



Australian Government

**Department of Education,
Science and Training**

Commercialisation Training Scheme

Final Paper

June 2006

INTRODUCTION

As part of *Backing Australia's Ability – Building our Future through Science and Innovation*, the Australian Government announced that around 250 new postgraduate research scholarships would be created to develop skills in research commercialisation and intellectual property management. These scholarships will be delivered through a new programme called the Commercialisation Training Scheme (CTS). Approximately \$5m will be allocated under the CTS each year.

The objective of the CTS is to provide high quality research commercialisation training for the next generation of Australian researchers as a means of equipping them with the skills necessary to bring ideas, inventions and innovations to market. The CTS will provide increasing numbers of Higher Degree by Research (HDR) students with an understanding of, and exposure to, the concepts and processes involved in the commercialisation of research-based products and services.

The intended outcomes of the programme are to:

- enable Australia's next generation of researchers to better understand the commercial potential of research and better plan research activities in order to achieve commercial benefit
- enhance the career outcomes of HDR students
- provide a more highly skilled and valued research workforce for employers
- generate flow-on benefits to the broader Australian community through the enhanced delivery of innovative research-based products and services.

This paper discusses the key themes identified by stakeholders in response to the CTS issues paper published by the Department in January 2006. The paper also details the Department's final position on a range of CTS-related administrative issues, summarises the outcomes of a study into research commercialisation skills and seeks feedback on the draft CTS guidelines and draft CTS reporting requirements.

Published in conjunction with this paper are 3 documents:

- A report prepared by the Australian Institute for Commercialisation on behalf of the Department titled "Commercialisation Training Scheme Training Framework Study"
- Draft CTS guidelines and conditions of grant
- Draft CTS reporting requirements.

All documents can be found at:

http://www.dest.gov.au/sectors/research_sector/policies_issues_reviews/key_issues/commercialisation/Commercialisation.htm

We seek feedback on the draft CTS guidelines and draft CTS reporting requirements. Please direct all written responses to rbgrants@dest.gov.au by 7 July 2006.

If you have any questions, please contact:

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CONSULTATION

The Department published an issues paper detailing proposed administrative arrangements for the CTS in January 2006. We received 22 responses to the paper including 5 from Higher Education Provider (HEP) and student representative bodies, 15 from HEPs directly and 2 from individuals.

The CTS Training Framework Study, undertaken by the Australian Institute for Commercialisation, involved a survey of 30 HEPs, private business / industry organisations, publicly funded research agencies and venture capital businesses.

We thank all those who took the time to assist the Department with the development of the CTS.

RESPONSES TO THE CTS ISSUES PAPER - KEY THEMES

All responses to the CTS issues paper were thoughtful and constructive, and the final administrative arrangements for the CTS have been significantly influenced by the feedback. There were a number of key themes evident in the responses.

Firstly, there was strong support for the Government initiative with all respondents recognising the value of providing skills in research commercialisation and intellectual property management to the next generation of Australian researchers.

Secondly, there was overall support for the key administrative arrangements proposed for the CTS including:

- the allocation of CTS funds to eligible HEPs as block grants
- using the RTS formula to allocate CTS funding and
- allowing HEPs to identify and select high quality candidates for CTS training.

Respondents were very clear that in order to deliver the best pedagogical outcomes for students, CTS training arrangements would need to be flexible. There was strong support for allowing CTS training to be taken on a part-time basis, as well as full-time. In addition, many respondents believed that the benefits of the CTS were likely to be maximised if students were able to undertake CTS training at the same time as conducting their research projects so as to create complementarities between the two learning streams.

A number of respondents highlighted the need to provide greater flexibility in the use of CTS funds, particular within the context of facilitating flexible training arrangements. The proposal to allocate funding for around 250 notional places, each of which had the same value, was viewed as overly restrictive for a number of reasons. It was apparent that the nominated tuition fee component of \$8,000 for each CTS award was unlikely to reflect the true cost of providing CTS training in most cases; some respondents argued that the amount was too low while other argued it was too high. Some respondents also questioned the need to provide further living assistance to students who may already be in receipt of an Australian Postgraduate Award, Australian Postgraduate Award Industry (APAI) or similar scholarship. It was argued that these funds would be better used to support the training of additional students under the CTS. Conversely, others suggested that the proposed stipend component (equivalent to the full-time APAI half-year rate) was insufficient to attract the best research students to the scheme. Respondents also suggested that the CTS funds should also be allowed to be used to support ancillary costs associated with undertaking CTS training, such as travel costs.

