

Senator Tony Sheldon

Chair, Senate Education and Employment Legislation Committee

Parliament House
Canberra ACT 2600

5 April 2023

Dear Senator Sheldon

The Australian Technology Network of Universities (ATN) appreciates the opportunity to provide this submission to the Committee for its inquiry into the Education Legislation Amendment (Startup Year and Other Measures) Bill 2023.

In particular, I would like to restate ATN's longstanding support for the Startup Year program which the Bill enables through the creation of the STARTUP-HELP income contingent loan by amending the *Higher Education Support Act 2003* (HESA).

ATN strongly believes that good policy and programs often test the limits of current legislation. We would encourage the Government to continue examining whether HESA continues to be fit for purpose for programs such as Startup Year – particularly as it is targeted for students after graduation of an undergraduate degree. The requirement that Startup Year leads to the award of an accredited qualification is out of step with practice at existing accelerators and incubators which focus on startup success.

Our member universities are keen to work closely with the Government on the development and implementation of Startup Year and expand and extend our existing programs including Curtin Accelerate, Deakin ManuFutures, RMIT Activator, Newcastle's Integrated Innovation Network, UniSA Venture Catalyst and UTS Startups.

Startup Year will provide students with access to our world-class facilities and our sector-leading mentors, and the opportunity to learn from academic experts and test their exciting, new business ideas.

We look forward to engaging with the Government on the details of the Startup Year program that will be included in the Guidelines. Students from all backgrounds should share in the opportunity of Startup Year, so we support the Government's focus on providing entrepreneurship opportunities to students from diverse backgrounds.

For the Committee's benefit, ATN's submission to the Department of Education's consultation is attached. I would be pleased to provide the Committee with any further information it requires.

Yours sincerely,

Luke Sheehy

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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

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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