarding the terminology of an 'accelerator' program. While the consultation paper notes that according to Universities Australia, there are more than 100 hubs in Australian universities – it should be noted the range varies from accelerators, startup partnerships, events, incubators, and other opportunities at different universities¹. These will not necessarily result in a significant number of new startups. Further information is required regarding the definition of an 'accelerator' program and the pathways for universities to develop and offer this.

Regional universities have established a strong reputation amongst the sector as providing best-practice student support. To strengthen this definition RUN recommends criteria be established for higher education providers, outlining the wraparound advice and services required to support prospective students and new entrepreneurs undertaking this program.

RUN supports initiatives that will foster innovation opportunities of RRR students, strengthen links between regional universities and communities, and that will directly and positively contribute to the economic and social development of RRR areas.

¹ Universities Australia, University Startup Hubs, <https://www.universitiesaustralia.edu.au/our-universities/university-startup-hubs/> on 11 November 2022

2 Registration Process

A recurring registration process will be established for providers to participate in the Startup Year initiative. To register, providers will be required to submit an application, which must include the following information:

- Program overview and outcomes, including any supporting documentation, policy documents and business outcomes
- Program components over the business-focused year
- Student enrolments (actual and projected)
- Activities, facilities and non-financial support provided and their associated costs or value
- Funding available to participants
- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)

Optional: links to existing case studies

What other accelerator success measures could be considered as part of the registration process? For example, growth in student numbers, diversity in student cohort, number of successful startups or commercialised products from participating students, job creation, and industry partnerships?

As a percentage of student load, RUN universities enrol the nation's highest rates of Indigenous students, students from low socio-economic backgrounds, first-in-family students, and students from RRR communities.

When considering the registration process, RUN supports a nuanced approach in identifying success factors experienced by regional universities, including but not limited to, enrolment of students based in RRR areas; links to regional and remote industries and communities; and the support the university offers to facilitate enrolment of RRR students. RUN notes that references to student enrolments, funding, and/or numbers of new startups, should be relative to the size of the university and the location.

RUN asks consideration be given to industry partnerships and job outcomes, as well as diversity in the student cohort. These factors are important where institutions face thinner markets with lower concentration of businesses and where it may be more difficult to demonstrate prior success. RUN cautions against relying on crude metrics such as employment outcomes or the number of startups in the proceeding year. There can be quite lengthy periods between incubation, acceleration and a thriving successful startup which will need to be captured in the development of any metric.

RUN recommends reference materials be developed, including best practice case studies from regional Australia, to inform higher education providers of what is expected as part of this program.

What social and community impact measures could be included?

RUN notes this program aims to support innovations and boost sovereign capability in areas of national priority and promote social good to support the Government's National Reconstruction Fund. The consultation paper outlines that startups have an important role in job creation, commercialising ideas, strengthening links between universities and the broader community, – and solving social and community-based issues.

RUN supports opportunities to measure – impact on local employment, improving access to services, dealing with disadvantage, and removing barriers to access – across the national priority areas of the Startup Year program.

As part of the registration process, RUN recommends that social and community impact measures be included. This may include commitment to supporting social return on investment, sustainable development, and/or diversity in new business such as startups with a focus on the non-for-profit or social enterprise sectors. There is also the opportunity to measure social and community impacts through qualitative measures such as surveys. RUN notes the timeframes may make it difficult to identify longer term community and social impacts of startups, noting these become evident after the student has completed the program.

3 Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

- Be an Australian University or University College
- Have clearly defined program outcomes, industry partnerships, and student engagement strategies
- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well -defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

RUN acknowledges that some universities may newly develop or redevelop programs and will not have the demonstrated experience to meet the selection criteria. RUN recommends introductory criterion be established to support universities commencing the Startup Year program.

RUN supports policies that enable increased access to universities, especially for students from traditionally underrepresented cohorts. To further enable a diverse student cohort including regional students, including first nations students, the opportunity to access Startup Year RUN asks consideration be given to alternative options for the program to be delivered by providers and/or accessed by students. Examples include:

- a) allowing providers to establish virtual hubs and share resources;
- b) enabling universities to partner with third party providers that are experts in the delivery of such programs with extensive resources, experience, and social capital networks; or,
- c) enabling likeminded institutions to engage in a consortium approach. For example through RUN where universities would pool funding for the development of an accelerator program for use by all regional universities. Once developed, each university would have access to the program content for delivery at each institution. All RUN institutions and participants could come together for a pitch event toward the end of the course with industry and venture capitalists and other professionals to leverage networks and seek further advice.

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

The proportion of Australians with a bachelor's degree (or above) varies greatly based on where Australians live. The 2019 National Regional, Rural and Remote Tertiary Education Strategy (Naphthine Review) identified that individuals who grow up in RRR locations are around 40 per cent less likely to gain a higher-level tertiary education qualification and less than half as likely to gain a Bachelor and above qualification by the time they are 35 years old, compared to individuals from metropolitan areas².

We know that 70 per cent of students that graduate from a RUN university go on to remain living and working in RRR Australia, enriching their communities and economies while reducing the education disparity between cities and regional areas.

The benefits of enabling opportunities for higher education providers in regional Australia to support and increase the participation of RRR students in Startup Year accelerator programs, will directly and positively contribute to the economic and social development of RRR areas across Australia.

RUN recommends a fit for purpose registration criteria be developed for regional universities, with attention to the resourcing required, and providing a pathway to support institutions that are establishing a new program for delivery as the current proposed criteria would exclude institutions who are not currently active in this space.

² Department of Education, National Regional, Rural and Remote Tertiary Education Strategy: final report [Naphthine review], 2019, accessed at <https://www.education.gov.au/access-and-participation/resources/national-regional-rural-and-remote-tertiary-education-strategy-final-report> on 17 October 2022

4 Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

The consultation paper outlines the priority areas for the Startup Year program aim to support the priority funding areas of the Government's National Reconstruction Fund. RUN recommends prioritised allocation be given to social and community impacts in regional, rural, and remote areas; engagement with First Nations People; and regional connections.

RUN notes that metropolitan universities are saturated with incubator and accelerator programs. There is an opportunity to shift the dial in regional Australia and enable providers and students with better access to resources and partnerships to support innovation noting that spillover benefits of metropolitan programs decline with increasing distance and will not benefit regional Australia. Other factors that can be considered as part of the allocation process may include: cross-sector collaboration amongst regional institutions; sectors with key skills gaps in particular regions; prioritising institutions with strong and growing industry collaborations and workplace learning opportunities; dedicating a portion of places to regional and remote areas and other equity groups to address disadvantage and encourage employment outcomes.

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally-based startups?

RUN recommends dedicating a minimum number of places each year to identified target groups, to ensure students from educationally disadvantaged backgrounds have access to the Startup Year program.

It is noted that the design of the Startup Year program may include an additional 12-months of study to complete the program. Where suitable, consideration should be given to allowing the flexible use of Startup Year loans for courses that are run in parallel or as part of an existing degree.

RUN notes that students from low socioeconomic and disadvantaged backgrounds are best supported by universities located close to their own community support structure. RUN recommends that Startup Year should leverage the strengths of regional universities who are best placed with their community knowledge and networks, to connect with disadvantaged student cohorts and regional students. This program may potentially increase the density of entrepreneurs and innovators in regional Australia.

Given the resourcing involved with establishing a new Startup Year accelerator program, consideration should be given to strategies enabling regional universities to work together to provide the best learning experience for regional students. This may include regional partnership, virtual hubs, dual delivery of a program, and/or digital and blended learning opportunities that could lead to greater collaboration between participants and industries.

5 Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas. As there will be diversity in the ideas, industries, and student background, a key consideration of the program is how to best provide value to the student, ensure quality program delivery, and best facilitate positive student outcomes.

Does the proposed approach fill a gap in the market?

RUN acknowledges the approach does provide increased accessibility for students to complete accelerator programs, while also prompting higher-education providers to consider how they work with local industries and support students to deliver such programs.

RUN supports the inclusion of micro-credentials in the funding framework with student loans. It provides a more flexible learning environment demanded by industry and students. RUN notes that few startups initially succeed, so would recommend the investment focus on providing students and recent graduates the skills they need to potentially create a startup or to work with one. Gaps in regional markets will continue to improve over time through such programs, by growing a strong foundation and capacity for innovation between universities, networks, and students.

Is there a clear value proposition for students and higher education providers?

Value Proposition for students: RUN is concerned the accelerator programs require an established proof of concept which may be difficult for students at an undergraduate level. Further clarity is needed about the outcomes and design of the programs, to ensure there is a maximum benefit for students. For example, will students completing an accelerator gain degree credit or will it enable them to start a business? RUN recommends further consultation be undertaken focussing solely on the voice of prospective, current, and former accelerator students.

RUN universities have a high proportion of mature aged students studying online. To engage this cohort, there would need to be flexibility in how the programs be delivered.

Value Proposition for Higher Education Providers: RUN notes concerns about the lack of incentives for regional universities to develop new programs, improve existing offers, or adapt programs to changing industry or student needs.

The 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. There is currently no incentive for smaller regional universities to extend or update their offerings or to offer for the first time.

If the proposed funding is to be utilised by universities to deliver an education program, there is an opportunity to consider repurposing underspent short course funding already allocated.

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

To ensure quality, a positive student experience, and outcomes, RUN supports a continuous improvement approach where industry and regional institutions are involved in an ongoing capacity to advise and inform the delivery of the program. Student feedback is also critical in designing and improving the programs. RUN supports opportunities to enhance student experience, such as collaborating through virtual hubs, or having programs delivered by industry and experienced entrepreneurs.

What else could be considered to support the ambition to establish new firms?

To support and encourage ambition to establish new firms, the Startup Year initiative and how to access the program needs to be clearly communicated to target cohorts and promoted within the university and their networks.

RUN members can identify some existing undergraduate degrees and honours programs that already include components of entrepreneurship and/or incubation of business ideas. These could act as pathways for students to consider and commence an accelerator program. RUN also acknowledges there is an opportunity to widen the scope of eligible Startup Year programs beyond programs that are formally branded as accelerators.

What data is required to measure the success of participating in university-based accelerator programs?

RUN recommends implementing qualitative mechanisms such as engagement with students to understand and measure their experiences through surveys and focus groups.

Depending on the resources available to measure the longer-term success of the accelerator program, consideration should be given to industry assessment. Such as:

- has the program supported innovation in an area of national priority?;
- has there been an impact on addressing any social and community issues?;
- longitudinal data on where students are 3 to 5 years out from the program (whether establishing a startup or being part of one)?; and,
- in which region is the participant based and what is the prevailing unemployment rate?

How do we measure the success of the Startup Year initiative and the participating students?

RUN recommends the success of the Startup Year initiative and the participating students be measured using a combination of qualitative and quantitative sources to provide appropriate context. RUN recommends at a minimum that the measures be reported by location – regional and metropolitan programs – to identify trends, improvements, and areas of excellence.

Reporting on the number of startups as a percentage of those that have completed the program, will provide a measure of the success of the program and for the student. This value could be reviewed in the short and long term. For instance, the number of startups commenced within 12 months of completing the accelerator program; and number of startups commenced within 5 years of completing the accelerator program. This will provide an indication of success of individual accelerator programs, regionally and metropolitan based programs, and provide a national perspective for the efficacy of the Startup Year initiative.

Other measures of success include student feedback and including a net promoter score to gauge satisfaction with the program. Again, this will provide feedback for institutions offering the program, an indication of satisfaction from regional students vs metropolitan students, and the national program.

RUN recommends reviewing the Startup Year initiative by the diversity of the student cohort and diversity of new start-ups, again reporting by location and differentiating the regional and metropolitan programs.

Despite the above, RUN notes that the success of the startup program should not be measured solely on the number of startups. Commercialisation outcomes can be found in varying formats yet often have similar impacts of job creation and product development. Startups take substantial effort, knowledge, and resources to be sustainable, with many not progressing beyond the startup phase of company development. Successful startups often take numerous years to realise success and thus this program should be viewed as a long-term investment in Australia's innovation ecosystem.

6 Student experience

Students are the central stakeholder for Startup Year initiative, as the recipients of loans and the driver of startup creation and innovation. As such, it is important that the student experience is considered in the Startup Year design and delivery, to ensure the program meets their needs and provides them with the opportunity to develop the suite of skills and experience required to grow their startup ideas and build their businesses. Students will be required to complete micro-credentials or qualifications as part of the Startup Year program.

How can we ensure the Startup Year program brings the most value to students?

RUN recommends engaging and/or co-designing the programs with student input to ensure they have a positive experience, and they have opportunities to develop their skills and put them into practice.

RUN acknowledges that students from non-traditional or underrepresented backgrounds should be a special focus of incentives to encourage their adoption of ongoing learning and skills development. Appropriate engagement strategies are critical to delivering programs to First Nations students and low socioeconomic student cohorts.

Should students be able to receive formal and informal learning as part of the program?

RUN universities are supportive of students being able to receive both formal and informal learning as part of the program. It is noted that creativity, innovation, and design thinking is done best in informal, non-graded environments.

RUN is seeking clarification if the intention is to have the program as part of the Australian Qualification Framework? RUN notes that not all experienced entrepreneurs have formal higher degree qualifications and therefore would recommend policy settings include the possibility for startup year students to learn from experienced innovative individuals in this space.

How could a micro-credential or qualification best work in practice?

RUN endorses the implementation of micro-credentials or qualifications that support a student to innovate and pursue their ideas through an accelerator program. Micro-credentials can be beneficial at the start of the commercialisation process, and then potentially for the development of 'non-technical' skills such as learning to pitch ideas to potential partners.

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

RUN acknowledges that accelerator programs are designed to tease out opportunities that already display commercial merit. Market investigation needs to have been conducted prior to commencing the accelerator program, to validate that the idea/opportunity solves an industry/market problem in a unique way. RUN is concerned this work requires a level of skill, commercial knowledge, and experience that an undergraduate may not possess.

For students to test, trial, and learn facilities and projects to build their skills and understanding towards their business ideas, RUN recommends enabling opportunities for co-location and engagement with industry and professionals. Regional universities will need to explore and make use of effective online and virtual engagement platforms to ensure their students have similar opportunities to network and learn as those in metropolitan areas.

There are also opportunities to work in partnership with other higher education providers.

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

RUN is supportive of providing opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as their own industry of interest. Engagement opportunities including mentoring and networks are considered a valuable aspect offered as part of accelerator programs.

7 Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a startup idea through their studies and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their careers and have identified problems within their industries or communities for development.

We propose Startup Year loans focus on the former group, that is final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as additional support to bring their startup ideas to market.

Option: the loans could help bridge the gap between supply and demand, providing loans to students who miss out on a place within an accelerator program, are recommended by their supervisor as benefitting from access to additional specialised advice and time to refine their startup concept.

What are the benefits and risks in expanding the program to recent graduates?

RUN supports policies that enable increased access to education, especially for students from traditionally underrepresented cohorts.

While there are no significant risks to expanding the program, RUN notes that undergraduate and recent graduate students may not have the skills required to have worked through their ideas and identify commercial merit and/or proof of concept. Consideration should be given to expanding the design of this initiative to include the foundation skills required to develop students' ideas, prior to commencing the accelerator program.

In terms of the eligible cohort, there are benefits expanding the criteria based on other qualifications and/or industry experience. This would be beneficial for regional, remote, and rural Australians, as the proportion of Australians with a bachelor's degree (or above) varies greatly based on where Australians live.

The disparity in tertiary participation/attainment between regional and metropolitan Australia, and the stronger demand for skilled workers in RRR locations, indicates that regional communities play host to the greatest concentrations of untapped economic potential at a national level.

What are the benefits and risks in providing Startup Year loans provide to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

RUN is seeking further clarification regarding the Startup Year loans, including how the funding model will be administered.

When examining costs across the sector, nuanced consideration must be paid to the difference experienced by regional universities in the cost of teaching and the provision of equitable student experience, and the subsequent costs in supporting the needs of regional student cohorts. As such, RUN supports the need for regional differentiation of university teaching and research funding – including funding to deliver the Startup Year initiative in regional Australia.

For prospective students considering the Startup Year loans, it would depend on their financial means and stage of life. For entrepreneurs accessing the accelerator scheme, a loan to cover fees may not suffice as an incentive. It is noted that entrepreneurs may already have access other support programs such as the Entrepreneur Program, the Innovation Connections Program, the ARC Industry Fellowship Programs or the CRC-P Scheme.

What are the benefits and risks in providing Startup year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

RUN would caution this approach, noting the risk is that the loan funds may not be well-used to advance a startup. There are concerns if a student is not participating in an accelerator program, they will not have the appropriate wraparound supports and/or connections to industry and networks. Again, further clarification is needed regarding the Startup Year loans program, including how the funding will be administered.

How can universities ensure these loans are allocated to the most suited students?

RUN universities already have various schemes in place to allocate scholarships to students from low socioeconomic and disadvantaged backgrounds, and students from regional communities.

Regional universities are well placed to identify students likely to succeed from being part of the Startup Year initiative – considering their abilities, the intent and design of the accelerator, and capacity to engage with industry.

What are other options could be considered?

8 Startup Year Pilot

The Startup Year initiative is anticipated to commence in July 2023. This can be achieved through a full program rollout, or through a first-year pilot phase. A first-year pilot phase would help to inform the future direction of the initiative, including validating processes such as registration and bidding, identify key themes in priority areas, student eligibility, and measures for success. The pilot would include a small number of places at a select number of existing higher education provider-based accelerator programs. This would include a national footprint, including at least one regionally based accelerator.

What are the benefits and risks for undertaking a first-year pilot?

RUN supports undertaking a first-year pilot phase to inform the future direction of the Startup Year program. The benefits will include feedback and perspectives from students, stakeholders, and higher education providers, and provides an early indication of the outcomes.

RUN asks consideration be given to including more than one regionally based accelerators in the pilot phase. This will provide greater insight into how Startup Year can be implemented to best support students from regional Australia.

Consideration should be given to allowing a new accelerator program take part in the first-year pilot. This will provide a different perspective to the challenges and areas for improvement, compared to institutions that already have a well-established accelerator program that can be offered as part of the Startup Year initiative. Again, further information is required on the pathway for universities to develop and offer an accelerator as part of this initiative.

What lessons can be learnt from a pilot program?

As part of the first-year pilot phase, RUN recommends inviting students, stakeholders, and providers to share their feedback and recommendations for improvement. The pilot provides the environment to trial and review this scheme by allowing stakeholders to assess the feasibility of the program; provide feedback on the funding model; identify if the program is supporting innovation in areas of national priority; highlights gaps/improvements in the initial stages of designing the accelerator program; consider if the wraparound supports are sufficient; and determine if participants have progressed or have the ability to progress their ideas from proof of concept to a startup.

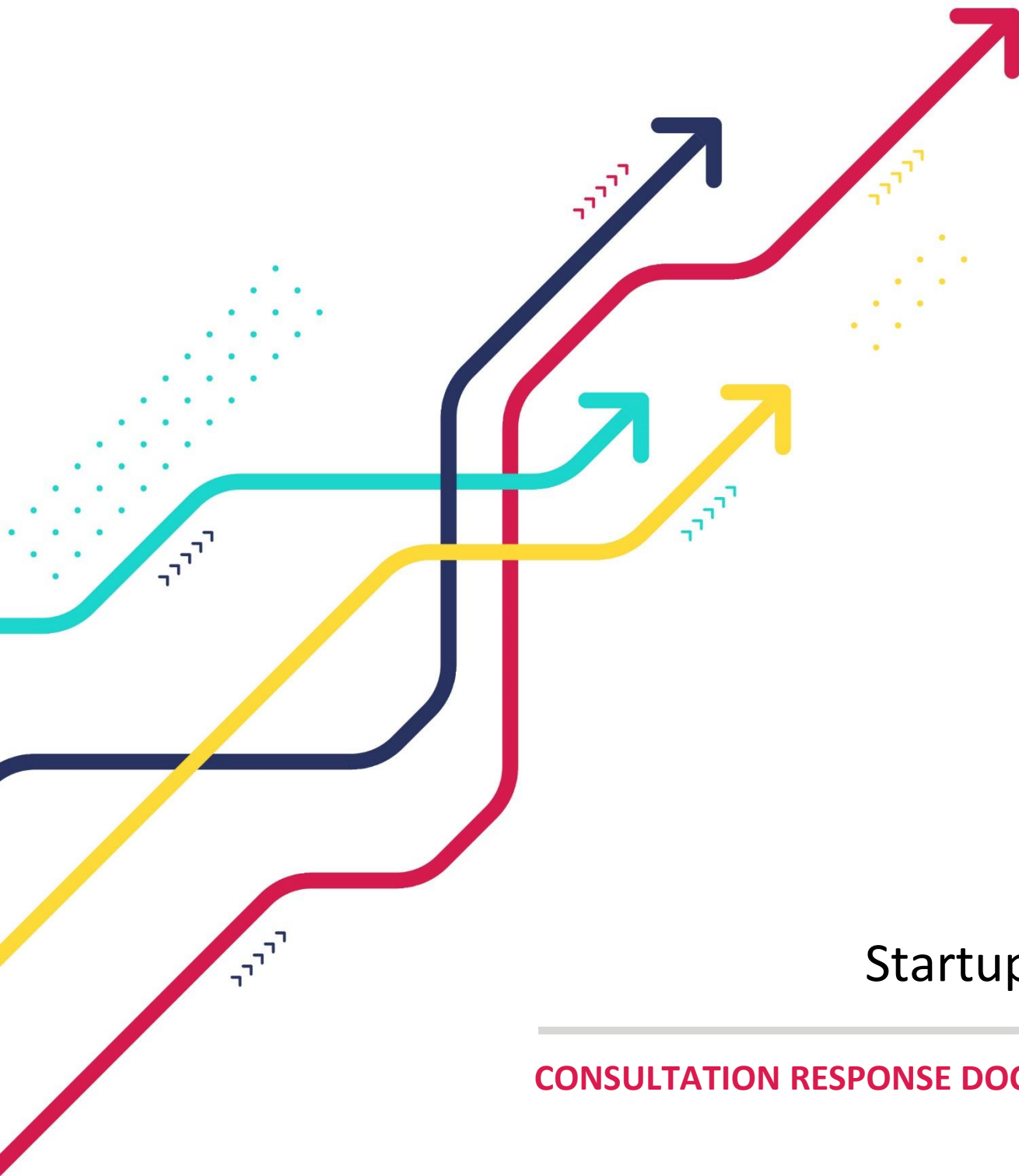
What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

RUN universities support the inclusion of regional representation during the pilot phase. The pilot should include diverse student representation from Indigenous students, students from low socio-economic backgrounds, first-in-family students, and/or students from regional communities.

The market and engagement opportunities for regional entrepreneurs will vary considerably to those in metropolitan areas. We know that regional Australia is well-serviced by many world-class comprehensive universities that already have the capacity to translate investment in tertiary education and research into higher participation rates amongst underrepresented student cohorts.

RUN recommends the findings from this pilot be reported by location to identify trends by regional and metropolitan programs.

RUN advocates that a fit for purpose pilot criteria be developed for regional universities. The pilot can draw attention to the resourcing required in regional locations, and student and industry feedback. Social entrepreneurship and community impact will also be important to take into account during this pilot phase.



Startup Year

CONSULTATION RESPONSE DOCUMENT

Startup Year Consultation Submissions

Please use this response document to provide a submission to the Department of Education on the proposed Startup Year initiative.

Completed submissions are to be submitted to accelerator@dese.gov.au. Submissions should not exceed 1,500 words. Please contact the Department if you require this document in an alternate format.

Submissions will close at **11.59pm AEDT Tuesday 15 November 2022**

Please provide your details in the table below:

Organisation name	The University of Adelaide
Organisation type (e.g. university, startup)	University
Contact name	[REDACTED]
Contact email	[REDACTED]
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

1 Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

Entrepreneurship can take many forms, and is agnostic of the particular corporate vehicle within which activity is generated. The definition should also include programs that enable corporate entrepreneurship within existing companies (intrapreneurship), in addition to focus on supporting startups. Commercialising innovations can include starting a company, or incorporating them within an existing company. Ultimately, we need a stronger pool of graduates with entrepreneurial mindsets, who are able to apply skills and experiences acquired to existing and new businesses.

2 Registration Process

A recurring registration process will be established for providers to participate in the Startup Year initiative. To register, providers will be required to submit an application, which must include the following information:

- Program overview and outcomes, including any supporting documentation, policy documents and business outcomes
- Program components over the business-focused year
- Student enrolments (actual and projected)
- Activities, facilities and non-financial support provided and their associated costs or value
- Funding available to participants
- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)

Optional: links to existing case studies

**What other accelerator success measures could be considered as part of the registration process?
For example, growth in student numbers, diversity in student cohort, number of successful startups
or commercialised products from participating students, job creation, and industry partnerships?**

Additional success measures include:

- The number of students who completed entrepreneurship programs/courses over the past five years and the types of programs delivered.
- Diversity of student cohorts completing entrepreneurship programs (discipline, level etc).
- The number of graduates from these programs who have generated successful startups over the past five years.
- Commercialisation support track-record.
- The number of full-time-equivalent personnel (including mentors) devoted to the entrepreneurship programs/courses to support participants.
- The history of the provider including start date.
- Providers shifting from being dependent on the Scheme to being sustainable in delivering the program without government support within, say, three to five years.
- Providers having the necessary resources to support participant innovation prototyping (e.g. 3D printing facilities).

What social and community impact measures could be included?

- Relevant participation measures such as:
 - Participation in entrepreneurial programs/courses by geographical location:
 - Regional
 - Urban
 - National
 - International
 - Participation in entrepreneurial programs/courses by education level:
 - High School
 - Undergraduate
 - Postgraduate (Masters)
 - PhD
 - Participation by Australian government growth sectors:
 - advanced manufacturing
 - cyber security
 - food and agribusiness
 - medical technologies and pharmaceuticals
 - mining equipment, technology and services
 - oil, gas and energy resources
 - Participation rates of those who are socially, economically, physically, or neurologically challenged / disadvantaged
- Impact measures such as:
 - Selected case studies demonstrating the positive impact of programs on both participants and, in turn, the broader community.
 - Economic and commercial indicators – funds raised, revenue generated, jobs created.

3 Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

- Be an Australian University or University College
- Have clearly defined program outcomes, industry partnerships, and student engagement strategies
- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well -defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

- Remove the words “...or a well-defined strategy to support this”.

Comment: Successful providers should have demonstrated experience and track record, not just a strategy.

- Remove the words “Have the ability to deliver ...” and replace with, “Have demonstrated experience in delivering ...”

Comment: Successful providers should have demonstrated experience of this, not just the ability.

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

Yes – with the suggested amendments.

4 Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

The allocation of places across states and territories should be based on the following:

- Links to industry and partnerships in the six growth sectors.
- A demonstrated track record in incubator/accelerator programs to ensure a high chance of successful outcomes from the limited places provided.
- Providers that are ranked for their expertise in entrepreneurship education.
- The extent to which accelerator and entrepreneurial education opportunities are part of the broader university's industry engagement activities and strategy.

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally-based startups?

A quota system should be established to support the following priority areas:

- educationally (and other) disadvantaged
- Indigenous students
- regional students
- students from minority groups
- students from non-traditional discipline areas
- intersectionality.

5 Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas.

Does the proposed approach fill a gap in the market?

The proposal does fill a gap in the market; however, while accelerator programs are a way to develop entrepreneurial mindset and skills and increase startup activity and commercialisation, two key elements need to be considered and embedded:

- (1) How Postgraduate coursework and HDR students can best be supported as part of the Program, and
- (2) How interdisciplinary teams are formed and supported to facilitate startup success.

Such teams may bring together students or recent graduates across different educational levels.

New, entrepreneurial ventures/startups are not only being driven by undergraduates – they are driven by people who have been exposed to challenges and gaps in the market. The Postgraduate Coursework and HDR cohorts, generally have a closer connection to innovation that could be developed as an entrepreneurial venture.

Graduate students with a certain number of years of experience working in the field might also be usefully considered as another target cohort.

Is there a clear value proposition for students and higher education providers?

There is a clear value proposition. The value proposition would be expanded if:

- (1) the timeframe could be expanded, so that those students that have demonstrated outcomes as part of the program were eligible to receive ongoing funding for some future years, and
- (2) students were supported and encouraged to engage with entrepreneurial training opportunities provided by the University from the outset of their studies.

For higher education providers, this additional funding would allow them to scale their startup and commercialisation support activities.

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

- Funding for research to track outcomes and to measure the impact and quality of the program.
- State/Territory and national competitions or showcases for all participants.
- Industry partnerships.

What else could be considered to support the ambition to establish new firms?

It is important to identify who is supporting these programs. There will need to be greater engagement with industry partners in addition to the academic support of the Program. This could be assisted by the establishment of a database of companies and businesses from across industry that could provide financial and other forms of support for nascent entrepreneurs to facilitate their startups.

What data is required to measure the success of participating in university-based accelerator programs?

- Pre and post surveys regarding entrepreneurial thinking and mindset
- Progress made since inception in terms of:
 - teams developed
 - leads generated
 - partnerships established
 - prototypes developed
 - funding secured
 - revenue
 - jobs created
 - diversity in individuals and ventures

How do we measure the success of the Startup Year initiative and the participating students?

The following data will be used to determine success:

- Pre and post surveys regarding entrepreneurial thinking and mindset
- Progress made since inception
- The social impact of the program.

6 Student experience

Students are the central stakeholder for Startup Year initiative, as the recipients of loans and the driver of startup creation and innovation. Students will be required to complete micro-credentials or qualifications as part of the Startup Year program.

How can we ensure the Startup Year program brings the most value to students?

- It is important that the right providers with a track record of success in this area are selected.
- There should be opportunities in the program design for the providers to work together to learn from each other to improve best practice. This could be achieved by a National Competition for recipients.
- The design and delivery of the program should be based on a proven model.
- Students could have the opportunity to graduate from the program with a credential that is recognised in the market (e.g. Honours, Professional Certificate, Graduate Certificate).
- The program should be part of a broader suite of offerings that encourages students across all disciplines and levels to engage with entrepreneurship from early ideation activities, to validation programs and then the accelerator stage.

Should students be able to receive formal and informal learning as part of the program?

Yes. It is important to include formal learning as students may benefit from receiving a credential that is recognised in the market.

How could a micro-credential or qualification best work in practice?

With structured learning, it would be possible to design the entire year as a “Professional Honours” program or a Graduate Diploma. Given that students would have different learning needs, this structured learning could also be offered in smaller modules as micro credentials.

How would students access, test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

- Engage with registered providers of entrepreneurial services.
- Access to incubator space which has resources to facilitate prototype development such as 3D printing facilities, maker/lab space, and on-hand, in-house expertise to support technology prototyping.

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

Yes, these opportunities are crucial for startup success. Finance is one important component for a startup, but so too are the skills and networks required, across marketing, people management, communication, technology, e-commerce, and law. It is important that startups access industry experts in these fields at different times in the journey. Providers should have the capacity to support participants to research international markets and to help them establish a base in these markets with a view to their generating export sales.

7 Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a startup idea through their studies and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their careers and have identified problems within their industries or communities for development.

We propose Startup Year loans focus on the former group, that is final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as additional support to bring their startup ideas to market.

Option: the loans could help bridge the gap between supply and demand, providing loans to students who miss out on a place within an accelerator program, are recommended by their supervisor as benefitting from access to additional specialised advice and time to refine their startup concept.

What are the benefits and risks in expanding the program to recent graduates?

Benefits:

- Recent graduates have already proved they can commit to completion.
- Have an understanding of, and are already engaged in, the University environment, and where possible have already engaged with entrepreneurship and/or innovation programs and experiences (curricular or co-curricular).
- Have experience, industry knowledge, and maturity and therefore are more likely to succeed.

Risks:

- Graduates with the highest potential may have better jobs, and hence a higher opportunity costs to take up this type of loan. Hence, it may attract poorer quality graduates.

What are the benefits and risks in providing Startup Year loans provide to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

Benefits:

- Generates impetus and opportunities for students to pursue this pathway when they would otherwise not have been able to.
- Increases chance of success, and therefore innovation output.
- Builds mindset and skills valuable for both entrepreneurship and intrapreneurship pathways.
- Increases participation in the accelerator program which is valuable for existing entrepreneurs.

Risks:

- Potential risk that students' ambitions don't align with the objectives of the accelerator, which can be mitigated through a clear application pathway.

What are the benefits and risks in providing Startup year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

Benefits:

- Provides an opportunity for success which otherwise may not have been able to progress.
- The earlier in the journey in which support is given to these students, the more likely they are to make better decisions about the potential success of their idea.

Risks:

- Earlier in the journey, higher chance of failure.

Ultimately, the benefits of learning and experience do outweigh the risks. Even if students do not succeed this time, the building of an entrepreneurial mindset sets them in good stead for future opportunities.

How can universities ensure these loans are allocated to the most suited students?

It will be important that universities have a robust application and selection process for students to access these loans. Those convening the selection panels should have experience in working with startups, including assessing startups for venture capital, and evaluating the likelihood of success. The panels should be comprised of external members to the University, as well as internal. In addition, there should be a sector-specific representative on the panel to assess the idea.

What are other options could be considered?

- Ensure loan applicants have been through a rigorous period of training and incubation prior to applying for a loan so that proper due diligence can be undertaken in observing the performance of the entrepreneurs.
- Proactively create a peer network of participants across the country and across accelerators to grow networks beyond institutions and precincts.
- Income support should be considered alongside this Program.

8 Startup Year Pilot

The Startup Year initiative is anticipated to commence in July 2023. This can be achieved through a full program rollout, or through a first-year pilot phase. The pilot would include a small number of places at a select number of existing higher education provider-based accelerator programs. This would include a national footprint, including at least one regionally based accelerator.

What are the benefits and risks for undertaking a first-year pilot?

Benefits:

- Better alignment of program for first full rollout.

Risks:

- Delay of major benefits for 12 months.

What lessons can be learnt from a pilot program?

- What has worked; what has not. What should have been included that was not.
- Do participants have a stronger entrepreneurial mindset? An agreed rubric will be needed to assess this.
- Have they got the determination to succeed?
- Do they have a clear understanding of business models and gaps in the market?
- Are they capable of building a successful entrepreneurial team?
- Do they have the set of values that lead to success?
- Is the training, mentoring, and incubation adequate?
- Are there adequate provider resources to support the program to ensure sustainability and success?
- Have industry and investors engaged?

Additionally, there will be lessons to learn around research commercialisation.

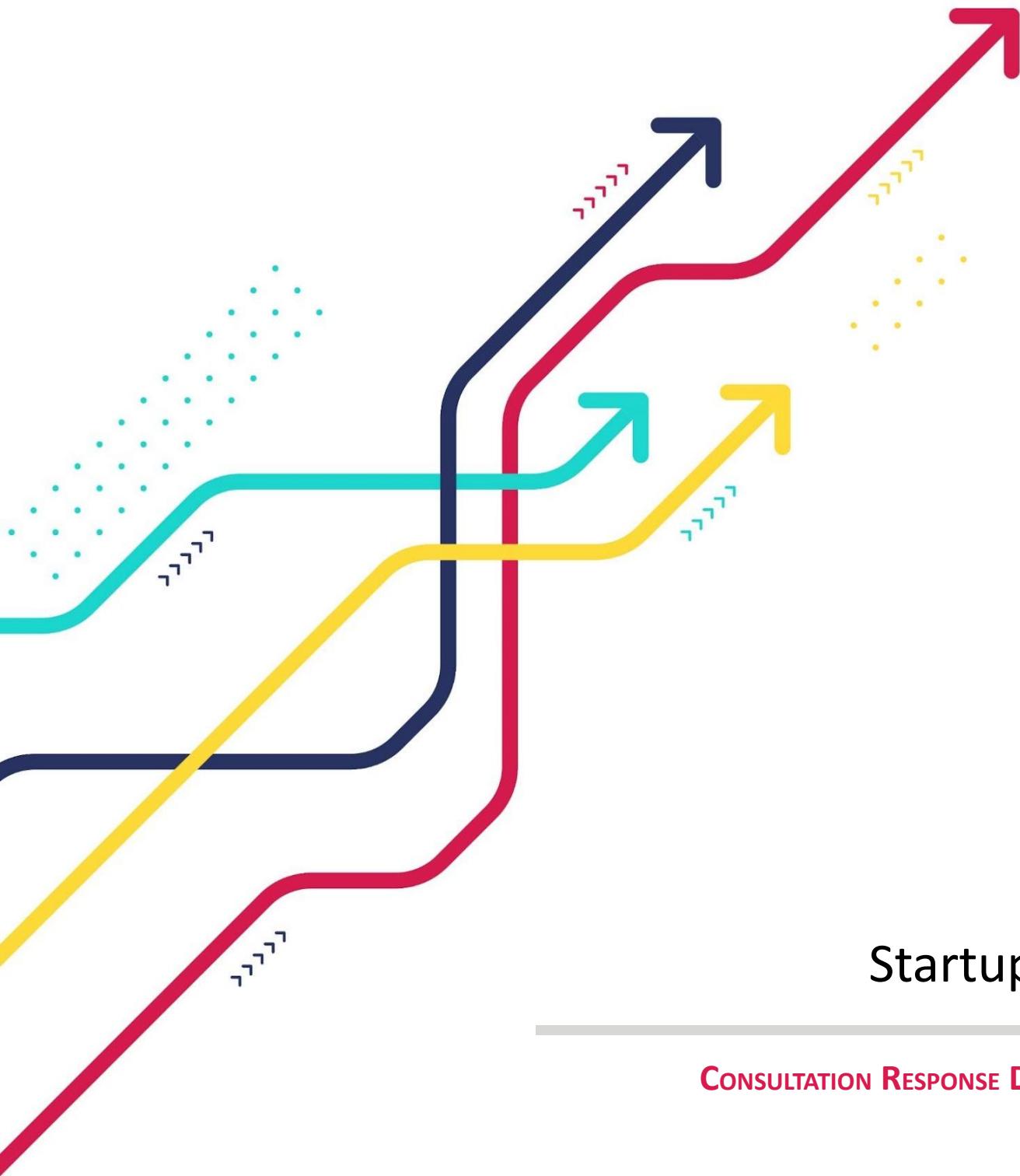
What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

For providers of the pilot:

- Evidence of a track record in supporting entrepreneurs and entrepreneurship programs including proven, established, methodologies and frameworks for supporting startups.
- Access to global networks in the business or entrepreneurial context.
- Proven entrepreneurial success case studies.
- Equitable distribution of providers across Australia.
- Number of students engaged in entrepreneurial activities at the provider University.
- Demonstrated cross-sector reach.
- Provider to prove substantial links to industry and partnerships in the six growth sectors.

For individual participants:

- Is there the basis for an entrepreneurial team in existence?
- Is the startup in a designated area of interest?
- Is(are) the entrepreneur(s) open to mentoring?
- Is the participant from an area of need?



Startup Year

CONSULTATION RESPONSE DOCUMENT



Hi, we're HEX

ENTREPRENEURSHIP PROGRAM
INNOVATORS FOR AUSTRALIA'S
HIGHER EDUCATION SECTOR



Startup Year Consultation Submissions

Please use this response document to provide a submission to the Department of Education on the proposed Startup Year initiative.

Completed submissions are to be submitted to accelerator@dese.gov.au. Submissions should not exceed 1,500 words. Please contact the Department if you require this document in an alternate format.

Submissions will close at **11.59 AEDT Tuesday 15 November 2022**

Please provide your details in the table below:

Organisation name	The Hacker Exchange Pty Ltd (trading as HEX)
Organisation type (e.g. university, startup)	Accelerator / Education Technology Company
Contact name	[REDACTED]
Contact email	[REDACTED]
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

HEX's Expertise and Perspective

[HEX](#) is an Australian-based, multi-award-winning Education Technology company delivering Accelerator programs to the next generation of entrepreneurs. Founded by Top 100 Innovator Jeanette Cheah, and backed by the Boosting Female Founders grant, HEX delivers programs that are university-accredited and internationally recognised. HEX has a community of 8,000+ leaders, with 25% of Alumni identifying as entrepreneurs.

Our digital program, HEX Ed (co-designed with Atlassian), and global programs, HEX International (connecting student founders to Silicon Valley, Tel Aviv, Singapore and beyond), build more future founders, leaders and tech talent to improve Australia's innovation standing, globally.

In this response, HEX takes the perspective of an industry-based entrepreneurship program provider to the higher education sector since 2017.

About Jeanette Cheah, HEX Founder & CEO

Jeanette Cheah is the founder and CEO of HEX, on a mission to grow the exponential intelligence of the future workforce through skills and mindset-based programs for students. Recently listed as one of Australia's Top 100 Innovators, she is also a regular guest lecturer, keynote speaker, and an advocate for tech inclusion and diversity in business worldwide. Jeanette has represented Australia at the G20 Young Entrepreneurs Alliance in Argentina, was a Telstra Business Women's Awards finalist, and in 2021 was named a 40 Under 40 Most Influential Asian-Australian, winning the category for Entrepreneurship.



1. Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

Definition of an accelerator

The accelerator definition is correct, however this definition makes the assumption that a university-delivered accelerator is the solution to this policy challenge. HEX believes this definition should be extended/clarified to encourage higher education institutions to deliver “Startup Year” in cooperation with industry – or ‘third party providers’.

2. Registration Process

A recurring registration process will be established for providers to participate in the Startup Year initiative. To register, providers will be required to submit an application, which must include the following information:

- Program overview and outcomes, including any supporting documentation, policy documents and business outcomes
- Program components over the business-focused year
- Student enrolments (actual and projected)
- Activities, facilities and non-financial support provided and their associated costs or value
- Funding available to participants
- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)

Optional: links to existing case studies

What other accelerator success measures could be considered as part of the registration process? For example, growth in student numbers, diversity in student cohort, number of successful startups or commercialised products from participating students, job creation, and industry partnerships?

Global connection: Evidence of the accelerator's direct connection of founders to global startup markets for best practice mentoring, fundraising and export marketing opportunities.

Innovation mindset: Risk-averse research cultures of universities are at odds with the gritty, high-risk, rapid-iteration culture in startups. Providers should demonstrate clear evidence of their startup values and mindset, to ensure students are immersed in the true culture of the sector.

Strong industry partnership: Constraints of the HELP Loan limits administration of the program to higher education providers who prioritise research rather than embedded connection to industry, venture capitalists, angel investors, and global mentors. Third party partners are better value for money.

Ecosystem contribution and talent development: Startup success comes from a rich ecosystem of ready talent and the development of future tech and startup operators. Accelerators should demonstrate evidence of existing 'pay it forward' activities to the startup community through events, support, funding, job readiness training, and mentoring.

What social and community impact measures could be included?

HEX recommends re-thinking the entry point of Startup Year, and considering it to be a pathway into higher education, rather than a pathway out.

HEX recommends providers report on:

1. Gender diversity
2. CALD status
3. "First person in family to access higher ed" status
4. Migrant or refugee status
5. Low socio-economic status
6. Reduces the number of young people headed towards NEET status.

3. Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

- Be an Australian University or University College
- Have clearly defined program outcomes, industry partnerships, and student engagement strategies
- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well-defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

HEX recommends the assessment of participants has industry oversight in addition to the Education and DISR assessment.

The criteria limits the provision of HELP Loans to well-funded accelerator programs. While HEX understands that the nature of funding requires a university partner, the expertise of third-party providers broadens the diversity of universities and students participating. It also enables the Startup Year to be delivered more efficiently, at scale, with better outcomes.

HEX cautions this criteria drives unintended consequences of incentivising universities to repurpose existing Accelerator programs, which are normally free for students, – resulting in a not-fit-for-purpose experience, while adding to a student’s HELP debt unnecessarily.

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

No - they may limit accessibility to the Startup Year.

The government can increase the opportunities for people of all backgrounds in Australia by rethinking which combination of providers are most qualified and have already invested significant time, resources and social capital to deliver entrepreneurship education with impact, scale and track record. This will deliver greater value for government money.

4. Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

Our concern is that the \$23.6 million available can be utilised in more cost-effective ways to deliver better outcomes across the Australian economy.

Our conversations with universities tell us that 'dividing up' 2000 places may be a disincentive to invest the resources to develop a new market-leading program. This may lead to inefficient use of ecosystem resources, with multiple institutions tapping the same experts, founders, and investors to participate as speakers and mentors.

Government could consider a more efficient use of resources by centralising delivery through HEX's global pre-accelerator and accelerator programs that are already in-market, approved by leading Australian universities for credit, and aligned with deep startup expertise in local and global ecosystems.

For the 'per student' allocated cost of \$11,800, HEX can deliver a multi-award winning accelerator program to 5 x students - significantly multiplying the impact of this investment.

The digital nature of HEX means we have the infrastructure and expertise to reach into diverse communities, which should be prioritised, for example our work with Creative Cooperative (women of colour founders), Minderoo foundation (First Nation founders), RMIT Activator (migrant and international students), Skyline foundation (low SES student founders).

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally-based startups?

The Startup Year should be a vehicle to provide an alternative pathway to students leaving school, rather than only being available to students enrolled in expensive degrees. The government should rethink educational pathways into vocational, tertiary, and HEX's Innovation Gap Year. The Startup Year should also be an alternative pathway into university.

5. Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas. As there will be diversity in the ideas, industries, and student background, a key consideration of the program is how to best provide value to the student, ensure quality program delivery, and best facilitate positive student outcomes.

Does the proposed approach fill a gap in the market?

The proposed format does not fill a gap in the market. Existing accelerator programs support student and alumni founders, often at no cost to students. The proposed approach does not clearly expand, diversity or enhance the student experience.

Additionally, private companies like HEX already meet this market need, and welcome the opportunity to scale impact for the growth of the Australian economy and extend education and awareness of startup careers. Otherwise, Australia risks missing out on a group of innovators who did not have the chance to go to university, or who were not introduced to entrepreneurship before or during university.

Is there a clear value proposition for students and higher education providers?

The current 'university accelerator' value proposition suits a small segment of the student population. Startup Year will not fundamentally change this unless:

- Wholesale and creative changes are made to these programs, and
- Investment is made to diversify the appeal of a career in startups, earlier.

The value proposition for higher education is mixed.

- Benefit: institutions can get more funding for something they already do.
- Downside: limited places and funding is not a clear incentive to develop amazing, student-focused programs with academic rigour.

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

HEX recommends that these programs teach skillsets, mindsets and toolsets to ensure that students will also develop a safety net of future digital skills which improve employability into the tech sector.

HEX's methodology also tells us that direct connections to global ecosystems are crucial.

Centralising and benchmarking the program through a nationally tested and proven industry program mitigates risk.

Student co-design is essential, especially when educating impact-focused and digitally immersed Gen Z founders.

HEX students tell us that flexibility and remote digital access is crucial to allow students the freedom to work on their startup, conduct other studies, work or travel while also completing Startup Year.

What else could be considered to support the ambition to establish new firms?

International opportunities to connect with the ecosystem, capital, and markets.

Connection to pre-seed and seed funding is crucial, especially for deep tech startups.

If low SES founders are a priority, the Government should consider access to high-speed internet and devices like laptops as part of some program design.

What data is required to measure the success of participating in university-based accelerator programs?