DEPARTMENT'S POSITION TO ISSUES RAISED BY RESPONDENTS

These and other relevant issues raised by respondents to the CTS issues paper have been tabulated below. Stated against each issue is the Department's final position. The Department's position as stated in this paper is a general one only and must be considered within the more specific requirements of the draft CTS guidelines.

In particular, the Department will allow CTS training to be undertaken on a part-time or full-time basis and allow CTS training to be undertaken concurrently with students' research projects provided that CTS training does not unduly hinder students' research progress or compromise the quality of the research.

The Department will also allow some flexibility around the expenditure of CTS funds between the costs of delivering training and providing living and other allowances to CTS students. However, the Government has an expectation that around 250 students across the sector will receive CTS training each year and the Department will put in place reporting arrangements to monitor the number of students trained annually. If it becomes apparent that fewer than 250 students are receiving training each year, the Department will impose tighter constraints on how CTS funds can be used.

As a consequence of providing flexibility with regards to CTS training arrangements and the use of CTS funds, the Department expects HEPs to have policies in place that ensure students are fully informed about the scheme, understand their entitlements under the scheme and the level of assistance they will receive. HEPs must ensure that students are treated in an equitable manner when it comes to receiving assistance under the CTS.

CTS TRAINING FRAMEWORK

The CTS training framework has been informed by the outcomes of the 'Commercialisation Training Scheme Training Framework Study' undertaken by the Australian Institute for Commercialisation on behalf of the Department.

The study identified three areas of research commercialisation skills most valued by potential employers of higher degree by research graduates. These were:

- Commercial Know-how
- Technical Commercial Skills and
- Organisational Behaviour Skills

HEPs are encouraged to read the report. The Department has adopted the findings of the study and incorporated the recommended CTS course framework into the draft programme guidelines. We seek feedback on the general requirements for CTS training within the context of the draft CTS guidelines.

DRAFT CTS GUIDELINES AND CONDITIONS OF GRANTS

The draft CTS guidelines take into account the feedback received in response to the CTS issues paper and the outcomes of the CTS Training Framework Study. The guidelines will be added to chapter 8 of the 'Other Grants' guidelines which currently contains the guidelines for the Research Training Scheme and Regional Protection Scheme. The conditions of grant for the CTS are consistent with those developed for the other research and research training block grant programmes administered by the Department. The conditions of grant reflect the Department's position following recent discussions with the Australian Vice-Chancellors' Committee on this matter.

DRAFT CTS REPORTING REQUIREMENTS

The draft CTS reporting requirements are designed to measure general student participation levels along with demand for CTS training (measured by the number of applications received) and the role the scheme may play as a catalyst for broader research commercialisation training initiatives (measured by the number of 'non-CTS' students receiving training). Within the draft reporting requirements, we will also seek qualitative feedback on the perceived value of the scheme by HEPs and suggested improvements that could enhance the intended outcomes.

The draft CTS reporting requirements do not include the financial reporting requirements for the scheme. These are in addition to the draft CTS reporting requirements and will be incorporated into the Department's Annual Financial Data Collection.

CTS reporting will be required annually from 2008.

