

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Employment, Workforce, Skills, Small and Family
Business

Higher Education Support Act 2003

Other Grants Guidelines (Research) Amendment (Australia's Economic Accelerator Launch Program) 2022

AUTHORITY

Section 238-10 of the *Higher Education Support Act 2003* ('the Act') provides that the Minister may make Other Grants Guidelines to give effect to matters under Part 2-3 of the Act in relation to 'other grants' payable under that Part.

Section 41-15 of the Act provides that the Other Grants Guidelines may specify one or more programs under which grants for particular purposes specified in the table in subsection 41-10(1) are to be paid.

PURPOSE AND OPERATION

The *Other Grants Guidelines (Research) Amendment (Australia's Economic Accelerator Launch Program) 2022* ('the Amendment Instrument') amends the *Other Grants Guidelines (Research) 2017* ('the Principal Instrument') to establish the Australia's Economic Accelerator ('AEA') Launch Program.

The purpose of the AEA Launch Program is to accelerate reform in the higher education sector for the translation and commercialisation of research capability by establishing an innovative funding program to invest in six priority-driven objectives aligned with the National Manufacturing Priorities set under the [Modern Manufacturing Strategy](#) announced by the Australian Government.

The new program will bridge the 'valley of death' – where early-stage research is frequently not progressed to later stages of development because of the risk and uncertainty about commercial returns. Without government intervention, new innovations and technologies will continue to stall in the valley of death.

The AEA Launch Program is an interim measure, designed to support the timely rollout of the AEA Program, announced as part of the Government's University Research Action Plan, by July 2022, and as proposed by the Higher Education Support Amendment (Australia's Economic Accelerator) Bill 2022 ('the AEA Bill'). The AEA Launch Program will provide grants to Table A providers, encouraging those providers to engage with industry in respect of supporting research activities with high commercialisation potential.

The AEA Launch Program will transition to the full-scale AEA program upon successful passage of amendments to the Act proposed by the AEA Bill. The full-scale AEA program will, among other things, extend eligibility to Table B providers and other bodies corporate.

REGULATORY IMPACT

The Office of Best Practice Regulation ('OBPR') has advised that a Regulation Impact Statement is not required (OBPR ID 44645).

COMMENCEMENT

The Amendment Instrument takes effect on the day after it is registered on the Federal Register of Legislation.

CONSULTATION

This Amendment Instrument implements the AEA Launch Program as part of the initial rollout of the Government's \$2.2 billion University Research Commercialisation Action Plan.

This Amendment Instrument creating the AEA Launch Program responds to extensive public and stakeholder consultation. The Hon Alan Tudge MP, Minister for Education and Youth, released a consultation paper in February 2021, and conducted a consultation process on how to maximise the social and economic benefits of Australia's university research sector. 171 public submissions were received during this process, which indicated broad support for:

- improving industry-university collaboration;
- mission-driven research modes;
- a stage-gated scheme; and
- expert governance.

The AEA Launch Program has also been selectively tested with, and endorsed by, the University Research Commercialisation Scheme Expert Panel ('the Expert Panel'). The Expert Panel consisted of ten universities, industry and science leaders and was convened on 11 November 2020 by the Hon Alan Tudge MP, Minister for Education and Youth.

STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Other Grants Guidelines (Research) Amendment (Australia's Economic Accelerator Launch Program) 2022

The *Other Grants Guidelines (Research) Amendment (Australia's Economic Accelerator Launch Program) 2022* ('Amendment Instrument') is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

The *Other Grants Guidelines (Research) 2017* ('Principal Instrument') sets out programs under which grants may be provided in accordance with Part 2-3 of the *Higher Education Support Act 2003* ('the Act'). The Principal Instrument also sets out conditions that apply to recipients of grants under the specified programs.

The Amendment Instrument amends the Principal Instrument by inserting a new program (in new Chapter 3) dealing with the allocation of grants to encourage higher education providers to engage with industry in respect of supporting research activities with high commercialisation potential (the 'Australia's Economic Accelerator ('AEA') Launch Program').

Human rights implications

The Amendment Instrument engages the following rights:

- the right to work – Article 6 of the International Covenant on Economic, Social and Cultural Rights ('ICESCR'), and
- the right to education – Article 13 of the ICESCR.