It's essential for reporting to demonstrate a HELP Loan can be traced to individual student outcomes. This ensures student debt is not utilised to fund existing programs and will prevent misuse.

How do we measure the success of the Startup Year initiative and the participating students?

HEX has worked with over 5,000 students and has a community of over 9,000 globally.

We suggest the following metrics:

- Total students educated
- Impact metrics, as defined in question 2
- Education metrics about entrepreneurship and enterprise skills gained
- Empowerment metrics on confidence and capability
- Social connection metrics on network and ecosystem
- Alumni working in startups (HEX's alumni - 1 in 4)
- Alumni working in the 'Tech or digital' industry (HEX's alumni - 1 in 5)
- Jobs created from Alumni-founded startups
- Capital raised
- Export volume
- Alumni job satisfaction against peers
- Alumni earnings against peers
- Industry vertical choices of alumni

6. Student experience

Students are the central stakeholder for Startup Year initiative, as the recipients of loans and the driver of startup creation and innovation. As such, it is important that the student experience is considered in the Startup Year design and delivery, to ensure the program meets their needs and provides them with the opportunity to develop the suite of skills and experience required to grow their startup ideas and build their businesses. Students will be required to complete micro-credentials or qualifications as part of the Startup Year program.

How can we ensure the Startup Year program brings the most value to students?

Skills acquired through entrepreneurship education should be embedded at an earlier stage of the university experience, rather than as additive to a degree.

Formal academic credit adds even more value to students. 19 Australian universities already award credit to students of HEX, including ANU, Griffith University, Monash University, Curtin University, and Western Sydney University.

Should students be able to receive formal and informal learning as part of the program?

Yes. HEX offers a range of 'informal' experiences that are integrated into an entrepreneurship pedagogy. This includes international opportunities with accreditation linked to the OS-HELP program. Providing the OS-HELP style opportunities along with the Startup Year HELP for non-university students should be part of the Innovation Gap Year.

We augment this with ecosystem events and speakers, activated spaces (like student accommodation spaces), and networking opportunities.

Most startup education is learned by doing, so coworking opportunities and spaces, as well as mentor office hours and access to early-stage software /tools is essential.

How could a micro-credential or qualification best work in practice?

The Startup Year should be accredited by TEQSA to legitimise Startup Year for students, parents, and industry. The Innovation Gap Year could be accredited by TEQSA or ASQA for the same reasons.

HELP-funded stackable microcredentials are also an appealing option, as long as these are validated by industry as well as the university. Microcredentials could increase appeal to non-uni enrolled founders and be a pathway into university.

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

HEX believes in teaching students to improve their “Exponential Intelligence” (XQ). This consists of 30 core Mindsets, Skillsets and Toolsets which are mapped to high levels of entrepreneurial activation and futurist/innovation thinking.

All HEX accelerator programs follow a model of:

- Problem Identification
- Innovation ideation
- Customer and market validation
- Value proposition development
- Business model canvas / lean canvas
- Business metrics and funding models
- Growth hacking
- Product prototyping and design
- Branding and marketing
- Pitch development and delivery
- Ecosystem and personal brand development

HEX delivers these programs:

- At scale, through a creative and interactive digital learning management system, supported by live mentoring, events and online collaboration with industry tools, and industry validation of their startup pitches
- Through immersive, in-person programs in innovation cities
- Through an ongoing community network of supporters, direct connection to capital, and ‘always on’ startup support.

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

Absolutely. HEX is passionate about global connection, and provides this through HEX International which are delivered through existing models of academic credit and funding arrangements through the OS HELP model, amongst others.

7. Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a startup idea through their studies and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their careers and have identified problems within their industries or communities for development.

We propose Startup Year loans focus on the former group, that is final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as additional support to bring their startup ideas to market.

Option: the loans could help bridge the gap between supply and demand, providing loans to students who miss out on a place within an accelerator program, are recommended by their supervisor as benefitting from access to additional specialised advice and time to refine their startup concept.

What are the benefits and risks in expanding the program to recent graduates?

The risk of less places for students earlier in education, means that students lose the opportunity to leverage their university experience, time and resources to build their business.

What are the benefits and risks in providing Startup Year loans provide to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

Risks

1. Students wear additional debt for top-up amounts to existing programs, rather than directly seeing the benefit of the funding themselves.
2. Universities may need to retrospectively award academic credit to a program not designed for credit, adding administrative overheads and sub-par outcomes. We have already heard from university partners some confusion about whether a 'failed startup' should equal a 'failed subject' – a position HEX rejects.
3. If an existing accelerator is under pressure to deliver additional value, inexperienced student founders may be pushed to spending these funds on professional services they don't need.

HEX recommends funds go to students' startups via a 'micro-angel' fund, export-readiness for global ecosystems and marketplaces, low-code product development, or advisory board construction.

What are the benefits and risks in providing Startup year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

Benefits: Awarding Startup Year loans to non-final year university students will result in a more diverse and greater number of people with skills in entrepreneurship and innovation.

Risks: The startup ecosystem celebrates learning, growth, and failure. It is well understood that ‘failed’ first-time founders become some of the most successful second or third-time founders, or they have the capacity to become excellent operators in a growing innovation ecosystem.

HEX recommends positioning entrepreneurship as a legitimate and respected career path, even in the event of failure, creating better, more diverse, more innovative Australian startups.

How can universities ensure these loans are allocated to the most suited students?

“Most suited” is an awkward definition and does not demonstrate a growth mindset for this industry. HEX believes a combination of mindsets, skillsets and toolsets can be taught to and learned by every student in Australia.

HEX recommends the Government consider a two-level approach to ‘Startup Year’:

1. Broad appeal “Startup Year” or “Innovation Gap Year” for high school leavers and university deferred students. This teaches students the fundamentals of entrepreneurship, global leadership, futurist thinking, the future economy, and tech literacy. The benefits of this are that more students will consider and explore the world of startups before and during their university enrolment. This could be delivered digitally at scale.
2. A focused, “Startup Year” accelerator which includes global ecosystem connection for the most passionate students. This can be delivered online, in person or hybrid.

In any case, HEX recommends measuring aptitude for entrepreneurship and desired impact rather than allocating based on academic performance or cohort.

There is a conflict here about allocating loans to diverse students, who are often the ones who can least afford to take on additional debt.

What are other options could be considered?

Executing through the HELP Loan system may set us up for systemic challenges, such as the limited opportunities for our wonderful and diverse international student population.

8. Startup Year Pilot

The Startup Year initiative is anticipated to commence in July 2023. This can be achieved through a full program rollout, or through a first-year pilot phase. A first-year pilot phase would help to inform the future direction of the initiative, including validating processes such as registration and bidding, identify key themes in priority areas, student eligibility, and measures for success. The pilot would include a small number of places at a select number of existing higher education provider-based accelerator programs. This would include a national footprint, including at least one regionally based accelerator.

What are the benefits and risks for undertaking a first-year pilot?

Risks

1. A small sample group may not provide the data to create a truly inclusive and student-focused program.
2. The short lead time increases the likelihood for pre-existing university accelerators to simply repurpose current models – especially given slow inner workings.
3. A small pilot group may compete and not collaborate on best practice, driving inefficiency.

Benefits

1. Opportunity for the government to test the execution of this policy in several areas of application including high school, a one-year Innovation Gap Year post-high school, in undergraduate years, as graduates, and as postgraduates.
2. Inform the best approach to rolling out a national program.

What lessons can be learnt from a pilot program?

Test whether the Startup Year is to support the *student* or the *startup*.

- If it is to support the startup, then the HELP Loan model institutionalises personal debt as a way to fund a business.
- If it is the startup, then the government should test edge cases, such as co-founding teams that are spread out across multiple institutions, or co-founding teams that include international students or professionals not enrolled at university.

It could help identify how to address the traditionally low takeup of entrepreneurship education by women and minority groups.

What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

The pilot program should NOT focus on an industry vertical or a research hurdle, as this could have the consequence of stifling innovation before it begins.

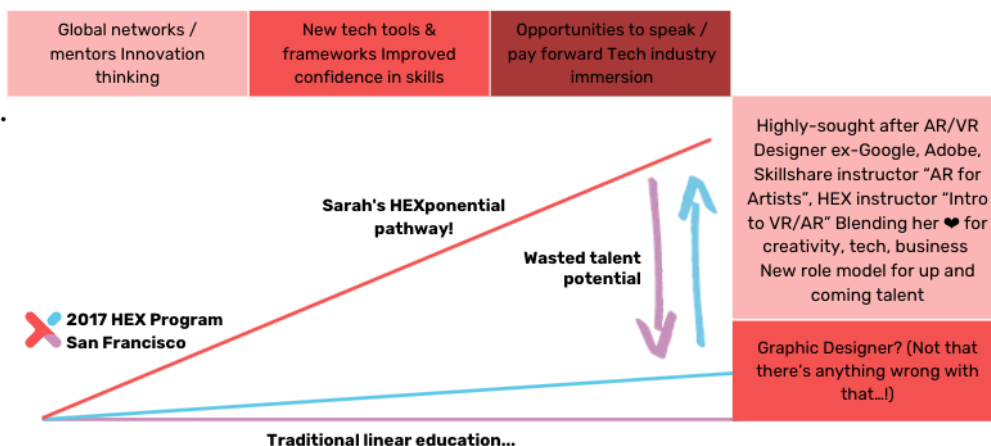
HEX recommends that the government roll out one national program with students at each stage of post-secondary school education, with representation from urban and regional students, and industry expertise alongside – such as HEX.

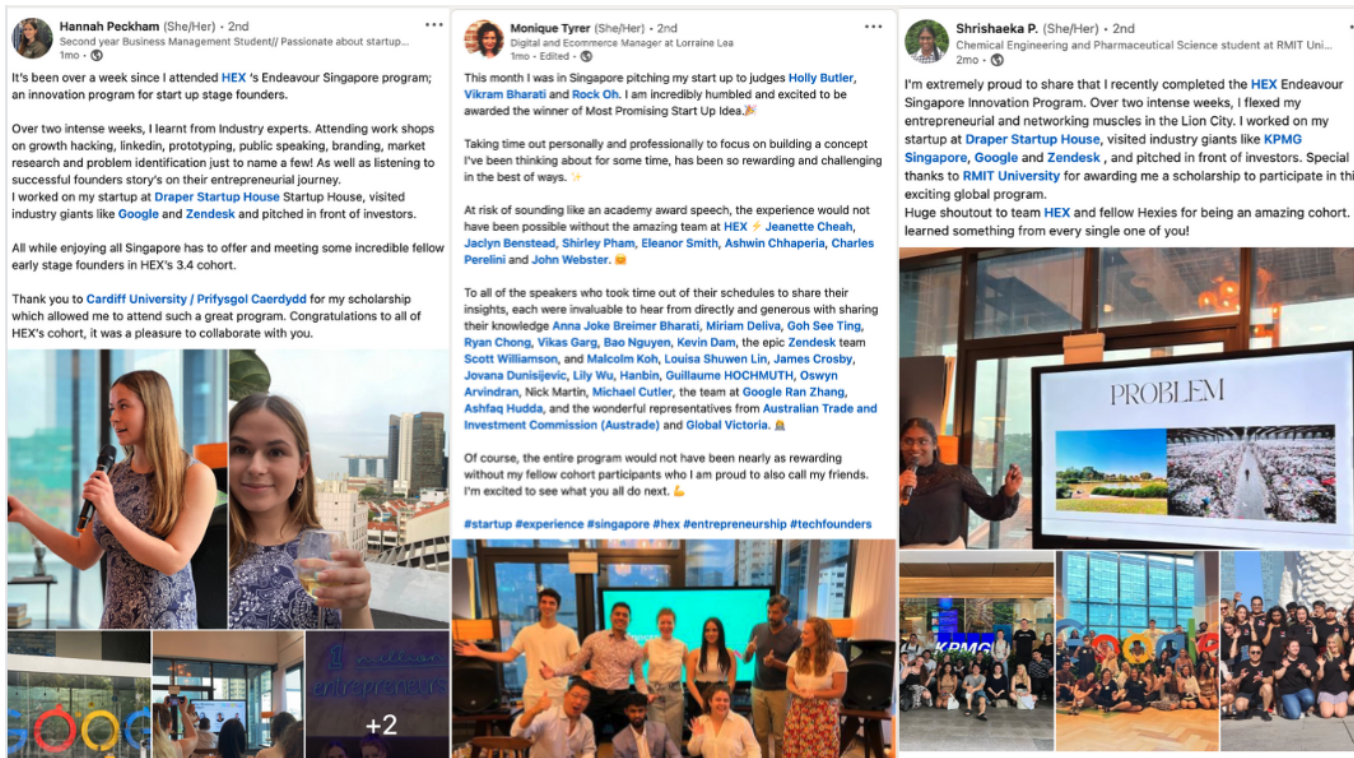
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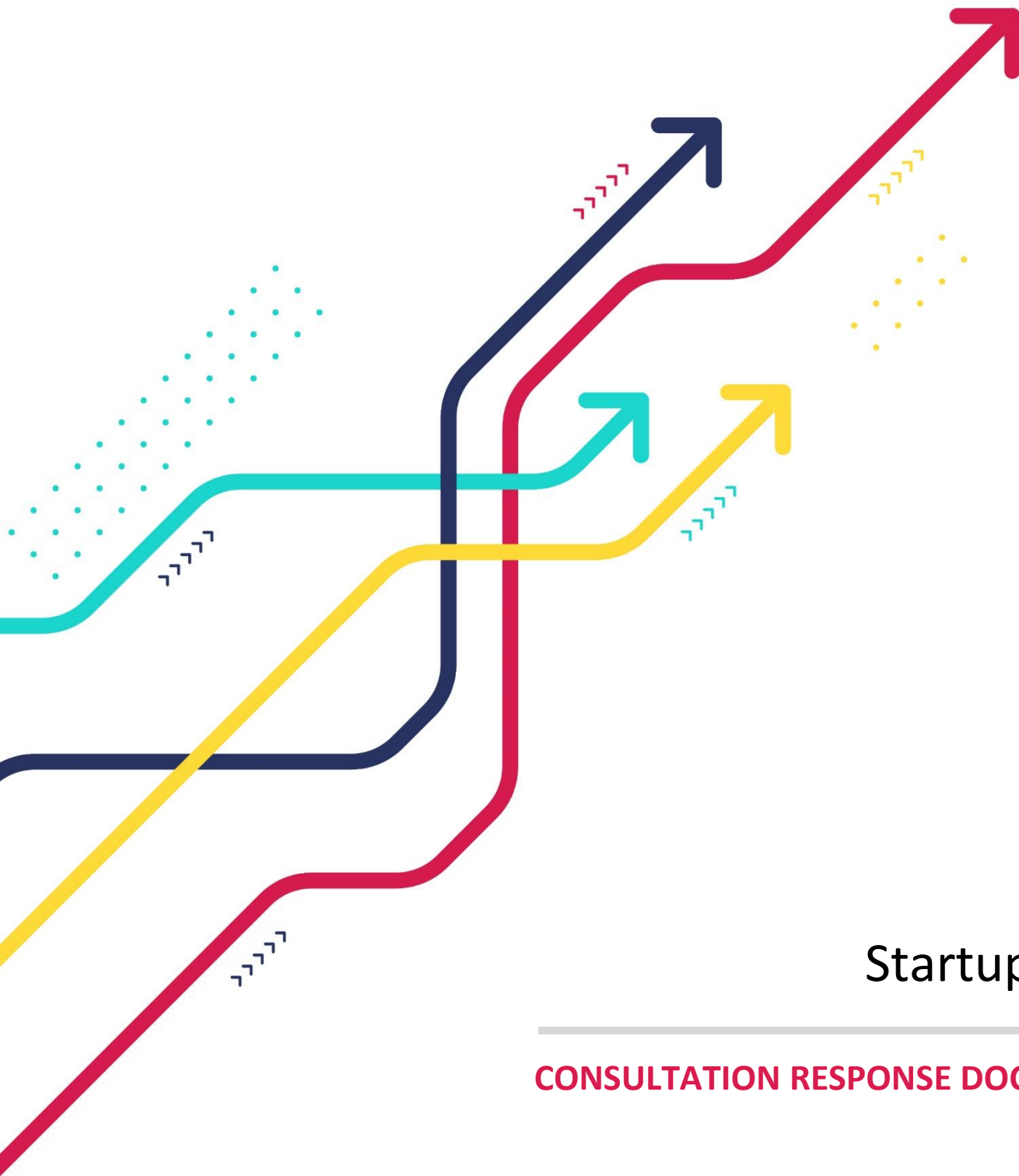
Learn with HEX: Build your confidence, become a valuable member of the tech economy, and unlock alternative career pathways.

This is Sarah's HEX story...

RMIT Bachelor of Communication Design







Startup Year

CONSULTATION RESPONSE DOCUMENT

Startup Year Consultation Submissions

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Submissions will close at **11.59 AEDT Tuesday 15 November 2022**

Please provide your details in the table below:

Organisation name	Macquarie University
Organisation type (e.g. university, startup)	University
Contact name	[REDACTED]
Contact email	[REDACTED]
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

1 Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

- We propose the inclusion of skills training to develop students' capabilities in creative thinking and innovation in addition to building a startup.
- Critical thinking and problem-solving top the list of skills employers believe will grow in prominence in the ensuing years. Newly emerging skills in self-management include active learning, resilience, stress tolerance and flexibility.
- Key skills that entrepreneurial, creative thinking and innovation training cover:
 - Analytical thinking and learning
 - Complex problem-solving
 - Critical thinking and analysis
 - Creativity, originality, and initiative
 - Leadership and social influence
 - Resilience, stress tolerance and flexibility
 - Reasoning, problem-solving and ideation

Source: *World Economic Forum*

- The above skills are closely mapped to the NPILF guidelines and to Macquarie Employability Skills Guide developed last year.

2 Registration Process

A recurring registration process will be established for providers to participate in the Startup Year initiative. To register, providers will be required to submit an application, which must include the following information:

- Program overview and outcomes, including any supporting documentation, policy documents and business outcomes
- Program components over the business-focused year
- Student enrolments (actual and projected)
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- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)

Optional: links to existing case studies

**What other accelerator success measures could be considered as part of the registration process?
For example, growth in student numbers, diversity in student cohort, number of successful startups
or commercialised products from participating students, job creation, and industry partnerships?**

- IP protection secured
- Number of participants
- Diversity of participant metrics
- Variety of success metrics
- Jobs
- Events
- Engagement with mentors, investors, and industry
- Launched products and products under development

What social and community impact measures could be included?

- Triple bottom line being employed – Planet, People, Profit – rounded measures of impact and success.
- Indigenous Lens – thought leadership from first nations people
- Measure pre and post program for changes in confidence and capability.

3 Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

- Be an Australian University or University College
- Have clearly defined program outcomes, industry partnerships, and student engagement strategies
- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well-defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

- Pathway for students to undertake immersive engagement with startups eg: internships.
- Strong case for making it open to graduates up to two-years after completion
- Beyond the initial pilot, it would be ideal to see international students/graduates included although we appreciate a funding mechanism would need to be established.
 - In-line with extensions to post-study work rights - may address skills shortages/priorities,
 - add to the richness of the cohort experience, and
 - bring additional knowledge of global markets

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

- Looks appropriate.

4 Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

- It is critical to prioritise diversity metrics, social and community impact
- Student allocation numbers should be relevant to the size of the institution to ensure student populations have the same opportunity to participate.
- Engagement with industry in the local catchment and those with existing relationships.

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally-based startups?

- It is important to see bright minds and brilliant ideas being given the opportunity to participate regardless of education and financial background.
- Inclusion of a mentor support program for students in-need.
- Cohort-building for all students ie calendar of activities on a city/state basis (multi-university and disciplinary) to building peer-networks.
- Would work best as a grant scheme, as it will then not overload students with more debt. If not all students, then the potential to offer grants to disadvantaged students would be a preferred approach.
- Consideration should also be given to how students without adequate financial resources will meet their basic living expenses during their startup year. Currently the proposal is that funds are paid to providers to run their programs, not to students to help them meet their living and startup-related costs.

5 Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas. As there will be diversity in the ideas, industries, and student background, a key consideration of the program is how to best provide value to the student, ensure quality program delivery, and best facilitate positive student outcomes.

Does the proposed approach fill a gap in the market?

- With just **14%** of students looking for traditional employment and conversely **86%** looking for either exclusive entrepreneurial pathways, or blended entrepreneurial activities with traditional employment on the side, there is a demonstrated need for entrepreneurial programs (*Source: McCrindle Survey*)
- The idea behind the proposed approach, to augment an existing support mechanism for students looking to pursue entrepreneurial pathways via non equity bearing funding, is laudable. However, we have concerns with the use of HELP funding for an activity with such a low success rate.
- While the Department is consulting on the design of the Startup Year pilot, which was an election commitment, there is a fundamental question about whether HECS HELP is appropriate in the startup environment. Should we encourage additional student debt to support the high-risk activity of establishing startup businesses? The rationale behind income contingent HELP is to remove tuition fees as an upfront barrier to higher education access.
- According to Colin McLeod of the University of Melbourne, up to 97% of Australian startups fail. Under this proposal the Government would be asking students to take on an additional >\$10k debt, plus living and opportunity costs with a very low probability of a return. Having earned a qualification, these students will soon earn incomes above the minimum repayment threshold.
- If debt funding is to be avoided, consideration could be given to utilising a fraction of the \$15 billion National Reconstruction Fund to support student startups. It would be vastly preferable for the Government to bear the risk of failure rather than the students, overcoming the risk aversion among students and investors.
- The program must allow students to fail and drop out without having to incur the full HELP liability or any other penalties. Otherwise there is a real risk that students are stuck working on ideas that have no viability. The program needs to have clear 'fail without financial penalty' provisions. This could be achieved by having late census dates, one per semester, allowing students to withdraw without penalty.
- An appropriately designed program could leverage the existing network of high-value university imbedded accelerators/incubators already providing programs to support startups, researchers and students on their commercialisation journey.
- Clarification around the aim of the program – to build students' / recent graduates' capabilities and skills to develop an entrepreneurial mindset and/ or to seed them to develop and launch startups?
- If it is the latter, then more support will be needed for those wishing to pursue their startup beyond the 12-month pilot.

Is there a clear value proposition for students and higher education providers?

- It provides students with the ability to access capital to undertake the journey of self-determination via entrepreneurial endeavours. However, students bear all the risk associated with endeavour.
- The process of commercialisation provides an unparalleled practical and applied learning environment that sets participating students up for successful and enriching professional careers.
- The skills attained via incubator and accelerator programs are life-skills that will service students throughout their professional life via developing their ability and confidence to effectively assess commercial potential and impact of ideas, foster creative licence, communicate with influence, understand the commercialisation process, establish resilience, and expand their innovative mindset.

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

- When developing and designing programs for students it is critical to have them at the heart of the process.
- Consideration should also be given to how students without adequate financial resources will meet their basic living expenses during their startup year. Currently the proposal is that funds are paid to providers to run their programs, not to students to help them meet their living and startup-related costs. A powerful way to ensure that programs are meeting quality outcomes and delivering excellent student experience requires regular feedback in the form of both qualitative and quantitative surveying through the duration of the program. Delivering:
 - High-value feedback
 - Open communication
 - Ability to pivot/adjust programming quickly
 - A national platform to communicate and share stories and achievements beyond the program.

What else could be considered to support the ambition to establish new firms?

- A professional services network to provide high value in-kind advice and support in legal / IP, tax and accounting, due diligence etc, so students are not spending valuable capital on expensive services.
- Where students are committed to taking the startup further, the Government could look to provide accommodation rebates on rental expenses at incubators and accelerators providing space.

What data is required to measure the success of participating in university-based accelerator programs?

- Participant numbers
- Education programming delivered
- Mentor engagements
- Professional services hours
- Minimum viable product created
- IP created / protected
- New product development
- Skills register
- Awards

How do we measure the success of the Startup Year initiative and the participating students?

- National demo day / pitch final
- Follow-on funding
- Proof of concepts launched
- Learning outcomes
- Pre and post confidence assessment of participants

6 Student experience

Students are the central stakeholder for Startup Year initiative, as the recipients of loans and the driver of startup creation and innovation. As such, it is important that the student experience is considered in the Startup Year design and delivery, to ensure the program meets their needs and provides them with the opportunity to develop the suite of skills and experience required to grow their startup ideas and build their businesses. Students will be required to complete micro-credentials or qualifications as part of the Startup Year program.

How can we ensure the Startup Year program brings the most value to students?

- Engage students in an open conversation around the value of the program and what they felt it delivered to their journey as a founder.
- Quantitative and qualitative research to garner feedback.

Should students be able to receive formal and informal learning as part of the program?

- Both formal and informal learning opportunities made available to provide a more rounded experience for students.

How could a micro-credential or qualification best work in practice?

- Acknowledgement of student's efforts and participation is important.
- Can be a micro-credential but not necessarily mandatory.
- Qualifications can be co-branded between the federal government and the participating institution.
- Important to note that this is practical and applied learning, not just conceptual, that the student has implemented whilst validating and mapping a commercialisation pathway for their idea.

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

- Access provided via the participating institutions to their significant infrastructure such as laboratory and equipment to students looking to commercialise deeptech ideas / discoveries.

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

- Networks are a critical part of a founder's support and learning arsenal.
- Gaining valuable insight and knowledge via these highly beneficial relationships, they can supercharge their journey to validation, sales and funding pathways.
- Whilst investment represents a key requirement of any startup's journey, taking on investment too early often means less favourable terms for the startup.
- Financial connections without vetting and training students as to what a fair deal looks like and the varying types of financial players in a market represents potential risk. Incubators and accelerators can provide appropriate vetting and develop students' understanding to make informed decisions.

7 Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a startup idea through their studies and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their careers and have identified problems within their industries or communities for development.

We propose Startup Year focuses on the former group, that is final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as additional support to bring their startup ideas to market.

Option: the loans could help bridge the gap between supply and demand, providing loans to students who miss out on a place within an accelerator program, are recommended by their supervisor as benefitting from access to additional specialised advice and time to refine their startup concept.

What are the benefits and risks in expanding the program to recent graduates?

- Diverse cohorts are important and including alumni in the form of recent graduates is a great way to demonstrate the lifelong learner relationship they can have with their alma mata.
- Delivers a wider peer group of influence and encourages the expansion of their network to include graduates that have entered the workforce and can provide invaluable industry and professional experience and insight that can assist with the validation process.
- Inclusion of recent graduates is more likely to attract students who are keen to commit to this career path.

What are the benefits and risks in providing Startup Year loans provide to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

Benefits

- Non-diluting funding
- Provides them with seed funding to enable them to test an idea
- Gain access to practical and applied learning that is often missing the concept learning of many degrees

Risks

- Adding to their debt burden
- Unable to meet the engagement / attendance requirements
- Paying for expensive professional services advice
- Receiving poor advice / being connected to unvetted mentors / advisors / investors looking to take advantage

What are the benefits and risks in providing Startup year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

- The skills and experience gained from the practical and applied nature of these programs are developing and deepening their competency, confidence, and abilities.
- Gaining high value life-skills is a significant outcome from this pilot year, whether they go on to forge a career as an entrepreneur, or if they take a conventional career path – these skills will produce more rounded and work ready graduates into the Australian workforce.
- Failure in and of itself is a powerful and necessary learning experience. There is no success without it so we will see many students failing in their attempts to commercialise their ideas / discoveries.
- However, this does not indicate that the student will not succeed in gaining new skills and learnings. The journey will teach them much about resilience and tenacity.
- The commercialisation pathway is long and would most likely not be realised within the pilot year. What it will deliver is a critical learning experience through the pathway of self-determination.
- Building participants' confidence and experience via the practical application of knowledge, developing resilient characteristics, and understanding the value of persistence.

How can universities ensure these loans are allocated to the most suited students?

- Employ a transparent and authentic selection process.
- Student information sessions to outline the program, its duration, and the commitment they will be undertaking if they are looking to participate in an accredited program.
- Application process to identify best fit.
- Most importantly, it is not about picking the “best” idea or the one considered “most likely to succeed”, it is choosing students that possess an open / learner mindset, have cultural fit with the program, drive to participate and can commit to the program.

What are other options could be considered?

- An onboarding program that assists in selecting the students with the best fit to the program structure, time commitment and the participation expectations.
- That it has the appropriate space and facilities that students can access easily when they need to.

Intellectual Property:

- It is assumed the student would own the IP from this program. There is a further question of whether the student requires an agreement from their institution or from other partners in order to gain access to the IP rights underpinning their idea. This might be particularly relevant for Higher Degree Students, many of whom have IP arrangements in place with their institution and/or third-party sponsors of their research program.
- Consideration should also be given to how students without adequate financial resources will meet their basic living expenses during their startup year. Currently the proposal is that funds are paid to providers to run their programs, not to students to help them meet their living and startup-related costs.

8 Startup Year Pilot

The Startup Year initiative is anticipated to commence in July 2023. This can be achieved through a full program rollout, or through a first-year pilot phase. A first-year pilot phase would help to inform the future direction of the initiative, including validating processes such as registration and bidding, identify key themes in priority areas, student eligibility, and measures for success. The pilot would include a small number of places at a select number of existing higher education provider-based accelerator programs. This would include a national footprint, including at least one regionally based accelerator.

What are the benefits and risks for undertaking a first-year pilot?

Benefits:

- Gaining insight into the diverse array of programs on offer and what are their strengths and weaknesses.

Risks:

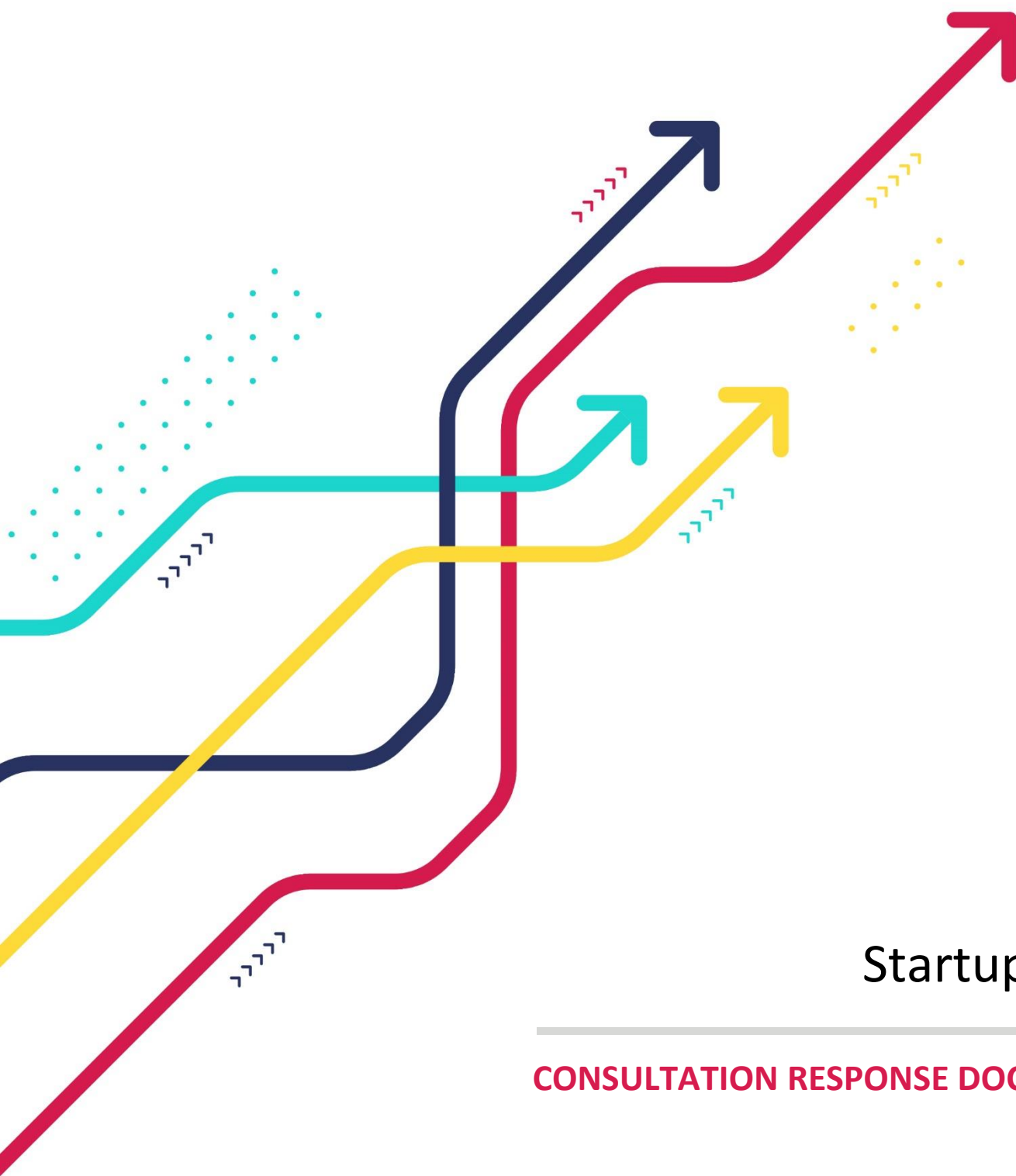
- Participants do not receive the level of support and neutral advice needed for them to learn in a safe and supportive environment.
- That they make unwise spending decisions with their funding allocation.

What lessons can be learnt from a pilot program?

- The diverse ways in which incubator and accelerator program assists fledgling founders develop and grow their skills in venture value creation.
- How programs based within tertiary institutions are different from businesses and pipeline development tools for investment funds and have a unique and important role to play in the ecosystem. They represent a safe place for students to learn and take advice that is not looking to favour specific outcomes. The latter is particularly true when mentors and advisors are predominately sourced from investment groups.

What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

- Student numbers allocated to participating institutions are relative to the size of the student population to ensure equitable access to funding and programs.
- Industry focus could be tied to the existing relationships that the institute has in place with business partners.
- Could dovetail into the institution's research strengths.



Startup Year

CONSULTATION RESPONSE DOCUMENT

1. Startup Year Consultation Submissions

Please use this response document to provide a submission to the Department of Education on the proposed Startup Year initiative.

Completed submissions are to be submitted to accelerator@dese.gov.au. Submissions should not exceed 1,500 words. Please contact the Department if you require this document in an alternate format.

Submissions will close at **11.59 AEDT Tuesday 15 November 2022**

Please provide your details in the table below:

Organisation name	Science & Technology Australia
Organisation type (e.g. university, startup)	Peak body
Contact name	[REDACTED]
Contact email	[REDACTED]
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

1 Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

Yes.

2 Registration Process

A recurring registration process will be established for providers to participate in the Startup Year initiative. To register, providers will be required to submit an application, which must include the following information:

- Program overview and outcomes, including any supporting documentation, policy documents and business outcomes
- Program components over the business-focused year
- Student enrolments (actual and projected)
- Activities, facilities and non-financial support provided and their associated costs or value
- Funding available to participants
- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)

Optional: links to existing case studies

What other accelerator success measures could be considered as part of the registration process? For example, growth in student numbers, diversity in student cohort, number of successful startups or commercialised products from participating students, job creation, and industry partnerships?

Science & Technology Australia urges the Government to make the Startup Year registration process as easy as possible for providers. It should be streamlined and simple so the scheme encourages wide participation - with crucial but 'light-touch' checks and balances to assure probity.

Imposing overly-narrow metrics of 'success' for accelerators joining this program risks undercutting one of the stated program purposes - which is to 'stimulate the national focus on entrepreneurship and an innovation culture and boost business dynamism'. To create such a culture, Australia needs to nurture a stronger appetite of risk-taking and an acceptance of failure in many first startup attempts. An early experience of initial failure is an inevitable component of many startup ventures. Learning powerful lessons from an initial failure often spurs founders on to future major commercial success. The focus of the Startup Year program should be on the quality of support, training and skills development for student entrepreneurs, and the skills and lessons they learn from it.

Science & Technology Australia Recommendation 1:

We recommend providers be asked to lodge brief descriptors on:

- **Years of operation**
- **The nature of programs it offers**
- **The resources it provides to hosted startups**
- **Funding levels, sources and timeframes the accelerator offers to entrepreneurs, and how this is accessed/awarded (through competitive schemes or otherwise)**
- **The number of startups registered, startups active, level of funding raised**
- **The breadth of application areas**
- **Data on the diversity of founders supported by the accelerator**

Accelerator data should not be used punitively. Rather, it should be a positive guide to track the overall development of Australia's startup accelerators and to help identify the most effective startup programs nationwide. To shift culture and strengthen entrepreneurial skills, targets for improvement could be set for

every participating provider. And rather than eliminating some participants over time, the program could 'raise the game' of the entire sector.

What social and community impact measures could be included?

Delivering this opportunity to a broad range of students from a diversity of backgrounds is crucial.

The program should recognise the value of harnessing ideas with the potential to deliver social good, as well as projects with commercial success. This can often not be measured by a direct financial return on investment measure, yet still have the potential to be transformational and are equally deserving of support.

Science & Technology Australia Recommendation 2:

The Startup Year program should span the many and varied forms of research translation. It should support projects with 'social good' benefits as well as projects with commercialisation pathways.

3 Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

- Be an Australian University or University College
- Have clearly defined program outcomes, industry partnerships, and student engagement strategies
- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well-defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

Providers must be equipped to support students and produce the best possible results. However, as with the registration process, the suggested eligibility requirements are quite extensive – care must be taken to ensure they do not become a barrier to participation.

Placing eligibility requirements on this program is unlikely, in and of itself, to ‘foster the required industry-university partnerships’. These relationships will likely already be in place, or more importantly, the university accelerator will have the skills and capacity to support the students to develop the required relationships and partnerships as appropriate for their project.

The program needs to consider students’ locations and the accelerator (and industry connections) that is best placed to meet their needs. Will students be required to work within the incubator program at their own university or will there be scope for students to work with other universities, who may have developed programs or industry linkages that may be more appropriate for a student’s specific idea?

Science & Technology Australia Recommendation 3:

The program should facilitate student access to the most appropriately located accelerator, even if this is not at their home university.

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

Broadly, yes. Science & Technology Australia cautions against stipulating too narrow a focus on 'alignment with areas of national priority'. The program should support a wide array of great ideas and entrepreneurship pathways, seeking pitches of clever ideas from students and assessing these on their merits, instead of imposing a top-down restriction on what should and shouldn't be supported.

4 Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

Science & Technology Australia cautions against imposing overly-stringent constraints on the range of ideas and projects that should be supported by this program, given its ambition to stimulate student innovation and bold thinking.

That said, one way to prioritise funding allocations would be to assess whether projects are aligned either with Trailblazer University fields or other projects supported by Australia's Economic Accelerator.

Science & Technology Australia Recommendation 4:

Projects supported through the Startup Year program should not be tightly limited by top-down priority or industry areas – given the early stage of students' careers, it should seek to support a wide range of promising ideas.

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally-based startups?

It will be important to ensure students in regional Australia have access to the facilities and support that they need to pursue their ideas. These students may need to be supported to access an alternative university accelerator program should their home university not have an appropriate program.

Science & Technology Australia Recommendation 5:

A proportion of Startup Year places should be reserved to support disadvantaged students and students in regional and remote Australia.

5 Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas. As there will be diversity in the ideas, industries, and student background, a key consideration of the program is how to best provide value to the student, ensure quality program delivery, and best facilitate positive student outcomes.

Does the proposed approach fill a gap in the market?

The discussion paper notes there are more than 100 accelerators across the higher ed system, but it's unclear how much unmet demand there is among students to access these. Typically, student participation in accelerators offered by home institutions is free, but there is limited data currently on how many applications to participate are unsuccessful.

Science & Technology Australia Recommendation 6:

Analysis to understand the level of unmet demand across university accelerators should be conducted to help inform program delivery. Science & Technology Australia would be pleased to be commissioned to undertake such analysis for the Department.

Is there a clear value proposition for students and higher education providers?

For providers: without knowing how each university accelerator operates, it's not immediately clear what the value proposition will be. Will \$11,800 in funding be sufficient to cover the costs of the accelerator training and support as well as any required seed funding?

For students: it must be acknowledged that this funding will be added to students' HELP debt, and will need to be repaid in due course. It's widely accepted that there is a need to promote a culture of accepting failure in startup ventures so as to foster a more dynamic startup ecosystem. However, whether this acceptance of failure should extend to an acceptance of an additional \$11,800 debt is a very different question.

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

A crucial, yet missing, component for the program's success is how it will nurture cohorts of students to leverage a powerful supportive peer network to speed their development as innovators and entrepreneurs.

Overarching oversight of all projects funded through the Startup Year program would enable projects with similar, overlapping or aligned goals to be connected – encouraging collaboration and avoiding duplication.

Science & Technology Australia has vast experience delivering cohort-based learning programs and building peer networks to supercharge momentum for government and university sector initiatives. We would be honoured to work with the Department of Education to deliver a bespoke service drawing on our unique expertise and leadership in this type of peer network program delivery.

Science & Technology Australia Recommendation 7:

The program should include overarching cohort-level support to build a supportive peer network among program participants. With our vast membership network and experience in building peer cohorts, STA would be ideally placed to deliver a bespoke service to nurture connections and create a strong Startup Year national network of next-generation emerging entrepreneurs.

What else could be considered to support the ambition to establish new firms?

The metrics to measure program success must be realistic. While there may be some students with ideas that could underpin the creation of a new company, it's more likely that the ideas (and capabilities) of final year, recent graduates and even PhD students will be more modest in scale.

What data is required to measure the success of participating in university-based accelerator programs?

The concept of 'success' needs to be carefully considered, as acceptance of failure is an important component of building a strong startup ecosystem. A better metric may be to simply measure the number of students who receive access to training and skills that will equip them to pursue entrepreneurial pathways.

Translational impacts may also extend beyond simple financial or commercial returns. These need to be measured as well, noting that results may occur on significantly longer timeframes.

How do we measure the success of the Startup Year initiative and the participating students?

For the overall initiative, tracking improvements in providers' key performance parameters would be a good success indicator. Improvements across the network of higher education accelerators would improve startup culture.

For the participating students, this has to be evaluated with care, as per previous response.

Science & Technology Australia Recommendation 8:

Caution must be taken in establishing success metrics too closely tied to commercial outcomes or number of new firms established. The program will be successful if it contributes towards building a stronger entrepreneurial culture in Australia – which is difficult to measure. Tracking key performance measures of participating providers would be the best way to measure 'success', noting that some projects may have outcomes that extend beyond direct financial or commercial returns.

6 Student experience

Students are the central stakeholder for Startup Year initiative, as the recipients of loans and the driver of startup creation and innovation. As such, it is important that the student experience is considered in the Startup Year design and delivery, to ensure the program meets their needs and provides them with the opportunity to develop the suite of skills and experience required to grow their startup ideas and build their businesses. Students will be required to complete micro-credentials or qualifications as part of the Startup Year program.

How can we ensure the Startup Year program brings the most value to students?

Students must consider whether the additional \$11,800 that will be added to their HELP debt will deliver them long-term benefits. As such, the quality of the training and skills they receive from their incubator/accelerator will be critical.

Support to build networks and relationships and a nurturing peer group will also provide long-term value to students. Science & Technology Australia is ideally placed to deliver a program to foster these connections and ensure connectivity and coherence to forge a network of these student and graduate entrepreneurs. We would be pleased to explore this further with the Department of Education.

Science & Technology Australia Recommendation 9:

To deliver maximum value to students, the program should include a bespoke service that nurtures a strong and supportive peer group across the cohort of participating students. STA could deliver an alumni program to support a strong Startup Year national network of next-generation emerging entrepreneurs.

Should students be able to receive formal and informal learning as part of the program?

We would expect a fundamental offering from the providers would be in-depth training programs, negating the need for formal credentials. Startups and innovation are by definition disruptive and rarely are a product of highly structured learning. The focus should be on giving the participants access to the right tools, guidance on how to use them, and giving them freedom to choose what matters to the business strategy.

Additionally, it seems unlikely that the funding would be sufficient to cover the costs of a formal course or accreditation/qualification as well as supporting the specific training and skills development provided by accelerators.

Science & Technology Australia Recommendation 10:

Unless a strong case can be made for students to undertake a formal qualification as part of the program, the funding should focus on the training and support provided by the university accelerator and/or project seed funding.

How could a micro-credential or qualification best work in practice?

See previous response, and STA recommendation 10.

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

The accelerator program students participate in should include access to the facilities required to do this work – funding through the Startup Year program would have to be sufficient to cover the costs of this. This may or may not be the case, depending on the complexity of the students' ideas and projects.

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

Any opportunities for students to connect with, build relationships and form collaborative partnerships or connections will be valuable.

Science & Technology Australia Recommendation 11:

The Startup Year program should facilitate access for participating students to meet with a range of potential industry partners and entrepreneurship experts.

7 Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a startup idea through their studies and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their careers and have identified problems within their industries or communities for development.

We propose Startup Year loans focus on the former group, that is final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as additional support to bring their startup ideas to market.

Option: the loans could help bridge the gap between supply and demand, providing loans to students who miss out on a place within an accelerator program, are recommended by their supervisor as benefitting from access to additional specialised advice and time to refine their startup concept.

What are the benefits and risks in expanding the program to recent graduates?

Recent graduates will be in a similar position to final year students in terms of ideas development and skills capability. It's likely that if they have completed their studies, they may be in a better position to concentrate on developing their startup idea – however, they may equally be constrained by employment requirements.

Science & Technology Australia Recommendation 12:

The Startup Year program should include final year students, recent graduates and PhD students.

What are the benefits and risks in providing Startup Year loans provide to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

It's possible that the Startup Year loan may help a student with additional seed capital, or fund additional training/qualifications that would help them pursue their entrepreneurial pathway that would otherwise have been out of reach. However, it's very difficult to determine this without a comprehensive understanding of how much unmet demand currently exists for students to access accelerators.

(See Science & Technology Australia Recommendation 6)

What are the benefits and risks in providing Startup year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

Building a culture with acceptance of failure and a focus on skills and lessons learned should be an integral part of the program – this is important across all career/translation/commercialisation stages.

Students and projects allocated funding in the program should be assessed on their own merit, rather than whether or not they have missed out on a place in an accelerator – this will also likely vary from institution to institution and depend on total application numbers.

Science & Technology Australia Recommendation 13:

The Startup Year program should support the most promising ideas, as assessed on merit, rather than looking to fund students who have missed out on an accelerator place.

How can universities ensure these loans are allocated to the most suited students?

This will depend on the experience and expertise in university accelerators. Given the proposed registration and eligibility requirements, it can be assumed that institutions that meet these requirements will have the requisite expertise to select students wisely and deliver appropriate support, training and mentoring.

What are other options could be considered?

Science & Technology Australia supports efforts to boost university research translation and commercialisation, noting that it is exactly that – **research** translation and commercialisation. It is very likely that students at the undergraduate, and even PhD level, might have interesting and valuable ideas that may lead to a translational opportunity. However, it is unlikely they will be at a stage of their STEM career to have developed the deep expertise that will enable them to bring deep-tech or sophisticated STEM research to a translation or commercialisation pathway.

STA's proposal of a Bench to Boardroom program seeks to support STEM researchers at more developed career stages to build the entrepreneurial skills required to navigate industry to take their research to translation or commercialisation. STA believes this is a more appropriate career stage to develop these skills and provide the sort of support envisaged by the Startup Year program. That said, the Startup Year program could identify students at an early stage who are intending to pursue their research career but are also invested in translating or commercialising their research, and be a useful preliminary step upon which a Bench to Boardroom training program would build.

Science & Technology Australia Recommendation 14:

Science & Technology Australia's Bench to Boardroom program would deliver a powerful boost to research translation and commercialisation across Australia, equipping researchers with deep STEM expertise with skills to engage with industry and navigate translation and commercialisation pathways. This program should be funded as a later-stage complement to the Startup Year initiative.

8 Startup Year Pilot

The Startup Year initiative is anticipated to commence in July 2023. This can be achieved through a full program rollout, or through a first-year pilot phase. A first-year pilot phase would help to inform the future direction of the initiative, including validating processes such as registration and bidding, identify key themes in priority areas, student eligibility, and measures for success. The pilot would include a small number of places at a select number of existing higher education provider-based accelerator programs. This would include a national footprint, including at least one regionally based accelerator.

What are the benefits and risks for undertaking a first-year pilot?

Running a smaller-scale pilot program in the first year offers the opportunity to test processes and learn from any challenges to improve subsequent roll-out.

Risks may include a lack of scale and/or critical mass to achieve success – noting the high failure rate of startup attempts, consideration must be given to the number of attempts that must be supported to achieve any successes.

What lessons can be learnt from a pilot program?

Lessons learnt from a pilot program could include determining whether the funding of \$11,800 is sufficient to effectively support a startup venture, and if one year is enough time to see a project through to completion.

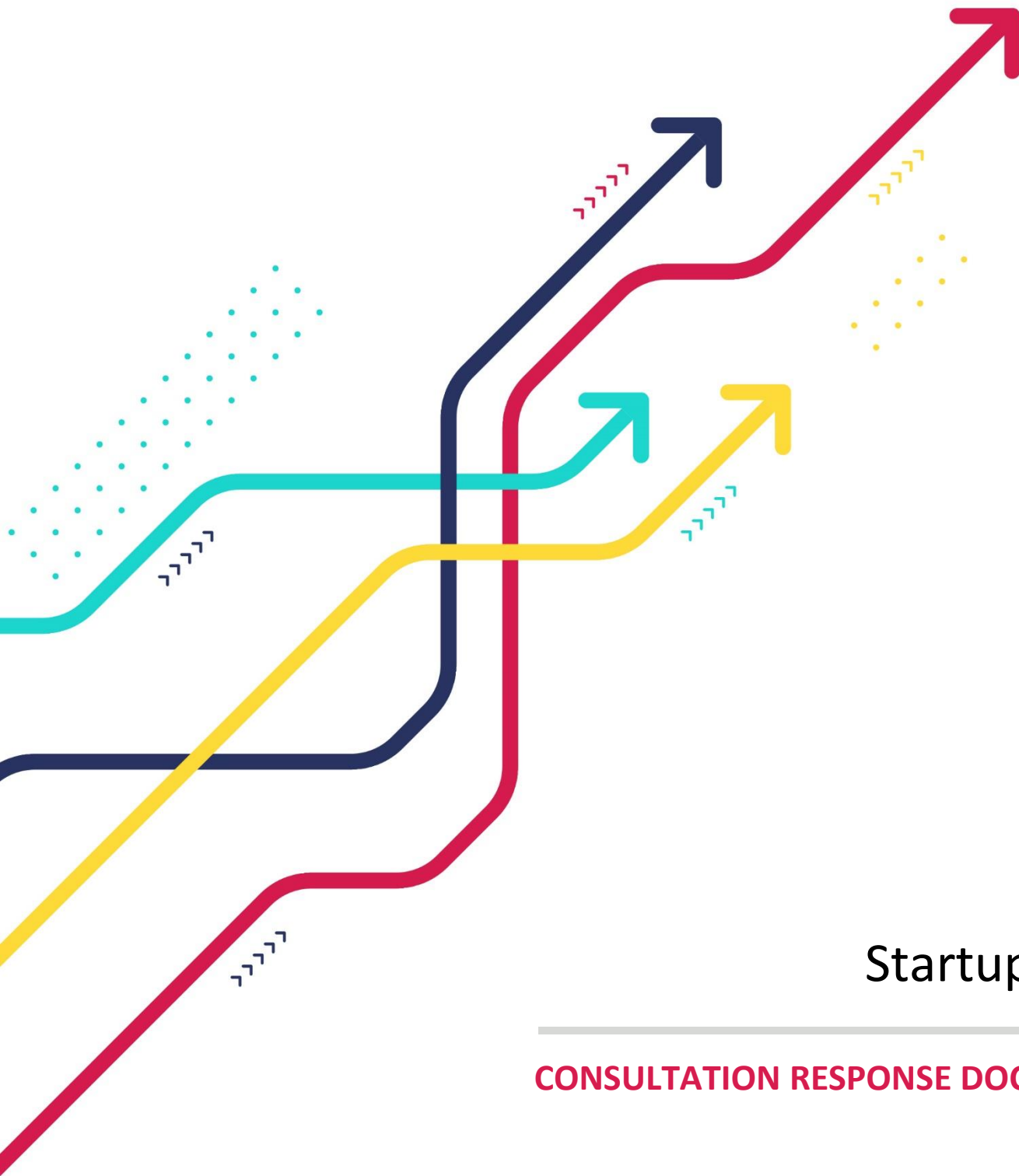
A pilot program may also demonstrate whether or not students are at the appropriate stage of their careers to have sufficiently developed research to bring to a translation or commercialisation venture.

What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

A pilot program would need to involve enough participants to properly test the program, and should give all university accelerators the chance to apply for funded places. Given the program's intention to boost entrepreneurial culture across the sector, any pilot program should not be restricted by location or discipline/industry focus.

Science & Technology Australia Recommendation 15:

To enable wide participation from the outset of the scheme, any pilot program should give all university accelerators the chance to apply for funded places, even if the initial pilot is run on a smaller scale.



Startup Year

CONSULTATION RESPONSE DOCUMENT

Startup Year Consultation Submissions

Please use this response document to provide a submission to the Department of Education on the proposed Startup Year initiative.

Completed submissions are to be submitted to accelerator@dese.gov.au. Submissions should not exceed 1,500 words. Please contact the Department if you require this document in an alternate format.

Submissions will close at **11.59 AEDT Tuesday 15 November 2022**

Please provide your details in the table below:

Organisation name	Cooperative Research Australia
Organisation type (e.g. university, startup)	Association
Contact name	██████████
Contact email	██
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

Cooperative Research Australia (CRA) welcomes the opportunity to provide recommendations for consideration on the Startup Year Consultation (2022).

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 form a 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), CRC Projects (CRC-Ps), post-CRC entities, and universities as well as other industry-research collaborative entities, associated businesses, alumni and professionals.

CRA commends the Australian Government on its commitment to research, science and innovation and appreciates the Department of Education's effort to boosting Australia's innovation, sovereign capability and support in areas of national priority.

The consultation on fostering entrepreneurship among final year students and recent graduates, is an opportunity to give a voice to the experience and success of the high-skilled cohort embedded in the industry-led research that CRA represents.

Cooperative Research Australia is committed to working collaboratively with the Australian Government to build an innovation strategy that ensures a productive and prosperous country for all Australians. We are open to facilitating a platform for further consultation and/or clarification with our members on any of the points.

1 Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

This definition would be strengthened by adding mention of collaboration or mentoring with industry, which is key to bridging the space between academic preparation for entrepreneurship with its application in the market.

2 Registration Process

A recurring registration process will be established for providers to participate in the Startup Year initiative. To register, providers will be required to submit an application, which must include the following information:

- Program overview and outcomes, including any supporting documentation, policy documents and business outcomes
- Program components over the business-focused year
- Student enrolments (actual and projected)
- Activities, facilities and non-financial support provided and their associated costs or value
- Funding available to participants
- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)

Optional: links to existing case studies

What other accelerator success measures could be considered as part of the registration process? For example, growth in student numbers, diversity in student cohort, number of successful startups or commercialised products from participating students, job creation, and industry partnerships?

We believe the registration process could include the following elements:

- A definition of success for the institution and for the student participants.
- A KPI matrix, with specific milestones to be met periodically (monthly, biannually, yearly, etc) against measure of progress of the student.

What social and community impact measures could be included?

Measures linked to national social, economic and environmental priorities could be included, such as First Nations leadership, decarbonisation, social equality. Possible examples:

- How will the start-up consider the environment? (impact on spatial environmental footprint of certain activities, decarbonisation, consideration of sustainable materials)
- What are the social impacts of the start-up? (Equity, diversity and inclusion (already mentioned); employment across socio-economic levels; training opportunities)
- What is the governance model of the proposed start-up? (ethics, diversity in members, risk management)

3 Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

- Be an Australian University or University College
- Have clearly defined program outcomes, industry partnerships, and student engagement strategies
- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well-defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

The selection criteria could be strengthened by specifying the inclusion of the activities that link committed industry partners with the delivery the program.

Furthermore, in light of 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.

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

Refer to response above.

4 Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

- Have a link to clear national priorities
- Demonstrated market opportunity and a plan to sustainability
- Prioritisation of regional and culturally diverse projects.

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally-based startups?

- Potentially, allocating additional funding for strong promotion in regional or disadvantaged areas, so that the existence and process of the program is well-known and clearly understood.
- Seeking mentors with similar background to support student success.

5 Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas. As there will be diversity in the ideas, industries, and student background, a key consideration of the program is how to best provide value to the student, ensure quality program delivery, and best facilitate positive student outcomes.

Does the proposed approach fill a gap in the market?

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

We will better harness existing investment and expertise by facilitating greater collaboration across programs and entities. This can be done by taking an ecosystem view, rather than seeing entities and programs in isolation.

A high-performing innovation system is characterised by ecosystems that comprehend and enable interaction between universities and research institutes, Australian Research Council and NHMRC programs, the National Collaborative Research Infrastructure Strategy facilities, Industry Growth Centres, Cooperative Research Centres, entities arising from the University Research Commercialisation Package, incubator hubs, entrepreneurs programs, different levels of Government, industry partners and startups. These are unified by their core goals to create innovative products and services to benefit Australia.

Successful clusters that bring together the innovative ecosystem in Australia would create real potential to transform existing industry, generate new jobs and new career pathways, also addressing the boundaries of localisation.

Is there a clear value proposition for students and higher education providers?

Refer to response above.

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

A focus on expanding the opportunity for industry (organisations, SMEs, VC's, Angel Investors,) to get involved in the cultivation of a new generation of entrepreneurs would be valuable.

The involvement and mentoring of students by experienced industry practitioners and start-up veterans will ensure the success of the program, to support students across the full breadth of challenges in creating a small business, understanding investment, finance, business structures & business models, market/s, market analysis, product development, industrial mentoring, governance, taxation, industrial relations, building a team of trusted advisors, etc.

Undertaking the entrepreneurship journey needs to add this as a measurable matrix at every level.

A few examples of how industry could be more involved might be (not limited to):

- industry advisory board/committee
- industry personnel embedded into the accelerators
- industry mentors
- small to medium enterprise representatives with experience navigating the early days when the network is small, the finance is meagre and the governance is not clearly understood

What else could be considered to support the ambition to establish new firms?

From the perspective of industry-led cooperative research, where our connections to the innovation ecosystem are tied, we would expect to see a link with industry-based PhD students/graduates in the form of opportunities for collaboration, mentorship, networking or even a potential pathway for entrepreneurs (entrepreneurs enrolling to highly-skilled programs as the CRC PhD programs).

What data is required to measure the success of participating in university-based accelerator programs?

- Return on investment
- Enrolment and completion
- Initiation, maintenance, duration, growth and wind up of every entrepreneurship project
- Tracking up of alumni for a number of years
- Student satisfaction and career paths

How do we measure the success of the Startup Year initiative and the participating students?

- Quantitatively, with a set date of completion, a minimum return on investment, number of participating students that initiated and kept their entrepreneurship projects for a number of years.
- Qualitatively, with impact to key national priorities, preparation of skills necessary to become an entrepreneur (i.e. regardless of whether their accelerated project survived or not, follow up on the students' experience beyond the accelerator; for example, if they went on to start their own businesses, if the income from their businesses is their main source of income, and if they created further sources of employment)

6 Student experience

Students are the central stakeholder for Startup Year initiative, as the recipients of loans and the driver of startup creation and innovation. As such, it is important that the student experience is considered in the Startup Year design and delivery, to ensure the program meets their needs and provides them with the opportunity to develop the suite of skills and experience required to grow their startup ideas and build their businesses. Students will be required to complete micro-credentials or qualifications as part of the Startup Year program.

How can we ensure the Startup Year program brings the most value to students?

As mentioned above, the main measure should not be the business project developed during the acceleration process, but the skills seeded in the students.

The program should consider a follow up on the students' experience beyond the accelerator, to understand if they went on to start their own businesses, if the income from their businesses is their main source of income, and if they created further sources of employment.

Should students be able to receive formal and informal learning as part of the program?

Of course, the combination of formal and informal learning will ensure a rich experience for students.

How could a micro-credential or qualification best work in practice?

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

Absolutely. Refer to responses above.

7 Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a startup idea through their studies and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their careers and have identified problems within their industries or communities for development.

We propose Startup Year loans focus on the former group, that is final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as additional support to bring their startup ideas to market.

Option: the loans could help bridge the gap between supply and demand, providing loans to students who miss out on a place within an accelerator program, are recommended by their supervisor as benefitting from access to additional specialised advice and time to refine their startup concept.

What are the benefits and risks in expanding the program to recent graduates?

What are the benefits and risks in providing Startup Year loans provide to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

What are the benefits and risks in providing Startup year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

Refer to responses in 3. Selection criteria

How can universities ensure these loans are allocated to the most suited students?

What are other options could be considered?

8 Startup Year Pilot

The Startup Year initiative is anticipated to commence in July 2023. This can be achieved through a full program rollout, or through a first-year pilot phase. A first-year pilot phase would help to inform the future direction of the initiative, including validating processes such as registration and bidding, identify key themes in priority areas, student eligibility, and measures for success. The pilot would include a small number of places at a select number of existing higher education provider-based accelerator programs. This would include a national footprint, including at least one regionally based accelerator.

What are the benefits and risks for undertaking a first-year pilot?

The time to build entrepreneurial skills could take longer than a year. It would be important to adjust the expected results of only one year to not rely too heavily in unrealistic measures of success for such limited amount of time.

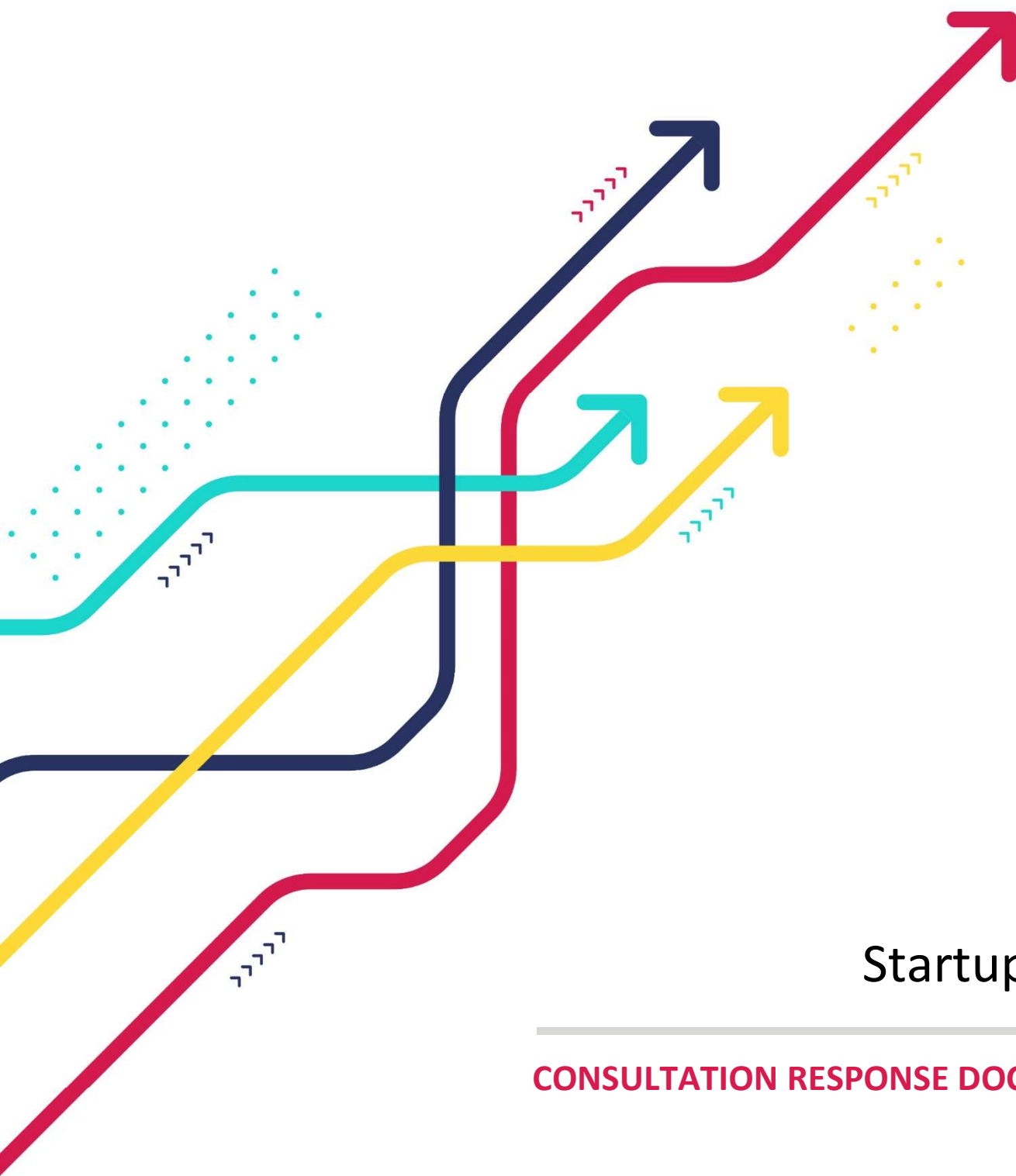
An alternative option would be allocating fewer students for the pilot program but allowing them to be on the program for longer than a year. This would give the opportunity of a longitudinal approach.

Also, as mentioned above, there is a concern that if this program creates further debt for students, a failure of the program will only create a burden, diminishing the experience.

An option to address this issue, suggested by our members, is that the pilot could take the form of a grant or small equity stake.

What lessons can be learnt from a pilot program?

What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.



Startup Year

CONSULTATION RESPONSE DOCUMENT

Startup Year Consultation Submissions

Please use this response document to provide a submission to the Department of Education on the proposed Startup Year initiative.

Completed submissions are to be submitted to accelerator@dese.gov.au. Submissions should not exceed 1,500 words. Please contact the Department if you require this document in an alternate format.

Submissions will close at **11.59 AEDT Tuesday 15 November 2022**

Please provide your details in the table below:

Organisation name	FinTech Australia
Organisation type (e.g. university, startup)	Industry association
Contact name	██████████
Contact email	██
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

1 Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

Enter response here

2 Registration Process

A recurring registration process will be established for providers to participate in the Startup Year initiative. To register, providers will be required to submit an application, which must include the following information:

- Program overview and outcomes, including any supporting documentation, policy documents and business outcomes
- Program components over the business-focused year
- Student enrolments (actual and projected)
- Activities, facilities and non-financial support provided and their associated costs or value
- Funding available to participants
- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)

Optional: links to existing case studies

**What other accelerator success measures could be considered as part of the registration process?
For example, growth in student numbers, diversity in student cohort, number of successful startups
or commercialised products from participating students, job creation, and industry partnerships?**

Enter response here

What social and community impact measures could be included?

Enter response here

3 Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

- Be an Australian University or University College
- Have clearly defined program outcomes, industry partnerships, and student engagement strategies
- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well -defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

Enter response here

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

We support the objective of the Startup Year initiative to support relationships between industry and universities. The development of tailored HELP loans to encourage participation in university accelerators and incubators will grow the student-led startup community and drive innovation.

Our submission focuses on the Selection Criteria for the innovative ideas that will be supported by the Startup Year initiative. FinTech Australia makes two key proposals regarding the Selection Criteria. Firstly, Fintech Australia recommends the scheme be designed to be broad enough to include startup ideas which support other priority areas for the Government aside from the national priority areas listed, in particular the CDR. Secondly, FinTech Australia proposes to introduce a principles-based public benefit and innovation test to further enable an expansion of the Selection Criteria and priority areas.

FinTech Australia encourages the Government to ensure the design of the Startup Year initiative selection criteria is not overly restrictive and enables students to develop innovative ideas which have a public benefit

or support new and emerging policy priorities. Our proposals reflect the important role students and universities can play in driving the future of the digital economy.

Proposal 1: Broadening priority areas to include Consumer Data Right innovation

We propose to broaden the priority areas listed to specifically include innovative use cases which leverage the CDR or make use of CDR data.

Importance of including Consumer Data Right innovation and use cases

The CDR is now at a critical point in its rollout as the national data portability scheme. The focus is shifting from the 'build' phase of setting the legislative framework and incorporating datasets, towards innovation and uptake. Crucial to this new phase for the CDR is generating products, services and CDR use cases to support consumer awareness and uptake.

The Startup Year initiative provides a unique and timely opportunity for the Government to encourage the development of innovative CDR use cases which benefit consumers. FinTech Australia proposes this can be achieved by specifically referencing the CDR in the areas of national priority for the Startup Year selection criteria.

CDR implementation and uptake is a priority for the Government. It has been described by the current Government as a reform that will democratise consumer data by transforming it to become an invaluable tool that consumers can derive value from, all within a safe and secure environment. FinTech Australia has also been an early and vocal advocate for its potential to drive innovation, boost competition and unlock new businesses models which will help consumers save money and get better deals.

CDR opportunities for universities and students

Ensuring the CDR is a Startup Year priority area will open up opportunities for universities and students to participate in the new CDR ecosystem and be a key driver for developing new CDR-powered products and services. Creating linkages with the rapidly growing market for CDR products will create a clear value proposition for industry and drive commercial partnerships, particularly within the fintech sector, which will immerse Startup Year participants in the startup ecosystem.

The CDR is gradually expanding across the economy, with banking and energy data already being shared and telecommunications and other finance data soon to follow. With these foundations laid, attention is moving to the opportunities that the CDR can provide. To this end, the Government has started the process of implementing 'action initiation' functionality which will take the CDR beyond data sharing. With action initiation, consumers will eventually be able to instruct actions like opening or closing accounts, switching, changing details or making a payment. Specifically including the development of CDR use cases as a Startup Year priority area would boost awareness of these opportunities in universities and among the startup community.

The importance of incentivising participation in the CDR, through grants, challenge-based funding and prizes, was specifically raised in the Statutory Review of the Consumer Data Right and the Future Directions Inquiry. Our proposal is also consistent with Recommendation 2.4 of the Statutory Review, which called for the Government to support initiatives which could encourage or incentivise the development of innovative use cases.

Incentivisation via the Startup Year initiative would increase awareness of the CDR and focus universities and students on driving CDR innovation and developing practical use cases. It would also allow for students to pursue social impact by solving a particular consumer problem or challenge that could be addressed by the CDR where there are limited commercial financial incentives. For example, participants could partner with consumer advocates and industry bodies, like FinTech Australia, to address financial issues faced by vulnerable consumers.

The ethical collection and use of data underpins the CDR. Embedding responsible innovation in universities by supporting the CDR through the Startup Year initiative would align the startup funding environment with the global trend towards ESG.

Proposal 2: Introducing a principles-based public benefit and innovation test

Fintech Australia further suggests consideration be given to implementing a principles-based public benefit and innovation test as an alternative pathway to broaden the selection criteria, rather than limiting startups to a rigid whitelist of priority areas.

A flexible approach to setting the priority areas within scope would align with the initiative's objectives to inject business dynamism into the Australian economy and bring new, innovative entrants into established markets.

While the current focus on STEM in the selection criteria is important, a policy focused on encouraging business dynamism, competition and greater participation in university-based accelerator programs should permit a broader range of startup ideas. This would future proof the initiative and ensure innovation is not restricted.

How could a public benefit and innovation test work?

To ensure this test creates more opportunities for a broader range of innovative ideas, including fintech startup ideas, without adding unnecessary complexity for universities, we suggest adopting an approach similar to the tests used for accessing ASIC's Enhanced Regulatory Sandbox (ERS). In principle, participants would need to meet both a public benefit and an innovation test:

- Under the **public benefit test**, applicants would need to demonstrate how the startup idea addresses a current problem for consumers or the Australian market as a whole, or how it supports an area of national priority. For example, in relation to public benefit in the fintech space, this could be an innovation which increases consumer choice, reduces cost, provides better user experience, or provides enhanced efficiency.
- Under the **innovation test**, applicants would need to explain how the startup idea is new, different or an improvement to what is available in the Australian market and describe what comparable services or activities are already available in the Australian market, if there are any.

We also agree the Startup Year initiative should connect into and add value to the existing startup policy ecosystem. A broader, principles-based test for eligibility is consistent with this objective and ensures Startup Year is consistent with other existing initiatives which support innovative startups and early-stage businesses,

like the Early-Stage Venture Capital Limited Partnerships and the Venture Capital Limited Partnerships concessions.

Fintech Australia's proposal in summary:

- **Proposal 1: Broadening priority areas to include Consumer Data Right innovation**
 - CDR is now at a critical point in its rollout.
 - There is an increased need for CDR products, services and CDR use cases to support consumer awareness and uptake which, if enabled, would be of national importance.
 - This poses a unique chance for universities and students to be a key driver in the CDR ecosystem with the support of the Startup Year initiative.
- **Proposal 2: Introducing a principles-based public benefit and innovation test**
 - Replacing the set whitelist of priority areas with a broader principles-based public benefit and innovation test would future proof the initiative and allow for dynamic, competitive and unrestricted innovation.
 - Such a test would also align the Startup Year initiative with the approach taken by other startup and early-stage business initiatives.

4 Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

Enter response here

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Enter response here

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Does the proposed approach fill a gap in the market?

Enter response here

Is there a clear value proposition for students and higher education providers?

Enter response here

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

Enter response here

What else could be considered to support the ambition to establish new firms?

Enter response here

What data is required to measure the success of participating in university-based accelerator programs?

Enter response here

How do we measure the success of the Startup Year initiative and the participating students?

Enter response here

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Enter response here

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Enter response here

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Enter response here

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

Enter response here

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

Enter response here

7 Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a startup idea through their studies and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their careers and have identified problems within their industries or communities for development.

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Enter response here

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What are other options could be considered?

Enter response here

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What are the benefits and risks for undertaking a first-year pilot?

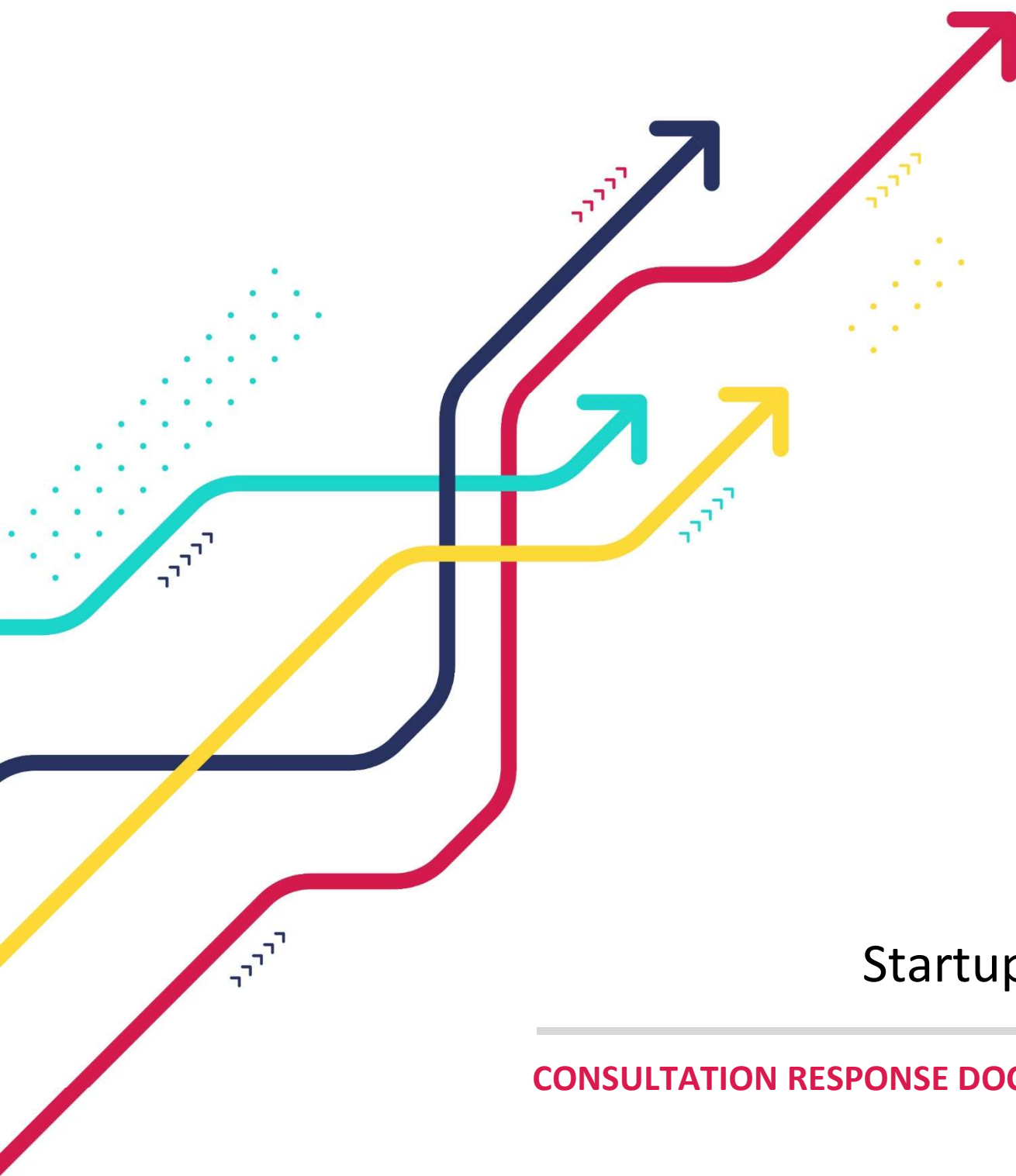
Enter response here

What lessons can be learnt from a pilot program?

Enter response here

What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

Enter response here



Startup Year

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Please provide your details in the table below:

Organisation name	Charles Sturt University
Organisation type (e.g. university, startup)	University
Contact name	XXXXXXXXXX
Contact email	XXXXXXXXXX@XXXXXXXXXX
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes
Background to consultation responses	<p>Please note that I have only answered sections and questions that relate to my area of expertise. My doctoral and commercial competencies are around early-stage technological start-ups and how to classify and appraise technological inventions. Hence, I can provide robust and comprehensive solutions to some the sections:</p> <p>Section 1: Registration process Section 3: Selection Criteria Section 5: Program design to meet intended outcomes Section 7: Student eligibility criteria</p>
Academic and commercial background	<p>I have commercialised, as an entrepreneur, at least a dozen products and services over a 35-year period across a number of different industries and commercial sectors, from engineering, manufacturing, micro-electronics, human resources, property, investment, medical devices and consumer goods.</p> <p>Some products/services have been very successfully commercialised others not so. In this time, I have also focused on the why, how, when and what of successful product commercialisation. My focus has mainly been on a multidisciplinary approach to answer some of these questions.</p>

	<p>The purpose of my doctorate is to explore and create a model that may answer some of these questions and to assist the high tech start-up sector.</p> <p>My doctorate title is: Understanding early-stage high technology start-ups User-centric appraisal of technological inventions</p> <p>I could potentially assist government on policy supporting the high tech start-up sector with academic institutions.</p> <p>I have also been in venture capital and a specialist consultant to technology start-ups and have discovered that the venture capital experts and investors do not appear to have the answers to these questions I have posed above.</p> <p>My personal interests also included the area of entrepreneurial study and I have spent many years studying and attempting to apply many different approaches in practice.</p> <p>I currently have developed an innovative product in the MedTech sector, solving an airway problem for newborn resuscitation.</p> <p>I also teach in the VET sector for a Registered Training Organisation (RTO) on the Dept. of Education's and Workforce Australia Self-employment programme where I have assisted hundreds of people into self-employment.</p> <p>I have also contributed to the innovation sector by presenting my ideas on inventions to government and the private sector by writing journalistic articles on innovation. See an example. https://www.innovationaus.com/here-is-an-innovation-taxonomy-for-success/</p> <p>Please note the suggestions I am making in this response document is part of my doctoral project.</p>
Number of words	1415

1 Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

Enter response here

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- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)

Optional: links to existing case studies

What other accelerator success measures could be considered as part of the registration process? For example, growth in student numbers, diversity in student cohort, number of successful startups or commercialised products from participating students, job creation, and industry partnerships?

See my response in Section 3-Selection Criteria.

I am suggesting a very simple and effective technology classification and appraisal process. That could be adopted across all the universities to thoroughly evaluate their research for its potential to have successful commercial outcomes.

The classification and appraisal process are outlined in some detail in the Section 5: Program design to meet intended outcomes in the Question: Is there a clear value proposition for students and higher education provider?

What social and community impact measures could be included?

Enter response here

3 Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

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- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well -defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

The research is clear, an examination of scholarly literature was undertaken of early-stage high technology firms and the successes are an outlier and failure is the norm. Three key themes emerged in my literature study of the early stage technology start-up, both locally and internationally. Firstly, failure appears to be the norm, secondly entrepreneurs/designers are mostly introverted with poor understanding of user-context (or worse, don't take this into account at all) thirdly technological inventions have no robust classification process. There are over 20 definitions for new technology.

The key component missing is a robust and useful classification (taxonomy) system and appraisal process for any technological artefact or invention. The technology that would benefit from my suggested classification and appraisal process could be in the research phase, an idea, or closer to prototyping (MVP). A more detailed outline of the classification systems and appraisal process is covered the other sections in this document.

The technology should align with many factors including, university research objectives, government national priority, intellectual property development and commercial viability. This is a difficult task and one that is somewhat resolved when a robust technology classification (taxonomy) and appraisal process is applied. This then could be part of eligibility requirements.

Firstly, the purpose behind a classification (taxonomy) system is that it describes and defines the technological invention very clearly with no ambiguity. The technology classification can then be generalised across products and industry sectors. Then it is relatively easy to compare technological inventions within and across different industrial sectors. Without a classification system we land up with too many descriptions of technology inventions and this hampers academic studies and its application in supporting practice on innovation. These numerous definitions lead to major ambiguity and lack of consistency and widespread confusion of what empirical studies are actually reporting.

Secondly, the appraisal system defines the function (what it does) and the functionality (how well the technology performs (or could perform)) in relation to potential users. It requires researchers to consider the costs, precision and timing of functionality and potential accuracy of the user-centric needs.

What the classification and appraisal process does is force researchers/designers/entrepreneurs to be more user-centric and extroverted rather than introverted. International studies show that researchers, designers and entrepreneurs behave somewhat in an introverted manner and are not user-centric. This process may reduce entrepreneurial confirmation bias, introversion and non-user-centric behaviours.

The classification and appraisal process may also reduce the significant time wasted on projects that don't show early promise with good alignments of university research objectives, government policy and commercial viability.

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

Enter response here

4 Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

Enter response here

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally-based startups?

Enter response here

5 Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas. As there will be diversity in the ideas, industries, and student background, a key consideration of the program is how to best provide value to the student, ensure quality program delivery, and best facilitate positive student outcomes.

Does the proposed approach fill a gap in the market?

This is a foundational key to aligning research, government policy and commercial needs. As outlined in section 1 a classification (taxonomy) with an effective appraisal system is required. Together the classification of the technological invention and the appraisal process aligns the research objectives to commercial needs, these needs could be articulated or unarticulated.

It is possible that much research is not commercially viable in the present time (or not at all) but will be in the future. Research and commercial objectives may be incongruent and needed to be weighed in terms of costs, academic aims and endeavours in relation to this program. Only alignments of research objectives and commercial needs should be considered, otherwise there potential for a waste of government resources.

This question has at least two aspects. Will it fill a gap now or/and will it fill a gap in the future. An example of a potential future gap is quantum computing and fusion energy.

There should a mix of present and future objectives, maybe following Pareto's 80/20 principle. Funding of 80% to current projects meeting potential needs now and 20 percent to projects with potential future needs. Both are probably critical for long term innovation success.

Is there a clear value proposition for students and higher education providers?

The value proposition should incorporate three very simple criteria and presented by not more that a short paragraph for each of the criteria. These are inherent in the classification and appraisal process suggested and shown below.

This includes the technology's:

Problem definition: what is the problem the technology could or potentially solve

Features – This is part of the classification (taxonomy) system and includes technological invention Type

Functions (what it does) - This is also part of the classification (taxonomy) system

Functionality (how well it does it) – This is part of the appraisal process this includes the Accuracy of the technology (how close to potential user requirements).

An example of value proposition profile using Fibre Optics.

Problem definition: Moving larger amounts of communication signals from source to destination without signal loss and noise and getting it there faster over large distances.

Features: Type 3 invention, new materiality (content) (glass) and insulation design.

Function: Signal transmission

Functionality:

Cost: initial costs slightly worse but can save on connecting to legacy systems but improve dramatically with time.

Precision: very low signal loss, low noise, as compared to copper

Timing (speed): very high speed transmission, much faster than copper improves speed and distance

Accuracy: very high need to increase transmission bandwidth by telecommunications utilities as outlined in the problem definition.

A simple value proposition using the example of fibre optics, from the above criteria could then be:

A new material of glass and plastic fibre and pipe insulation/protection designs allows for very fast transmission, low noise and low signal loss across large distances at comparative costs meeting the larger bandwidth criteria of telecommunications utilities.

This is a simple example of value proposition summarised from the classification and appraisal process of a proposed research project and its potential alignment with commercial objectives or problems.

The classification and appraisal system can be used across all sectors and all potential technological inventions. As this would be a simple standardisation process. This also supports IP professionals as this process also makes clear what the inventive and non-obvious steps of the technology are.

At the same time the government policy and eligibility criteria could include all these processes, as discussed above, that give the ability to measure successful outcomes over the long and short term and **apply across all priority areas** and meet Government objectives.

Not all potential commercialisation failure is technological and market related. Studies show that a fair proportion are also founder/ designer/entrepreneur introverted behaviour. However, the classification and appraisal process of the technology and potential market should always be focused on first. Universities could always license their IP or find people who are proficient and successful at setting up new enterprises if incumbents can't or ultimately don't want to commercialise their research.

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

These are all mentioned above.

What else could be considered to support the ambition to establish new firms?

These are all mentioned above in the value proposition section.

What data is required to measure the success of participating in university-based accelerator programs?

The key here is for all the universities to use the same way to assess the participation. As mentioned in the value proposition section. If all universities use the suggested classification and approval process to assess eligibility it focuses on the technology and what its potential is. This way Depts Education & DISR can measure like for like and in the short and long terms test the success of the entire Start-up year project.

It is also a means by which the student has a self-reflective tool to test whether their research has the potential to be commercialised. Not all research has this potential.

How do we measure the success of the Startup Year initiative and the participating students?

The classification and appraisal process along with the value proposition and problem statement provides the base line for measurement. With this defined, as done in the example in the value proposition section. It becomes clear if objectives can potentially be met. Milestones can also be put in place to reflect the outcomes of the classification and appraisal process.

The big hurdle is to align research objections with commercial objectives and the model I am proposing here closes that gap or at least highlights what needs to be done to close the gap.

It should be noted there is lack of studies at the early stage start-up of technologies. And many of the academic studies focus on much later stages.

6 Student experience

Students are the central stakeholder for Startup Year initiative, as the recipients of loans and the driver of startup creation and innovation. As such, it is important that the student experience is considered in the Startup Year design and delivery, to ensure the program meets their needs and provides them with the opportunity to develop the suite of skills and experience required to grow their startup ideas and build their businesses. Students will be required to complete micro-credentials or qualifications as part of the Startup Year program.

How can we ensure the Startup Year program brings the most value to students?

See my response in the previous section.

Should students be able to receive formal and informal learning as part of the program?

Yes

How could a micro-credential or qualification best work in practice?

Enter response here

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

These are all mentioned above in the value proposition section.

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

Yes there should be.

7 Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a **startup idea through their studies** and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their **careers and have identified problems within their industries or communities for** development.

We propose Startup Year loans focus on the former group, that is final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as additional support to bring their startup ideas to market.

Option: the loans could help bridge the gap between supply and demand, providing loans to students who miss out on a place within an accelerator program, are recommended by their supervisor as benefitting from access to additional specialised advice and time to refine their startup concept.

What are the benefits and risks in expanding the program to recent graduates?

Enter response here

What are the benefits and risks in providing Startup Year loans provide to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

Enter response here

What are the benefits and risks in providing Startup year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

Enter response here

How can universities ensure these loans are allocated to the most suited students?

See my suggestion on the classification and appraisal process for a technological invention as outlined in Section 5.

This process I am suggesting becomes part of the eligibility criteria and registration process.

As a first sieve process the classification and appraisal process eliminates incongruent research-commercial ideas and catches the congruent research-commercial projects.

What are other options could be considered?

Enter response here

8 Startup Year Pilot

The Startup Year initiative is anticipated to commence in July 2023. This can be achieved through a full program rollout, or through a first-year pilot phase. A first-year pilot phase would help to inform the future direction of the initiative, including validating processes such as registration and bidding, identify key themes in priority areas, student eligibility, and measures for success. The pilot would include a small number of places at a select number of existing higher education provider-based accelerator programs. This would include a national footprint, including at least one regionally based accelerator.

What are the benefits and risks for undertaking a first-year pilot?

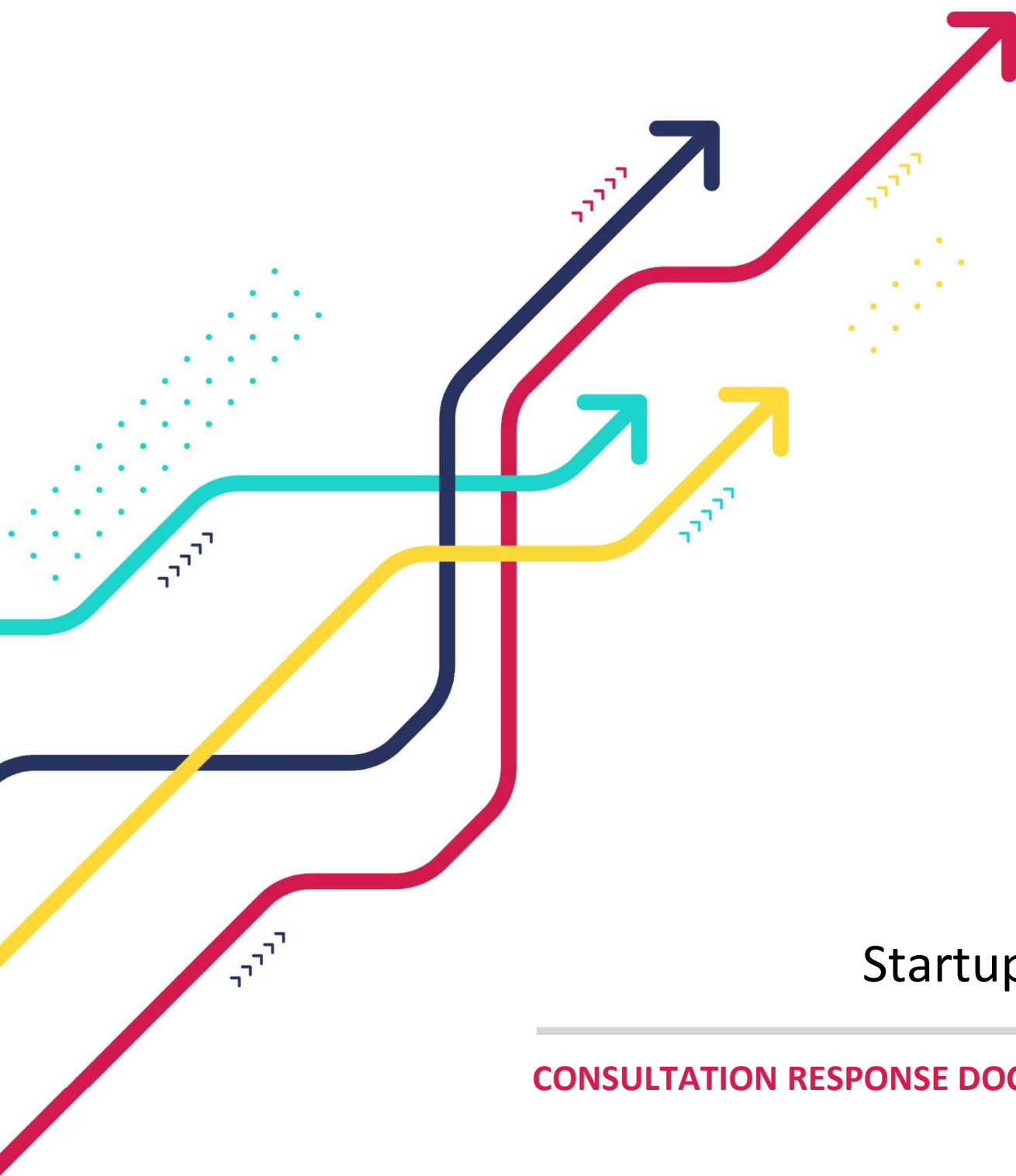
Enter response here

What lessons can be learnt from a pilot program?

Enter response here

What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

Enter response here



Startup Year

CONSULTATION RESPONSE DOCUMENT

Startup Year Consultation Submissions

Please use this response document to provide a submission to the Department of Education on the proposed Startup Year initiative.

Completed submissions are to be submitted to accelerator@dese.gov.au. Submissions should not exceed 1,500 words. Please contact the Department if you require this document in an alternate format.

Submissions will close at **11.59 AEDT Tuesday 15 November 2022**

Please provide your details in the table below:

Organisation name	Dr. S Lobo (Consulting Services)
Organisation type (e.g. university, startup)	Innovation Management Training
Contact name	Dr. S Lobo
Contact email	dr.slobo@consulting.com.au
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

1 Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

The Startup Year, program is fundamentally misplaced as it is naïve to assume that students will have the experience and acumen to come up with a critical mass of potentially success-based ideas.

Instead, the program should be directed to having Academics to come up with proposals that would warrant having potential success. Since they would have access to research literature in state-of-the-art technologies. Students can then be recruited in the programs identified to be eligible.

2 Registration Process

A recurring registration process will be established for providers to participate in the Startup Year initiative. To register, providers will be required to submit an application, which must include the following information:

- Program overview and outcomes, including any supporting documentation, policy documents and business outcomes
- Program components over the business-focused year
- Student enrolments (actual and projected)
- Activities, facilities and non-financial support provided and their associated costs or value
- Funding available to participants
- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)

Optional: links to existing case studies

**What other accelerator success measures could be considered as part of the registration process?
For example, growth in student numbers, diversity in student cohort, number of successful startups
or commercialised products from participating students, job creation, and industry partnerships?**

Enter response here

What social and community impact measures could be included?