Right to work

The Amendment Instrument engages with the right to work set out in Article 6 of the ICESCR. Article 6(1) of the ICESCR recognises "the right of everyone to the opportunity to gain [their] living by work" and that the State will "take appropriate steps to safeguard this right". Article 7(2) cites "technical and vocational guidance and training programmes, policies and techniques to achieve steady economic, social and cultural development and full and productive employment under conditions safeguarding fundamental political and economic freedoms to the individual" as steps to be taken by a State Party to achieve the full realisation of the right contained in Article 6(1).

The allocation of grants under the AEA Launch Program will promote the right to work because it will support and help build strong links between universities and industry, and support researchers in developing the skills to develop their research.

Right to education

The Amendment Instrument engages the right to education, which is set out in Article 13 of the ICESCR. Article 13 recognises the important personal, societal, economic and intellectual benefits of education.

Article 13 provides that secondary education in all its different forms, including higher education, shall be made generally available and accessible to all by every appropriate means.

The allocation of grants to support the AEA Launch Program will promote the right to education because it will strengthen and ensure the ongoing quality of Australia's higher education sector through assisting higher education providers to develop research to a state of commercial investor readiness.

Conclusion

The Amendment Instrument is compatible with human rights because it promotes the right to work and the right to education.

**Minister for Employment, Workforce, Skills, Small and Family Business,
the Hon Stuart Robert MP**

**OTHER GRANTS GUIDELINES (RESEARCH) AMENDMENT
(AUSTRALIA'S ECONOMIC ACCELERATOR LAUNCH PROGRAM) 2022**

EXPLANATION OF PROVISIONS

Section 1: Name

1. This provision specifies the name of the instrument as the Other Grants Guidelines (Research) Amendment (Australia's Economic Accelerator Launch Program) 2022.

Section 2: Commencement

2. This provision provides that the instrument commences the day after the instrument is registered on the Federal Register of Legislation.

Section 3: Authority

3. This provision explains that the instrument is made under section 238-10 of the *Higher Education Support Act 2003*.

Section 4: Schedule

4. This is a technical provision that explains that the instrument that is specified in the Schedule to this instrument is amended as set out in the applicable items in the Schedule concerned.

Schedule 1 – Amendments

Other Grants Guidelines (Research) 2017

Background

5. Schedule 1 specifies the Australia's Economic Accelerator Launch Program ('AEA Launch Program') as a program under which grants may be made in accordance with subsection 41-15(1) of the Act by inserting a new Chapter 3 into the Principal Instrument.
6. Grants made under part 2-3 of the Act may be made for one or more of the purposes set out in the table in subsection 41-10(1) of the Act.
7. Item 1 inserts new sections 3.1 – 3.15.
8. New section 3.1 of the Principal Instrument sets out the purposes for which grants under the AEA Launch Program will be made. These correlate to the purposes listed in table item 7 – grants to support research by, and the research capability of, higher

education providers — and table item 13 — grants to encourage higher education providers to engage with industry.

9. New section 3.5 sets out the program objectives of the AEA Launch Program.
10. New section 3.10 sets out extra conditions of eligibility to receive a grant under the AEA Launch Program, in accordance with paragraph 41-15(2)(b) of the Act. New subsection 3.10(1) specifies that grants under the AEA Launch Program may only be provided to support projects that align with one of the priority areas as set by the Minister in program guidelines.
11. New subsection 3.10(2) explains that grants under the AEA Launch Program may be provided across two stages. Eligible higher education providers seeking a grant in the first stage must demonstrate industry engagement with the proposed project, and be able to demonstrate that the project activities are designed to provide: an experimental proof of concept, that the technology will be validated in a laboratory (or equivalent setting), or that the technology will be validated in an industrially relevant environment. In assessing these factors, regard will be had to the 'Technology Readiness Levels' ('TRL'), which assesses the maturity level of particular technologies. The factors align with TRL levels 3-5, and broadly align with TRL levels outlined by NASA. More information on the TRL is available on the NASA website: [Technology Readiness Level | NASA](#).
12. Eligible higher education providers seeking a second stage grant must provide a project plan that demonstrates a plan, developed in association with an industry partner, in respect of the technology proposed in their project: that the technology will be validated in an industrially relevant environment, that the technology will be demonstrated in an industrially relevant environment, or the system prototype associated with that technology will be demonstrated in an operational environment. As with stage 1, regard will be had to the TRL in assessing these factors. These factors align with TRL levels 5-7.
13. Section 3.15 explains that grants under the AEA Launch Program will be approved by the Minister in writing (in accordance with section 41-20 of the Act), be made in respect of projects, and be subject to conditions imposed on the grant by the Minister in writing under paragraph 41-25(1)(c) of the Act.