Enter response here

3 Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

- Be an Australian University or University College
- Have clearly defined program outcomes, industry partnerships, and student engagement strategies
- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well -defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

Enter response here

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

Enter response here

4 Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

Enter response here

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally-based startups?

Enter response here

5 Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas. As there will be diversity in the ideas, industries, and student background, a key consideration of the program is how to best provide value to the student, ensure quality program delivery, and best facilitate positive student outcomes.

Does the proposed approach fill a gap in the market?

Enter response here

Is there a clear value proposition for students and higher education providers?

Enter response here

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

Enter response here

What else could be considered to support the ambition to establish new firms?

Enter response here

What data is required to measure the success of participating in university-based accelerator programs?

Enter response here

How do we measure the success of the Startup Year initiative and the participating students?

Enter response here

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Students are the central stakeholder for Startup Year initiative, as the recipients of loans and the driver of startup creation and innovation. As such, it is important that the student experience is considered in the Startup Year design and delivery, to ensure the program meets their needs and provides them with the opportunity to develop the suite of skills and experience required to grow their startup ideas and build their businesses. Students will be required to complete micro-credentials or qualifications as part of the Startup Year program.

How can we ensure the Startup Year program brings the most value to students?

Enter response here

Should students be able to receive formal and informal learning as part of the program?

Enter response here

How could a micro-credential or qualification best work in practice?

Enter response here

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

Enter response here

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

Enter response here

7 Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a startup idea through their studies and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their careers and have identified problems within their industries or communities for development.

We propose Startup Year loans focus on the former group, that is final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as additional support to bring their startup ideas to market.

Option: the loans could help bridge the gap between supply and demand, providing loans to students who miss out on a place within an accelerator program, are recommended by their supervisor as benefitting from access to additional specialised advice and time to refine their startup concept.

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Enter response here

What are the benefits and risks in providing Startup Year loans provide to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

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What are the benefits and risks in providing Startup year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

Enter response here

How can universities ensure these loans are allocated to the most suited students?

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What are other options could be considered?

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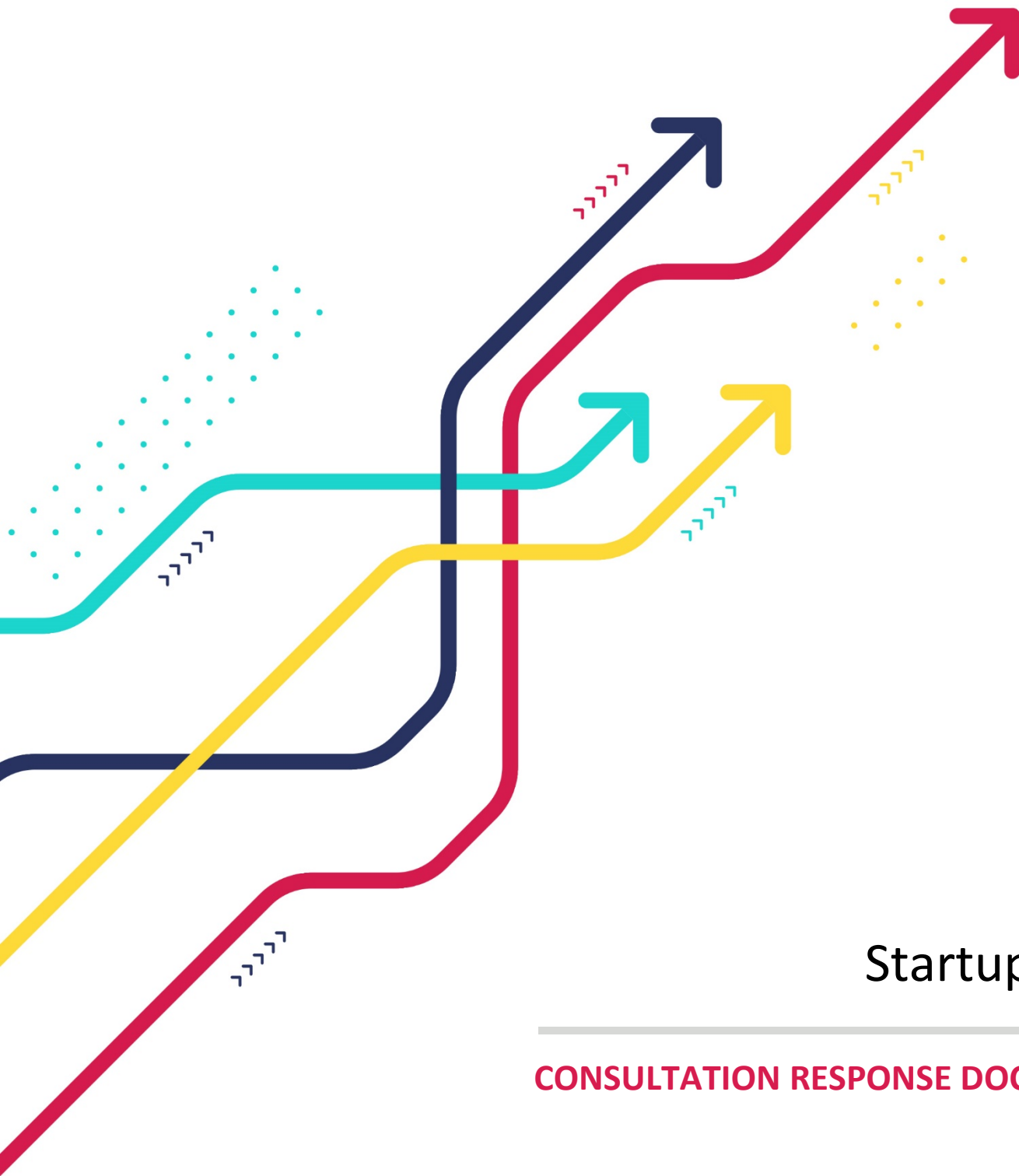
Enter response here

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Enter response here

What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

Enter response here



Startup Year

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Submissions will close at **11.59 AEDT Tuesday 15 November 2022**

Please provide your details in the table below:

Organisation name	Bond University / Transformer program
Organisation type (e.g. university, startup)	University
Contact name	XXXXXXXXXXXX
Contact email	XXXXXXXXXXXX@XXXXXX
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

1 Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

Yes, this definition reflects the service that Bond University Transformer, an incubator, provides to students.

2 Registration Process

A recurring registration process will be established for providers to participate in the Startup Year initiative. To register, providers will be required to submit an application, which must include the following information:

- Program overview and outcomes, including any supporting documentation, policy documents and business outcomes
- Program components over the business-focused year
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- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)

Optional: links to existing case studies

**What other accelerator success measures could be considered as part of the registration process?
For example, growth in student numbers, diversity in student cohort, number of successful startups
or commercialised products from participating students, job creation, and industry partnerships?**

We agree with the above suggestions and would also add:

- Growth in network and diversity of industries and organisations represented (including commercial, government, community and not for profit)
- Access to mentors and coaches involved with the program
- Growth in indigenous student numbers and indigenous-led start-ups

What social and community impact measures could be included?

- Growth in not-for-profit start-ups and start-ups providing support to charitable organisations (eg: through donations, partnerships, events, etc)
- Growth in not-for-profit start-ups providing social and other benefits to the community
- Projects supporting indigenous start-ups

3 Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

- Be an Australian University or University College
- Have clearly defined program outcomes, industry partnerships, and student engagement strategies
- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well -defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

Having an established network of academic specialists, industry and community connections as well as established entrepreneurs available to provide advice and assistance to students is a key requirement.

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

Yes, the criteria are reasonable and several on the list are the criteria that students also look for when enquiring about Bond Transformer. Universities need to provide value add services and cater to the needs of remote students and students with varied cultural backgrounds.

4 Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

Innovation and entrepreneurship grants, plans and roadmaps published by national and state government departments often identify national and state priorities for start-ups, covering the topics mentioned in the question above. This information, however, is spread across several websites and documents. It would be useful if a summary of this information was easily accessible so that programs can ensure appropriate allocation.

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally-based startups?

Perhaps have quotas for educationally disadvantaged and remote students. University-based support services for these students will need to be aware of the support available for their students' start-ups so that they can recommend our services. Seek advice from educators experienced in supporting students from educationally disadvantaged background and ensure services and resources cater for these students. Invest in technology to support remote students and budget for occasional travel/accommodation where required.

5 Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas. As there will be diversity in the ideas, industries, and student background, a key consideration of the program is how to best provide value to the student, ensure quality program delivery, and best facilitate positive student outcomes.

Does the proposed approach fill a gap in the market?

Yes. All universities have been impacted by Covid and are trying to do more with fewer resources, and this is expected to continue for a while yet. As a result, services are constrained. Additional funding is welcomed and will enable us to offer more resources for our students.

Is there a clear value proposition for students and higher education providers?

Yes, universities will be able to fund additional support for more entrepreneurship students, leading to more students launching start-ups, creating jobs, and strengthening our local economy.

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

Business foundations education for students who have/are not studying business. We have several students from non-business faculties with excellent ideas for start-ups. These students need additional support in learning business concepts to ensure their start-up is launched “properly”.

What else could be considered to support the ambition to establish new firms?

Encouragement and support on a personal/emotional level is very important. Setbacks and failures are inevitable in the start-up environment and students can be easily discouraged. Providing a supportive and positive environment where the student can cope with setbacks in a constructive way and build their resilience, is crucial for success. Initiatives can include social events that strengthen and create personal connections, workshops that provide practical ways to cope with failure and build resilience, and access to understanding and supportive coaches and mentors and entrepreneurs who have traversed this journey.

What data is required to measure the success of participating in university-based accelerator programs?

Most of the suggestions below are based on numbers. Additional funding to a university-based accelerator should also result in an improvement in quality of the start-ups launched and the personal and professional outcomes for students enrolled. Quality refers to the level of maturity and professionalism in the final product (or service) and the student's performance.

- Growth in number of students enrolled in the program and number of students completing the program; increase in quality of the student performance compared with previous years
- Growth in number of indigenous students in the program
- Growth in number of students in the program from an educationally disadvantaged background
- Growth in number and quality of start-ups launched (consider the complexity of each start-up also)
- Learning and personal growth achieved by students (could survey/interview at start and end of program)
- Growth in range of industries/sectors each start-up represents (especially in emerging industries)
- Growth in funds raised for each start-up
- Growth in network size due to increased program activity
- Growth in number of coaches and mentors involved in the program
- Growth in number of competitions that students have entered/won (either competitions hosted by the program or external organisations)
- Growth in number of other events students have organised or participated in (e.g.,: networking events, panel discussions, etc)

How do we measure the success of the Startup Year initiative and the participating students?

Many of the points above apply here also. It is crucial that success for the student not be limited to simply launching a start-up, although this is important. Success for the student also includes the practical and personal development gained through participation in all aspects of the program, the quality in the approach taken launching the start-up and the overall maturity of the final product/service. It is suggested that students be interviewed at the start and end of the program.

6 Student experience

Students are the central stakeholder for Startup Year initiative, as the recipients of loans and the driver of startup creation and innovation. As such, it is important that the student experience is considered in the Startup Year design and delivery, to ensure the program meets their needs and provides them with the opportunity to develop the suite of skills and experience required to grow their startup ideas and build their businesses. Students will be required to complete micro-credentials or qualifications as part of the Startup Year program.

How can we ensure the Startup Year program brings the most value to students?

The program should provide a basic framework that guides all students through the process to launch a start-up. The framework provides students with clear goals and timeframes to keep them on track. In addition, as each start-up is different, and each student's needs are different the university needs to work with each individual student to determine their needs and ensure the program meets their needs. These needs may be educational (learning about start-ups through workshops and coaching), practical (need access to an accountant or lawyer), or personal (develop self-confidence through coaching and participating in activities such as pitching). The funding is best spent developing students' knowledge and capabilities so that they can go on to successfully launch their start-up. In the case of a more complex start-up, the student may not have launched by the end of the program and it's important that the learning gained from the program allows them to continue working on their business after leaving the program.

Should students be able to receive formal and informal learning as part of the program?

Absolutely. Bond university aims to develop students' capabilities through varied activities such as workshops, presentations, coaching and mentoring, site visits and competitions.

How could a micro-credential or qualification best work in practice?

A micro-credential or qualification that formally recognises the learning and experience the student has gained from the program would be of great value to the student. It should not be difficult to design a micro-credential based on current program design and outcomes, especially for the more established accelerators and incubators.

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

Students will have access to university facilities and equipment, online resources, workshops, competitions, coaches and mentors and a network of people to provide advice and assistance. We have found that learning is best performed in person and in groups, such as seminars and workshops. Sometimes specialist facilities cannot be provided at the university, however, this is an opportunity to partner with other organisations and increase the university's network.

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

Absolutely. It is essential for students to improve networking skills and learn as much as possible from others about start-ups in general, and the industry that they are working in. These networks may be domestic or international, it largely depends on the start-up and goals of the student. While there might be dominance of domestic partnerships, in some cases, international partners could be best placed to provide support.

7 Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a startup idea through their studies and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their careers and have identified problems within their industries or communities for development.

We propose Startup Year loans focus on the former group, that is final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as additional support to bring their startup ideas to market.

Option: the loans could help bridge the gap between supply and demand, providing loans to students who miss out on a place within an accelerator program, are recommended by their supervisor as benefitting from access to additional specialised advice and time to refine their startup concept.

What are the benefits and risks in expanding the program to recent graduates?

Several of our students do not come to us until late in their degree as they are starting to plan for their future after university and do not want a traditional career. We find these students are usually very focussed and committed as they have a clear purpose and are keen to create a future for themselves. It can take some time to start a business and several of these students graduate before launching their start-up. We often continue supporting former students as having alumni actively involved in the program is of great benefit and these alumni usually go on to support other students just starting out in the program. The only risk in supporting recent graduates is their commitment suffers if they commence full-time work in a demanding industry, such as law or medicine.

What are the benefits and risks in providing Startup Year loans provide to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

Yes, the loans would allow the program to provide additional support and resources and maximise the value to be obtained from the program. An example of this is that we currently have industry coaches providing services to our students. These coaches are entrepreneurs themselves running businesses in strategic and business planning, marketing and PR, accounting, and law and so on. They charge their clients a premium, however, provide free coaching to our students who recognise how valuable this is. Additional funding provided by the loans would allow us to attract and engage more high quality coaches that ultimately improves the learning and outcomes for students. The only risk we see is that students sometimes struggle to meet competing study and personal commitments, and this can affect their engagement with the program.

What are the benefits and risks in providing Startup year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

There are more risks associated with providing loans to students just starting out as they are not only coping with the increased responsibility and workload of starting a degree, but the additional commitment associated with launching a start-up. These students often do not realise how much work is involved. We often recommend these students attend events as an observer but wait until they have completed at least one semester of their studies before becoming an active participant. There are many opportunities for students to get involved in the program without working on their start-up, for example, attending seminars, attending pitching competitions, assisting with organising events, join another start-up team, and so on. This way these students can learn about entrepreneurship and start creating a network and be better prepared when they start working on their own idea.

How can universities ensure these loans are allocated to the most suited students?

As part of the application requirements students need to show that they already have a clearly defined idea and have performed research and analysis that shows the idea has merit, whether this is commercial success or other benefits (e.g., social). The start-up (existing or an idea) also needs to satisfy the criteria mentioned on page 4 (key factors). Finally, the requirements need to capture whether the applicant is from a remote area or is from an educationally disadvantaged background (and any other key demographic such as indigenous background). If possible, all applicants should be interviewed. It is not uncommon for students to not meet all the application criteria however, they may provide additional information in the interview that was not included in their application, and this may allow them entry to the program. It may be necessary to implement quotas to ensure key demographics are accepted.

What are other options could be considered?

There are also students who have quite complex or ambitious ideas that may not usually be accepted because the university simply doesn't have the resources or experience to support this type of start-up. In these cases, the loan would allow the university to provide additional resources and provide support to students who may experience additional challenges.

8 Startup Year Pilot

The Startup Year initiative is anticipated to commence in July 2023. This can be achieved through a full program rollout, or through a first-year pilot phase. A first-year pilot phase would help to inform the future direction of the initiative, including validating processes such as registration and bidding, identify key themes in priority areas, student eligibility, and measures for success. The pilot would include a small number of places at a select number of existing higher education provider-based accelerator programs. This would include a national footprint, including at least one regionally based accelerator.

What are the benefits and risks for undertaking a first-year pilot?

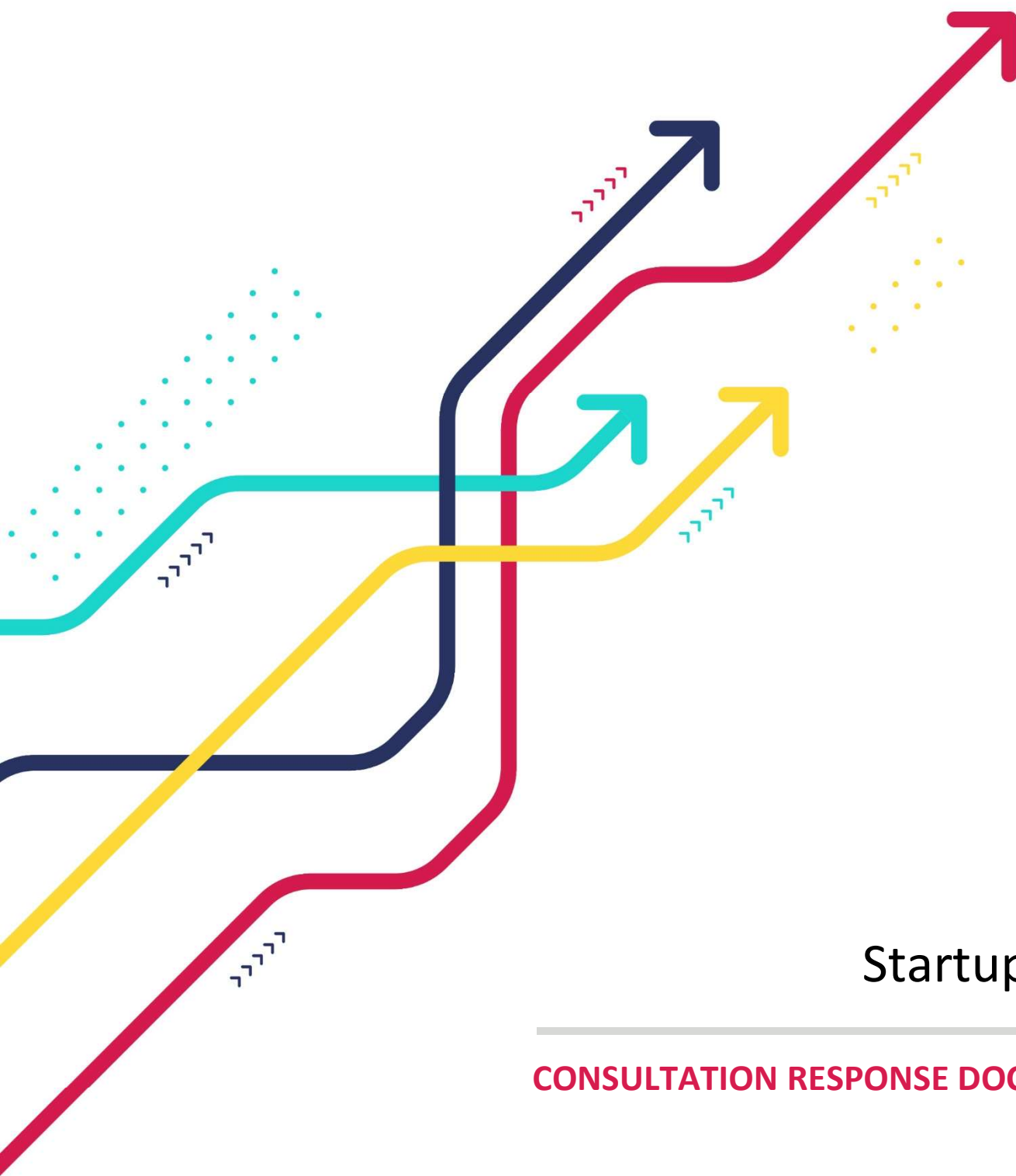
A pilot would certainly help to streamline the program and provide additional certainty to providers once it is rolled out.

What lessons can be learnt from a pilot program?

The pilot can be used to test the feedback and suggestions obtained from the consultation process and gain more insight into current accelerator and incubator programs in Australian universities, possibly leading to future improvement initiatives.

What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

We suggest surveying and interviewing providers to get a good idea of existing programs and include a range of different programs in the pilot. E.g., metro vs regional, large vs small, public vs private, big budget vs small budget, established vs new, etc. Having diversity of providers in the pilot allows for a range of varied experiences and feedback that can be used to improve the proposed offering. Bond University Transformer would welcome the opportunity to be involved in the pilot.



Startup Year

CONSULTATION RESPONSE DOCUMENT

Startup Year Consultation Submissions

Please use this response document to provide a submission to the Department of Education on the proposed Startup Year initiative.

Completed submissions are to be submitted to accelerator@dese.gov.au. Submissions should not exceed 1,500 words. Please contact the Department if you require this document in an alternate format.

Submissions will close at **11.59 AEDT Tuesday 15 November 2022**

Please provide your details in the table below:

Organisation name	None
Organisation type (e.g. university, startup)	Individual
Contact name	XXXXXXXXXX
Contact email	XXXXXXXXXX@XXXX.XX
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

4 Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

A system with many factors to prioritise allocation could be costly. Each additional factor will require more time from applicants - to demonstrate how they qualify, and more time from reviewers - to rank the multiple factors.

We use hypothetical numbers to estimate the costs. We assume application forms take 24 hours to complete (on average) and 2 hours to review. If there are 6,000 applications for the 2,000 awards, then the total hours spent would be 156,000. Conservatively costing these hours at the minimum wage (\$21.38) gives \$3.3 million. If the award is \$11,800, then the prize pool is \$23.6 million, hence the scheme would already be “in debt” by 14% before any activities begin.

The actual number of applications and time spent on forms are unknown. However, the point is that complex application systems will be costly.

We believe this innovate program is ideally suited to using a partial lottery to award funding. In a partial lottery, applications are assessed as being fundable or not, and the winners are then chosen at random from the fundable applications. Reviewers would assess if applications are fundable, not the impossible task of ranking them in terms of excellence or potential.

Most start-ups fail, often for complex and unpredictable reasons. Start-ups are defined as having incomplete information, which makes them inherently unpredictable. Trying to predict winners by collecting volumes of data and then using experts or artificial intelligence to pick winners, risks embedding group-think and biases.

Using a lottery avoids group-think, it will almost certainly fund a more diverse range of start-ups than any system of peer review. We believe it is also more likely to fund truly innovative ideas.

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally-based startups?

A partial lottery would be more likely to support these students than peer review systems which could be biased towards those with more advantage and support. A lottery can easily be stratified to ensure that students from rural or disadvantaged backgrounds are supported to a specified percentage.

Students from disadvantaged backgrounds may be more likely to apply if the final decision is by lottery. They may perceive traditional systems as biased and more likely to reward those who are already successful. Lotteries cannot be gamed and they level the playing field of competition.

5 Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas. As there will be diversity in the ideas, industries, and student background, a key consideration of the program is how to best provide value to the student, ensure quality program delivery, and best facilitate positive student outcomes.

Does the proposed approach fill a gap in the market?

Is there a clear value proposition for students and higher education providers?

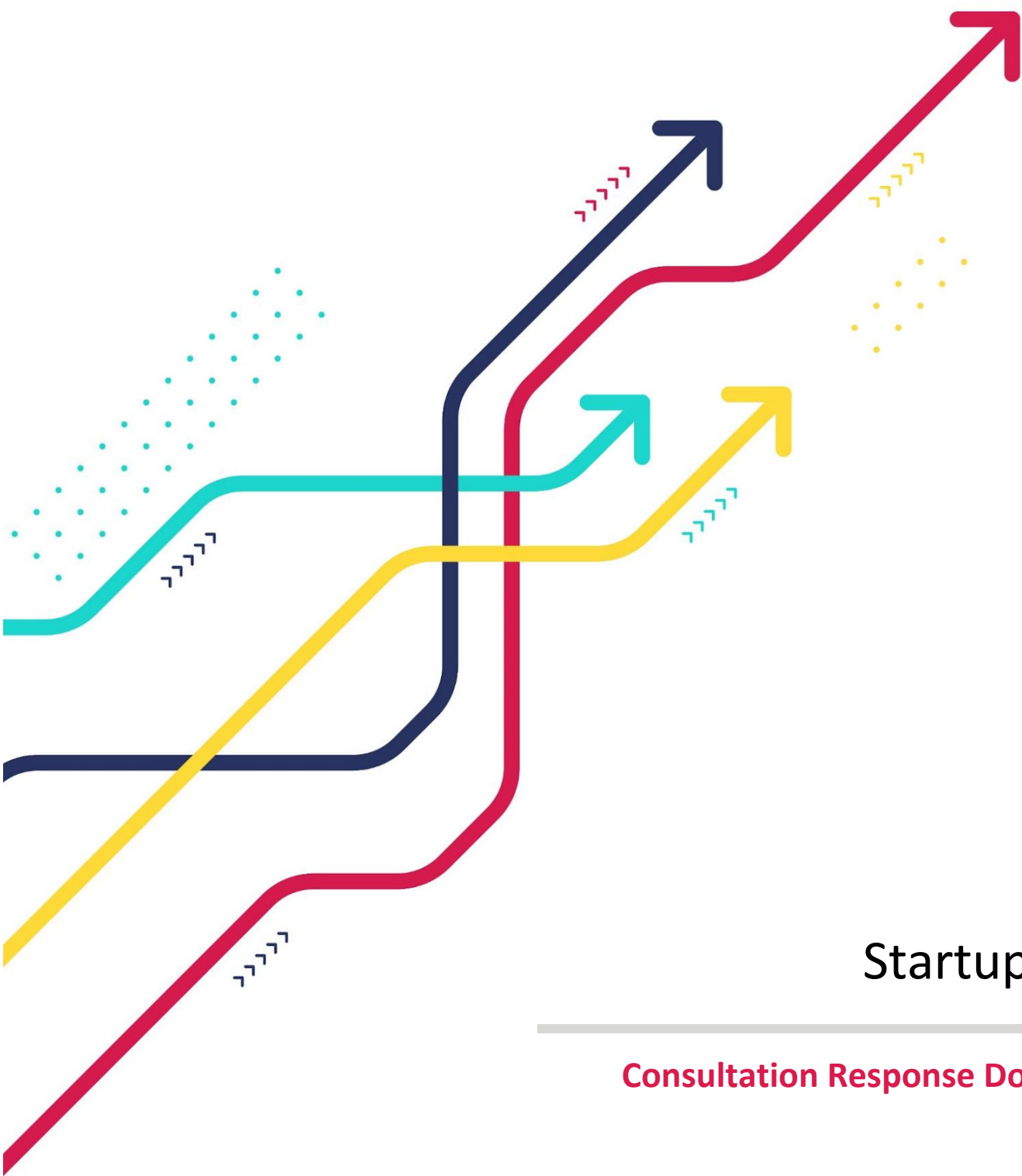
What other design elements could be considered to ensure quality, a positive student experience and outcomes?

What else could be considered to support the ambition to establish new firms?

What data is required to measure the success of participating in university-based accelerator programs?

How do we measure the success of the Startup Year initiative and the participating students?

Awarding funding using partial lottery provides an ideal method for assessing the initiative, as it creates a randomised trial. The lottery will create two groups who are identical apart from the Startup “treatment”. Both groups could be approached at the end of the year with a short questionnaire on the progress of their idea and their attitudes to innovation. Any differences between the groups would have to be due to the Startup initiative, and this would give a rigorous estimate of the return on investment.



Startup Year

Consultation Response Document

Startup Year Consultation Submissions

Please use this response document to provide a submission to the Department of Education on the proposed Startup Year initiative.

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Please provide your details in the table below:

Organisation name	Monash University
Organisation type (e.g. university, startup)	University
Contact name	[REDACTED]
Contact email	[REDACTED]
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

Introduction

Monash University welcomes the Startup Year concept. It aligns with the ambitions of our Strategic Plan, *Impact 2020*, to provide diverse and rich educational experiences to suit a range of learning styles, curricular and co-curricular, and to foster employability and entrepreneurship

The Monash Generator is the central startup hub at Monash for students, researchers and alumni. It offers experiential education, a network of advisors, and relationships with investors and the external ecosystem to support participants develop their startups from ideation to implementation.

We are committed to working with Education and Industry to increase visibility and expand access to industry-based and innovation enabling experiences and we appreciate this consultation as a first step.

Our broad assessment is that the program as framed in the consultation paper requires further consideration of both purpose and operation, in order to achieve the desired outcome without being overly prescriptive and costly to administer.

- The stated purpose to *increase the number of startups and stimulate entrepreneurship* (p6) is to be achieved via enabling *greater participation in university-based accelerator programs* (p5). These two elements may not be compatible if the program is delivered within HESA, which imposes educational priorities and limitations. Further, after completing the program and for personal, academic, financial and or professional reasons, not all participants may wish to become a founder. We suggest that the broader development of entrepreneurial skills and capacity to have traction within the startup ecosystem be the main purpose - with the potential to found a company being a positive outcome, but not the KPI of Startup Year.
- Can the Startup Year be applied to existing programs (which presumably the provider would have to register) or must a new program be established?
- To whom is the funding provided and for what purpose?

p5: "The Startup Year Policy will need to add value...by enabling greater participation in university-based accelerator programs."

- This suggests that places will be funded in existing accelerators. Presently, most accelerators are not accredited and are also generally open to alumni and researchers. These features are not compatible with the HESA funding constraints and would require a separate startup program to be developed, based on the principles of existing programs. Could the funding be provided in another way to better support the goals and be less restrictive in allocation?

p7. "For the purpose of the Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms"

- This also implies that universities can apply to have existing programs registered.

p6. "Funding is allocated to higher education providers to cover costs associated with running the program as an accredited course of education"

- Startup years are generally extra or co-curricular. We understand that under HESA funding is restricted to accredited programs, so assume that this means the program will be accredited separately from existing degree structures, which may not have space or flexibility in final year to accommodate it.

p6. "Allocated to providers in a manner similar to OS-HELP"

p9. "A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas"

- OS-HELP is allocated by providers to students for them to pay the costs associated with study-related travel, such as flights and accommodation, whereas the statements above suggest the funding is to be used by providers to contribute to program costs and to increase overall participation in accelerator programs.

p10. "We propose Startup Year loans focus on ... final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as an additional support to bring their startup ideas to market"

- Is this intended to be another stream of the funding, provided to students directly who are already participating in an accelerator to contribute to material or legal costs for example, or is it simply enabling the student to access a place in an accelerator program?

Our responses to the consultation questions begin on the next page.

1 Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

Monash understands accelerators as short, intense programs that offer wraparound services in a co-curricular format and therefore are not credit bearing. The Startup Year under consultation here, could instead be defined as an entrepreneurship course, to avoid confusion with the presently understood accelerator usage.

Innovation is iterative, not linear, and students dip in and out of incubator and accelerator programs. At Monash such programs operate in the co-curricular space to reflect the flexible and personalised nature of learning. Is there any consideration of co-curricular opportunities within the definition?

The creation of firms/businesses/startups may not occur for all participants, as the process involves experimentation and fast failing, and the development of skills that can be applied in other settings.

A broad definition of industry is required within this brief to allow for startups that create impact in government agencies, NGOs and charities.

2 Registration Process

A recurring registration process will be established for providers to participate in the Startup Year initiative. To register, providers will be required to submit an application, which must include the following information:

- Program overview and outcomes, including any supporting documentation, policy documents and business outcomes
- Program components over the business-focused year
- Student enrolments (actual and projected)
- Activities, facilities and non-financial support provided and their associated costs or value
- Funding available to participants
- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)
- Optional: links to existing case studies

What other accelerator success measures could be considered as part of the registration process? For example, growth in student numbers, diversity in student cohort, number of successful startups or commercialised products from participating students, job creation, and industry partnerships?

We assume registration will be granted for a set period, e.g. 5 years to enable appropriate investment and development in the program. However, if actual enrolments are required for initial registration, providers must establish and offer the program on an unfunded basis. Alternatively, experiences with existing accelerators may be useful to demonstrate track record, but such programs are not accredited and operate differently to the Startup Year under consultation.

Growth in student numbers is only a realistic metric if additional funded places are forthcoming to support such growth.

Diversity and participation by underrepresented cohorts are important.

A focus on the number of successful startups or products may discourage participation and works against the principles of reliable and rigorous assessment. If the program is structured as an accredited unit(s), the number of startups or products is secondary to the learning outcome. The failure of a startup to launch does not signify failure within the program. Feedback from student and industry participants on value gained and intentions for future entrepreneurial activities may be more feasible to assess.

Longer term, tracking progress of participants may also be of interest (e.g. company registered, employment in startup role, intrapreneurship).

What social and community impact measures could be included?

Impact takes time to be achieved and measured and may not be appropriate for initial provider registration.

We recommend the overall goals of the Startup Year be clarified, to focus on participant's entrepreneurial experience, rather than a startup outcome, and not to bring in too many goals and measures to constrain the program. The intention to develop a product/startup should be real, but if a student decides not to pursue it, that's a legitimate outcome. The experience has prepared them for future business development, innovation and intrapreneurship. The broader development of skills and capacity to have traction within the startup ecosystem should be the focus of student learning.

Social and community impact is important but is not necessarily suitable as a feature of registration. ESG alignment, for example, should be embedded in the program design and measured as a program outcome for each participant, as a natural part of the path to launching a startup.

3 Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

- Be an Australian University or University College
- Have clearly defined program outcomes, industry partnerships, and student engagement strategies
- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well-defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

Yes

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

We seek clarification on how “areas of national priority” will be defined as there are many priority lists including National Reconstruction Fund, Critical Technologies, Science Priorities, Infrastructure priorities.... We focus our pipeline toward national priorities, but the nature of the student projects will be determined after the program is registered when students apply. Further, if a student has a great idea with genuine commercial potential or solves a societal challenge, it should not matter whether the idea aligns with a national priority.

We look for potential in both the founders and their ideas, broadly aligned to the three global challenges that are the focus of Monash’s Strategic Plan *Impact 2030*: mitigating the consequences of climate change, achieving geopolitical security, and supporting thriving communities.

This criterion also puts the focus on the outcome, when as an accredited course or unit it should be directed to the educational experience.

Broader engagement with the innovation, enterprise and startup communities should be considered. We recommend “industry” be defined in the broadest sense to include corporations, NFPs and government agencies.

4 Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

Does this refer to the allocation of places to the provider, or the awarding of places by the provider to participants? The examples seem to be a mixture of both.

Allocation should be consistently applied to providers to enable them to have certainty in investing over a set period, for example, five years.

We support all of the above and suggest that the provider should have a track record of running a high-quality accelerator program, based on a combination of program framework and record of participation and completions, and with capability to provide the program at the scale sought.

The provider should be able to set their own application and selection processes, as with OS-HELP.

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally-based startups?

Educationally disadvantaged students may be disinclined to take on an increased HECS debt for participation in a program such as this. Consideration should be given to loan reduction / forgiveness for students from certain underrepresented groups who successfully complete the program. Funding could be provided in the form of a living allowance, that might enable a student to give up their paid work to free up time to participate in this program.

There should also be pathway programs earlier in a student's degree to identify potential participants and prepare them for the accelerator program. Integrating them with other students could do more harm than good without proper preparation. Support for an "Accelerator Light" cohort-based program could help students ideate, create, test, prototype under close guidance before moving into incubation as a primer to the accelerator. It would provide a solid framework and would be easily assessed.

5 Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas. As there will be diversity in the ideas, industries, and student background, a key consideration of the program is how to best provide value to the student, ensure quality program delivery, and best facilitate positive student outcomes.

Does the proposed approach fill a gap in the market?

It is not clear from the proposal how exactly the Startup Year will operate and how funding will be applied and this makes it difficult to assess. Additional financial support paid directly to the student to cover costs of living, for example, would fill a gap and potentially encourage participation by women, low SES and Indigenous students, as long as the program is flexible to fit around existing study or work commitments.

Is there a clear value proposition for students and higher education providers?

There is a clear value proposition in accelerator programs.

At a notional \$11,500 a student, and with only 2,000 places nationally, the viability and sustainability for providers needs to be considered. An accredited program requires substantial investment in curriculum development, teaching overheads, curricula quality control such as Board of Examiners, and other course policy requirements to ensure a high-quality accredited program, greater than is necessary for co-curricular programs.

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

The program design elements should be determined by the providers. Given the nature of startups, the programs should be designed and run by people who understand and have connections to entrepreneurship, rather than taking a theoretical approach.

What else could be considered to support the ambition to establish new firms?

This ambition is potentially in conflict with student learning outcomes. It is possible that the ambition to establish new firms would be better served from within DISR directly, and not connected to a HESA-funded educational program.

What data is required to measure the success of participating in university-based accelerator programs?

This depends on the goal of the accelerator. If it is an accredited learning experience, then it should be measured in a similar way to other accredited programs, including retention, completion and graduate outcomes (where the outcomes could also include entrepreneurship, establishment of a company and potential venture investment to implement the idea). Graduate outcomes would also include contribution to the startup ecosystem, such as getting paid employment in a startup, or working in the startup ecosystem (e.g. working for a venture capital fund or other accelerator program).

How do we measure the success of the Startup Year initiative and the participating students?

Refer above.

6 Student experience

Students are the central stakeholder for Startup Year initiative, as the recipients of loans and the driver of startup creation and innovation. As such, it is important that the student experience is considered in the Startup Year design and delivery, to ensure the program meets their needs and provides them with the opportunity to develop the suite of skills and experience required to grow their startup ideas and build their businesses. Students will be required to complete micro-credentials or qualifications as part of the Startup Year program.

How can we ensure the Startup Year program brings the most value to students?

The Startup Year initiative should provide flexibility for students in order to enable fit within existing degree commitments.

The funding could be provided other than an income contingent loan, for example:

- Direct-to-student funding without requiring a loan would be valuable for educationally disadvantaged groups who are financially restricted.
- Direct-to-provider funding would enable universities to invest the lump sums to increase programs, including pre-accelerators, resulting in greater pipeline for emerging startups.

Should students be able to receive formal and informal learning as part of the program?

Yes. A mixture of learning modes is central to the success of accelerators.

How could a micro-credential or qualification best work in practice?

A micro-credential, or qualification, would need to be part of an award course, aligned with the appropriate AQF level. A Pass/Fail result would be acceptable.

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

This is an issue for the higher education provider to determine.

Monash's Generator suite has four programs tailored to the different stages of development, open to individuals and teams.

Validator: Four-week online program to help participants determine the pathway from idea to startup. Open to anyone who can demonstrate an idea with startup potential.

Startup sprint: Selective five-week program to take validated ideas to launch readiness, including a launch grant of \$2,000

Accelerator: Selective 10-week program for participants to learn how to run a growing startup and acquire funding. Includes \$10,000 seed funding.

Researcher to Innovation: Selective six-week program for Monash HDR candidates and researchers to understand commercialisation, develop ideas and build commercial networks.

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

This is an issue for the higher education provider to determine.

7 Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a startup idea through their studies and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their careers and have identified problems within their industries or communities for development.

We propose Startup Year loans focus on the former group, that is final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as additional support to bring their startup ideas to market.

Option: the loans could help bridge the gap between supply and demand, providing loans to students who miss out on a place within an accelerator program, are recommended by their supervisor as benefitting from access to additional specialised advice and time to refine their startup concept.

What are the benefits and risks in expanding the program to recent graduates?

Recent graduates may already have paid work that precludes or limits their capacity to participate in a year-long program that doesn't have flexible delivery options.
It would also be challenging to find a qualification for the program that fits the AQF, is attractive to recent graduates and is viable for the provider.

What are the benefits and risks in providing Startup Year loans provide to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

It is not clear to whom the funding is provided and for what purpose.
If students have already been accepted into an accelerator program, what is the offer here? Elsewhere the proposal indicates the money is for the provider to offer the accelerator, whereas this question here implies that it will be provided to the student.

What are the benefits and risks in providing Startup year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

Yes. Failure of an idea is not failure of the program. The learning and experience will build entrepreneurial and intrapreneurial capacity that will equip the participants for future startups and innovation.

How can universities ensure these loans are allocated to the most suited students?

Universities have existing procedures to determine admissions suitability

What are other options could be considered?

Provide the money on a competitive basis to universities to apply to their existing accelerator programs – either to expand access or to improve resources provided.

8 Startup Year Pilot

The Startup Year initiative is anticipated to commence in July 2023. This can be achieved through a full program rollout, or through a first-year pilot phase. A first-year pilot phase would help to inform the future direction of the initiative, including validating processes such as registration and bidding, identify key themes in priority areas, student eligibility, and measures for success. The pilot would include a small number of places at a select number of existing higher education provider-based accelerator programs. This would include a national footprint, including at least one regionally based accelerator.

What are the benefits and risks for undertaking a first-year pilot?

Universities already run accelerator programs. Rather than a pilot, it would be better to look at case studies from existing programs nationally to determine the nature for this program or to identify gaps.

Supporting additional places in existing programs would not enquire any additional program development and would save considerably on establishment and implementation costs, for both the administering departments and the education providers.

If there has to be a pilot it would benefit from being less prescriptive to enable participant co-design of the program along the way. However, there is a risk of the pilot being too small a scale to measure outcomes, given the likely high failure rate of startups themselves

What lessons can be learnt from a pilot program?

Universities already run accelerators, and there are existing lessons available without requiring a pilot. Monash regularly reviews the programs within the Generator Suite. The most recent comprehensive report for the Accelerator program was for 2019 (before the turbulence of 2020-21). It looked at application process, funding, and the specific elements of support that were provided including space, mentoring, wellbeing coaching, legal advice, pitch practice, etc, and immediate post-program outcomes. We are happy to speak to the department directly about our experiences.

In the case of the Startup Year, a pilot would be able to review the basic administration of the project, including an assessment of the costs. Student experiences could be used to inform program design. Success against learning goals could be tested, but not startup outcomes given the timeframes involved.

What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

A pilot should be different from what has already been tested and offered. There could be a stream for commercial ideas and another for social good/translational projects. Equally, there could be streams for service v. product development. Or it could be focused on underrepresented cohorts who require extra support, but this would have to be carefully designed.

14 November 2022

Department of Education
Department of Industry, Science and Resources
E: accelerator@desse.gov.au

Go8 submission to the Startup Year consultation

The Group of Eight (Go8) which represents Australia's leading research-intensive universities welcomes the opportunity to provide this short submission to the Startup Year consultation paper issued by the Department of Education. Please note that this submission represents the views of the Go8 network, and member universities may choose to make their own submissions.

Please also note that we are happy for this submission to be published and have no wish for any of it to be treated as confidential.

The Go8 is highly supportive of the aims of the Government's Startup Year initiative that acknowledges the importance of startups in creating Australian jobs, commercialising ideas, creating innovative solutions to social and community-based problems and the role of universities in developing and fostering startups.

Indeed, Go8 members are the leaders in startups in the university and publicly funded research sector. According to the 2021 Survey of Commercialisation Outcomes from Public Research (SCOPR)¹ the Go8 had 160 active startups and spinouts in 2021 – more than five times the number of the CSIRO – and the top seven ranked institutions for new startups and spinouts in 2021 were from the Go8. This is part of an overall annual Go8 research investment of \$7.2 billion with an estimated economic impact of \$33.92 billion in the Australian economy.

Each of the Go8 members also has established and effective accelerator and incubator programs for students and alumni that we strongly anticipate would satisfy any reasonable eligibility criteria to participate in the Startup Year initiative (when finalised). Details of Go8 programs relevant to launching startups and developing the skills to do so (in particular accelerator and incubator programs) are provided in an appendix to this submission.

In this context, the Go8 submission offers high-level recommendations that must be followed to ensure that the Startup Year initiative is a success and avoids the risk of setting up some students to fail.

In doing so, the Go8 is committed to working with the Government to deliver an effective Startup Year initiative.

Recommendation 1: The Startup Year design must clearly state if the primary objective is to directly increase the number of startups launched through universities, or to develop the skills base of the next generation of potential startup founders and the startup ecosystem more broadly.

Recommendation 2: If the Startup Year is to proceed through an accredited course model, then there must be clarity on the nature and parameters of the accreditation, including the expected duration of the course.

¹ https://techtransfer.org.au/wp-content/uploads/2022/09/KCA_SCOPR_2021_survey_report_DIGITAL.pdf

Recommendation 3: Given the complexity of the initiative and the current lack of clarity regarding key elements of the design, the initiative should proceed through a Startup Year Pilot.

Discussion

All Go8 members have successful accelerator and incubator programs which provide a mixture of training, mentoring and startup development experiences.

In terms of directly supporting the development and launch of startups, typically these programs admit only the best ideas or “pitches” from students and alumni through a competitive process. Once in the program participants receive advice, training and mentoring free of charge over a short period of time tailored to suit their particular background and the requirements of progressing their startup concept towards launch. The focus is to advance the best ideas with a realistic possibility of success – noting the high level of failure inherent in startups.

The key to such successful programs is the simplicity and flexibility of the arrangements and engaging cohorts of participants that are mixed in terms of background and experience. This reflects the real world experience of operating in the startup ecosystem.

An example of this type of program is the University of Sydney INCUBATE accelerator program² which funds and supports students, alumni, and researchers to launch high-potential startups. Participants in this highly competitive scheme enter a 14-week program that supports the development of their startup concept. The program is free to participants, with the program taking a two percent advisory fee if the startup raises investment in the first two years after graduating from the program.

INCUBATE also offers a range of mentoring, training and education services around startups.

In this context, the primary objective of Startup Year must be clearly articulated in the interest of maintaining the simplicity and effectiveness of the program. Specifically, whether Startup Year is intended to directly support the development of startups through accelerator programs or to more generally support education and training in skills related to startups.

Both can be of great value in driving startups and bolstering the ecosystem in Australia but they are different objectives requiring different mechanisms to support them.

For instance, many participants in university accelerators and related entrepreneurship programs require training in ideation – how to generate the key idea that underpins a startup – and the philosophy of lean startup development. These are educational outcomes.

² <https://incubate.org.au/>

On the other hand, to directly support the development of startups, funding for participants that allows startup founders to formally contract software development services – essential for almost all startups – could be a focus of support. Doing so would enable startup founders to maintain ownership of the underlying IP through paying for software, rather than sharing (or losing) the IP with software developers.

While deciding this focus is a decision for Government, in framing the Startup Year funding as a payment to universities for the delivery of an accredited course, the emphasis is necessarily on educational outcomes.

Formalising short and elite startup accelerator programs through a cumbersome accreditation process is the opposite of the bespoke and tailored student experience that such programs offer in taking startups to launch (or not if the idea fails). Burdening students with a debt – even through an income contingent loan scheme such as HELP – in a highly risky exercise such as developing a startup is potentially setting students up to fail.

Confusing the purpose of accelerator programs with both educational outcomes and startup launch outcomes also places pressure on the operation of university-based accelerator programs which may mean that such programs do not take up the opportunity of this funding.

The National Reconstruction Fund may be a better vehicle for investment in directly supporting startups if the focus of Startup Year is to be educational outcomes.

Recommendation 1: The Startup Year design must clearly state if the primary objective is to directly increase the number of startups launched through universities, or to develop the skills base of the next generation of potential startup founders and the startup ecosystem more broadly.

Related to the discussion before Recommendation 1 are questions around the details of the accredited courses that are the focus of Startup Year in the consultation paper. Fundamental questions remain unanswered/unconsidered in the consultation paper:

- What is the accreditation process that will be required, who will run the process and what regulatory oversight and reporting requirements for universities will accompany accreditation?
- What are the parameters around course content, delivery and duration that will underpin accreditation?

The consultation paper (page 6) states that the Startup Year initiative funding is to “allow students to take a business-focussed **capstone year**, working with an accelerator to develop their innovation ideas” (emphasis added).

It also specifies that the funding amount available per student in the initiative is \$11,800 – benchmarked at the maximum student contribution amount for Band 3 in 2023 for a year of study (1 Effective Full-Time Student Load - EFTSL). It should be noted that without a concomitant Government contribution this level of funding would represent less than three-quarters of the lowest amount of funding available for any course under Job Ready Graduates for universities to deliver 1 EFTSL in 2023.³

³ According to the 2023 Funding Clusters published by the Department of Education the lowest total of the (un-grandfathered) Maximum Student Contribution Amount and Commonwealth Contribution is \$16,289 for Fields of Education

Recommendation 2: If the Startup Year initiative is to proceed through an accredited course model, then there must be clarity on the nature and parameters of the accreditation, including the expected duration of the course.

Given these issues it seems clear that there is much work to be done in fleshing out an effective design and implementation for the Startup Year initiative and to that end the Go8 recommends further consultation and a pilot exercise.

Recommendation 3: Given the complexity of the initiative and the current lack of clarity regarding key elements of the design, the initiative should proceed through a Startup Year Pilot.

In closing, I reiterate the commitment of the Go8 in supporting the Government in pursuing a boost to startup activity generated through established university accelerators and incubators. In doing so, I hope that the comments in this submission have been helpful in framing a Startup Year initiative that can deliver on this objective.

If you would like to discuss any aspects of the Go8 submission further or engage in further consultation with the Go8, then please do not hesitate to contact me directly on ~~02 9351 2177~~ or ~~02 9351 2177~~.

Yours sincerely



VICKI THOMSON
CHIEF EXECUTIVE

largely across the Humanities, Arts and Social Sciences. The \$11,800 Startup Initiative funding amount represents 72 per cent of this figure.

Appendix: Summary of Go8 programs relevant to the Startup Year initiative

Australian National University

- **Cicada Innovations (co-owner):** Incubator
- **CBR Innovation Network (Foundation members):** Other startup support
- **Summer Founder Pilot Program:** Free two-month program to help early-stage student-led ventures fast-track their growth.
- **ANU Makerspace:** A community available to ANU staff and students, providing users with resources to experiment, investigate, prototype, and solve problems.
- **Square One:** Student co-working space available to ANU students working on startups or freelance projects.
- **TechLauncher:** A course from the College of Engineering & Computer Science that enables students to use their theoretical knowledge and computer science skills and apply it to a real-world research project.
- **Capstone Project:** A course from the College of Engineering & Computer Science that exposes students to an authentic engineering-based experience through an industry project.

Monash University

- **The Generator** – central startup hub
- **The Accelerator** – 12-week program for early-stage startups
- **Monash food incubator** – support for food and agriculture startups

The University of Adelaide

- **Thinclab business incubator** – entrepreneurship, commercialisation and innovation centre

The University of Melbourne

- **Melbourne University Accelerator** – startup accelerator
- **Wade Institute of Entrepreneurship** – centre for entrepreneurial training

The University of Queensland

- **Ventures Incubator:** A startup community and support program based at UQ's Long Pocket campus.
- **iLab Accelerator:** During the three-month program (December to March), each startup team receives \$10,000 equity-free funding to help get you ready for the market and become attractive to investors.
- **Startup AdVentures:** Learning experiences specialising in innovation and entrepreneurship with local, regional Queensland and global startup communities.

The University of Sydney

- **INCUBATE** – startup program
- **ProtoX:** free part-time mentoring program
- **Sydney Knowledge Hub:** on-campus research commercialisation and industry engagement hub.
- **Genesis:** University of Sydney Business School's startup support program.
- **Sydney Innovation Network:** Supports the commercialisation and launch of startups and scaleups from the University of Sydney community.

The University of Western Australia

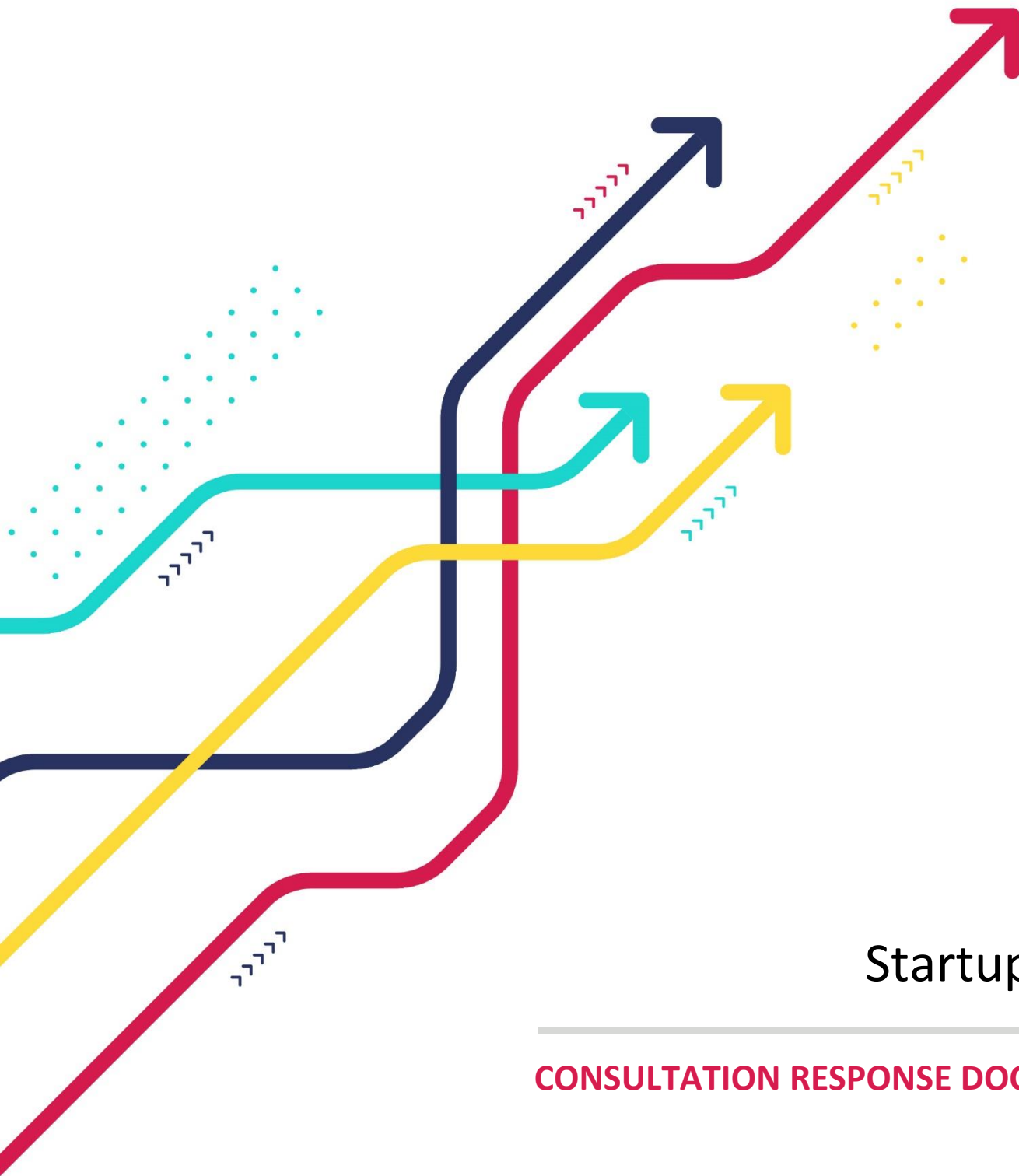
- **UWA Innovator Clinic:** supporting startup development and commercialisation activity.



- **UWA Startup Pre-Accelerator:** entrepreneur-led program to validate early-stage ideas.
- **Venture:** student innovation centre

UNSW Sydney

- **Cicada Innovations (co-owner):** Incubator
- **UNSW Founders:** startup and entrepreneurship support



Startup Year

CONSULTATION RESPONSE DOCUMENT

Startup Year Consultation Submissions

Please use this response document to provide a submission to the Department of Education on the proposed Startup Year initiative.

Completed submissions are to be submitted to accelerator@dese.gov.au. Submissions should not exceed 1,500 words. Please contact the Department if you require this document in an alternate format.

Submissions will close at **11.59 AEDT Tuesday 15 November 2022**

Please provide your details in the table below:

Organisation name	UNE SMART Region Incubator
Organisation type (e.g. university, startup)	University Led Incubator
Contact name	[REDACTED]
Contact email	[REDACTED]
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

1 Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

An accelerator program provides a fixed term, cohort-based program to support founders to test the market, access expert support, and culminates in a demo/pitch day. It usually includes seed investment in exchange for equity.

The suggested 12-month startup program looks more like an incubator program that might combine both a pre-accelerator program to support participants to grow an idea and test it with customers and an incubator program to develop the business model and deliver to customers over 12 months.

2 Registration Process

A recurring registration process will be established for providers to participate in the Startup Year initiative. To register, providers will be required to submit an application, which must include the following information:

- Program overview and outcomes, including any supporting documentation, policy documents and business outcomes
- Program components over the business-focused year
- Student enrolments (actual and projected)
- Activities, facilities and non-financial support provided and their associated costs or value
- Funding available to participants
- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)

Optional: links to existing case studies

**What other accelerator success measures could be considered as part of the registration process?
For example, growth in student numbers, diversity in student cohort, number of successful startups
or commercialised products from participating students, job creation, and industry partnerships?**

Some additional features:

1. Industry strengths in the ecosystem eg agritech, healthtech, cleantech/climatech
2. Cultural knowhow in the program
3. Engaged founder community (non-student community)

What social and community impact measures could be included?

1. Solving industry or community problems/challenges
2. Growing capability to operate in a team
3. Attracting investment into a region or community
4. Generating jobs
5. Capacity to grow social network and influence (being invited to participate in public discussions, Net Promotor Score)

3 Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

- Be an Australian University or University College
- Have clearly defined program outcomes, industry partnerships, and student engagement strategies
- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well -defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

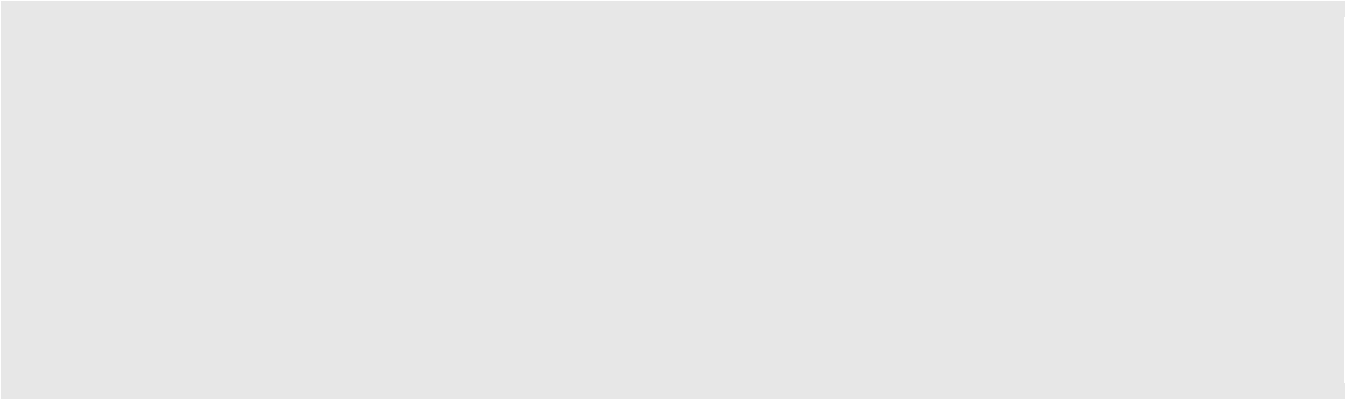
Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

- Demonstrated connections and outcomes across other universities and research projects to grow new business
- Investor network (alumni network, crowdfunding traction)
- Access to housing or accommodation for participants

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

Additional criteria might include:

- Can the Startup Year Program support founders to live in their own community or a community where the product or service has relevance to do customer surveys or supply/install?



4 Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

1. Match to regional growth priority areas ie agrifood, environmental services, health;
2. Social economic disadvantage – grow founder capability in communities that are working to revitalise and stimulate economic opportunities (REZ, SAPs);
3. Make international connections part of the equation (a study component in country part of the Startup Year to grow networks and experience ‘trade mission’ engagement).

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally-based startups?

1. Invest into regionally located incubators and strengthen the support into the existing incubators from Metro as required.
2. Build a strong inland innovation network in NSW to support early stage founders/students to grow in situ
3. Provide housing options – use university college options – create our version of Station F in regional NSW and make that the landing pad for metro students also who are doing product market fit testing.

5 Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas. As there will be diversity in the ideas, industries, and student background, a key consideration of the program is how to best provide value to the student, ensure quality program delivery, and best facilitate positive student outcomes.

Does the proposed approach fill a gap in the market?

This program will for many students increase their HECS debt burden for a purpose which carries high risk. The missing opportunity for our region is the Gap Year Student located in regional who is ready to solve challenges in their community and can't yet commit to a degree of study.

An angle on this Startup Year Program could be a Gap Year Startup Program - a gamechanger for regional areas – imagine a cohort of 30 gap year students working intensively with industry challenges and testing insitu, joining the regional innovation ecosystem (in the New England North West this is supported by the UNE SRI). This would provide these students with the opportunity to build out their startup idea early, learn startup methodology by taking two units of study and accessing support to then grow a business over the course of their chosen degree (which would recognise the two units for credit).

Is there a clear value proposition for students and higher education providers?

The value proposition for students to study a degree and build a startup with access to researchers, knowledge, support and experts in residence is a strong VP. For universities it is equally a strong VP – access to talent, translation of knowledge, energy and drive to create for purpose enterprises. It aligns with major national agendas for building local talent into critical sectors, agriculture, energy, health etc.

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

Students as a member of the innovation ecosystem not separate is critical. The UNE SRI is well placed to do this with a network of 64 founders growing business across a region. This means that the programs and delivery is authentic and led by those experienced in bringing to market cutting edge technologies and solution.

What else could be considered to support the ambition to establish new firms?

- Starting early into schools with supporting from Year 3 up to engage in design thinking methodologies and building the pipeline of talent.
- Tapping into Alumni working in industry and creating investment funds to create the pathways for growing solutions.
- Provide discounts for registering domain name for the business, IP protection strategy and assessment
- Partnership with AWS to provide credit support

What data is required to measure the success of participating in university-based accelerator programs?

How would Universities measure success:

1. Number of applications from prospective students from diverse backgrounds
2. Academy engagement – a willingness to assist and support and mentor
3. Existing startup community and preparedness to include students
4. For a Gap Year Startup Program it could be number of students enrolling in tertiary study
5. Outcome for student in creating an enterprise that results in financial independence

For participants:

1. Development of product or service
2. Number of new connections made
3. Successfully defined and measured social and community impact.

How do we measure the success of the Startup Year initiative and the participating students?

1. Personal growth
2. Product market fit
3. Industry engagement
4. Customers
5. Team skills
6. Total funds raised
7. Number of registered businesses and domains

6 Student experience

Students are the central stakeholder for Startup Year initiative, as the recipients of loans and the driver of startup creation and innovation. As such, it is important that the student experience is considered in the Startup Year design and delivery, to ensure the program meets their needs and provides them with the opportunity to develop the suite of skills and experience required to grow their startup ideas and build their businesses. Students will be required to complete micro-credentials or qualifications as part of the Startup Year program.

How can we ensure the Startup Year program brings the most value to students?

- Clarity is needed in the application process to determine the aspiration and goals of the student which might be prior to commencing a degree or during a degree or at the end of a degree. This information is required to create the program that best fits their needs.
- Provide networking opportunities to meet external stakeholders, mentors, investors
- Provide experience of demo events and pitching.

Should students be able to receive formal and informal learning as part of the program?

Formal and informal learning is critical – this needs to be a hands on process that explores, creates and builds the potential product or service.

How could a micro-credential or qualification best work in practice?

Microcredentials and/or units of study could be attained as part of the 12-month program. Offerings should be road-tested and the value determined to best support early stage founders with different abilities. Peer-review assessment could be a part of this.

UNE has on offer two (2) units of study Startup Development and Startup Activation that could be offered as part of a Gap Year Startup Program or as part of the Startup Year Program.

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

The UNE SRI offers a concierge model delivered by Regional Connectors who operate with a developmental mindset 'start where the person is at' and connect to the best available support. A regular approach to accountability to deliver on goals is part of this process.

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

The importance of the student group joining the established startup ecosystem is critical to the pace at which growth can occur for an idea, an MVP and personally to grow.

7 Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a startup idea through their studies and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their careers and have identified problems within their industries or communities for development.

We propose Startup Year loans focus on the former group, that is final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as additional support to bring their startup ideas to market.

Option: the loans could help bridge the gap between supply and demand, providing loans to students who miss out on a place within an accelerator program, are recommended by their supervisor as benefitting from access to additional specialised advice and time to refine their startup concept.

What are the benefits and risks in expanding the program to recent graduates?

For the End of Degree Startup Year options may include:

- Put incentives in place for students to have developed to an MVP before they join the accelerator program? Make the accelerator component 8-12 weeks only and incentivise capturing customers early.
- Risks associated with inadequate social support from family and friends; inadequate industry experience; early departure from program to seek paid employment.

For a more flexible Startup year Program:

- Have different streams of access – gap year, mid degree, end of degree and tailor programs to these different starting points for the individual.

What are the benefits and risks in providing Startup Year loans provide to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

The risk will be different for every student. Some students will be carrying a significant HECS debt already and how are they best informed about the implications of an additional debt/loan?

This is a significant issue for students of low socio-economic backgrounds who do not have family support for debt levels.

What are the benefits and risks in providing Startup year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

Well defined gateways into loan opportunities is important. For example, is the product market fit clear, defensible? How is the evidence of this captured? The risks need to be determined in context.

Some students are already funding their business ventures through paid employment and studying - enabling these students access to the program makes sense.

How can universities ensure these loans are allocated to the most suited students?

It is important to have a gateway assessment process which enables funding/loan to be applied for, for purposes which can grow the startup idea. Part of this loan assessment process might be means-testing income, postcode, interview, referee reports etc.

What are other options could be considered?

A Fighter Founder Program (similar to Station F in Paris) which explicitly seeks to support people of diverse and challenged backgrounds is an example of interest.

8 Startup Year Pilot

The Startup Year initiative is anticipated to commence in July 2023. This can be achieved through a full program rollout, or through a first-year pilot phase. A first-year pilot phase would help to inform the future direction of the initiative, including validating processes such as registration and bidding, identify key themes in priority areas, student eligibility, and measures for success. The pilot would include a small number of places at a select number of existing higher education provider-based accelerator programs. This would include a national footprint, including at least one regionally based accelerator.

What are the benefits and risks for undertaking a first-year pilot?

A pilot program is supported as the opportunity to ensure processes result in the outcomes.

- Provides data
- Improves university resources

The risks:

- Inadequate preparation of the community about the intention of the program and opportunity to garner support
- Tight labour market, so participants have more attractive options for paid employment

What lessons can be learnt from a pilot program?

Queries to be determined:

- Option of a gap year or a mid-degree or a end of degree program – what are the outcomes
- Is 12 months the right timeframe
- What activities, engagements resulted in the best outcomes and transferable skills
- Is housing a critical part of the success
- What are the key relationships that build program success?

What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

- Rural, regional and remote participants
- First Australian participants
- Culturally diverse migrant participants
- Industries – strategic national priorities
- Motivation and drive to create a solution and learn whilst doing it.
- Supportive and connected innovation community.
- Available of affordable and secure housing.



Startup Year entrepreneur loan program response

Organisation name	A Real CFO
Organisation type (e.g. university, startup)	Outsourced CFO who has worked with many startups over the past 30+ years
Contact name	[REDACTED]
Contact email	[REDACTED]
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

Introduction

My response is directed at the overall way the Startup Year entrepreneur loan program is planned to operate.

Why just university students?

My first concern is that this program is only targeting university students. Why when most new businesses are started by older people.

Harvard research in has indicated that the average age of US entrepreneurs at the time of starting their business is 42. I have seen other Australian data that suggest similar ages. This means these people have had around 20 years of work experience before launching their venture.

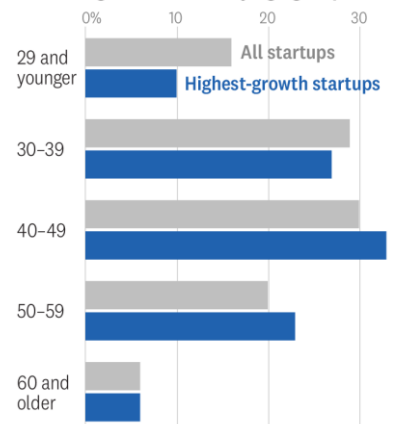
Look at the data to the right and you see people 29 and younger make up less than 10% of the highest growth startups. People under 23 would make up an even smaller portion of this.

So why is this program just focused on final year undergraduate university students and current post-graduate university students when there is a much bigger cohort of people who also use some assistance? Why are you ignoring the other much larger cohort of startup entrepreneurs?

The Age of Startup Founders

The average age of people who founded the highest-growth startups is 45.

Percentage of founders by age group



Note: The top 1% of startups by growth are considered "highest-growth." Source: "Age and High-Growth Entrepreneurship," by Pierre Azoulay et al., NBER, April 2018 HBR



Why just universities?

The Startup Year entrepreneur loan program defines an accelerator program “as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms”

There are lots of other accelerator programs out there targeting non university students. Why are these excluded from this program and it is just focusing on those who “have missed out on a place in an accelerator”.

If this is the case, will the success rate for these business ideas be substantially lower than the outcomes from these other accelerators and will this mean that the program is not in a position to meet its objectives?

Loans vs Funding

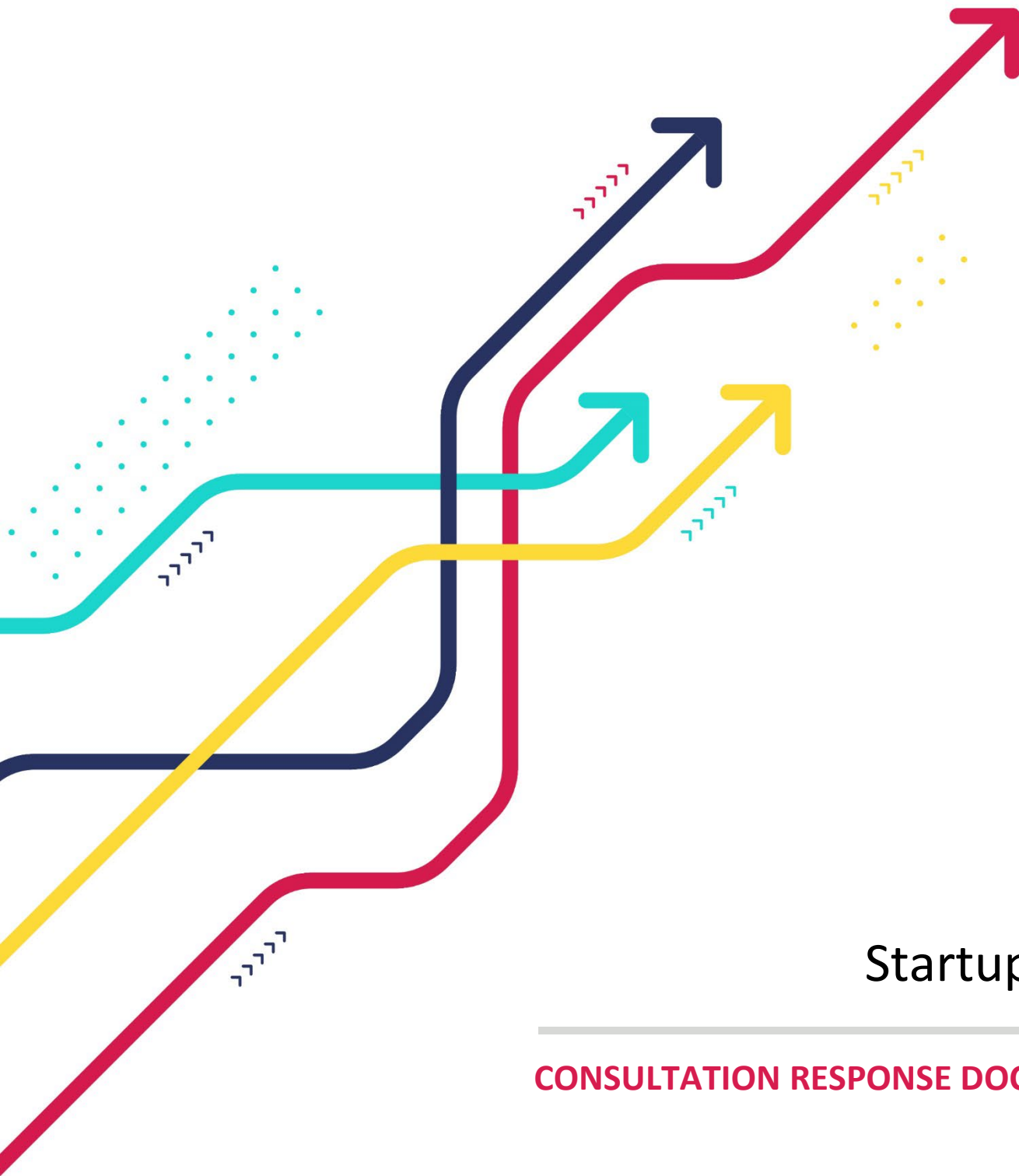
Cash is always very important for a startup. By placing even more debt on a young adult that they have to somehow cover as they build their startup may place pressure on them. This may actually force them into the workforce and the startup becomes a side hustle. Making it harder to have a successful outcome.

I think most startups would prefer the funding direct and they make the choice as to whether to invest in a capstone year, or to use that money for actual development of their business idea. This will be the ultimate test of whether there is a real demand for this offering.

Either way it needs to be made very clear that any offering is funded by a loan, the cost of such loan clearly outlined, and that it is expected to be paid back. Even to the extent that there is a separate loan agreement for this.

Summary

Any support for startups is a positive move. But, I am concerned that this will be another program that it sounds good on paper but the end result falls way short of what could be achieved. Extreme care will need to be taken that this does not turn into a funding outcome for universities with minimal long term outcomes.



Startup Year

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Please provide your details in the table below:

Organisation name	Charles Sturt University
Organisation type (e.g. university, startup)	University
Contact name	████████████████████
Contact email	████████████████████
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

1 Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

Charles Sturt University believes the proposed definition of accelerators is fit for purpose, however we note that the development of an ecosystem requires aspects such as incubation (or pre-acceleration). The focus on acceleration in areas of the document such as the Purpose implies a focus on emergent businesses which already have a clearly defined idea.

We believe that the called for and required increases in activity as described in the context section of the document are underpinned by a broad awareness, aspiration, curiosity, and skills development increase across the entire (in this case) student cohort. As such incubation must be included specifically in the program definition.

In addition to the above the University would also like to note that there is some inconsistency in the use of terminology such as incubator/accelerator, especially between the use of pre-accelerator and incubator across the industry.

2 Registration Process

A recurring registration process will be established for providers to participate in the Startup Year initiative. To register, providers will be required to submit an application, which must include the following information:

- Program overview and outcomes, including any supporting documentation, policy documents and business outcomes
- Program components over the business-focused year
- Student enrolments (actual and projected)
- Activities, facilities and non-financial support provided and their associated costs or value
- Funding available to participants
- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)

Optional: links to existing case studies

What other accelerator success measures could be considered as part of the registration process? For example, growth in student numbers, diversity in student cohort, number of successful startups or commercialised products from participating students, job creation, and industry partnerships?

Charles Sturt University believes as a high-level description the stated application requirements are adequate, however we would also note that the application must provide opportunity for universities based in regional areas to submit proposals that serve the needs of the regional community and that suit the innovation ecosystem of regional communities.

The success measures appear to be appropriate though we suggest that different measures may be for universities without an in-house accelerator or little track record in producing startups. This aspect of the Startup Year Initiative, and indeed the Initiative as a whole, would be strengthened by collecting and publishing whole of sector and cohort data on the creation of student startups – data outside the scope of current and previous collections of data on commercialisation (SCOPR, NSRC).

The University suggests further that the Department may need to consult further with the research sector on various aspects of the registration process, including:

- how long a university's registration would last,
- whether there would be an evaluation or re-registration process,
- what arrangements the Department will put in place for handling personal, commercial-in-confidence and other forms of sensitive information, and
- whether Departmental officers involved in managing the program will be required to make confidentiality and conflict of interest declarations, as is required for similar programs in, for example, the Department of Industry.

What social and community impact measures could be included?

Charles Sturt University would welcome the inclusion of case study aspects to demonstrate community impact, and reporting on measures such as First in Family, First Nations, regional and remote, and Low Socio-Economic Status student participation.

Social and community impact measures could include engagement with local businesses (as suppliers, participants, funders, end users) and social capital outputs (increases in employment).

3 Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

- Be an Australian University or University College
- Have clearly defined program outcomes, industry partnerships, and student engagement strategies
- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well - defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

Charles Sturt University supports the proposed eligibility requirements. As an institution already leading across several areas of student diversity and engagement with these populations, with sector leading graduate outcomes and employment, and with close connection to established industries located in regional Australia, the University would expect that the scheme considers long term and holistic activity that fosters regional partnerships with industry and student engagements.

We would also like to see the scheme cover startups in new and growing industries in regional areas, such as health care, social services, renewable energy, environmental management, and eco-tourism – all industries with strong prospects for employment growth and economic impact, and which would benefit from innovation.

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

Yes

4 Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

Charles Sturt University believes allocation should be based on all aspects listed, with providers asked to demonstrate clear linkages into and between their course profiles and the Startup Year programs they propose to run.

For example, Charles Sturt University would likely propose that it offers students a Startup Year experience in Agribusiness (as one example) and would be able to clearly articulate industry linkages, social and community impact and access to industry and that an emergent startup would need to perform activities such as product/market fit, user/customer research and future potential investors.

Charles Sturt University also suggests that the criteria take into account the differing characteristics and profiles of universities, including the nature of their industry linkages, potential access to venture capital and other industry resources, the local industry environment and other factors.

Further, noting comments in a recent Productivity Commission interim report on innovation (*5-year Productivity Inquiry: Innovation for the 98%*) that “spillovers from place-based programs are localised to participating firms, declining rapidly with distance” (p56), the program should provide for a wide geographic spread of allocations to enable as many students as possible to participate in the program and maximise local/regional impact.

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally-based startups?

The scheme could be designed to allocate a certain number of positions to universities like Charles Sturt who are already active in support of students from non-traditional backgrounds.

5 Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas. As there will be diversity in the ideas, industries, and student background, a key consideration of the program is how to best provide value to the student, ensure quality program delivery, and best facilitate positive student outcomes.

Does the proposed approach fill a gap in the market?

At this point it is unclear what policy problem or gap the Startup Year Initiative is intended to address, or why it should be addressed by the creation of a new program rather – with associated administrative and operation costs and new reporting requirements for universities – rather than, say, ensuring other Australian Government early stage commercialisation programs (e.g. Accelerating Commercialisation, the Trailblazer Universities program) are open to student participation, and encouraging state and private sector programs to follow suit.

Charles Sturt University would therefore like to see further elaboration of the problems the program is proposing to address, not at the national level, but description of specific instances where the program design would alleviate these challenges.

We would also be keen to understand which programs across Australia are over-subscribed or which programs are inaccessible to students due to cost of the program itself and see greater detail in the program contexts or overview documents; and then see these aspects included in a refined program consultation paper.

As noted above, the case for the program would be strengthened by collecting and publishing data on student startups – an exercise that would also help set targets for the Startup Year Initiative. This could include collecting qualitative information on the barriers students face in developing a startup.

Our experience is that similar programs are offered free of charge to undergraduate students however these are not well attended by undergraduate students, a situation we are looking at from a strategic and undergraduate curriculum perspective.

As the document states, there are approximately 100 university type accelerator programs, so we are uncertain that lack of access is currently the most significant issue.

Charles Sturt University believes that students from these backgrounds face a multitude of challenges in creating a startup. Anecdotally we believe that at the end of an undergraduate degree, students from these backgrounds may not be inclined to undertake an additional year or more in founding a startup, rather than entering the workforce and earning a wage. We believe the Startup Year Initiative needs to examine the broader factors around student aspiration and curiosity to create a startup, and then consider the practical limitations these students might face, and the program should then include some measures that address the identified limitations that these students currently experience.

Charles Sturt University would welcome greater clarity in the program regarding how the proposed solution addresses the translation from learning to research/commercialisation/impact. As the consultation paper indicates, Australia is faring poorly compared to its peers in terms of translating research, so we wonder if the gap in the market is rather at the conclusion of stages of study like HDR (Honours/Masters/PhD) instead of at the undergraduate stage.

Is there a clear value proposition for students and higher education providers?

While Charles Sturt University is extremely supportive of initiatives that will enhance entrepreneurial activity stemming from Australia's tertiary institutions, we believe that the value proposition of the scheme needs to be further refined.

We believe that further case studies or evidence points need to be incorporated into the program proposal which makes the link between the problem – lower than desired level of entrepreneurship and commercial activity – and the solution – which is proposed as student debt to access university-based accelerators.

Consultation with aspiring and successful student entrepreneurs should be part of this process and should include canvassing their views on financing the development of their ideas via HELP type debt.

Finally, we believe that the requirement or linkage between credentialling and access to an accelerator program needs further consideration in the overall design of the program.

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

As increasing activity in this area is one of national significance, Charles Sturt University believes that many of our students would be reluctant to take on further personal student loan debt to engage in the scheme as it is currently proposed. The attractiveness and importance of a graduate wage to the families and indeed whole communities of disadvantaged students is something a startup year scheme needs to consider in its design.

The scheme needs to consider not just the skill base potential startup founders need to create these firms but also the support these founders need in financial terms to stay the course, not least because the scheme is proposing support in areas aligned with national priorities with typical pathways to commercialisation that can take several years.

Charles Sturt University believes that one potential addition or variation to the scheme would be to develop a multi-year description of a startup curriculum which could be included in undergraduate courses that are aligned with the national priority areas in order to build awareness and aspiration well before a 'capstone' event. This could involve three phases:

1. a credit bearing undergraduate subject would introduce students to the general field of research/innovation/commercialisation in their discipline area
2. an elective where students could research, propose and validate a business (similar to an MBA type new venture subject)
3. taking such a proposal, research or potential venture into an accelerator, or into a Higher Degree by Research environment.

Not all students will wish to launch a startup – but all students should have an awareness of the possibility, and then be provided a pathway from the earliest stages of their undergraduate degree should this be of interest to them.

What else could be considered to support the ambition to establish new firms?

Charles Sturt University believes that there remains significant work to undertake, especially in regional Australia, in the stages leading up to when a student may have a business idea ready for an accelerator program, such as building aspiration, awareness of commercialisation possibilities and more broadly making these kinds of skills normalised from the first stages of the relevant undergraduate degrees so that over time, the pipeline of skilled students ready to move into research commercialisation or startup businesses grows. This aspect may be in addition to, or an additional program/s.

What data is required to measure the success of participating in university-based accelerator programs?

Different data will be required to measure the success of the student(s), their startup(s), a participating university's program, and the Startup Year Initiative as a whole.

For students and their startups, success measures will depend in part on the business model they develop, and could include:

- generation of IP,
- attracting venture capital,
- applying for an Australian Government or State Government commercialisation grant,
- industry uptake,
- student employment including the creation of their own business,
- short- and medium-term outcomes (e.g. revenue, capitalisation, expansion or acquisition)

How do we measure the success of the Startup Year initiative and the participating students?

In addition to the metrics above:

- Increased pipeline of potential businesses and student engagement with entrepreneurship (not all will succeed, but there are more chances of success when the sample size grows).
- improved ability within universities to support such efforts instead of such extensive reliance on external contract for program delivery.
- growth in number of students participating in university accelerator programs (and external programs);
- increase in the number of students completing such programs.
- peer-reviewed and other publications.
- IP transfer – options, licenses, assignments.
- ROI (measured against universities' investments and the debt incurred by the student).

6 Student experience

Students are the central stakeholder for Startup Year initiative, as the recipients of loans and the driver of startup creation and innovation. As such, it is important that the student experience is considered in the Startup Year design and delivery, to ensure the program meets their needs and provides them with the opportunity to develop the suite of skills and experience required to grow their startup ideas and build their businesses. Students will be required to complete micro-credentials or qualifications as part of the Startup Year program.

How can we ensure the Startup Year program brings the most value to students?

In asking students to take on debt we need to be certain that this debt is providing value significantly above and beyond what is often provided now in many institutions as part of the student experience. If the aim is to create a startup, debt funding is generally used for funding an expansion of the operation of the startup. This debt is normally located in a company structure.

Two critical questions therefore need to be addressed in designing the program: do the benefits of participating in the Startup Year Initiative outweigh the financial and opportunity costs (for universities and for the students involved), and do the knowledge and skills the students gain make them more employable – and not just in/by a company they start or another in the same industry sector – i.e. does the program lead to better outcomes for the student beyond those obtained through a university education.

Should students be able to receive formal and informal learning as part of the program?

Charles Sturt University believes that the learning component needs to be flexible and is dependent on the individual circumstances of the business and the student.

We do not believe that a generic program that carries a formal credit is the most pressing aspect in the context of a startup's early-stage operation.

How could a micro-credential or qualification best work in practice?

Charles Sturt University believes that an authentic learning experience based micro-credential or qualification is best utilised as a preparatory skills building or aspiration raising device and should be distinct from the activities and support provided to a startup business and is in line with our broad proposal for there to be more detail included in the program around how the program design meets the needs of student stakeholders at various stages of their entrepreneurial journey.

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

Recognising the importance of person-to-person linkages in startup ecosystems, Charles Sturt University supports the inclusion of networking and similar opportunities in the program.

Further, noting that students based in rural, regional and remote areas have fewer opportunities to participate in network-building opportunities (e.g. trade fairs, conferences, workshops), and face higher costs for doing so, the Startup Year Initiative should include a small grant program to support students from those areas.

7 Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a startup idea through their studies and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their careers and have identified problems within their industries or communities for development.

We propose Startup Year loans focus on the former group, that is final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as additional support to bring their startup ideas to market.

Option: the loans could help bridge the gap between supply and demand, providing loans to students who miss out on a place within an accelerator program, are recommended by their supervisor as benefitting from access to additional specialised advice and time to refine their startup concept.

What are the benefits and risks in expanding the program to recent graduates?

Charles Sturt University sees no significant risks in engaging the program to recent graduates – in fact we believe these recent graduates who have real world experience in industry are a vital source of potential startup ventures, however as above we would like to further understand the proposed gap in the ecosystem that the scheme is addressing.

What are the benefits and risks in providing Startup Year loans provide to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

If a student has already been accepted, there is an assumption they have met financial and capability entry requirements or have engaged in an equity swap. Charles Sturt University would be supportive if it were demonstrated students could not access because of a lack of financial means however we are unsure of the extent of this circumstance nationally.

What are the benefits and risks in providing Startup year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

Charles Sturt University is supportive of measures to assist aspiring entrepreneurs. However, if we consider an accelerator as one part of the innovation ecosystem, and incubators more generally as supporting earlier stage ideas or ventures than an accelerator, then we would like to see the role of incubator type bodies considered in this wider environment.

How can universities ensure these loans are allocated to the most suited students?

By ensuring that there is a holistic and well considered approach to supporting students who want to engage in or pursue entrepreneurial ventures.

With that in mind, the Department may want to consider allocation criteria that help increase participation by equity cohorts (First Nations, low SES, rural, regional and remote students and others), and relative opportunity (access to industry and other forms of advice, access to venture capital, local/regional industry structures).

What are other options could be considered?

8 Startup Year Pilot

The Startup Year initiative is anticipated to commence in July 2023. This can be achieved through a full program rollout, or through a first-year pilot phase. A first-year pilot phase would help to inform the future direction of the initiative, including validating processes such as registration and bidding, identify key themes in priority areas, student eligibility, and measures for success. The pilot would include a small number of places at a select number of existing higher education provider-based accelerator programs. This would include a national footprint, including at least one regionally based accelerator.

What are the benefits and risks for undertaking a first-year pilot?

The benefits are that a larger scale roll out can be built on the lessons from the pilot. Charles Sturt University believes that the risks of the pilot are that the program is not targeting specific enough areas of the larger problem identified in the context section of the consultation paper i.e. translation from study/research to commercialisation/impact. Charles Sturt University remains supportive of working with Government to further identify these aspects and implement accordingly.

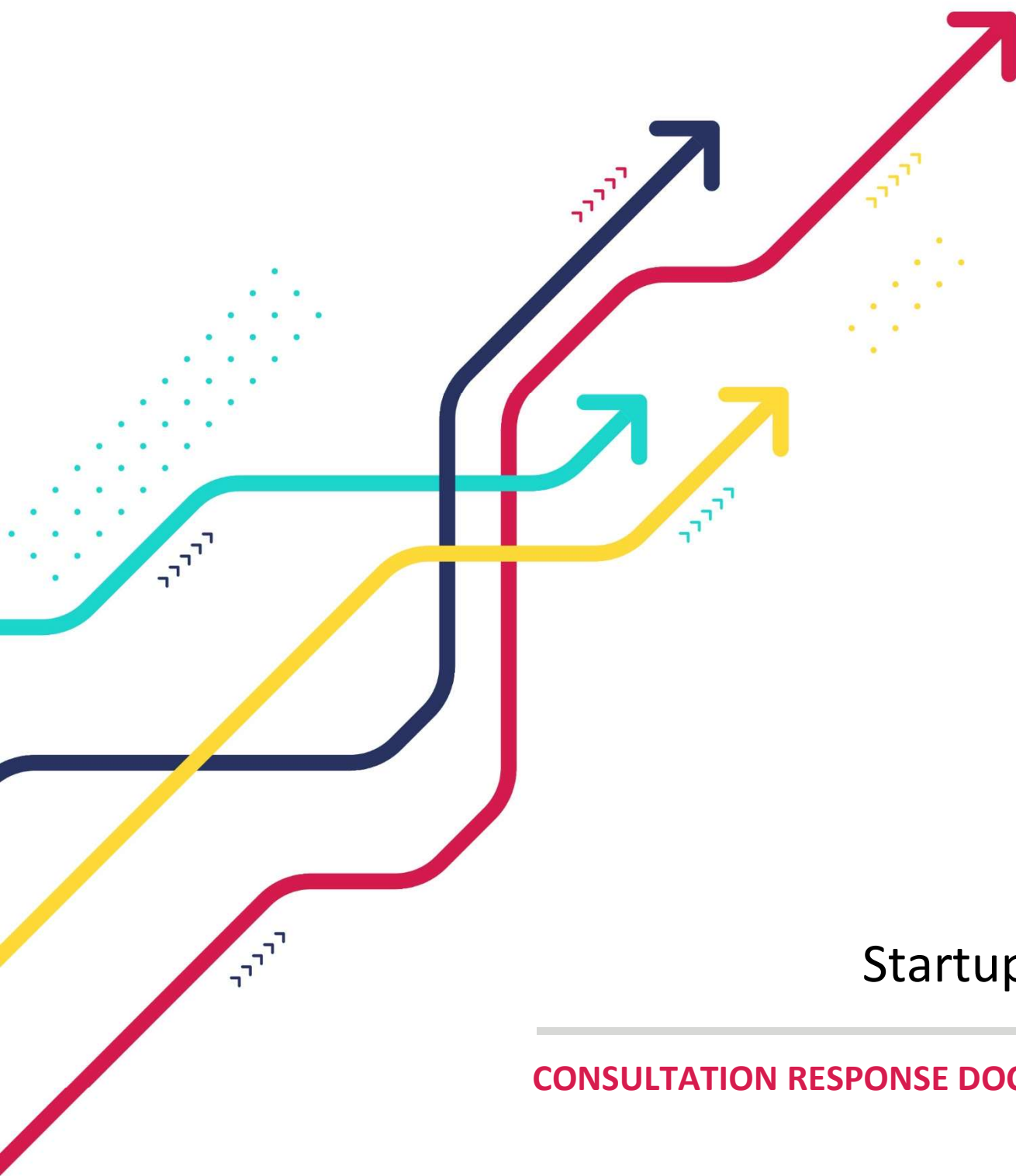
What lessons can be learnt from a pilot program?

As above.

What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

Charles Sturt University agrees that the pilot should include a specific set of industry(ies)/locations across Australia, with a view to incorporating into existing accelerator programs that meet this brief.

The pilot should also include a mix of universities: viz, institutions with and without established accelerator programs; metropolitan, outer urban and regional; differing student cohorts, etc.



Startup Year

CONSULTATION RESPONSE DOCUMENT

Startup Year Consultation Submissions

Please use this response document to provide a submission to the Department of Education on the proposed Startup Year initiative.

Completed submissions are to be submitted to accelerator@dese.gov.au. Submissions should not exceed 1,500 words. Please contact the Department if you require this document in an alternate format.

Submissions will close at **11.59 AEDT Tuesday 15 November 2022**

Please provide your details in the table below:

Organisation name	Therapeutic Innovation Australia Ltd
Organisation type (e.g. university, startup)	NCRIS Lead Agent organisation (National Collaborative Research Infrastructure Strategy) providing access to medical research infrastructure facilities
Contact name	[REDACTED]
Contact email	[REDACTED]
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

1 Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

The proposed definition is appropriate. Our organisation Therapeutic Innovation Australia (TIA) operates a voucher-based access scheme named the Pipeline Accelerator that also matches this specific definition as a largely higher-education based program providing advice and services to support commercially-minded researchers at all career stages.

2 Registration Process

A recurring registration process will be established for providers to participate in the Startup Year initiative. To register, providers will be required to submit an application, which must include the following information:

- Program overview and outcomes, including any supporting documentation, policy documents and business outcomes
- Program components over the business-focused year
- Student enrolments (actual and projected)
- Activities, facilities and non-financial support provided and their associated costs or value
- Funding available to participants
- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)

Optional: links to existing case studies

**What other accelerator success measures could be considered as part of the registration process?
For example, growth in student numbers, diversity in student cohort, number of successful startups
or commercialised products from participating students, job creation, and industry partnerships?**

To prevent duplication of investment, providers that focus on scientific and engineering innovation should be asked to describe their accessible research infrastructure, including that provided under the NCRIS program. The registration process itself should specifically make mention of alignment with support schemes appropriate to the subject and relevant discipline of the provider's program.

What social and community impact measures could be included?

No response

3 Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

- Be an Australian University or University College
- Have clearly defined program outcomes, industry partnerships, and student engagement strategies
- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well -defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

Able to provide or access relevant research infrastructure and supporting expertise eg NCRIS. Provide contact information or weblinks to enable supported activities to access national research infrastructure.

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

No response

4 Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

No response

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally-based startups?

No response

5 Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas. As there will be diversity in the ideas, industries, and student background, a key consideration of the program is how to best provide value to the student, ensure quality program delivery, and best facilitate positive student outcomes.

Does the proposed approach fill a gap in the market?

Workforce requirements in medical science, particularly for commercial production of high value products, have never been higher. Government investment in manufacturing of these product, for example investment in or by Moderna, will lead to a very high demand for skilled workers that one could argue cannot currently be met. If targeted appropriately to potential end-users of the outcomes of Startup year initiatives, it could make a significant difference in ensuring that the Australian medical products industry has a deep and wide pool of expertise, whose skills have been honed by Startup year activities.

Is there a clear value proposition for students and higher education providers?

No response

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

No response

What else could be considered to support the ambition to establish new firms?

No response

What data is required to measure the success of participating in university-based accelerator programs?

No response

How do we measure the success of the Startup Year initiative and the participating students?

Success could be measured through metrics such as company survival over the medium term, or success in attracting funding and investment. Measures regarding subsequent employability of students could also be used.

6 Student experience

Students are the central stakeholder for Startup Year initiative, as the recipients of loans and the driver of startup creation and innovation. As such, it is important that the student experience is considered in the Startup Year design and delivery, to ensure the program meets their needs and provides them with the opportunity to develop the suite of skills and experience required to grow their startup ideas and build their businesses. Students will be required to complete micro-credentials or qualifications as part of the Startup Year program.

How can we ensure the Startup Year program brings the most value to students?

No response

Should students be able to receive formal and informal learning as part of the program?

No response

How could a micro-credential or qualification best work in practice?

No response

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

TIA holds a Pipeline Accelerator voucher funding round every six months (<https://www.therapeuticinnovation.com.au/voucher-schemes>). Such an access scheme could be focussed on Startup year participants in the medical products space. TIA also offers access to online tools to find support, such as our Pipeline Navigator (<https://www.therapeuticinnovation.com.au/navigator>). Via any NCRIS projects, participants can access a network of expertise across a range of scientific fields.

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

No response

7 Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a startup idea through their studies and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their careers and have identified problems within their industries or communities for development.

We propose Startup Year loans focus on the former group, that is final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as additional support to bring their startup ideas to market.

Option: the loans could help bridge the gap between supply and demand, providing loans to students who miss out on a place within an accelerator program, are recommended by their supervisor as benefitting from access to additional specialised advice and time to refine their startup concept.

What are the benefits and risks in expanding the program to recent graduates?

No response

What are the benefits and risks in providing Startup Year loans provide to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

No response

What are the benefits and risks in providing Startup year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

No response

How can universities ensure these loans are allocated to the most suited students?

No response

What are other options could be considered?

No response

8 Startup Year Pilot

The Startup Year initiative is anticipated to commence in July 2023. This can be achieved through a full program rollout, or through a first-year pilot phase. A first-year pilot phase would help to inform the future direction of the initiative, including validating processes such as registration and bidding, identify key themes in priority areas, student eligibility, and measures for success. The pilot would include a small number of places at a select number of existing higher education provider-based accelerator programs. This would include a national footprint, including at least one regionally based accelerator.

What are the benefits and risks for undertaking a first-year pilot?

Pilot schemes are essential tests of the program, and find out how valuable projects might be going forward. There needs to be an opportunity to assess the pilot scheme outcomes over time and continually adjust and evolve the scheme. This approach also manages expectations. For example, TIA's Pipeline Accelerator voucher scheme had a single pilot round in 2017-18, however subsequent rounds have continually adjusted and honed the scheme and its guidelines.

What lessons can be learnt from a pilot program?

No response

What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

No response



Submission to the Government's Startup Year Consultation

15 November 2022

Organisation name	QUT
Organisation type (e.g. university, startup)	University
Contact name	[REDACTED] Pro Vice-Chancellor (Entrepreneurship)
Contact email	[REDACTED]
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

QUT makes entrepreneurship a priority for all in its strategic plan. We understand the jobs, organisations and industries of the future will be developed by the students of today powered by the research led, purposeful education in which we engaged. QUT is the first Australian university to have a member of the Executive Leadership team focussed on entrepreneurship with the appointment of Professor Rowena Barrett as the Pro Vice-Chancellor (Entrepreneurship). The Office of the Pro Vice-Chancellor Entrepreneurship was created to curate, connect, engage and embed entrepreneurial learning and action across the institution. The Pro Vice-Chancellor (Entrepreneurship) works closely with the Office of Industry Engagement which addresses research translation, commercialisation and industry partnerships.

Since 2018, with the vision to 'Think entrepreneurship – think QUT', the QUT Entrepreneurship team that Professor Barrett leads, has been focussed 'to provide opportunities for all QUT students and staff to engage in entrepreneurial action'. The key strategic objectives for QUT Entrepreneurship are to:

1. Collaborate to realise QUT's entrepreneurial potential.
2. Entrepreneurship education is available to all students and staff.
3. Position QUT as the Australian university renowned for entrepreneurship.

We welcome the opportunity to contribute to the Startup Year consultation process. QUT Entrepreneurship delivers a program of non-award learning focussed on entrepreneurial mindset and capability development as well as access to mentoring and network growth in co-working spaces with an active community of students, researchers, alumni and industry. These resources are free

and available to the entire student population (some 50,000 students), staff and community. They sit alongside the award-based curriculum delivered across the university, including that which specifically addresses entrepreneurship. Programmatically this includes a Diploma in Entrepreneurship, Bachelor of Business (Entrepreneurship and Innovation), university-wide minor and major in Entrepreneurship and Innovation, MBA, Executive MBA, and in an array of units developing entrepreneurial skill in many degree programs.

QUT has demonstrated in a range of ways the ability to deliver the incubation and acceleration services the Startup Year requires. We operate from the perspective that entrepreneurship is the pursuit of opportunity beyond the resources currently controlled (Stevenson, 1983). As such we start with the concept of mindset, as a resource available to all students before we address the capabilities for entrepreneurial venturing whether in the for-profit or for-purpose space. We apply a pedagogically sound and embedded learning framework that focusses on entrepreneurial self-efficacy as the key learning outcome.

To deliver the Startup Year program to QUT and other university alumni within 1-3 years of graduation, the services of QUT Entrepreneurship can be expanded to curate an award-based program of evidence-based activities, learning instances and events. These would be micro-credentialled and underpinned by a robust pedagogy that provides a variety of resources to students in a timely manner aimed at developing entrepreneurial talent and optimising early-stage venture outcomes. We have the ability to partner with those outside the institution in the entrepreneurial ecosystem to draw on their existing capability. We would share our learning to build the entrepreneurship capability of others in regional universities across Queensland to develop their own Startup Year programs as we have just done in a recent high school program with CQU staff in Bundaberg.

QUT recommends a minimum cohort size of 30 for the Startup Year program to be successful. We would connect the program to industry development priority areas and local knowledge and connections. QUT would likely put a priority on clean energy, sport tech, future food, circular economy, bio-futures, advanced manufacturing and robotics where we have distinctive research strengths and capability to support experimentation, access to labs and industry networks.

At QUT we can ensure the Startup Year brings the most value to students:

- By ensuring a strong pedagogical underpinning and innovative student learning journey throughout the Startup Year program. Ensure the accelerator program in each of the recipient institutions has an evidence informed design, reflects a strong scaffolding mechanism and seeks to develop the capabilities of the participants regardless of the success/failure of the early-stage venture.
- By ensuring the Startup Year program is part of an integrated programmatically designed suite of award and non-award programs designed to develop and support the participants throughout their early-stage venture journey, not just during the accelerator phase.
- By building a diverse cohort of students (min 30) and enabling opportunities for skills transfer within the cohort and between peers.

- By connecting students into the broader entrepreneurial ecosystem and providing them opportunities to share and validate their ideas and learning.

The premise of the Startup Year program is to allow students some 'skin in the game' through access to the OS-HELP scheme. If the Startup Year program is only to be funded by an income contingent loan, delivered through changes to the existing HELP system of up to the maximum student contribution amount for Band 3 (predicted \$11,800 for 2023), this will be insufficient to run the program effectively. This amount will be absorbed by the institution in the costs of delivering a program, materials, support, mentoring and networking. And in institutions without pre-existing entrepreneurship incubation infrastructure and capability such as we have at QUT, the costs of running the program will be higher. Little to no amount will be left for the students to invest in their venture ideas and the situation we currently have of a lack of very early-stage capital will be perpetuated. QUT recommends an additional grant between \$150,000 - \$200,000 to be made to each institution that will deliver the program to part cover the costs of its delivery and free up funds to support students venturing. This would also enable some institutions – particularly those in regional locations - the ability to partner with other non-university-based accelerators such as River City Labs who have digital delivery capability.

At QUT we have a strong track record in supporting student led entrepreneurial activity. We welcome the opportunity to deliver the Startup Year program. In the following we have outlined suggestions and commentary to the consultation questions.

We look forward to further discussion about shaping and delivering this important program for Australia.

Professor Rowena Barrett

Pro Vice Chancellor (Entrepreneurship)

Queensland University of Technology

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Email: rowena.barrett@qut.edu.au

Mobile: 0457997775

Website: <https://www.qut.edu.au/about/entrepreneurship>

Cricos No 00213J

1 Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

Business Incubators can be defined as enabling technologies (Hackett & Dilts, 2004) that provide entrepreneurs with common services such as shared office space, business support services, and opportunities for knowledge transfer through interactions with the incubator ecosystem (Bergek & Norrman, 2008).

While incubators provide workspace and a community, enabling individual entrepreneurs to engage across an indefinite time period, accelerators have a time bound structure related to their education and coaching provisions and operate with a cohort of founders where the success of the venture is the focus (Aulet, 2014).

Accelerators can be defined as cohort-based venture focussed programs, usually for founder teams not individuals, run over a defined period, providing knowledge, mentoring and connections to the ecosystem network which may include potential investors, and often culminates in a public pitch (demo day) event (Hausberg & Korreck, 2020). Furthermore, an accelerator usually has some form of funding attached, while a pre-accelerator offers accelerator framework without any form of funding.

In the absence of a defined cohort and timeframe, the proposed definition is refers to incubation not acceleration.

The above definition describes what we do at QUT through QUT Entrepreneurship. Our incubation services are delivered through a program of non-award learning focussed on entrepreneurial mindset and capability development as well as access to mentoring and network growth in co-working spaces with an active community of students, researchers, alumni and industry. These resources are free and available to the entire student population. They sit alongside the award-based curriculum delivered across the university, including that which specifically addresses entrepreneurship. Programmatically this includes a Diploma in Entrepreneurship, BBus (Entrepreneurship and Innovation), university-wide minor and major in Entrepreneurship and Innovation, MBA, Executive MBA, and in an array of units developing entrepreneurial skill in many degree programs.

QUT can deliver the services the Startup Year requires as part of expanded services. This would be a curated award-based program of evidence-based activities, learning instances and events that provides a variety of resources in a timely manner aimed at developing entrepreneurial talent and optimising early-stage venture outcomes.

2 Registration Process

A recurring registration process will be established for providers to participate in the Startup Year initiative. To register, providers will be required to submit an application, which must include the following information:

- Program overview and outcomes, including any supporting documentation, policy documents and business outcomes
- Program components over the business-focused year
- Student enrolments (actual and projected)
- Activities, facilities and non-financial support provided and their associated costs or value
- Funding available to participants
- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)

Optional: links to existing case studies

What other accelerator success measures could be considered as part of the registration process?

For example, growth in student numbers, diversity in student cohort, number of successful startups or commercialised products from participating students, job creation, and industry partnerships?

Business Incubator and Accelerator (BIA) outcomes may also include learning, network growth, and personal growth (Mattushek, 2022). While these may not be easily measurable, they are known to impact start-up ideas directly in successful ventures, and to benefit the individuals who go through programs in their future careers and development of other ideas, even when their venture fails.

The purpose of these types of programs, on top of the valuable learnings they impart, is to create excitement around innovation, and to build on this to create economic development. Measures of success should also include participant satisfaction and some form of peer/ecosystem review processes including a collaboration index.

Human capital measures around change in pre and post learning and growth such as coachability or “tolerance of ambiguity” could be included as well as the change in attitudes towards entrepreneurial risk (men and women) (Moyle, Pandey, Renando, Barrett & Sharma, 2019).

At QUT we have been explicit in not defining the outcomes of QUT Entrepreneurship as startups, and instead as self-efficacy and learning. Should QUT Entrepreneurship run the Startup Year program we would measure outcomes as:

- Entrepreneurial Attitudes
- Entrepreneurial Intentions

- Entrepreneurial Self-efficacy
- Program Satisfaction
- Community Strength

These factors would give us a unique perspective on participant outcomes and what matters to them in their personal and professional development. We do not believe a focus on traditional startups measures such as funding are valid in the university context. Funding availability depends on the idea being pursued. Australian angels and VC target particular types of ideas which do not represent the totality of what value can be created. We know funding for female founders, indigenous founder, founder of diverse ethnic backgrounds, founders in rural, regional and remote communities is highly problematic. Universities are learning institutions and so an important registration criterion should focus on the learning pedagogy underpinning the program design.

What social and community impact measures could be included?

From an individual point of view, the impact would be mindset development and personal growth. This is an important consideration for the future careers of students, whether or not they remain in the startup space. From a team and cohort point of view, the impact here would be the peer learning and cohort effect of this, with significant skills transfer.

Social and community impact would relate to the potential of the problems being solved by the ideas developed within the accelerators, and the economic development they create. Should be a strong focus on SDGs and ethical entrepreneurial practice. Social and community impact measures:

- Number of inclusions of social value propositions
- Number of inclusions of environmental value propositions
- Number of multiple other stakeholder groups for value is delivered
- Number of social and community objectives within the business mission achieved

3 Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

- Be an Australian University or University College
- Have clearly defined program outcomes, industry partnerships, and student engagement strategies
- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well-defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

An additional and most important criteria is the definition of entrepreneurship underpinning the program. At QUT we operate from the perspective that entrepreneurship is the pursuit of opportunity beyond the resources currently controlled (Stevenson, 1983). As such we start with the concept of mindset, as a resource available to all students before we address the capabilities for entrepreneurial venturing whether in the for-profit or for-purpose space. We apply a pedagogically sound and embedded learning framework that focusses on entrepreneurial self-efficacy as the key learning outcome.

Providers should be able to demonstrate the presence of a program suite - not just a Startup Year Accelerator program in isolation. The program should include assessment of learning outcomes including formative and summative assessment. Providers should be able to show a range of programs and available resources designed to support and scaffold student entrepreneurs from idea to execution - not just a singular cross-section of the process.

Providers need to have an entrepreneurial institutional environment and embedded support across the institution as entrepreneurial action will not thrive in a place where only lip service is given to entrepreneurship. QUT makes entrepreneurship a priority in the strategic plan, the Office of the Pro Vice-Chancellor Entrepreneurship was created to curate, connect, engage and embed entrepreneurial learning and action across the institution. The PVC works closely with the Office of Industry Engagement which addresses research translation, commercialisation and industry partnerships.

Providers need to be well connected to the broader start-up community/ecosystem, bring the ecosystem into the programs regularly in the form of mentoring and industry engagement, and show value-add to the ecosystem. At QUT The Pro Vice Chancellor Entrepreneurship chairs the Queensland State Government's Innovation Advisory Council, working closely with the

Queensland Chief Entrepreneur, the Office of the Queensland Chief Entrepreneur and the Innovation division of the Queensland Department of Tourism Innovation and Sport. The Queensland (interim) Chief Scientist holds a professorial appointment in the QUT Entrepreneurship and plays a key role in the QUT Entrepreneurship team. The current Queensland Chief Entrepreneur is in the process of being appointed as an Adjunct Professor between QUT Entrepreneurship and the QUT Business School.

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

The purpose of the Startup Year program must be clarified as to whether it is the intention is to generate startups or to generate graduates with the learning required to continuously engage in innovation and entrepreneurial action.

It is not clear whether the intention of the Startup Year program is to sit alongside students' enrolment in the final year of their degree or to substitute the final year of their degree? The assumption at QUT is that it must be the former as there is no capacity to deliver the latter – degrees are not constructed and accredited to enable a full year of learning to be replaced.

4 Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

For such a program to work there needs to be a sufficient cohort. We would expect this cohort should be a minimum of 30 students.

Priority areas and knowledge and connections of ideas to industry relevant to that place. QUT would likely put a priority on clean energy, sport tech, future food, circular economy, waste, robotics where we have distinctive research strengths and capability to support experimentation, access to labs and industry networks.

Robust validation process of ideas.

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally-based startups?

An underlying 'incubation' type opportunities to take students from the concept of mindset, right through to idea validation and the launch of products/services. Opportunities for students to try to establish 'side-hustle' type ideas during their degrees and providing them support and assistance to do these.

5 Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas. As there will be diversity in the ideas, industries, and student background, a key consideration of the program is how to best provide value to the student, ensure quality program delivery, and best facilitate positive student outcomes.

Does the proposed approach fill a gap in the market?

The Startup Year program can fill a gap between the early incubation stages of an idea moving into a monetizable product or service to a early-stage venture with an initial customer base. Many larger commercial accelerator programs require a level of venture maturity that student entrepreneurs struggle to achieve due to a lack of available capital. If designed effectively this program will provide a timely and vital boost to student led early-stage ventures to grow/scale to a point where they can legitimately look for larger more formal, market-based sources of funding. The proposed approach provides students with financial ‘skin in the game’, other than purely sweat equity. This may incentivise them to work harder to ensure the viability of their idea as they have a debt to repay in the long-term.

Is there a clear value proposition for students and higher education providers?

Yes, as long as there are not onerous, costly levels of administration and reporting

Yes - as long as the notion of “value” is not constrained simply to financial measures - should be a strong focus on the value of capability development and learning as a result of participating in the proposed initiative.

Yes – as students will be using their own equity to further their ideas.

The value proposition for education providers is to build on the resources they already offer through incubation type programs and see out the potential of their cohort endeavours.

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

Any Startup Year program should be able to demonstrate the underpinning pedagogy and learning model in the design and execution of the Accelerator. This learning should be general as well as specific to the idea students are building out.

Additionally the provider needs to be able to articulate and demonstrate real and unique suite of support mechanisms surrounding the operation of the Startup Year program.

The Startup Year program should:

- focus strongly on the development and utilization of a “cohort-led” model of participation and engagement
- demonstrate consistent and capable program leadership
- demonstrate quality program delivery by practitioners guided by an appropriate pedagogy and trained to facilitate and coach no deliver didactically
- demonstrate strong governance and advisory arrangements that engage the wider entrepreneurial community
- **only** be delivered in institutions with a real and long track record of delivering experiential entrepreneurial learning programs.

QUT can deliver all these aspects.

What else could be considered to support the ambition to establish new firms?

Consistent, joined up and policy delivered over a lengthy time scale that recognises the lag effect of education on quality impactful entrepreneurial outcomes.

An evergreen national startup fund (similar to Queensland's new \$24 million Enterprise Acceleration Fund) where the criteria for investment (\$100,000 to \$500,000) clearly addresses impact rather than just scale and traditional measures of growth.

Policy to redress lack of diversity in entrepreneurship.

Reconsideration of 'Sophisticated Investor' rules to open up opportunity to invest more widely.

Annual national level data gathered on innovation and entrepreneurship where metrics consider Innovation Capacity (I-Cap) and Entrepreneurship Capacity (E-Cap) dimensions of human capital, funding, infrastructure, demand, and culture and incentives as it is the combination of and integration between these I-Cap and E-Cap that drives impact (Murray, 2018).

Tax incentives for startups.

What data is required to measure the success of participating in university-based accelerator programs?

The measures were outlined in section 2.

Positive change to entrepreneurial mindset

Positive change to entrepreneurial self-efficacy including attitudes towards self-employment.

How do we measure the success of the Startup Year initiative and the participating students?

As above and as outlined in Section 2

Participation rates

Eco-system and industry engagement measures

Graduate destination data

Business establishment and intention (taking into consideration the lag from idea to income generation)

6 Student experience

Students are the central stakeholder for Startup Year initiative, as the recipients of loans and the driver of startup creation and innovation. As such, it is important that the student experience is considered in the Startup Year design and delivery, to ensure the program meets their needs and provides them with the opportunity to develop the suite of skills and experience required to grow their startup ideas and build their businesses. Students will be required to complete micro-credentials or qualifications as part of the Startup Year program.

How can we ensure the Startup Year program brings the most value to students?

The assumption QUT is making is that the Startup Year program represents an additional year for students. It cannot be a capstone year to replace the final year of a degree as students would not be able to meet accreditation requirements of their particular discipline. We are also making the assumption that a Startup Year program at QUT cannot just be for QUT students. Students who have studied at other institutions must be able to join this program.

At QUT we can ensure the Startup Year brings the most value to students:

- By ensuring a strong pedagogical underpinning and innovative student learning journey throughout the Startup Year program. Ensure the accelerator program in each of the recipient institutions has an evidence informed design, reflects a strong scaffolding mechanism and seeks to develop the capabilities of the participants regardless of the success/failure of the early-stage venture.
- By ensuring the Startup Year program is part of an integrated programmatically designed suite of award and non-award programs designed to develop and support the participants throughout their early-stage venture journey, not just during the accelerator phase.
- By building a diverse cohort of students (min 30) and enabling opportunities for skills transfer within the cohort and between peers.
- By connecting students into the broader entrepreneurial ecosystem and providing them opportunities to share and validate their ideas and learning.

Should students be able to receive formal and informal learning as part of the program?

Yes, both formal and informal learning are valuable and skills transfer between peers is a significant form of informal learning. This should be an essential requirement of any quality Startup Year program. QUT has a large group of alumni, many of whom run successful ventures such as our 2022 Outstanding Alumni, Kevin Gosschalk, founder Arkose Labs, Abbey Cameron founder Nouish'd, Bede Jordan, co-Founder and CTO Shelf Engine, David Williams founder Giliumbaa, Wesley Ng founder Castify or Jyi Lawton founder Triple A.

At QUT we would offer the Startup Year program with “badges” for participant experiences. We already have the experience in acknowledging the value of participant’s informal learning activities and offer badges to students that are issued through the Badgr platform.

We are in the process of building micro-credentials for entrepreneurship and can expand those to include elements of the Startup Year program. We would offer these in line with QUT’s policy for micro-credentialling.

How could a micro-credential or qualification best work in practice?

In any institution the Startup Year program must be an accredited program of learning. It needs to comply with the requirement of the AQF framework and the relevant educational quality standards, policies and processes of the institution including micro-credentialling and badging framework.

Accelerators are typically a series of learning instances and experiences scheduled or deployed at specific times through the program’s lifecycle (e.g. identifying beachhead markets, designing a business model, leading start-up teams). Our offering of the Startup Year program would be pedagogically informed and have an evidence-based program design where each learning instance is mapped, with the learning objectives identified and relevant “assessable” requirements attached to each of these instances. It is through that process that each of the learning instances could be a “stand-alone” micro-credential or stacked together to provide a larger, broader micro-qualification.

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

Students would be coached through the various stages of building up their early-stage venture. There is no short-cut to the validation process, but a ‘push’ is often required to ensure entrepreneurs do this step. Accountability built into the program where students ensure the validation of their ideas WITH THEIR CUSTOMERS is important.

At QUT we have a solid track record of supporting student led entrepreneurial activity and can demonstrate the presence of programs designed to take students through from “idea to execution” using frameworks such as Bill Aulet’s 24 Steps of Entrepreneurship (MIT). We have a cohort of mentors and entrepreneurs in residence available to provide advice and access to the broader entrepreneurship eco-system.

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

Given Australia's position in the globally economy it is essential that those who deliver the Startup Year program demonstrate the presence of mature, active and productive relationships with other practice based international entrepreneurship centres - global perspectives solve global issues.

At QUT we would use our extensive alumni network and international partnerships, including with MIT (Boston, USA) and particularly the Martin Trust Center for MIT Entrepreneurship, to build an international immersion into the program. We have delivered such in person and virtually over the last 3 years, which have allowed for meaningful engagement and opportunity realisation.

7 Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a startup idea through their studies and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their careers and have identified problems within their industries or communities for development.

We propose Startup Year loans focus on the former group, that is final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as additional support to bring their startup ideas to market.

Option: the loans could help bridge the gap between supply and demand, providing loans to students who miss out on a place within an accelerator program, are recommended by their supervisor as benefitting from access to additional specialised advice and time to refine their startup concept.

What are the benefits and risks in expanding the program to recent graduates?

The meaning of 'recent graduate' needs definition as there can be a difference between the scale, scope and quality of entrepreneurial ideas of those who are immediate graduates versus those who graduated 1, 2, 5 or 10 years ago.

We are assuming this program will be available for those who are 'immediate' graduates and recommend this includes others up to 3 years out of university. Individuals often only come up with good ideas after significant exposure to the problems and so expanding to recent graduates allows the program to accept participants with potentially increased social capital, wider professional networks, greater experience and a stronger sense of purpose, motivation and commitment.

What are the benefits and risks in providing Startup Year loans provide to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

Risks will result from a) poor governance arrangements, b) lack of strong pedagogical underpinnings to the entrepreneurial program, c) lack of capability to deliver and d) unrealistic expectations of program outcomes.

Loans give students 'skin in the game' to build out their ideas which can add value to their learning in programs already offered. It helps bridge the gap for very early-stage funding which currently exists in Australia.

However the cost of delivering the program AND funds to students to bridge the gap in very early stage funding will not be covered by the contingent loan amount of up to \$11,800 per student. This will be magnified in institutions without any pre-existing facilities and infrastructure. QUT recommends **an additional grant between \$150,000 - \$200,000** to be made to each institution that will deliver the program to part cover the costs of its delivery and free up funds to support students venturing. This would also enable some institutions – particularly those in regional

locations - the ability to partner with other non-university-based accelerators such as River City Labs who have digital delivery capability.

What are the benefits and risks in providing Startup year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

'Missing out on a place' would only be problematic if the institution has no other way of supporting nascent entrepreneurs. At QUT we have an extended program of support freely available and so there would be ways to engage those who 'miss out'.

How can universities ensure these loans are allocated to the most suited students?

Care needs to be taken that concept of 'most suited student' does not replicate and further embed problematic stereotypes of entrepreneurs (male, technology and for profit oriented).

Strong selection processes built around student ambition, resource awareness, expertise and experience to date and coachability as well as idea and alignment to priority are identified for the program.

What are other options could be considered?

Student ambition, resource awareness, expertise and experience to date and coachability as well as idea and alignment to priority are identified for the program.

8 Startup Year Pilot

The Startup Year initiative is anticipated to commence in the 2023 academic year. This can be achieved through a full program rollout, or through a first-year pilot phase. A first-year pilot phase would help to inform the future direction of the initiative, including validating processes such as registration and bidding, identify key themes in priority areas, student eligibility, and measures for success. The pilot would include a small number of places at a select number of existing higher education provider-based accelerator programs. This would include a national footprint, including at least one regionally based accelerator.

What are the benefits and risks for undertaking a first-year pilot?

None, QUT Entrepreneurship has a strong pedagogical framework underpinning programs in place, capability to deliver and infrastructure to be a pilot location in an institutional environment where entrepreneurship is prioritized.

What lessons can be learnt from a pilot program?

Student selection processes, assessment mechanisms and program outcome measures need to be trialled and assessed.

What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

Existing track records of university wide programs within supportive institutional and startup ecosystem. While the Universities Australia site lists over 100 programs, it is out of date and incorrect in many instances as it is not consistently recording university-wide programs but in some instances one-off initiatives. The Australian universities with established track records in the university-wide student entrepreneurship space with the immediate capability to deliver the Startup Year program include QUT, UQ, UTS, Sydney, UNSW, RMIT, Monash, Melbourne, UniSA and Adelaide.

Trial cohorts of at least 20 in two institutions in each state (20 only in Tas and NT). Require each cohort to be mixed across disciplines and diversity characteristics (gender, ethnicity, indigeneity, international and domestic student status). Require a focus area to be aligned to university strength whether in research or industry partnership and to a state development priority such as Queensland's renewable energy plan, advanced manufacturing or biofutures roadmaps. QUT is ready to undertake such a trial.

SUBMISSION TO THE FEDERAL GOVERNMENT'S STARTUP YEAR CONSULTATION

Thank you for giving CQUniversity Australia the opportunity to provide a submission on this initiative. We support the Government's vision around increasing commercialisation and are encouraged by the opportunity to have input into the development of any commercialisation-related initiatives. As a regional university we face different challenges and are presented with different opportunities for commercialisation than our colleagues in the capital cities. For the program to be successful, these differences need to be acknowledged and catered for. Our responses to the consultation paper will provide examples to support this assertion and allow for a potentially nuanced approach for regions.

Other areas of consideration include:

FUNDING PURPOSE

More clarity is required around the purpose and outcomes of the program as the current detail moves between using the 'loan' to fund a program and using the loan to fund other commercialisation-related expenses. Given the amount of the loan it will be virtually impossible to achieve true commercialisation outcomes if the \$13,000 loan is to be used for both. We support the input from Universities Australia that a working group be established and stress the importance of the strong inclusion of regional university representation to strengthen regional outcomes.

FUNDING INCLUSIONS

Whilst the amount of funding to students via a loan is clear, it is not clear how universities will fund the development of new programs if they currently do not have accelerator programs in place. This is very important as it will have a major impact on regional universities who are often less mature in the commercialisation process than metropolitan universities who require less assistance. Funding universities who already act in the space will not achieve the desired outcomes of increased commercialisation. The proposed \$11,300 will barely cover program delivery.

PROVISION OF FUNDING

The paper indicates the funding will be allocated to universities which is sensible should the funding be provided to subsidise the program delivery. If this is the case, then consideration should be given to just increasing the MBGA of each university rather than introducing another stream with potentially different system requirements, adding more cost to universities. Should the funding be provided to the university to ultimately be passed onto the student for 'capital' then this will just impose more administration costs. Another consequence is potential system upgrades to administer such a funding program and appropriate funding for this should be considered in the Government's provision of setup costs.

CONCLUSION

CQUniversity fully supports the Startup Year concept and is keen to see more focus on commercialisation in regions which lag behind the capital cities. A consortium approach should be considered for regional universities through the Regional Universities Network (RUN) to maximise funds for development of a universal program, provide a greater understanding of regional needs, and reduce duplication. It could also allow economies of scale when accessing expert panels, venture capitalists, angel investors, industry partners, and government agencies by bringing ideas forward on mass.

The establishment of a working group to focus on the design principles and provide advice to government is essential, and regional universities need to be strongly represented. Answers to the specific questions posed can be found below.

Organisation name	CQUniversity Australia
Organisation type (e.g., university, startup)	University
Contact name	[REDACTED]
Contact email	[REDACTED]
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

1. DEFINITION

Does the proposed definition appropriately reflect higher education accelerators?

The current wording used to define an 'accelerator program' is unclear and requires more clarity and consideration in the following areas:

- What the Government consider to be 'wraparound services'.
- The definition also seems to point to universities who have an existing accelerator program in place, therefore excluding any universities who are not in this position. This would mean many regional universities are ineligible resulting in the following consequences:
 - The focus on regional, remote, indigenous participation will not be achieved, as these equity groups sit firmly with regional universities.
 - The universities who have accelerator programs in place are well advanced in the commercialisation space. It is the universities who are less mature in this area that require assistance to increase the opportunities for students to advance their ideas.
- Regional universities lack the resources to prepare and deliver programs in their own right, and instead leverage a model of engaging an external expert provider to deliver such programs. This points to ineligibility for this initiative.
- CQUniversity has applied for accreditation of a Certificate IV in Indigenous Entrepreneurship and Innovation with the Australian Skills Quality Authority (ASQA). This VET program is specifically designed for Indigenous business owners or aspiring entrepreneurs with a concrete business idea to either grow their current business or develop into a business. This program specialises in delivery specific to the audience with yarning sessions and use of First Nations mentors and looks to be excluded.
- The effect of this exclusion will also mean less outcomes for First Nations peoples which require a different approach to education and training as evidenced by the above referred program developed with First Nations peoples.

2. REGISTRATION PROCESS

What other accelerator success measures could be considered as part of the registration process?

For example, growth in student numbers, diversity in student cohort, number of successful startups or commercialised products from participating students, job creation, and industry partnerships?

Determining what the Government wants to achieve from this initiative is important before setting success measures. This includes defining the problem to be solved. The use of the word "successful" in any potential measure also fails to recognise the value of learning gained through failure.

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.

What social and community impact measures could be included?

It is very difficult to come up with causal connections that are quantitative. The better approach to measure these impacts will be through qualitative measures, e.g., survey. The time period to achieve commercialisation also needs to be considered as it could be up to 10 years. Another option could be IP disclosures if the university has a policy of working with student owned IP.

3. SELECTION CRITERIA

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

This initiative does not enable universities to partner with third party providers who are already experts in the delivery of such programs with extensive experience and social capital networks. With resource challenges, it would be incredibly difficult for regional universities like CQUniversity to develop and coordinate an accelerator program across its expansive footprint and achieve the level of engagement required for such an intensive program.

CQUniversity does not have a dedicated accelerator program. CQUniversity could only participate in this program without it being cost prohibitive in the following ways:

- The delivery of the Certificate IV in Indigenous Entrepreneurship and Innovation mentioned previously included in the definition of accelerator program.
- A consortium approach through RUN that pooled funding for the development of an accelerator program for use by all regional universities. Once developed, each university would have access to the program content for delivery at each institution. All RUN institutions and participants could come together for a pitch event toward the end of the course with industry and venture capitalists and other professionals to leverage networks and seek further advice.

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

The proposed criteria will exclude universities who are not already established in this space with substantial resources and established program delivery. This appears to defeat the purpose of the initiative, the consequence being that the universities who specialise in equity groups (a criteria above) won't be eligible to participate.

4. ALLOCATION PROCESS

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

Firstly, the use of the word "places" provides confusion in the sector as this word generally refers to "Commonwealth Supported Places" (Refer to Funding Purpose section on page 1).

Metropolitan universities are saturated with incubator and accelerator programs. There needs to be an incentive to deliver such programs into the regions to retain talent and expertise within those regions and increase the sustainability of local communities. Any allocation framework should pay particular

attention to those universities servicing rural and remote communities, with strong connections to First Nations students and communities, and those engaging strongly with low socioeconomic student cohorts.

If the funding is to be utilised to pay universities to deliver an education program and the design program design component mentioned above does not fit with the purpose, then consider repurposing underspent short course funding already allocated, or the 20,000 places that mostly likely won't be utilised by regional universities either.

The larger metropolitan universities are set to benefit the most from this initiative so it would be good to see some funds repurposed for the 'startup' regional universities to provide them with funding to establish these programs and processes for the benefit of regional students and equity groups.

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally based startups?

Students from low socioeconomic and disadvantaged backgrounds are best supported by programs and initiatives delivered and undertaken within or close to their own community support structure. Programs delivered from metropolitan campuses do not have context for a regional environment and do not convey an understanding of regional markets and customers and region-specific challenges. Any strategy should leverage universities and other program delivery partners situated in regions who are best placed, with their community knowledge and networks, to connect with disadvantaged student cohorts and regional students. This will also retain more innovation in regions.

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.

As previously noted, more support is required for regional universities to put a framework for supporting students in place, then the development of a collective through the RUN group.

5. PROGRAM DESIGN TO MEET INTENDED OUTCOMES

Does the proposed approach fill a gap in the market?

The suggested approach may address a gap in accessibility to accelerator programs for students particularly in regional universities who are resource challenged to offer these services where they don't hold a stake in the intellectual property. However, it falls short of any real benefit for regional students where their regional university doesn't offer an existing accelerator program, rather leveraging third-party skilled providers or VET programs.

As this initiative 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 and 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. It is critical that this program be designed for different student cohorts, not just for existing students.

Students will never get to this point unless they go through a strong foundation course. The proposal comes in halfway through the commercialisation process. This initiative needs two tranches depending on the level of maturity of the innovation and readiness of the creator: 1) incubation of the idea to mid-TRL/CRL and 2) acceleration of the opportunity through market research, pricing exploration, developing specific communication skills etc.

Is there a clear value proposition for students and higher education providers?

No, accelerator programs assume that a level of ideation and proof of concept has been attained. How does this occur at undergraduate level? The better approach is to offer micro-credentials to build foundation skills critical to commercial success, students then participate in an ideation or incubator program to develop their idea to at least to the early TRLs to ensure it has some commercial merit. Only those students with ideas or opportunities with the best chance at success that have established proof-of-concept are then eligible for entry into the accelerator program. The accelerator program then focuses on intensive market exploration and validation, developing networks, developing pitching and communicating skills, understanding pricing strategies and market tolerance through engagement-based learning.

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

Delivery of programs by industry and experienced entrepreneurs. These people may not have the required qualifications to deliver under an AQF regulated program i.e., masters degree to teach undergraduate degree, and this needs to be considered.

What else could be considered to support the ambition to establish new firms?

A sole focus on new firms is limiting. Commercialisation can come in many shapes and forms and often with the same impacts of job creation and product development. Startups take considerable effort, knowledge, and resources to be sustainable beyond the early years and early reliance on grant funding. For these reasons, startups often take many years to realise any form of success. Collaborating and partnering with industry with the aim of transferring intellectual property and further R&D for existing or new markets has the same ongoing impacts as a startup, often in a much shorter timeframe. This could then result in the expansion of existing businesses.

What data is required to measure the success of participating in university-based accelerator programs?

Qualitative mechanisms such as engagement with students to understand and measure their experiences through surveys and focus groups.

How do we measure the success of the Startup Year initiative and the participating students?

As above, qualitative mechanisms such as surveys but noting that the commercialisation process can take many years.

6. STUDENT EXPERIENCE

How can we ensure the Startup Year program brings the most value to students?

Appropriate engagement strategies are critical to delivering programs to First Nations students and low socioeconomic student cohorts. Such students are unlikely to respond to virtual-only engagement. Engagement strategies need to incorporate on-the-ground mechanisms for delivering support appropriate to the audience.

Engage with students to identify gaps in their knowledge and skills. There will be many students with ideas that have no clear direction on to do with them, and most won't ask. It's an untapped market, noting that most ideas won't ever get off the ground. But failing properly (i.e., understanding why) at your first idea might mean the next one is a great one. We do, however, understand that the Department has undertaken survey consultation with students that will inform this question.

Should students be able to receive formal and informal learning as part of the program?

Yes, with informal learning to be non-graded. Innovative and design thinking is done best in environments without judgment and grading.

If the intention is to have the program as part of the AQF, those leading the delivery of units must have a masters degree or above. Not all experienced entrepreneurs will have this level of qualification and it then excludes the most experienced individuals in this space from imparting their knowledge. More understanding of the purpose and design will inform this answer.

How could a micro-credential or qualification best work in practice?

Micro-credentials should be used to ensure participants have the foundation skills required to participate in the formal program. Only those students that demonstrate these foundation skills should be eligible to enroll. Micro-credentials are best utilised at the front end of the commercialisation process, and then potentially for the development of 'non-technical' skills such as learning to pitch ideas to potential partners.

Accelerator programs are designed to tease out opportunities that already display some level of commercial merit. Some level of market investigation needs to have been conducted to validate that the idea/opportunity solves an industry/market problem in a unique way so that the accelerator program can advance market segmentation, selection of target markets, price investigations and so on. This takes a level of skill and commercial knowledge and experience that an undergraduate may not possess unless they've completed additional education as part of their undergraduate studies or participated in an incubator program.

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

Colocation and opportunities for engagement with industry and critical professional such as legal and VC firms will be achievable in the metros, but this will be challenging in regional communities that lack presence from these core professionals. Online and virtual engagement platforms will need to be explored, perhaps marketplaces in which students, industry and professionals can create profiles, and inbuilt algorithms make suggested matches for interaction.

The step before this however, is ensuring the idea has commercial merit before pursuing something that will never meet the market.

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and start-ups, as well as in their own industry of interest?

The questions relate to a much broader commercialisation process. The Government needs to decide on which part of the process they would like to focus on, as the funding being proposed will not allow universities to provide all these services.

In saying that, given that undergraduate students may not yet have developed access to networks, a platform for engaging with industry, potential partners, and financiers, is critical to the engagement function of an accelerator program. This could be achieved through various mechanism including pitch events, engagement events, online marketplaces in which students and industry alike can create profiles with algorithms suggesting valuable connections, providing a means for interaction. This would need to form part of the second tranche of programs where the student has established foundation skills and their idea has at least reached proof-of-concept to understand what networks need to be leveraged

7. STUDENT ELIGIBILITY REQUIREMENTS

What are the benefits and risks in expanding the program to recent graduates?

How is the term “recent graduates” defined? The problem with this approach is that accelerators are designed to tease out ideas that have already been conceptualised and that have identified commercial merit to at least proof of concept. Undergraduate students and recent graduates are unlikely to have the skills necessary to do this, nor the opportunity to do so based on their studies and experience to date. Students first need assistance with incubating these ideas and ensuring they address a current need or solve a problem experienced in the market or by industry. In very few cases, innovations are disruptive and serve to meet a need that consumers did not know they had. Students need this foundation before they can successfully participate in an accelerator program. This initiative should be split into two tranches such that students first participate in micro-credentials to develop foundation skills and an incubation process to validate their idea and opportunity. Once validation has been achieved, students can then move onto participate in accelerator programs.

The program should not be limited to graduates or existing students. There are many people with either VET qualification or no qualifications that are already innovating and would benefit from a program that

allows current market led innovations to reach a broader market. This is particularly relevant for the user driven innovation we see in regions.

What are the benefits and risks in providing Startup Year loans provide to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

The parameters around this are unclear. It seems that the university will receive the funds directly when students enrol in an accelerator program assuming that all the loan funds will be used in program participation fees. The option above indicates that the funds could be paid to individual students as loans when they miss out on a place in an accelerator program to engage specialised advice in certain areas. The funding model needs to be refined and clearly articulated.

It is preferred that other funding sources be repurposed to fund program development in regional universities and that current initiatives such as the underutilised 'short course' funding be used to fund student places in those programs.

What are the benefits and risks in providing Startup year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

The problem with this approach is it assumes those early-stage entrepreneurs will know how best to utilise those funds to advance their ideas. In many cases, they don't know what they don't know and where to access support services, what the gaps are, and where to start.

How can universities ensure these loans are allocated to the most suited students?

This needs to be considered in the design principles of the program and more information is required. It is also important that this program does not create more administration or compliance costs for universities who are still recovering from the effects of COVID-19. It is also important that our current systems can also handle the reporting and that major structural adjustments are not required involving more cost (i.e., TCSI).

8. STARTUP YEAR PILOT

What are the benefits and risks for undertaking a first-year pilot?

This will provide the opportunity to obtain feedback from program deliverers and participants to further refine processes and models. The risk is that there will be no quantitative benefits to measure against given the lag time of idea to market.

What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

Ensure there is regional participation in the pilot group noting that the audience and markets in which regional entrepreneurs are very different. Regional representation will be important in ensuring that

metro accelerators do not take regional innovation and entrepreneurs away from the regions defeating the purpose of this initiative to cater for entrepreneurship in all areas of Australia.

Submission in response to the Department of Education's consultation regarding the proposed Startup Year initiative

Organisation name	University of Technology Sydney
Organisation type	University
Contact name	Head of Government Affairs and External Engagement
Contact email	
Do you agree to have your submission published online?	Yes

Thank you for the opportunity to provide feedback regarding the proposed Startup Year initiative.

UTS is the top-ranked young university in Australia. Our vision is to be a leading public university of technology recognised for our global impact. As a university of technology, it is our role to ensure our graduates shape the future professions and businesses that will be needed in Australia and overseas. Since our inception, an integral building block of our success has been our outward, global focus and ability to partner with industry. Our campus has no walls; it is deliberately designed to be porous and support connections, knowledge exchange and collaboration. This embodies our approach to engagement and permeates our teaching and research. Our student body is diverse, and we encourage our students and staff to look at the world from different perspectives.

As highlighted in the consultation paper, UTS is deeply committed to supporting technology-enabled entrepreneurship in our course offerings (e.g. Bachelor of Creative Intelligence and Innovation), through UTS Startups and through our other accelerators. UTS is proud of the fact that UTS Startups is the largest community of startups in Australia, benefitting many of UTS's current students and alumni. UTS is home to three other accelerators with specific purposes – Techcelerator (for enhancing students' prototyping skills in deep-tech and problem-solving skills), NSW Deep Green Biotech Hub (for NSW-based businesses invested in algae biotechnologies) and EnergyLab (an energy-focussed incubator with its own accelerator and mentorship program).

UTS leverages its growing community of startups to provide peer learning for less experienced entrepreneurs, which we are able to do at a significant scale given the size of our community. UTS is proud to provide 250 desks of free coworking space to our startups, lowering the barrier to entry for people that only need occasional space use, and accommodating a more diverse community of entrepreneurs with which to collaborate. Pleasingly, UTS Startups currently has 33% female members compared to 22% in the wider startup community. Our positive gender ratio reflects our effective outreach to both UTS students and school students (years 9 and 10), with the bulk of our work focused on inspiring tech entrepreneurship as early as possible. This unique model connects entrepreneurs of all stages, industries and experience levels with the relevant people, resources and opportunities needed most. UTS highly recommends that the Department take the opportunity to visit UTS Startups and speak to our experts as part of the pilot phase on Startup Year.

UTS supports the intent of the Startup Year initiative to help the next generation of young Australian entrepreneurs bring their ideas to life. This submission provides broad feedback regarding program design elements, followed by our advice and recommendations regarding the overall policy objective.

Feedback regarding program design elements

UTS acknowledges that the focus of this consultation is on the program design elements, rather than the policy itself, and that government has selected the OS-HELP scheme as the funding model for the Startup Year initiative. Broadly, the overarching program design is workable for UTS in relation to accelerator eligibility, program design and student eligibility requirements based on our experience with the operational aspects of the OS-HELP scheme.

However, UTS is of the view that the proposed approach has limitations that may hinder achievement of the desired four purposes as set out in the consultation paper (page 6).

Accordingly, our central recommendation is to support the Department's proposal to run the Startup Year initiative as a one-year pilot, rather than a full program rollout, to test the underlying assumptions and validate the program design, particularly as it relates to the use of the OS-HELP scheme as the funding model. This is particularly important given that not all university accelerators are the same and will have different frameworks and objectives. For example, UTS Startups is broad-based and aimed at connecting the startup community (regardless of whether that community member is a UTS current student) whereas UTS's Techcelerator is purpose-specific and caters to the specific needs for its members. It is critical that the Startup Year initiative recognise the diversity of offerings and take care not to drive university accelerators towards a standardised approach that may have the perverse consequence of diminishing that diversity.

To support the pilot, UTS is very willing to work with the Department as a test subject given our transdisciplinary course offerings and standing in the startup community (including by sharing what UTS spends per startup on a confidential basis).

Overall policy objectives

UTS is deeply committed to supporting technology-enabled entrepreneurship and we commend the government for seeking ways to support the creation of new businesses.

UTS makes the following points based on our experience and knowledge of our own startup community:

- Incurring debt for entrepreneurial support, particularly for young Australians who are at the very beginning of their careers, is not an ideal foundation for the following reasons:
 - The Startup Year initiative, as an income-contingent loan, may have the unintended effect of limiting the kinds of people willing to take on this kind of support, with negative impacts on diversity of participants and the ambition they are willing to apply to their entrepreneurial pursuit.
 - Unlike OS-HELP, students will have minimal say in the use of funding but are expected to bear all the liability.
 - Startups can have a mixture of university and non-university founders and this situation is not contemplated in the proposed funding model, nor the associated inequity where one founder (i.e. the university student) takes on all the risk on behalf of their fellow non-university founders.
- As we do with OS-HELP, UTS takes seriously its role in educating students on what it means to take on an income-contingent loan and this approach will be no different to the Startup Year Initiative.
- Students have many coursework options that are supported by HECS, including electives, sub majors, and year-long programs. Topping up this funding will not necessarily generate the same outcomes as compared with rewarding actual venture formation and growth while a student. Thus, more consideration needs to be given to the rationale for linking the Startup Year initiative solely to accredited learning and capstone years.
- University accelerators differ in their objectives and framework, meaning that for some (such as UTS's Techcelerator) a microcredential has value for students in a curriculum-based framework, whereas for UTS Startups all of the support it currently provides is extra-curricular to allow the support to adapt faster and with a more bespoke approach than accreditation processes will allow. UTS therefore suggests that microcredentials should be optional and dependent on type of accelerator and their objectives.
- As it currently stands, the 'success' of the Startup Year initiative will be measured against the provision of programming and support. UTS contends that this approach may inadvertently incentivise the proliferation of more programs and support, losing sight of the target group being 'young Australian entrepreneurs'. In our view, public funding should be measured by outcomes generated by participants, especially (and perhaps exclusively) in terms of paid job creation in the startup ecosystem, *then* followed by meaningful and measurable startup support.

An alternative proposition

It is well known that Australia needs new high paying jobs and economic growth and that technology-enabled entrepreneurs accelerate productivity-boosting technology adoption in firms of all sizes, through competitive pressure on industry incumbents^{1,2,3}, learning spill-overs from early entrepreneurial adopters^{4,5} and influence as external solution providers^{6,7}.

In recognition of the diverse ecosystem within which entrepreneurs emerge, UTS recommends consideration of a Startup Reimbursement Fund (SRF) for university accelerators, in place of an income-contingent loan, with a modest allocation from the National Reconstruction Fund. In our view, this targeted intervention is more likely to drive startup activity in connection to university accelerators by:

- Reaching a more diverse cohort of students;
- Preparing students for real-world government grant-type processes such as R&D tax credits; and
- Driving growth through measurable outcomes instead of promises.

In broad terms, a 'SRF credit' would be earned whenever a university accelerator generates a new startup that matches defined criteria for an Australian-appropriate, technology enabled startup (perhaps in alignment with the Australian Government's science and research priorities); is incorporated and has at least one paid employee. The available funding pool would be distributed among the programs at a ratio determined by their number of SRF credits. Thus achieving the stated purposes as outlined in the consultation paper (page 6).

Conclusion

As requested UTS shared the Department's survey link with our startup community. Accordingly, we would be interested in the results of that survey as it pertains to the student experience and the student perspective about what they feel would be of most value to their enterprises.

UTS commends the government for proactively seeking opportunities to set a unique incentive and increase capacity for Australian universities to demonstrate and increase the real impact of their entrepreneurial programs. We reiterate our offer to the Department to provide our expertise and knowledge in this area.

¹ Drivers, Benefits and Challenges of ICT Adoption by Small and Medium Sized Enterprises (SMEs): A Literature Review. <https://perma.cc/X492-KPZX>

² What drives global ICT adoption? Analysis and research directions. <https://perma.cc/DZ4P-CQ4L>

³ Going digital: What determines technology diffusion among firms? <https://perma.cc/7NRL-59YQ>

⁴ Determinants of ICT adoption: evidence from firm-level data. <https://perma.cc/SW8K-LKH5>

⁵ The Economic Impact of ICT. 2010. <https://perma.cc/PR2E-5M88>

⁶ Strategies for Successful Information Technology Adoption in Small and Medium-sized Enterprises. <https://perma.cc/53ND-LAEF>

⁷ Adoption of ICT and e-commerce in small businesses: an HEI-based consultancy perspective. <https://perma.cc/F6KA-CXNZ>



Startup Year Consultation Response Document

Organisation name	The University of Queensland (UQ)
Organisation type (e.g., university, Startup)	University
Contact name	Dr. [REDACTED] Head of Entrepreneurship Dr. [REDACTED] , Senior Manager, Entrepreneurship
Contact email	[REDACTED] [REDACTED]
Do you agree to have your submission published online? (If left blank, your submission will not be published on the Department's website)	Yes

The Startup Year initiative will provide an opportunity for students to explore and develop their entrepreneurial skills and mindsets in a supportive environment. UQ has a long history of delivering a comprehensive suite of entrepreneurship-related initiatives from high school, accelerator, to the best commercialisation arm in the country. Given UQ's strong expertise in this space, we are well positioned to deliver credible feedback on such a proposal and, furthermore, be well positioned to run a pilot program on behalf of the Federal Government.

We believe that the primary focus of the initiative should not be on finding solutions but rather on the development of an entrepreneurial and resilient mindset of students who are supported by structures which recognise failure as an integral step in exploring best solutions. In many cases, the startup idea will go through many iterations until the concept gains traction whilst recognising that students will learn from their failures and be able to adapt and grow. Failure is not the end of a startup, but one step and it is important for programs focused on student founders to recognise, celebrate and support this. Problem and customer engagement needs to be at the forefront and a key component for the success of students is engaging with real problems that have strong customer opportunities. Finally, it is important that the program fosters collaboration across sectors and geographies as engaging with other startups offers opportunities for collaboration and mutual growth.

The Startup Year initiative is an opportunity to build on, grow and support the startup ecosystem in Australia to further drive innovation across industries and sectors and support job creation. The level of administrative requirements to deliver a successful initiative like this is significant and needs to be taken into consideration when exploring funding approaches.



1. Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

Yes, however inclusion of the below additions are important to facilitate engagement with industry and real-world problems:

Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services (*including but not limited to access to an extensive mentor and investor networks as well as workshops, industry events and the use of co-working spaces*) to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

2. Registration Process

A recurring registration process will be established for providers to participate in the Startup Year initiative.

To register, providers will be required to submit an application, which must include the following information:

- Program overview and outcomes, including any supporting documentation, policy documents and business outcomes
- Program components over the business-focused year
- Student enrolments (actual and projected)
- Activities, facilities and non-financial support provided and their associated costs or value
- Funding available to participants
- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)

What other accelerator success measures could be considered as part of the registration process? For example, growth in student numbers, diversity in student cohort, number of successful startups or commercialised products from participating students, job creation, and industry partnerships?

The suggested registration process is key and in addition we suggest the below information is added. We also propose that in order to streamline the process, approval is granted to a provider for multiple years. Reducing the year-on-year administrative fees would also allow for more funding to go towards delivery of the program.

- **Engagement:** number of students engaged in current entrepreneurial programs and growth each year for the last 3 years
- **Collaboration:** Industry partnerships as part of the current entrepreneurial program, plus growth each year for the last 3 years
- **Job creation:** how many roles have been directly created from current entrepreneurial programs over the last 3 years
- **Diversity and inclusion:** demographic analysis of the cohort of students currently engaged in entrepreneurial programs, plus examples / case studies to show how the provider encourages engagement from diverse student cohort groups
- **Sustainability:** evidence of how the institution supports and fosters an internal ecosystem for entrepreneurship (curricular, co-curricular, and extracurricular).



What social and community impact measures could be included?

It would be beneficial for the criteria to address how the provider will support the wellbeing of students through the program. We believe that the wellbeing and mindset of founders is crucial, particularly through what can be a difficult journey. Supporting the resilience of the founder is key.

It is also worth considering how the provider will build a community for the students partaking in the program to provide an opportunity for collaboration and support through their journey. We have found through our accelerator programs that collaboration and community amongst the cohort is key and in fact one of the major benefits of the programs which contribute to long-lasting connections and future impact.



3. Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

- Be an Australian University or University College
- Have clearly defined program outcomes, industry partnerships, and student engagement strategies
- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well-defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

We agree with the above eligibility criteria with the following amendments and additions:

- Addition to Point 6: Have the ability to deliver an accelerator program with a diverse student cohort including regional, rural, and remote students, low-SES students, First Nations students and students who have experienced cumulative disadvantage
- Demonstrated linkages to potential markets or customers (who may be different to the research links who develop the ideas) or strategies on how to support students to engage with these types of stakeholders

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

It should be noted that the key component for the success of students is engaging with real problems that have strong customer opportunities (product-market fit) and strong problem-solutions (the solution will address the problem identified). Additionally, it is important to support the founders and build their entrepreneurial mindset, skills and resilience, rather than focusing on the solutions itself.

It would be highly beneficial for the providers to be required to demonstrate a proven track record of providing direct support to students in entrepreneurial ventures, as opposed to just demonstrating linkages and commercialisation of research.

These insights draw from UQ Entrepreneurship's experience in delivering a broad range of programs all student focussed and key learnings identified (UQ Ventures programs). The Validate Program focuses on ensuring that the solutions are both product-market fit and problem-solution fit, and this program is a central activity for many startups prior to joining the accelerator. Programs which focus on the technology or solution, rather than the fit are far more likely to fail.



4. Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

UQ proposes that places are divided across universities based on capacity and in cohorts rather than one or two per university, with the **provider** to determine the allocation of places. Building a community of startups is critical to the success for any founder, so a critical mass is needed at each university for success.

Key criteria to be assessed by the provider should include:

- An assessment of the strength of the founder (through the UQ Ventures iLab Program we have a focus on investing in the founder not the idea, particularly at a student level as founders may go through many iterations of an idea before they find one that is a viable business idea)
- Diversity in demographics and also in problem focus
- Scale and priority of problem area

Beyond this, additional desirable criteria could include:

- The scalability of the student's concept
- Traction of idea, do they have a Minimum Viable Product (MVP), have they engaged with customers, do they have revenue
- Willingness to adapt their approach and solution

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally based startups?

UQ Ventures recommends the following strategies are implemented to ensure that students from all backgrounds can have access to and achieve success through the initiative:

- Programs that provide feeder inputs into the program (i.e., women's leadership and entrepreneurship programs to increase the likelihood of female founders applying for Startup Year. This would be similar to UQ's LeadHers initiative)
- Delivery of programs in person and online
- Access to co-working spaces on campus – access to laptop hire and internet access
- Discounted student accommodation
- Allocation of regional 'Startup Buddy'
- Ensure that mentors, speakers and others in the program represent diverse backgrounds to provide role models and examples of success



5. Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas. As there will be diversity in the ideas, industries, and student background, a key consideration of the program is how to best provide value to the student, ensure quality program delivery, and best facilitate positive student outcomes.

Does the proposed approach fill a gap in the market?

There is a need, and a great opportunity, to build on, grow and support the startup ecosystem in Australia to further drive innovation across industries and sectors and support job creation. Institutions across Australia would benefit from funding of existing accelerator programs to increase the support available for students to bring their ideas to life.

This is relevant at UQ where students, staff and alumni are offered access to a suite of programs to build their skills in a hands-on environment through UQ Entrepreneurship. UQ Entrepreneurship provides support from pre-incubation through to market validation, from launching a start-up to scaling up.

Our iLab incubator and accelerator programs alone have helped 200 startup companies who have received more than \$100 million in investments and grants.

With over 30,000 total participants since 2018, UQ Entrepreneurship has had a tremendous reach to all parts of the university community at all levels.

This level of engagement, and UQ Entrepreneurship's goals for growth are driven by the desire from students for practical support to building new ideas and solutions. UQ has a goal for 50% of students to undertake an entrepreneurial, global or leadership program while studying at UQ.

Is there a clear value proposition for students and higher education providers?

The Startup Year Program offers an opportunity for Higher Education providers to further engage with students and with the engagement of industry support, greater employability outcomes for students. The program provides an opportunity to grow the providers community and provide opportunities for students to give back to the university as tutors and mentors to future students.

For students the value proposition is strong, with a dedicated space to develop ideas, test assumptions and build solutions while still within the support structure of the university.

However, the value proposition for providers is mixed in this current proposed design. The cost for delivery for each student will be significant, when viewing through a year long program, facilitators, design space, etc. With an indicative value of \$11,800 per student, this would not cover the facilitation costs, administration costs and other requirements. Additionally, if there is the requirement for the program to be accredited, this will add additional overheads to the program.

Clarity is needed on if the program will be full-time for students, or part-time, and the expected inputs from the university.



Is there a clear value proposition for students and higher education providers? (cont'd)

From the point of view of a higher education provider, we have a concern about the proposed value proposition if the initiative is to be credit-bearing. This would require significant work to be undertaken to ensure that this credit can be accommodated either in existing degree structures, or as part of a newly created 'diploma' of sorts. We have a question about how this would interplay with our [Commonwealth Grant Scheme](#) funding as well as accreditation and how such a course would sit within the [AQF](#).

With only 2000 places across the sector, there may be only an allocation of 50-100 per university. We are unsure, therefore, whether \$1.18M (100 places valued at \$11,800 each) is enough to cover the costs of establishing the proposed necessary administrative and quality assurance mechanisms if the program is to be credit-bearing, especially given the systems/administrative development and reporting costs to manage an additional loan scheme.

In short, the proposal as it currently stands will be costly in administrative terms to implement and will provide relatively little value to few students.

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

Engagement of students across a year will be key to the success of the program. Building a collaborative environment for students to work together in a supportive community, whereby they can bounce ideas, is central to rapid growth and resilience of founders.

Resilience is a key need for any founder, especially those who are students or recent graduates. Providing social, mental and emotional support through the program should be included, to ensure that the pressure of a startup is not overbearing.

It would also be beneficial for students to have an opportunity to engage with broader global entrepreneurial ecosystems to allow them to draw learnings from other startups, provide an opportunity to build networks and relationships, and potentially access global markets.

What else could be considered to support the ambition to establish new firms?

UQ proposes that the Startup Year initiative offer two key activities.

Firstly, the first step of the program is focused purely on understanding the market, problem identification and understanding. This would require little in the way of solution building or technology and builds the key foundation for understanding the need and the customer.

The second stage would then be developing MVP's, testing with customers and validating the insights.

For some startups, this may be linear, with step 1, then step 2, then moving into scaling the idea. But for most, it will be circular with multiple attempts, failures and MVPs. This needs to be embedded within the program and celebrated rather than avoided as it enhances the quality at each iteration and the likelihood of success for the founder.

An additional element may be the ability to form teams rather than individual students applying. Collaborative engagement with startups is key and having a team approach supports the ability of startups to develop, create innovative ideas and grow.



What data is required to measure the success of participating in university-based accelerator programs?

Data from startups are difficult to quantify due to the high failure rates, the length of time until success and the multitude of factors which impact growth.

To measure the success from participating in the program, measurements on the founders' quantitative views are key, along with levels of funding received following or during the program, market traction and industry engagement.

In the long term, total funding and jobs created number of startups still in operation, and measurements of satisfaction will be key success metrics.

How do we measure the success of the Startup Year initiative and the participating students?

From UQ Entrepreneurship's experience, measuring success is difficult, and so many of the core metrics for success will focus on input measurement rather than impact. This includes an understanding of the number of engagements in the program, level of involvement, satisfaction metrics, etc.

Longer term success may look at the growth of businesses, jobs created, investments, etc. Moreover, if the initiative is to succeed, space needs to be provided for failure to be accepted and learnt from rather than seen as a negative. Metrics that focus on the long term within the year program will build expectations and increase burnout.

Metrics on engagement from industry, markets and potential partners will also be key.

It should be noted that there are risks associated with running an initiative and providers need to be aware and have strategies in place to deal with failure and success of a startup. If an idea is to fail the provider may lose a student as they seek out employment or leave the institution and on the other side, if the startup is successful there is a potential that the student moves on to pursue their business and is unable to commit to giving back to the provider.



6. Student experience

Students are the central stakeholder for Startup Year initiative, as the recipients of loans and the driver of startup creation and innovation. As such, it is important that the student experience is considered in the Startup Year design and delivery, to ensure the program meets their needs and provides them with the opportunity to develop the suite of skills and experience required to grow their startup ideas and build their businesses. Students will be required to complete micro-credentials or qualifications as part of the Startup Year program.

How can we ensure the Startup Year program brings the most value to students?

- Removing the proposed requirement that the program should be credit-bearing or otherwise provide students qualifications or micro-credentials as this duplicates existing structures and does not add a new solution to the ecosystem (rather, it creates unnecessary administrative and psychological barriers)
- Collaboration across a group of students is key to students getting value from the program
- Practical support to find product-market fit. Focusing less on the technology or solution and more on the customer is key.
- Provide safe spaces for exploration, failure, and divergent thinking

Should students be able to receive formal and informal learning as part of the program?

A mix of formal and informal learning may be beneficial for students to get the most value from the program, however this should be at the discretion of the provider and based on existing curricular offerings available at the institution. Given the concerns noted above in relation to the administrative burden, quality assurance considerations, and interplay with existing CGS funding, such formal credit bearing learning should not be delivered through the creation of new courses.

We recommend that students have an opportunity to not only take part in existing formal learning components, but also hear from experts in the field and hear about their successes and failures.

Informal learning, in the sense of practical engagement with customers and markets is central to the success of any business. While theoretical training will be relevant and may scale depending on the background of the students, central to any startup is the engagement with the market. One of the main reasons that startups fail is because they are not a market fit. At UQ ventures we embed design thinking principles into our program to support students to develop skills in problem solving, flexibility, agility, resilience, and teamwork.

As an example, as part of our [UQ Startup AdVentures programs](#) we offer students an opportunity to learn alongside a startup in a different country and also participate in organised networking events to socialise with the local start up ecosystems. This experience provides invaluable insights into startups and how they operate, whilst also providing the participants with networks and global connections to support their startup growth.



How could a micro-credential or qualification best work in practice?

Credentials might form a piece of the Startup Year initiative by providing a framework for building the startup. For example, students could be taken through each of the core steps for identifying problems, markets and building solutions (including MVP's). These could be broken into micro credentials to provide a framework.

The administrative and quality assurance burden already outlined above, however, may undermine the program and may mitigate against inclusion by adding additional barriers to entry. Furthermore, if the program is qualification based, students will also be required to undergo assessments which would detract from the program.

We believe that a better idea would be either to provide direct funding to the accelerators in universities to continue to do the good work that they are doing and scale up existing opportunities for students or provide a scheme that enables students to access interest free start-up loans upon graduation. Such a loan scheme could be predicated on completion of an accelerator program in universities, with confirmation provided of such completion by the institutions as part of the application process.

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

For the first period of the program, the focus needs to be on engagement with markets and customers.

The program needs to provide avenues for this access, including bringing industry to the program, support for events, etc. and once a deep understanding is developed, then testing can begin on an MVP to test the ideas.

Ideally, this can be a small-scale idea that will validate the market prior to building the core product. By focusing on the customer rather than building, the startups are able to reduce the likelihood of failure, test rapidly without the need for complex systems and develop skills in line with their need.

The university then acts more as a mentor and support during this process.

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

It is important that the program fosters collaboration across sectors and geographies. Engaging with other startups that are also in a similar stage provides key support and offers opportunities for collaboration and mutual growth. Global connections also provide networks for growth, new markets and insights.

We have seen great success with UQ's Startup AdVenture programs which allow students to have learning experiences specialising in innovation and entrepreneurship with local (metro), rural, regional and remote Queensland, and global startup communities. Students have an opportunity to expand their networks, learn from experienced innovators and gain first-hand knowledge on founding, investing and growing an early-stage business.



7. Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a startup idea through their studies and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their careers and have identified or worked with industry and identified a problem/s within their industries or communities have identified issues that they would like to work on for development.

We propose Startup Year loans focus on the former group, that is final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as additional support to bring their startup ideas to market.

Option: the loans could help bridge the gap between supply and demand, providing loans to students who miss out on a place within an accelerator program, are recommended by their supervisor as benefitting from access to additional specialised advice and time to refine their startup concept.

What are the benefits and risks in expanding the program to recent graduates?

Recent Graduates will have additional insights into the needs within communities and industries. They will have greater access to industry incubators, other support programs, and potentially already receiving an income from a graduate role creating greater financial opportunities to pursue their ideas when compared to current students.

There are certainly benefits by virtue of their deeper insights into the needs and potential solutions.

There will also be some difficulty in extending the program to recent graduates if the intent is that it is credit bearing as the students will have to register for a qualification. If this is just a pseudo-Diploma in Entrepreneurship the costs for development, management, and delivery will outweigh the proposed funding.

We would reiterate that a better idea would be a scheme that enables participants to access interest free start-up loans upon graduation, potentially with some approval / endorsement process from university accelerators to ensure that the individuals have the expertise or idea validation to make the best of the opportunity.

What are the benefits and risks in providing Startup Year loans to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

Each provider will have a different scenario, but if we consider this in relation to UQ's iLab accelerator program, students accepted into the accelerator and then offered a position in the Startup Year initiative, may not see the benefit in taking on an additional loan. Those already accepted into UQ's iLab are provided funding (UQ offers \$10,000 equity-free to members of our iLab accelerator), but this is used within the business and to take on a Startup Year loan would mean they would take on further debt.

However, if there was an option for students to participate in the Startup Year initiative after the accelerator program, this could allow students the opportunity to pursue their startup with greater focus for a greater period of time. There are obvious benefits for students who have already participated in an accelerator program including undertaking a robust acceptance process, already have viable ideas and founder resilience. Their products generally are already in existence and have some traction.



What are the benefits and risks in providing Startup Year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

Focusing on the founder first and the idea second is a key principle for any startup initiative. The majority of startups fail, but by building the skills of the founder helps ensure long-term success. Providing the loans to students earlier, without market fit is also of value, as it provides a space for founders to test ideas, pivot and pursue solutions. While this may mean that the initial ideas fail, the second, third or fourth idea may be successful, and the loan will provide the space for this rapid testing.

The benefits of this support will likely lead to less dropouts of the program, as the focus isn't on the startup idea, but the founder. Creating this 'safe space' to explore problem-solution fit and the product-market fit is the key to success.

How can universities ensure these loans are allocated to the most suited students?

Universities will need to invest in building a suite of programs that funnel into the Startup Year initiative. UQ Entrepreneurship invests heavily in building a suite of programs that allow students to grow their entrepreneurial mindsets throughout their studies, leading to high quality ideas within our flagship accelerator, iLab.

Criteria for selection needs to be focused on the founder, not the idea.

What are other options could be considered?

Either of the following options, or a combination of both:

1. provide direct funding to accelerators in universities to continue to do the good work that they are already doing and scale up existing opportunities for students. Measures of success can be reported annually, including number and type / demographics of students engaged; number of start-ups created; number of industry partners; amount of co-funding provided; philanthropic support etc.
2. provide a scheme that enables students to access interest free start-up loans upon graduation. This could require evidence of completion of a university accelerator program (or equivalent).



8. Startup Year Pilot

The Startup Year initiative is anticipated to commence in July 2023. This can be achieved through a full program rollout, or through a first-year pilot phase. A first-year pilot phase would help to inform the future direction of the initiative, including validating processes such as registration and bidding, identify key themes in priority areas, student eligibility, and measures for success. The pilot would include a small number of places at a select number of existing higher education provider-based accelerator programs. This would include a national footprint, including at least one regionally based accelerator.

What are the benefits and risks for undertaking a first-year pilot?

Given the myriad of administrative issues, and design challenges in building a program with a founder - a pilot is necessary to test and iterate the design. Taking a design approach to the program itself.

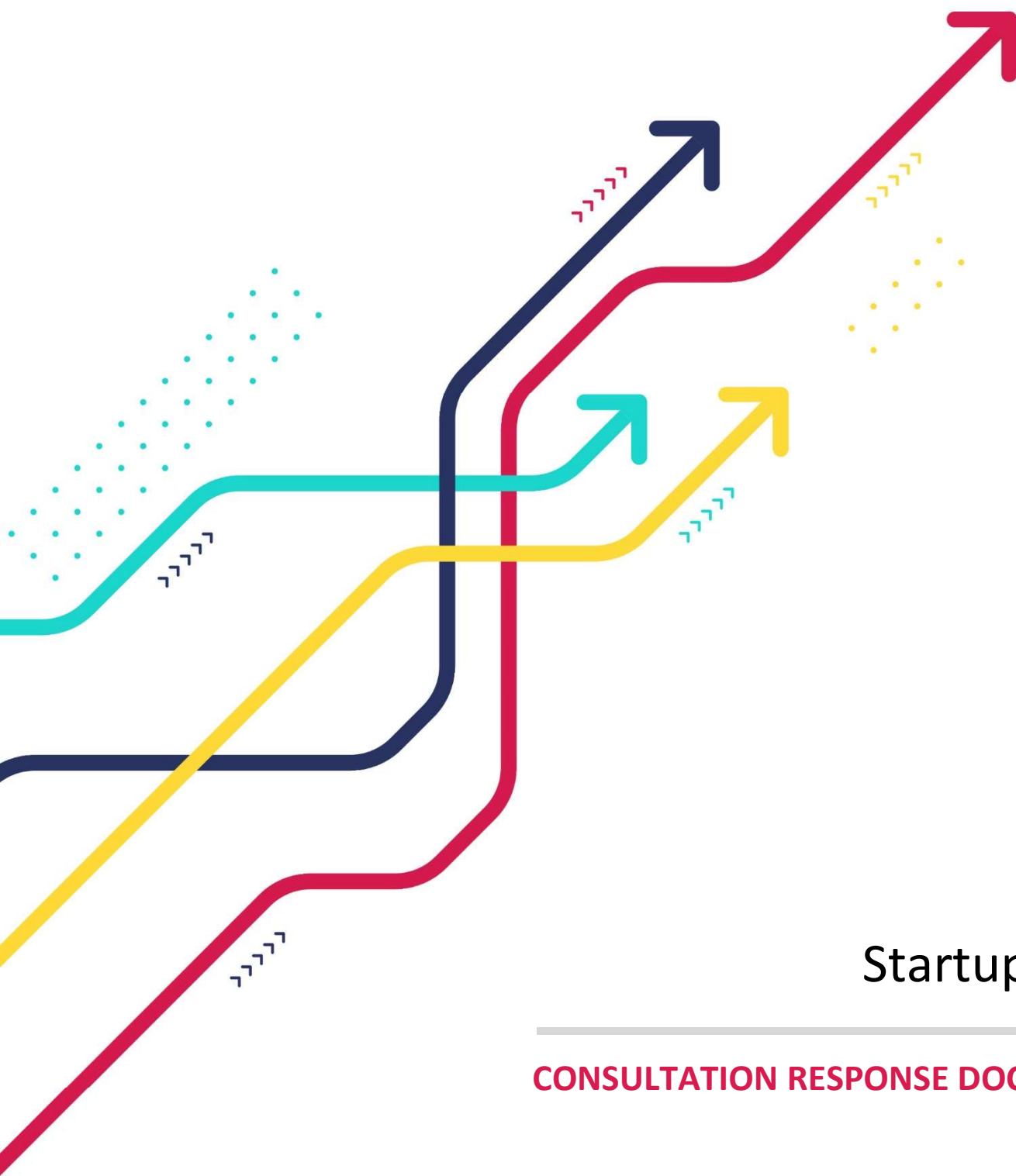
The key benefits will be the ability to tweak program creation and approach, and test assumptions of both university capability and student appetite.

What lessons can be learnt from a pilot program?

Key lessons will be the appetite from students for this initiative, models for offering support to participants focused on the founder and ensuring linkages to industry/markets.

What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

Key criteria will be the ability for programs to have diversity of approach to be able to test assumptions within the program. In-depth knowledge on support for student founders and a suite of programs which can funnel students into the initiative in order to test within a short period of time.



Startup Year

CONSULTATION RESPONSE DOCUMENT

Startup Year Consultation Submissions

Please use this response document to provide a submission to the Department of Education on the proposed Startup Year initiative.

Completed submissions are to be submitted to accelerator@dese.gov.au. Submissions should not exceed 1,500 words. Please contact the Department if you require this document in an alternate format.

Submissions will close at **11.59 AEDT Tuesday 15 November 2022**

Please provide your details in the table below:

Organisation name	University of South Australia
Organisation type (e.g. university, startup)	University
Contact name	██████████, Chief of Staff
Contact email	██
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

1 Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

Defining what is a 'startup' compared to what is starting up a new firm, which could be a small business, will be critical in ensuring consistent education and support programs across Australia.

The definition of a startup is one that involves creating something new through product or service delivery innovation, which also normally disrupts an established market or creates a new market. Startups either create new technologies or use existing technologies to aim for fast growth on an international scale with a repeatable and scalable business model. New SMEs don't always make any claims to uniqueness and are created for the purpose of entrepreneurship and serving a local market, with a focus on turning a profit from the onset e.g. café, hairdresser etc., and therefore, aren't concerned with growth on such a large scale.

It will therefore be important that the definition used is clear on the meaning of and emphasis on "innovation".

UniSA, for example, has distinct programs that support both models. If the aim is to support startups as opposed to SME's, then this should be clearly defined in the selection criteria for accelerator program delivery partners to ensure a consistent standard of education across the country.

2 Registration Process

A recurring registration process will be established for providers to participate in the Startup Year initiative. To register, providers will be required to submit an application, which must include the following information:

- Program overview and outcomes, including any supporting documentation, policy documents and business outcomes
- Program components over the business-focused year
- Student enrolments (actual and projected)
- Activities, facilities and non-financial support provided and their associated costs or value
- Funding available to participants
- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)

Optional: links to existing case studies

**What other accelerator success measures could be considered as part of the registration process?
For example, growth in student numbers, diversity in student cohort, number of successful startups
or commercialised products from participating students, job creation, and industry partnerships?**

Putting emphasis on the number of successful startups or commercialised products may disadvantage regional providers or those who are unable to attract former successful founders to participate in the delivery or as mentors to the program.

What social and community impact measures could be included?

Having an online delivery option, could help to ensure the retention of regional participants in their regional areas is achieved and be one of the social and community impact measures.

3 Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

- Be an Australian University or University College
- Have clearly defined program outcomes, industry partnerships, and student engagement strategies
- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well -defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

In general, the eligibility requirements are suitable to foster industry-university partnership and student engagement. Additional eligibility criteria could also extend 'clearly defined program outcomes' to clearly defined program outcomes that apply to the definition of a startup.

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

The very nature of startups is to create or disrupt new markets through innovation and technology. With a number of criteria already listed, linking allocation of places to existing national priority areas may inadvertently stifle the creation of new markets. It is recommended that alignment with national priorities be a preference but not a mandatory requirement to allow for emerging priority areas.

4 Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

The Startup Year proposal could better enable, promote and prioritise First Nations Peoples in the program. For example, there may be an opportunity to increase scholarship support or prioritise places in the program for First Nations, or prioritise the placement & partnership with Aboriginal enterprises or communities.

We know from the research literature that women are underrepresented in existing incubators. It is recommended that the program include targets to promote gender equity and other dimensions of diversity to ensure accessibility and that participants reflect the diversity in the broader community.

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally-based startups?

Extension of the Startup Year across two years will provide more flexibility and provide students from various backgrounds who juggle work requirements with study to participate.

Equally, opening up the eligibility criteria to enable commencing students to participate in Startup Year i.e., those who have not previously enrolled in university can potentially enable students from educationally disadvantaged backgrounds, including regions, as well as older entrepreneurs to participate.

Integration with existing incubators/growth accelerators will be an important strategy for maximising the prospects for success, as will high quality mentoring and support. Providers should be asked to document integration with the local innovation ecosystem, including potential sources of finance and advice.

5 Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas. As there will be diversity in the ideas, industries, and student background, a key consideration of the program is how to best provide value to the student, ensure quality program delivery, and best facilitate positive student outcomes.

Does the proposed approach fill a gap in the market?

Yes – there is a lack of systematic support for students seeking to generate their own start up companies. Through this program a new generation of entrepreneurs will be generated, advancing national living standards and driving innovation in all sectors of the economy. Participants will benefit from learning from other entrepreneurs but would also gain an advantage from instruction on how to best fit start up activities within a portfolio career.

Is there a clear value proposition for students and higher education providers?

Yes, higher education providers can recoup some of the investments made in developing and delivering startup support programs and open this up to a wider cohort of students. More broadly, this program speaks to the mission of universities to deliver a better informed economy and society, while also enhancing the transition to a knowledge based industry structure.

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

Design elements to be considered for Startup Year could include:

- Ensuring each provider delivers a core of business development learning opportunities
- Core values for Startup Year to be common across providers, to assist with managing and measuring the student experience
- A clear definition of what a startup is, to ensure accurate outcome comparisons across providers

Data collection regarding the usefulness of components of a Startup Year program for the students involved would be essential for understanding the success of the program. Has the content delivered provided them with the skills, knowledge, and experience required to lead a startup.

Again, a clear shared understanding of startup definition will be crucial here, as comparing company survival rates (for example) of startups to regular small business or other firms would not provide an accurate

reflection. That shared understanding also allows for accurate comparison across providers regarding value delivery and student experience.

What else could be considered to support the ambition to establish new firms?

There is a lack of quality startup support education in Australia because it relies on lived experience of those who have been successful in creating their own technology-based startup and, their generosity and time to mentor the next generation of founders. Consideration for developing a skill based matched funding program for providers to offset the costs of recruiting and maintaining mentors enables providers to ensure quality and relevant advice is provided to student led companies and means they are not reliant on those who wish to volunteer their time or take advantage of early-stage founders.

What data is required to measure the success of participating in university-based accelerator programs?

Examples of success measures currently utilised include number of companies still in operation, number of jobs created evidence of linkages with researchers / industry partners, and additional funding received.

More broadly there is a need to generate both output and outcome measures, and to so in a coherent and systematic fashion. Positive outcomes from this program are likely to include pathways to employment as well as the formation of new businesses.

How do we measure the success of the Startup Year initiative and the participating students?

This data is currently collected through maintaining connections to startup communities, however, could also easily be collected through a survey.

Broadly there is a need to generate both output and outcome measures, and to so in a coherent and systematic fashion. Positive outcomes from this program are likely to include pathways to employment as well as the formation of new businesses. Output measures may include:

Number of participants by gender, background, geography, age and discipline;

Number of new firms after one year, two years, five years and ten years;

Value of firms generated by turnover/market capitalisation; and

Reputational value of the program within the startup community.

6 Student experience

Students are the central stakeholder for Startup Year initiative, as the recipients of loans and the driver of startup creation and innovation. As such, it is important that the student experience is considered in the Startup Year design and delivery, to ensure the program meets their needs and provides them with the opportunity to develop the suite of skills and experience required to grow their startup ideas and build their businesses. Students will be required to complete micro-credentials or qualifications as part of the Startup Year program.

How can we ensure the Startup Year program brings the most value to students?

A key to providing value is understanding what students hope to gain from undertaking Startup Year. Utilising existing university accelerators allows Startup year to tap into the knowledge gained by those with experience running accelerator programs, some over many years. By looking at what startup founders have found most valuable in previous iterations, many providers are well placed to anticipate student value propositions and are already collecting this data to feed into their own accelerator program improvements.

Design elements to be considered for Startup Year could include:

- Ensuring each provider delivers a core of business development learning opportunities
- Core values for Startup Year to be common across providers, to assist with managing and measuring the student experience
- A clear definition of what a startup is, to ensure accurate outcome comparisons across providers

Data collection regarding the usefulness of components of a Startup Year program for the students involved would be essential for understanding the success of the program. Has the content delivered provided them with the skills, knowledge, and experience required to lead a startup?

Should students be able to receive formal and informal learning as part of the program?

Yes

How could a micro-credential or qualification best work in practice?

Enter response here

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

Enter response here

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

Enter response here

7 Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a startup idea through their studies and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their careers and have identified problems within their industries or communities for development.

We propose Startup Year loans focus on the former group, that is final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as additional support to bring their startup ideas to market.

Option: the loans could help bridge the gap between supply and demand, providing loans to students who miss out on a place within an accelerator program, are recommended by their supervisor as benefitting from access to additional specialised advice and time to refine their startup concept.

What are the benefits and risks in expanding the program to recent graduates?

Opening up enrolment to recent graduates as well as those who have not participated in university education before will open the access to anyone who has demonstrated the potential to start, build and execute on a startup. In our experience, those who have completed their study and had industry experience are in a better position to understand real world problems and the potential for how to solve them.

What are the benefits and risks in providing Startup Year loans provide to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

What are the benefits and risks in providing Startup year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

Enter response here

How can universities ensure these loans are allocated to the most suited students?

For students currently enrolled with a university a referral or recommendation process may be best, as it would allow university staff to recommend suitable students for the course based on predetermined priorities. For those that are not previously enrolled in an existing university course, an application process should be in place, outlining the startup idea's novelty, competitiveness and identification of skills required in the team to execute the idea is recommended.

What are other options could be considered?

8 Startup Year Pilot

The Startup Year initiative is anticipated to commence in the 2023 academic year. This can be achieved through a full program rollout, or through a first-year pilot phase. A first-year pilot phase would help to inform the future direction of the initiative, including validating processes such as registration and bidding, identify key themes in priority areas, student eligibility, and measures for success. The pilot would include a small number of places at a select number of existing higher education provider-based accelerator programs. This would include a national footprint, including at least one regionally based accelerator.

What are the benefits and risks for undertaking a first-year pilot?

Undertaking a pilot can test the demand for students who are interested in this type of support and potentially justify opening up the criteria for accepting first time enrolled students into Startup year as a standalone program

What lessons can be learnt from a pilot program?

Understanding any barriers to access for students from regional areas, educationally disadvantaged backgrounds and other equity measures could be researched and evaluated during a first-year pilot.

What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

For pilot participants, having providers with established accelerator programs and a range of industry and research connections would be beneficial. This would ensure that Startup Year participants are able to link with helpful industry partners or researchers suited to their particular startup.

23 November 2022

Startup Year Consultation
Department of Education
Department of Education, Skills and Employment
GPO Box 9880
Canberra ACT 2601

By email: accelerator@dese.gov.au

Dear Startup Year consultation committee

Startup Year Consultation

The Australian Investment Council welcomes the opportunity to provide this submission to the Department of Education, Skills and Employment on the development of a Startup Year Initiative in the higher education sector.

The Australian Investment Council is the peak body for private capital in Australia. Our members comprise the leading domestic and international private capital firms operating in Australia, and span private equity, venture capital, private credit, family offices, superannuation and sovereign wealth funds.

As the peak body for a large number of venture capital firms investing in Australian start-up businesses, the Council supports initiatives that drive entrepreneurship and diversification of the Australian economy. We share the views expressed in the Consultation paper about the valuable role that start-ups play in contributing to: a diverse and sophisticated domestic economy; addressing unmet community need; and offering Australia areas of comparative advantage.

Australia's higher education institutions are well placed to develop the domestic entrepreneurial capability required to grow new businesses and industries. They are a critical source of talent and research infrastructure, particularly in deep technologies. We are supportive of policies and initiatives that more closely align future entrepreneurs with those that will invest in research commercialisation, and the businesses that will result. We are also supportive of policies and initiatives that align with national priorities, although we would note that there is value in leaving some capacity for high-value, high-impact commercialisation opportunities that are not currently in the National Reconstruction Fund priority list.

Our responses to the consultation are based on the perspectives and experience of venture capital investors within our membership.

The contributions of venture capital to Australia's innovation ecosystem

Australia has a vibrant venture capital sector that has a track record of driving innovation through investment into businesses supported by new technologies. In 2021, venture capital firms invested \$A7.9 billion across 267 companies. Half of those companies were technology-focused,¹ reflecting where venture capital has invested over the past decade, into technologies such as deep space, fintech, cyber security, renewables and low emissions technology, agriculture and food and health and medical services. Many of these align with the National Reconstruction Fund priorities.

¹ Australian Private Capital Market Overview, May 2022, Preqin and Australian Investment Council



We are supportive of programs that foster a deeper, broader and even more sophisticated start-up sector in Australia. Research that we have conducted biannually over the past two years shows information technology and technology-driven jobs account for a large proportion of job vacancies in venture capital-backed companies. Our most recent analysis at 30 June showed these vacancies were dominated by demand for skills in Fintech, Software as a Service, Artificial Intelligence and Information Technology.

Venture capital is critical to a sophisticated and sustainable start-up sector, as demonstrated in countries that are globally recognised for their innovation ecosystems, such as the US and Israel. Venture capital fund managers bring more than financial capital to a start-up. They work alongside founders: developing capability in key staff; identifying and mitigating risk; and contributing investment experience and operational know-how.

Many of the larger venture capital firms operate their own accelerators. For example, the Startmate program is affiliated with Blackbird Ventures and offers a 12-week course, a \$75,000 investment, mentorship and a competitive pitch process for investment. The global Antler Fund, which operates in 25 countries, offers payment and support for start-ups selected through a competitive application process, to commercialise their ideas.

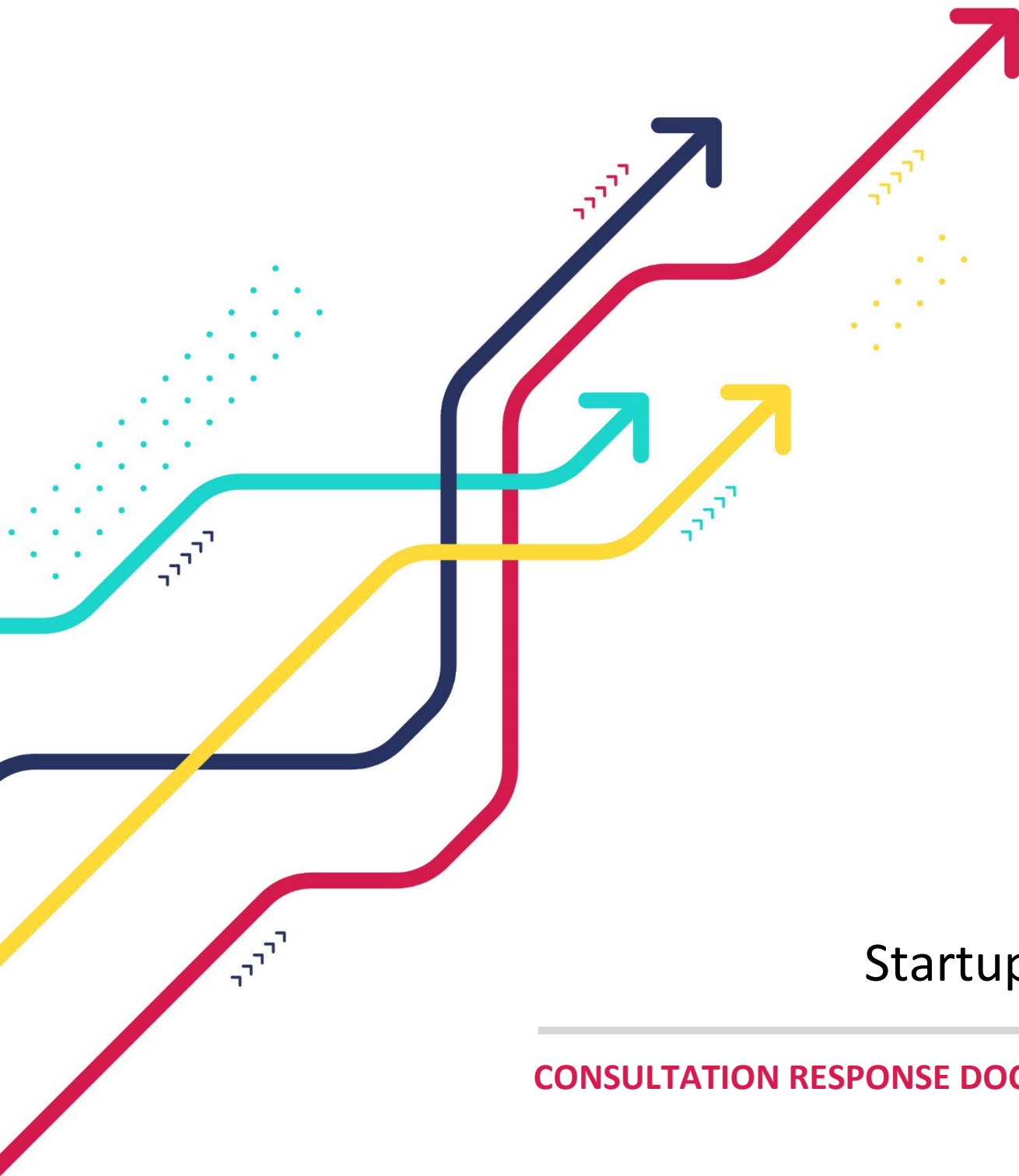
In our view, a sophisticated start-up sector would offer a range of pathways for projects to be translated into start-ups and commercialised. A well-designed Start-up Year program could provide one of those valuable pathways. A key consideration is that pathways complement each other and support diversity such that high-value, high-impact projects receive equitable access to the innovation ecosystem, which incorporates higher education institutions, industry and the investment community.

The Council looks forward to participating in any future discussion about the themes set out in this submission as part of the consultation process. If you have any questions about specific points made in our submission, please do not hesitate to contact me or the Council's policy team at policy@aic.co.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Navleen', is positioned above the printed name.

Navleen Prasad
Chief Executive Officer



Startup Year

CONSULTATION RESPONSE DOCUMENT

Startup Year Consultation Submissions

Please use this response document to provide a submission to the Department of Education on the proposed Startup Year initiative.

Completed submissions are to be submitted to accelerator@dese.gov.au. Submissions should not exceed 1,500 words. Please contact the Department if you require this document in an alternate format.

Submissions will close at **11.59 AEDT Tuesday 15 November 2022**

Please provide your details in the table below:

Organisation name	Australian Investment Council
Organisation type (e.g. university, startup)	Peak body
Contact name	[REDACTED]
Contact email	[REDACTED]
Do you agree to have your submission published online? (if left blank, your submission will not be published on the Department's website)	Yes

1 Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

We support the proposed definition and suggest the specification of criteria that the higher education provider has some formalised links to industry. This will ensure a closer alignment between the entrepreneur's work, government policy and commercial investability. It will also better facilitate access to industry-led skills development.

2 Registration Process

A recurring registration process will be established for providers to participate in the Startup Year initiative. To register, providers will be required to submit an application, which must include the following information:

- Program overview and outcomes, including any supporting documentation, policy documents and business outcomes
- Program components over the business-focused year
- Student enrolments (actual and projected)
- Activities, facilities and non-financial support provided and their associated costs or value
- Funding available to participants
- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)

Optional: links to existing case studies

What other accelerator success measures could be considered as part of the registration process? For example, growth in student numbers, diversity in student cohort, number of successful startups or commercialised products from participating students, job creation, and industry partnerships?

Venture capital firms value working with founders and entrepreneurs with commercial and/or business skills. We would welcome that a requirement that the business focused year delivers formal learning in skills such as structured experimentation, making difficult decisions, team building, risk tolerance and fundraising. We would recommend that the accelerator demonstrate that it has actively worked with industry to develop the business year program components.

What social and community impact measures could be included?

We believe that other respondents may be better placed to respond. However, in order for this program to achieve the desired outcomes, we endorse an approach that leads to student participants coming from a diverse range of socioeconomic, gender, and cultural backgrounds. We would suggest the eligibility criteria require accelerators to demonstrate how they would achieve diversity through the aforementioned, and other, lenses.

3 Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

- Be an Australian University or University College
- Have clearly defined program outcomes, industry partnerships, and student engagement strategies
- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well-defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

We support the proposed criteria, notably demonstration of commercial and industry links as well as enabling diversity within the cohort. We would encourage policy makers to take a sophisticated approach to defining diversity so that it is viewed through multiple lenses.

Investors would also welcome criteria that demonstrates the tertiary provider has links to an innovation precinct. These precincts are the infrastructure that enable collaboration with relevant parties including industrial users of commercialised innovation. Innovation precincts resemble how start-up and venture capital businesses work in practice, which in and of itself provides valuable applied learnings for student participants. A number of regional universities have a notable track record of working with innovation precincts.

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

In setting criteria, we would recommend that criteria have enough flexibility to ensure that regional higher education institutions are not structurally excluded from participating in the program.

4 Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

We support the alignment to the National Reconstruction Fund priorities and make the additional suggestion that the program design has sufficient capacity for high-value, high impact start-up opportunities that are not currently in the priority list.

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally-based startups?

While we recognise the limited capacity of governments to fund this program, we would suggest that the current funding model may exclude some high-calibre students who, because of personal circumstances, may not have the capacity to take on additional student debt.

We support criteria requiring higher education institutions demonstrate the funding that would be available to students so that places are either fully or co-funded.

Without compromising the integrity of the eligibility criteria, consideration could be given to reserving a proportion of the allocation to regional universities.

5 Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas. As there will be diversity in the ideas, industries, and student background, a key consideration of the program is how to best provide value to the student, ensure quality program delivery, and best facilitate positive student outcomes.

Does the proposed approach fill a gap in the market?

Ultimately students and the accelerators that work with them will be best placed to advise on what is of value to them. From an investor's standpoint, if Start-up Year participants have used their year to ready themselves and their research for 'pitching' to angel, venture capital or other early-stage investors, the program would be well positioned. Additionally, Start-up Year needs to complement the accelerator programs operated by venture capital firms (participation in these competitive programs is typically fully funded by the venture capital firm).

It could be worth considering whether the top start-up projects developed under Start-up Year are pitched to a panel of angel, venture capital and other early-stage investors (as well as industrial users). This would provide students with access to a wide range of funders with different investment criteria and provide funders with opportunities to consider projects that they may not otherwise see. This may be particularly useful to investors that do not operate their own accelerators.

Is there a clear value proposition for students and higher education providers?

We defer to other stakeholders on this question.

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

We defer to other stakeholders on this question.

What else could be considered to support the ambition to establish new firms?

In many instances, start-ups seek funding for venture capital firms prematurely. Formal learning that develops commercial and business skills would help address this, as would access to mentoring by venture capital firms and/or those who have already had experience in translating a project into a business. We would suggest the higher education institution provide specific details of the mentoring program that would be available to Start-up Year students.

What data is required to measure the success of participating in university-based accelerator programs?

- The number of students that apply for the program (as a measure of student perceptions of the value delivered relative to the cost)
- The number of projects that are translated into investable businesses
- The number of students who do not translate their project into an investable business but remain in the innovation ecosystem (eg: are employed by industry or investment firms)

How do we measure the success of the Startup Year initiative and the participating students?

Based on the purpose outlined in the consultation paper, Start-up Year would be successful if it:

- Leads to an increase in the number of projects that are translated into investable businesses; or
- Increases the number of people who choose a career in the innovation ecosystem
- Boosts the diversity of the people who choose a career in the innovation ecosystem (with diversity viewed through multiple lenses)
- Leads to high-value, high impact collaborations between higher education institutions, industry and the start-up community (including investors)
- Retains Australian innovations and talent for at least several years after completion of Start-up Year

6 Student experience

Students are the central stakeholder for Startup Year initiative, as the recipients of loans and the driver of startup creation and innovation. As such, it is important that the student experience is considered in the Startup Year design and delivery, to ensure the program meets their needs and provides them with the opportunity to develop the suite of skills and experience required to grow their startup ideas and build their businesses. Students will be required to complete micro-credentials or qualifications as part of the Startup Year program.

How can we ensure the Startup Year program brings the most value to students?

We anticipate that students would value opportunities to:

- Build networks with key industry participants, including start-up investors
- Learn the business of entrepreneurship
- Understand the different types of funding available – public and private – and how to successfully raise funding
- Receive recognition for completing skills-based training that is not part of a degree program

We would welcome an opportunity to explore whether the Australian Investment Council's Venture Capital 101 course could meet micro-credentialling requirements.

Should students be able to receive formal and informal learning as part of the program?

See above

How could a micro-credential or qualification best work in practice?

Assuming the micro-credential augments or develops relevant skills outside of the degree program, a certificate of completion could be relied upon by the student when presenting their skills and expertise to a potential funder.

Using private capital industry courses as an example, industry-led programs are generally based on current best practice and provide insight into how the industry approaches the issues that students would have to address when seeking funding for their start-up.

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

We defer to other stakeholders on this question.

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

If the policy intent is to retain high-value, high-impact start-ups and talent, we would suggest the program focus on partners that would support the student and their start-up remaining in Australia.

More broadly, a Start-up Year program that facilitated networks with finance partners, other start-ups and relevant industry participants would seem consistent with the purpose, as outlined in the consultation paper.

7 Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a startup idea through their studies and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their careers and have identified problems within their industries or communities for development.

We propose Startup Year loans focus on the former group, that is final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as additional support to bring their startup ideas to market.

Option: the loans could help bridge the gap between supply and demand, providing loans to students who miss out on a place within an accelerator program, are recommended by their supervisor as benefitting from access to additional specialised advice and time to refine their startup concept.

What are the benefits and risks in expanding the program to recent graduates?

From an investor's point of view, expanding the program to *recent* graduates can be beneficial as this cohort may have already spent some time in the workforce and developed some relevant business skills. We would suggest a time-based definition of 'recent graduate' to preserve the nexus between Start-up Year and the degree program.

If the program were extended to include students who have missed out on a placement in an accelerator program, we would suggest the accelerator have some input into selecting these students. The accelerator would already have screened the student and the project and this information may be useful in determining whether the student has a reasonable chance of success.

What are the benefits and risks in providing Startup Year loans provide to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

We believe others may be better placed to respond. In principle:

- Steps should be taken to ensure there is no duplication of learning and development provided under the accelerator program and Start-up Year
- If the policy intent is to expand the universe of people in the start-up community, offering Start-up Year to those already in accelerator programs may dilute that intent

What are the benefits and risks in providing Startup year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

We would suggest considering some principles to inform policy design:

- Missing out on an accelerator does not automatically mean that the project may not become investable; they may need some further time and development
- Test and learn and fast fail should be encouraged in start-up culture. Through this lens, success would include the student developing the learnings and experience to move onto their next project (which may have better prospects of commercialisation), or find another role to play in the innovation ecosystem

How can universities ensure these loans are allocated to the most suited students?

We defer to other stakeholders on this question.

What are other options could be considered?

It is possible that capable students with high-impact, high-value ideas may choose not to participate in the program because they do not have the capacity to take on additional student debt. We would support universities putting place additional scholarships or other ways of funding / co-funding Start-up Year.

8 Startup Year Pilot

The Startup Year initiative is anticipated to commence in July 2023. This can be achieved through a full program rollout, or through a first-year pilot phase. A first-year pilot phase would help to inform the future direction of the initiative, including validating processes such as registration and bidding, identify key themes in priority areas, student eligibility, and measures for success. The pilot would include a small number of places at a select number of existing higher education provider-based accelerator programs. This would include a national footprint, including at least one regionally based accelerator.

What are the benefits and risks for undertaking a first-year pilot?

A pilot would be a good way to address any unintended adverse outcomes of the program design before it is formally launched. Students may not wish to fund their participation in a pilot program, and in that regard, it may be worth considering:

- a meaningful reduction in fees for students to participate in the pilot (with government and the university meeting the shortfall); or
- a fully-funded pilot that may involve a smaller number of students (eg 10 per cent of the desired program size)

In return, students would be required to provide active feedback on the program.

What lessons can be learnt from a pilot program?

- Whether the student experience is as anticipated
- The optimal ways for industry and the investment community to be involved in the program, and whether such involvement is sustainable
- The extent of alignment of projects with the National Reconstruction Fund priorities
- Unanticipated issues in operating the program

What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

We defer to other stakeholders on this question.

15 November 2022

Department of Education, Skills and Employment
Consultation on Startup Year

Email: accelerator@dese.gov.au

Dear Consultation Team

We understand, and share, the Government's desire for an expansion of opportunity for students to gain the experience that leads to the founding of new, high-growth enterprises.

We equally appreciate the complexities of designing a program that is universally applicable across the university sector, but that is flexible enough to respond to institutional diversity and socio-geographic realities.

We look forward to the coming Accord process for the opportunity it presents for the sector and stakeholders to work together to establish policy principles and mechanisms capable of expanding participation, and supporting a diverse and healthy system of higher education. Our own aspirations for this process include that there be a uniquely Australian model capable of determining where and when it is most effective to incentivise competition, and where and when it is most effective to incentivise collaboration or other mechanisms, for the benefit of students, universities and the regions they serve.

There are two key points we wish to make in this submission, a) that the proposed funding mechanism does not appear to create options for students or universities that don't already exist, b) that the initiative could provide new promotion and branding opportunities that, without careful design, has the potential to undermine regional areas, and the anchor institutions that serve them.

Funding mechanism to drive behaviour change:

It is not clear how the proposed funding mechanism provides any options for students or universities that do not already exist.

- Universities who are at their Maximum Basic Grant Amount can already enrol students into one-year award courses over their cap and receive student contributions. These universities are likely already operating programs at a scale that means additional students can be added without significant additional costs.
- Universities located in regional areas where participation rates in higher education are declining face a different context and different operating costs. Establishing sufficient scale to make programs sustainable is a constant consideration. It is possible that some universities, like JCU, could offer a one-year Startup Year award course within the MBGA and attract both the government and student contribution necessary to cover foundational costs.

If regional universities are precluded from eligibility for some of the 2,000 designated places on the premise that only the student contribution can be made available to participate in the initiative, this could lead to unintended consequences.

JCU works to engage students, staff, industry and the community with a [variety of opportunities](#), including, for example, access to 10X simulators, pre-accelerator and accelerator programs.

Startup Year promotion and branding

Aside from funding considerations, the Startup Year initiative, through the proposed registration process, will provide universities who are successful in attaining places with prestige and important public visibility of their activity, enabling the promotion of their offerings.

For regional areas, and the universities that are located there, it is counterproductive if government incentives foster competition across the sector for regional talent. Whilst a focus on ensuring regional students and graduates have access to quality opportunities is critical, it is equally critical that this is done 'in-place'.

Competition between institutions for students may be appropriate for capital cities where multiple universities operate within 90 minutes-drive to each other, but any design that incentivises these institutions competing to recruit students from regional and remote locations such as northern Queensland runs contrary to expanding opportunity. It works to undermine JCU as an anchor institution responsible for supporting sustainable regional development and reduces the possibility of regionally-based innovation.

It is essential that any perception that someone would need to leave northern Queensland, or enrol in a different university, in order to be part of the Startup Year, is not supported through poor program design. Any pilot that enables universities based elsewhere to take early positions as *being the place, or the institution, you need to be at in order to be part of the action* would do a disservice to northern Queensland, and the capability we are striving to build here. This is not to say that there is no room for inter-sector collaboration.

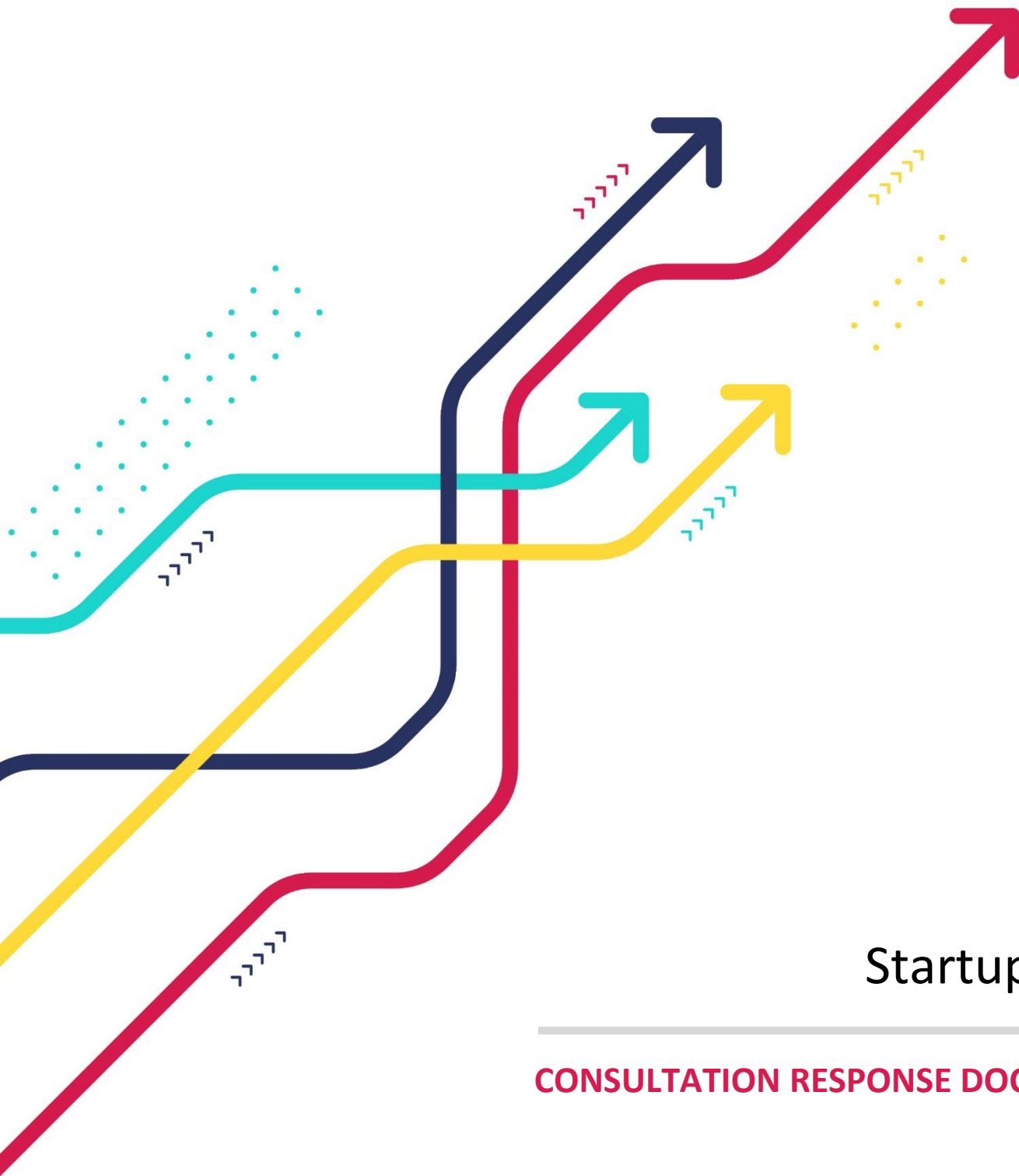
The proposed selection criteria that sets out that each tertiary provider should have 'the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians' (p 8.) is therefore misguided. If there are regional universities who are unable, or unwilling, to provide a Startup Year experience, then other universities could be invited to work through the regional universities to support local development of capability, but they must not be incentivised to draw talent out of the regions, or to different institutions, in order to satisfy an equity criteria that works against the interests of regional areas.

In terms of timing, JCU believes the program should enable reasonable timeframes for applications from universities, departmental assessment and allocations, and student recruitment, and that mid-2023 commencement could be premature. It is equally important that application processes for allocation of places and regulatory requirements thereafter are minimised to avoid administrative burdens that bring little benefit. It will be important that students in the Startup Year have access to Youth Allowance, Austudy or ABSTUDY to cover living expenses.

Yours sincerely



Professor Simon Biggs
Vice Chancellor and President



Startup Year

CONSULTATION RESPONSE DOCUMENT

Startup Year Consultation Submissions

Please use this response document to provide a submission to the Department of Education on the proposed Startup Year initiative.

Completed submissions are to be submitted to accelerator@dese.gov.au. Submissions should not exceed 1,500 words. Please contact the Department if you require this document in an alternate format.

Submissions will close at **11.59 AEDT Tuesday 15 November 2022**

Please provide your details in the table below:

Organisation name	Western Sydney University
Organisation type (e.g. university, startup)	University
Contact name	[REDACTED]
Contact email	[REDACTED]
Do you agree to have your submission published online? (If left blank, your submission will not be published on the Department's website)	No

1 Definition

For the purpose of Startup Year, an accelerator program will be defined as any higher education provider-based program that provides wraparound advice and services to support prospective and new entrepreneurs build their innovative startup ideas and create new firms.

Does the proposed definition appropriately reflect higher education accelerators?

Higher Education accelerators not only provide the traditional services characteristic of accelerator programs such as student-based firm creation, but also enable a more wholistic approach and environment to support student experience including a focus on entrepreneurial skills-based training, identifying a wider view of future career prospects including entrepreneurship and assisting overall job readiness. As a focus, WSU Launch Pad accelerator programs are designed to develop resilient founders, who create sustainable and innovative businesses, that meaningfully impact society and the community. Launch Pad does this through founder care, academic rigour, technology support and practical experience.

While starting firms is an important component of Incubators and Accelerator programmes, WSU suggests the Start Up Year program can consider the broader tangible benefits and value of higher education accelerators, acknowledging the importance of entrepreneurial skills attainment and mindset as a core focus of the program. It is important to note skills developed through accelerators can be applied either as an entrepreneur in terms of starting a new venture or as an intrapreneur in bringing creative thinking and innovation understanding with an entrepreneurial approach to working in an existing organisation.

Undoubtedly, a key benefit of the program in addition to firm creation and skilling founders can also be its potential to develop a strong start-up workforce. Developing startup ready workers is a highly significant factor for the growth of the sector in Australia as developing people who understand the context and operating environments of startups are able to naturally fit well within startup companies with a high potential to “hit the ground running” which is a key characteristic in many fast growing and agile startup companies.

This point of creating a Startup ready workforce is also important in the context of the competition for labour. In the current fierce environment where organisations are competing strongly for talent, start-ups are struggling to find and compete for labour with larger and established firms. A key outcome of this program can be the development of people who understand what it means to effectively work in start-ups and to have requisite skills to be highly valuable employees within a start-up company. Again, this reflects the notion that the program design should consider other outcomes beyond just firm creation and associated metrics.

In conclusion, the definition of accelerator is not erroneous – rather the inferred limitations to the focus on the establishment of firms is strongly encouraged to be broadened to include aspects of founder experience, participant subsequent employability, sustainability of firms established and overall transferrable skillsets acquired in innovation, startup workforce development, and entrepreneurial mindsets of participants.

2 Registration Process

A recurring registration process will be established for providers to participate in the Startup Year initiative. To register, providers will be required to submit an application, which must include the following information:

- Program overview and outcomes, including any supporting documentation, policy documents and business outcomes
- Program components over the business-focused year
- Student enrolments (actual and projected)
- Activities, facilities and non-financial support provided and their associated costs or value
- Funding available to participants
- Eligibility criteria for applicants
- Established industry, higher education and/or government partnerships
- Experience of key partners, supervisors and program contributors, including any successful former founders
- Faculties/industries (if applicable)

Optional: links to existing case studies

What other accelerator success measures could be considered as part of the registration process? For example, growth in student numbers, diversity in student cohort, number of successful startups or commercialised products from participating students, job creation, and industry partnerships?

Launch Pad is currently undertaking a range of innovation and Entrepreneurship programs that cover various metrics. These include learning outcome focused metrics that apply academic rigour to measure student skill attainment and achievement as well as various measures based on the ecosystem related benefits impact of programs.

These include:

- **Entrepreneurial skills** – defined learning objectives achieved based around pedagogy developed through Western Sydney University's (WSU) Venture Makers entrepreneurship training and development program
- **Student engagement** – number of students participating in programs and undertaking short courses
- **Graduate employability** – uplift in key transferrable skills (leadership, communication, team-work, research and analysis, pitching, persuasion etc.) and related improvement in job readiness with the view to measure long term graduate success
- **Industry connectivity** – development of high value linkages between students participating in the program with industry partners and future potential employers

In measuring technical and transferrable skills, WSU seeks a holistic approach to evaluation and in particular, how benefits delivered through programs can contribute to enhancing graduate employability. Launch Pad works closely with education advisors from the University's Learning Futures and Graduate Success teams to develop evaluation methodologies based on rigorous academic approaches and frameworks.

Examples of recent program evaluations include Launch Pad's Venture Makers Innovation Challenge events which target building entrepreneurial capability as well as a range of soft skills such as pitching, teamwork and analysis. A recent challenge event included a two-step student survey that measured baseline skills coming into the program and compared this with skills gained through participation in the program. Data from this process provided a strong understanding of uplift in both transferrable and technical skills, as well as general feedback that will directly inform and shape the next Innovation Challenge.

What social and community impact measures could be included?

- **Ecosystem impact measures may include:**
 - University ecosystem related benefits include the creation of new networks of students, academics, researchers and professional staff at the university which drives a culture of innovation.
 - Broad regional innovation ecosystem related benefits include exploring areas of impact such as the contribution of programs to economic development developed through the interaction between students, researchers and industry partners. These broader ecosystem benefits include the establishment of new knowledge networks, knowledge job creation, start-up funding investment attraction, growth in new products and services and revenue generation, gross regional product uplift and value add.
 - Develop unit integration with multiple University Schools of Discipline
 - Package short courses as pre-requisites and training components for start-up accelerators, commercialisation support and cluster-based alignment
 - Diffusion into the broader ecosystem with partners (clusters / schools / institutes)

3 Selection Criteria

To be eligible to participate in the Startup Year initiative, tertiary providers must meet the following criteria which will be assessed by Education and DISR:

- Be an Australian University or University College
- Have clearly defined program outcomes, industry partnerships, and student engagement strategies
- Demonstrated experience supporting students accelerate their startup ideas and build their skills and experience or a well -defined strategy to support this
- Have established research and commercial links to facilitate translation, commercialisation and immersion in the startup ecosystem
- Alignment with areas of national priority
- Have the ability to deliver an accelerator program with a diverse student cohort including regional students, including First Australians
- Demonstrated value proposition for the student and/or industry

Do the proposed eligibility requirements foster the required industry-university partnerships and student engagement? Are there any additional requirements that should be considered?

Yes, the proposed requirements are broadly considered relevant. However, if entrepreneurial skills attainment is to be central focus of the program as proposed by WSU, it will be advantageous to include the depth and quality of structured training and education delivery able to be delivered through the incubator or accelerator. There is a risk with the inclusion of entrepreneurial skills as a focus that delivery of support will end up being diffused in to Schools / faculties within universities as they may be better resourced to provide education delivery. This has the potential to lose the effect of providing the Startup Year program through actual incubators and Accelerators. An accelerator working in partnership with a School / Faculty may well be a suitable outcome based on individual universities structure, however this does need to be balanced with a strong focus on accelerator delivery also.

WSU Launch Pad has created the Venture Makers entrepreneurship training and development program independent of any one school or faculty in the university and has focused on building capacity and capability to deliver high quality and highly engaging learning experiences through the accelerator environment. We find this model works extremely well and gives us the opportunity to partner with all schools/faculties and hence engage a wide variety of students across areas such as STEM, Humanities, business and health etc.

Are the proposed criteria for registering higher education provider accelerators fit for purpose?

Yes, as above.

4 Allocation Process

Places will be allocated yearly, in a similar manner to the OS-HELP mechanism. There will be two rounds of revision and adjustment each calendar year.

With places being limited to 2,000 per year, what are some key factors to prioritise allocation? For example, links to priority areas, industry and regional connections, market value and commercialisation opportunities, social and community impact, diversity metrics.

Other factors which can be considered include regional priority areas and addressing the need to spread innovation and entrepreneurship support beyond traditional startup strong holds such as inner-city CBDs of major cities. The startup year program offers an important opportunity for Australia to realise maximum benefit of innovation potential in outer-suburban and regional areas which have traditionally not enjoyed the level of investment in startup support that major city centres have.

WSU Launch Pad has strongly demonstrated however that harnessing the innovation potential of outer suburban areas is crucial in maximising economic impact from startup and innovation activity more broadly. As an example, Launch Pad has supported 300+ startups emanating from the western Sydney region. These firms have delivered over 400 high value new knowledge jobs and delivered over \$150m of value add to the regional economy. By recognising that innovation and entrepreneurship and the creation of startup businesses is possible, and highly valuable to suburban and regional areas, the government has the opportunity to significantly lift the economic impact and ecosystem building effect that will lift Australia in terms of output and international global ranking such as is provided through the startup genome ecosystem ranking report. In addition to economic benefits of this inclusive approach to innovation support, lifting global rankings is particularly important for the attraction of global talent and investment.

What strategies can be in place to ensure students from educationally disadvantaged backgrounds have access to, and can achieve success through the Startup Year initiative, including to support regionally-based startups?

The latest census (2021) revealed just over 27 per cent of Western Sydney residents now have a university degree. That's a remarkable achievement for an area once synonymous with educational disadvantage. This highlights that Western Sydney is an asset - home to a young, skilled and diverse population. However, Western Sydney's skills surge has not been adequately matched by the necessary corresponding push in localised knowledge job creation. Relevant Commonwealth and NSW government initiatives have not kept pace with re/up-skilling efforts of residents. Programs have been insufficiently targeted to address areas of lower educational attainment, as well as the under-representation of women and multicultural residents in the labour force.

The StartUp Year initiative has a real opportunity to drive job readiness and knowledge job creation in Western Sydney, in particular getting the jobs close to where people live rather than continually pushing people into Sydney CBD. The workforce is there and waiting, with a young, energised, and diverse population positioned for such an initiative.

5 Program design to meet intended outcomes

A key ambition for the Startup Year initiative is to supplement the funding and resources in existing and emerging accelerator programs to allow more students to build and market their innovative startup ideas. As there will be diversity in the ideas, industries, and student background, a key consideration of the program is how to best provide value to the student, ensure quality program delivery, and best facilitate positive student outcomes.

Does the proposed approach fill a gap in the market?

In some respects, the proposed Start-up Year program is limited by the fact that it is tied to HECS-HELP funding and its related focus on undergraduate students. This means it could remove the potential for supporting start-up creation emanating from higher degree research (HDR) students. In addition to this, WSU's experience has found that start-ups that are established by postgraduate and higher degree research students as opposed to undergraduate students are generally likely to be more sophisticated and potentially include a deep-tech component, in the case of higher degree research students, which can often be of a much higher value as a start-up company.

WSU seeks to therefore flag that if the design of the program could be structured to offer benefit to HDR students, there would potentially be a much higher impact.

Furthermore, universities such as WSU, Macquarie, Newcastle and UNE have all opened their Business Incubators / Accelerators to the local community, recognising the great potential to extend the benefits of the institution to a wider group than current students, staff or alumni. This provides even greater complications as start-ups often contain a mix of stakeholders.

This may ultimately be a consideration that will be out of scope for this program due to its intended funding model, but is worth noting as a key consideration going forward.

Is there a clear value proposition for students and higher education providers?

Ultimately, there is definitely a strong value proposition for both students and higher education providers. The prospect of the program is very interesting, and WSU would welcome the opportunity to be considered to run a pilot in Western Sydney through its Launch Pad Incubator and Accelerator Program network, supported by the broader resources and skills of the wider University and its established networks.

What other design elements could be considered to ensure quality, a positive student experience and outcomes?

The WSU experience in working with all types of student start-ups is that, in general, the biggest benefit WSU can usually provide undergraduate students is to focus on entrepreneurial skills building and market/ecosystem immersion, rather than necessarily just firm creation.

This is based on experience delivering the Bachelor of Entrepreneurship and other programs where WSU notes that the process of an undergraduate student to start a company, in a context where they typically have very limited experience, limited networks, limited access to capital, can be very challenging.

WSU emphasises that this is a generalisation and it is certainly not impossible for undergraduate students to start companies - and there are successful examples, but looking at the cohort overall, WSU believes this is a reasonable view. This is coupled with additional complications if diverse groups who have low current participation in start up /accelerator type activities are to be specifically targeted by the programme.

The implication for this is that the program design should very much consider that measurable outcomes need to include other metrics than just firm creation and typical associated metrics such as capital raised, job creation and revenue etc., it should also measure benefits in skills attainment, connectivity and ecosystem immersion.

What else could be considered to support the ambition to establish new firms?

There are several technical issues related to the reality of delivering the start-up year program that will need careful consideration in the program design to ensure it can work practically, in particular, in relation to the issue of start-up teams, which is the more likely scenario rather than single founder start-ups.

If funding is directed through HELP-HECS, there begs the ultimate question of how the benefit will be distributed if one, or more, co-founders are involved in the venture. This complexity has various levels, including multiple founders within a university, founders spread across multiple universities, co-founders from the community joining a university-based founder within a team.

Also, teams that may include an undergraduate student and a postgraduate or higher degree research student will create challenges also.

In this respect the program in its current concept design probably would be able to much more easily deal with this challenge by focusing on an individual student to build skills as part of an engagement with the university incubator / hub as opposed to directing support in a way that legal/commercial/funding implications which are involved when a start-up is created.

These challenges are likely not insurmountable but will again require careful consideration in the program design.

What data is required to measure the success of participating in university-based accelerator programs?

Suggested data to be considered:

- **Entrepreneurial skills** – defined learning objectives achieved based around pedagogy developed through WSU's Venture Makers entrepreneurship training and development program
- **Student engagement** – number of students participating in programs and undertaking short courses
- **Graduate employability** – uplift in key transferrable skills (leadership, communication, team-work, research and analysis, pitching, persuasion etc.) and related improvement in job readiness with the view to measure long term graduate success
- **Industry connectivity** – development of high value linkages between students participating in the program with industry partners and future potential employers
- **Intrapreneurial skills and understanding** – benefits of entrepreneurial skills building and startup ecosystem immersion that can be relevant for application in existing / large firms
- **Startup worker certification** – consider making part of the program evaluating participants as certified or recognised startup sector workers that are pre-qualified and ready to join startup companies as opposed to being an actual founder of their own firm

How do we measure the success of the Startup Year initiative and the participating students?

In addition to the success factors already identified in other sections of this submission, such as skills attainment, workforce creation, intrapreneurial opportunities - factors such as the distribution of startup support beyond traditional start up strongholds in major city centres is a key factor that can be considered. As noted previously this widening of support to suburban and regional areas is a mechanism to promote inclusive innovation support that can maximise the economic value of the program and lift Australia's ranking as a global startup hub and innovation ecosystem.

6 Student experience

Students are the central stakeholder for Startup Year initiative, as the recipients of loans and the driver of startup creation and innovation. As such, it is important that the student experience is considered in the Startup Year design and delivery, to ensure the program meets their needs and provides them with the opportunity to develop the suite of skills and experience required to grow their startup ideas and build their businesses. Students will be required to complete micro-credentials or qualifications as part of the Startup Year program.

How can we ensure the Startup Year program brings the most value to students?

An important factor of the Start Up Year in general is the way it is communicated to potential participants. There is often the barrier of the “unknown” especially with regard to entrepreneurship style coursework and activities. Many students, especially undergraduates, do not see themselves as entrepreneurs/innovators, and err on the side of “safe” subject choices and courses – especially with the experience of the regional cohort in Western Sydney.

It is important to break down some of these barriers in the messaging and communication, to articulate that this program can make the student population consider a start-up as a genuine career option and the mass-scale promotion benefit that a major initiative such as this can be brought by such a significant step by government. This is a very important factor in building and positioning start-up in Australia and the nations commitment to being a major global start-up ecosystem.

Furthermore, there is great importance that the communications /messaging of the program is done in a way that resonates with students. This includes identifying and using relevant language and terminology for target groups, ethnic nuances, regional dialects and considerations to ensure students connect with the intention and structure of the program.

Should students be able to receive formal and informal learning as part of the program?

The short courses and/or micro-credentials created for students within Start Up Year may provide the additional opportunity for industry up-skilling and re-skilling, even if firm generation does not eventuate for particular applicants. This is then able to be duplicated to provide reciprocal benefits to industry mentors and other informal learning providers.

The University has a proven approach to project leveraged rollout, consistent with other projects WSU Launch Pad has undertaken. One such example is Advanced Metal 3D Printing training recently where short courses had been made available to WSU students, as well as local SME industry networks, after a bespoke project was completed with a partner.

In addition to direct access of course materials, the close engagement with industry to deliver students highly applied and authentic learning experiences throughout the program will offer strong mutual benefit to industry also. Industry networks will gain direct access to students as a source of new ideas, diverse “testing grounds” and innovative thinking - as well as the potential to source new talent, secure talent pipelines and access students for internships, placements and direct feedback within their businesses.

Subject to terms and conditions, the short courses developed have the potential to be offered to WSU alliance partners to grow reach and impact. Launch Pad is connected to many Business Incubator programs, providing a channel to promote access to the programs across a broader NSW network (subject to TOCs and other agreements).

How could a micro-credential or qualification best work in practice?

Western Sydney University has a highly developed entrepreneurship skills training program in place that could provide key learnings for the benefit of the Start Up Year initiative. Venture Makers is Launch Pad's entrepreneurship training and development program for students and staff designed to build and support an entrepreneurial culture and ecosystem. Delivered through Launch Pad and in collaboration with high profile industry partners, Venture Makers offers students, staff and community members immersive learning experiences focused on solving complex problems and addressing local and global challenges.

Venture Makers brings together interdisciplinary teams who work closely with mentors from industry to develop key graduate skills, maximise their employability while adding value for partners. Delivered at scale and with an open learning style approach, the program offers students the opportunity for hands on experience and the opportunity to develop key contacts while supporting their work integrated learning requirements as part of their course and/or via a micro-credential offering that may become credited to further study. Through the program, industry partner organisations have the opportunity to access fresh ideas, test their thinking with people from a range of disciplines and backgrounds, and engage with a talent pipeline focused on working collaboratively to address complex problems in real-world settings.

Venture Makers is a critical component to not just growing the startup sector in Western Sydney but actually building out the overall innovation ecosystem. WSU's approach is that entrepreneurship is "much more science than art", therefore it is crucial that while people are urged to take on risk and seek opportunities with the acceptance of failure, there also needs development training so they have the best chance possible of success.

The WSU approach is to be more pro-active in building knowledge and skills to understand how to find opportunities in today's complex landscape and how to be analytical in taking risks and executing effectively.

How would students access test, trial and learn facilities and projects to help build skills and understanding towards their own business idea?

Working in concert with leading WSU researchers, Launch Pad aims to de-risk, de-mystify and fast-track the development of advanced technology companies and other innovation opportunities. This is done through linking to expertise in areas such as AI and machine learning, extended reality, IoT, blockchain, additive manufacturing and Industry 4.0, among others.

As part of Launch Pad, WSU also provides access to maker spaces, equipment and facilities labs for use, knowledge building, projects and prototyping. This includes:

- New technologies, including 3d printing,
- Access to short courses such as AI, collaborative robotics, advanced software for design and analysis to further knowledge and practical applications of new technologies

- Support in project prototyping through a range of resources linked into the Launch Pad incubator innovation ecosystem, such as development of wireframes for apps and websites, testing and production areas for physical prototypes and products
- Direct access to Entrepreneurs in Residence, industry mentors and Venture Capital investors, among many others within the WSU innovation ecosystem to enable mentoring, feedback, critiques and knowledge building

If Western Sydney University Launch Pad were to be provided the opportunity to be involved in the pilot programme; Launch Pad would incorporate a full network of physical and online resources to support the creation, diffusion and dispersion of innovation and related projects throughout the Start Up Year pilot.

Should there be opportunities for students to engage with and build networks with domestic and international partners in finance and startups, as well as in their own industry of interest?

WSU is a strong advocate of the need for an innovation and entrepreneurship ecosystem to enable the foundations to build successful start-ups.

As above, through Launch Pad's network of industry partners, industry groups, current and past start up community, entrepreneurs in residence, Industry Innovation Leads, angel and venture capital investors, accelerator, researcher and alumni; there is a large community of large tech, innovation and entrepreneurship focused people already engaged and active within the WSU context who can interact and help develop Start Up Year participants.

Launch Pad delivers a suite of support services including workspace, mentoring, technical development, access to capital and network building. Since 2016, Launch Pad has directly supported over 300 start-ups, generating over 230 new knowledge jobs and adding nearly \$150m in value to the regional economy. With a global focus, Launch Pad seeks to support start-up companies to grow rapidly and access international markets, leveraging a network of global partners and ecosystem connections, as well as links to other global incubators, investors, industry partners and programmes.

7 Student Eligibility Requirements

When considering the current cohorts accessing higher education-based accelerator programs, two key personas emerge. The first are students and recent graduates who might have identified a startup idea through their studies and need wraparound support and mentorship to build and iterate their ideas. The second are more advanced in their careers and have identified problems within their industries or communities for development.

We propose Startup Year loans focus on the former group, that is final year undergraduate students and current post-graduate students. Students participating in an accelerator program, who are recommended by their supervisors, can access these loans as additional support to bring their startup ideas to market.

Option: the loans could help bridge the gap between supply and demand, providing loans to students who miss out on a place within an accelerator program, are recommended by their supervisor as benefitting from access to additional specialised advice and time to refine their startup concept.

What are the benefits and risks in expanding the program to recent graduates?

As noted throughout this response, WSU Launch Pad is fully supportive of an open network to foster entrepreneurship and sees tangible benefits in opening the program to graduates. As previously noted, graduates often have a greater understanding of their idea, subject, industry and /or deeper technological ability for application, often, than undergraduates. In turn, the fresh perspectives of undergraduate and other students provide a wealth of knowledge in fresh design, increased energy and current approaches to both industry partners, researchers, academics, other founders, entrepreneurs and community alike.

Through an open to community model, Launch Pad supports founders from across the Greater Sydney region including WSU students and researchers as well as founders that are not affiliated to the university. Through the established robust systems, processes, terms of reference, guidelines and other mechanisms in place, Launch Pad has been able to mitigate the risks associated with the diverse range of stakeholders, and provides encouragement that through calculated and managed approaches, the risks can be mitigated/managed to allow for broader stakeholder group interactions, participation and partnership within the university program delivery context.

The sheer size of the ecosystem is a very positive influence to promote the objectives of innovation and entrepreneurship. WSU is one of Australia's largest universities with nearly 50,000 students, and among the highest ranked and most progressive. The university is ranked in the world's top 100 universities under 50 years old in the Times Higher Education survey, and in the top 2 per cent of universities worldwide. In 2022, WSU was ranked number one in the world for Impact, scoring highly in several of the United Nations Sustainable Development Goals. Launch Pad can put large and small ventures in contact with more than 1,500 WSU researchers and link them to Launch Pad networks across government and industry.

WSU notes, however, the complexities around the distribution of financial support to a diverse range of multiple partners, however these complexities would hopefully not be insurmountable with careful consideration, structures and mechanisms in place.

What are the benefits and risks in providing Startup Year loans provide to students who have been accepted into accelerator programs? Does this provide a value add to entrepreneurs accessing these existing programs?

Noting the careful consideration of design and financial distribution, as above, the University overall views the inclusion of multifacets of the regional entrepreneurship ecosystem within the initiative to be positive.

What are the benefits and risks in providing Startup year loans to those who are earlier in their startup journey and have missed out on a place in an accelerator? Do the benefits, learning and experience outweigh the risk of failure?

Yes – as detailed above the benefits would arguably outweigh the risks, with careful mechanisms, considerations and mitigations in place.

How can universities ensure these loans are allocated to the most suited students?

Since 2016, Launch Pad has directly supported over 300 start-ups, generating over 230 new knowledge jobs and adding nearly \$150m in value to the regional economy. In its experience, the allocation of loans would be best suited to assessment into the program by established incubator/accelerator providers directly who have learned experience in targeting participants.

Identifiable traits include:

- Those with a strong commitment to the journey and not just strength in the academic components alone;
- Those with an idea that can be validated and developed throughout the program;
- Those who are “coachable” and open to feedback and advice;
- Those seeking to be part of the entrepreneurship community and ecosystem;
- Those who may particularly provide the opportunity for flow on benefits to underrepresented communities in start ups (such as female founders, culturally and linguistically diverse individuals, those who identify as First Nations People, among others)

The Launch Pad /Venture Makers Platform is run out of the standalone incubator within the university over an expansive geographic area. This is particularly beneficial, as it does not promote or hinder any subject matter disciplines from partaking in accelerator/ other incubator programs or micro credentials. Founders to date have come from very diverse and interesting disciplines, with accelerator programs strategically targeting subjects from clean tech, humanities/ social sciences, business, advanced manufacturing, software engineering, and beyond. Furthermore, this enables programmes to be aligned to regional and/or government priority areas of interest where applicable or desired.

What are other options could be considered?

8 Startup Year Pilot

The Startup Year initiative is anticipated to commence in July 2023. This can be achieved through a full program rollout, or through a first-year pilot phase. A first-year pilot phase would help to inform the future direction of the initiative, including validating processes such as registration and bidding, identify key themes in priority areas, student eligibility, and measures for success. The pilot would include a small number of places at a select number of existing higher education provider-based accelerator programs. This would include a national footprint, including at least one regionally based accelerator.

What are the benefits and risks for undertaking a first-year pilot?

WSU sees great benefit to undertaking a first-year pilot. The whole intent and ethos of the initiative aligns significantly with WSU's commitment to innovation and entrepreneurship for the region of Western Sydney, as well as through the broader international ecosystem. Some key highlights of alignment include:

- Western Sydney University has students from more than 160 different countries and cultures.
- Since 2016, Launch Pad has directly supported over 300 start-ups, generating over 230 new knowledge jobs and adding nearly \$150m in value to the regional economy
- Launch Pad has an extensively developed Venture Makers program that has widespread resources for immediate development and training implementation as part of Start Up Year
- The Venture Makers approach is highly structured and innovative in itself, arguably one of the most advanced existing in Australia. The development in collaboration with industry partners, and high profile entrepreneurs in residence bring substantial expertise to Launch Pad and the program delivery
- The Western Sydney Region has demonstrated high levels of interest and potential, that is currently untapped and underutilised post pandemic
- Western Sydney's strengths extend beyond population growth. It has a wonderfully diverse, multi-cultural community which is an incredible asset for innovation in global markets. Residents come from over 170 countries and speak over 100 languages, and the region has Australia's largest single Indigenous community
- There is great opportunities to leverage a once-in-a-generation boom across the region that will bring up to \$100 billion of investment – from such infrastructure aligned to the Western Sydney Airport/Aerotropolis, Western Parkland City, Innovation Precincts and the Sydney City Deal. WSU is highlighting that this massive investment provides a fantastic tech and innovation development platform where start-ups and scale-ups can work with major projects and large firms to provide innovative solutions to problems.
- Existing facilities and network for the multi access, diffused access and delivery modes.
- Range of micro credential and other offerings (such as data analytics, advanced sensing industrial IoT, industry 4.0, AI, gaming, clean tech, 3D printing, sustainability etc).
- Offering a highly unique location with mix of high quality programming, with existing expertise and access to maker labs, advanced software engineering, advanced testing equipment and academic research.
- Launch Pad operates from some of the most modern and technically advanced facilities in the country. This includes the new Parramatta Engineering Innovation Hub and the new Bankstown City campus which will incorporate a \$12m Factory of the Future as part of the incubator facility. Startups and SME's have access to these facilities and WSU's broader range of maker Spaces, labs and specialist equipment for processes such as 3D printing, super precision CNC machining and

collaborative robotics. The facilities are state of the art including advanced audio-visual and communications technologies, pod cast studios, green screen video studio, fitted out micro-factory spaces and co-working spaces for companies to co-locate teams of up to 20 people and a range of collaborative areas, meeting rooms, creative pods and casual spaces.

- Launch Pad is a unique innovation and entrepreneurship platform. Based at WSU's Penrith, Parramatta and new Bankstown City campus, it provides physical facilities, advice and networking for emerging and established ventures.
- WSU was Voted #1 in the World by the Times Higher Education Sustainability Development Goals for 2022

WSU has an established strength in its Launch Pad incubator and its mode of Venture Makers delivery that would enable immediate delivery of the Start Up Year. This coupled with the strength in the location of Western Sydney, the sophisticated innovation/entrepreneurship ecosystem, the focus on emerging potential market areas of regional and National significance, strong alliances with industry and financiers, as well as population demographics that allow for increased participation; would arguably provide a strong pilot opportunity.

What lessons can be learnt from a pilot program?

Operating a pilot in Western Sydney would deliver a range of learning. In addition to data gained from the pilot, if run through Western Sydney University, the pilot findings would be able to be leveraged to include the evaluative impact data that would be sourced from the broader Venture Makers program buttressing the pilot.

Pilot learnings could include:

- Evaluation of the impact of the physical and online components with the view to build and tailor support capabilities to foster greater success
- Evaluate the diversity and inclusion targets vs desired participation (including female founder, First Nation People founders, CALD, low SES and other metrics)
- The opportunity to leverage other existing programs to analyse benefit and scale of start up to leverage the pilot program greater
- Success rate of skill sets attained and potential start ups in progress/established/qualified
- Funding and delivery nuances required for adjustment

What criteria could be established for pilot participants? For example, location, student numbers, industry of focus.

Launch Pad has an established method of assessing applicants for both student, professional and incubator programmes, which would be extended to align with Government requirements. The main vehicle for delivery is envisioned through an adaptation of the Venture Makers program, tailoring the offering to best fit the required pilot objectives. As above, Western Sydney provides an excellent pilot location due to its growth, interest in innovation/entrepreneurship programs, untapped potential and access to currently underrepresented groups.

Launch Pad has longstanding and tested successful skills training programmes, through a multi site network, staff, existing operational capacity with expert resources and state of the art facilities, and existing/new micro-credential capability - that WSU feels would be an excellent pilot testing site for the Start Up Year. Subsequent to the pilot period, the University has the potential for large scale implementation for the greater delivery of an ongoing program.

Western Sydney University thanks the Australian Government for the opportunity to provide its feedback on the proposed Start Up Year initiative.