CTS ADMINISTRATIVE ISSUES

	Issue	Stakeholder Feedback	DEST position
1	Level of HEP participation in the CTS in 2007	<p>All HEPs that responded either individually or through representative bodies indicated that they would participate in the CTS, although some indicated that their participation would be subject to the resolution of certain administrative issues.</p> <p>There was general support for the Department to seek confirmation of participation in the CTS from HEPs prior to the allocation of funding in 2007 and to allocate all funds to only those HEPs that indicated they would participate.</p>	<p>The Department believes that the final administrative arrangements detailed in this paper and the draft CTS guidelines address the key concerns identified by the sector and we would expect the majority of HEPs to offer CTS training to students in 2007.</p> <p>HEPs will need to confirm in September 2006 an intention to participate in the CTS for 2007. HEPs that do not confirm an intention to participate at this time will not receive CTS funding for 2007. We will review the need for this process for later years following the outcomes of the 2007 allocation.</p>
2	Flexible training arrangements	<p>There was strong support for making CTS training available on a part-time or full-time basis.</p> <p>There was strong support for undertaking CTS training concurrent with HDR.</p> <p>Some respondents identified a need to extend the proposed completion length beyond 12 months to allow for part-time and modular modes of training delivery.</p>	<p>CTS training can be undertaken on a part-time or full time basis.</p> <p>CTS training can be undertaken concurrently with a student's HDR project provided that CTS training does not unduly hinder the student's HDR progress nor compromise the quality of the HDR.</p> <p>Students will have a maximum period of 2 years to complete CTS training subject to them continuing to meet the eligibility requirements, which include being enrolled as an HDR student. A limited exemption to being enrolled as a HDR student has been provided to allow students to complete CTS training during the thesis examination period.</p>

3	Allocation and use of funds	<p>Most respondents were supportive of allocating CTS funds according to the RTS formula but some stated that 'HDR completions' should not be weighted for high / low course costs.</p> <p>Some respondents identified that an allocation of funding based on notional places was unduly restrictive and requested greater flexibility in the used of CTS funds.</p>	<p>CTS funding will be allocated according to the RTS formula but 'HDR completions' will not be weighted for high / low course costs. A minimum grant amount will be set to ensure smaller HEPs receive a reasonable level of funding under the scheme each year. Later allocations may be informed by the outcomes of the Research Quality Framework.</p> <p>The Department will not allocate funding on the basis of notional places.</p> <p>HEPs will only be allowed to use CTS funds for:</p> <ul style="list-style-type: none"> • delivering CTS training • payments to another HEP to deliver CTS training • payments to CTS students to meet only the direct costs of undertaking CTS training such as the provision of a stipend for living costs or a travel allowance <p>With regards to payments to students, HEPs must comply with the fairness provisions contained in the Higher Education Support Act 2003 (HESA).</p> <p>HEPs must ensure that any assistance to which students are entitled under the scheme, and any conditions of CTS training, are very clearly communicated in the written offer to students.</p>
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4	Purchasing CTS training from another eligible HEP	There was very strong support to allow HEPs to either collaborate in developing and delivering CTS training or to purchase such services from another HEP. Without such a provision, many potential HEPs indicated that they would not be able to participate in the scheme.	CTS funds can be used to make payments to another HEP to deliver CTS training. While HEPs are free to collaboratively develop and deliver CTS training, or to purchase CTS training from another eligible HEP, the Department will not broker any such arrangements nor mediate any disputes that may arise from such arrangements.
5	Eligible CTS training HEPs	Several respondents sought clarification as to whether organisations such as vocationally focused Registered Training Organisations would be able to provide CTS training.	Only Table A and Table B HEPs as listed in HESA are eligible to deliver CTS training.
6	Training of 'non-CTS' students	A number of respondents wished to expand CTS training opportunities to include students not funded directly under the CTS.	HEPs are free to offer additional training opportunities over and above their obligation to CTS students provided that any additional offers are consistent with HEPs' policies and legal obligations.
7	Other sources of funding for CTS training	Some respondents considered that the proposed CTS arrangements imposed an undue restriction on HEPs accessing third party funding to enhance CTS training and provide additional training opportunities.	Funding from other sources can be used to enhance CTS training and provide additional training opportunities, however CTS funding provided by the Government must be accounted for separately for reporting purposes.
8	Interaction with other Government schemes	<p>Several respondents sought clarification as to whether current APA and APAL guidelines prevented students receiving a concurrent CTS living allowance stipend.</p> <p>A concern was raised that the part-time arrangements detailed in the APA guidelines were too restrictive to readily allow a part-time APA if a student was undertaking CTS training concurrently with a HDR.</p>	<p>APA and APAL scholarships are awarded in relation to research undertakings by students, whereas CTS awards are made for purposes that are regarded as being useful adjuncts to, but not an essential part of, the research work. Therefore, the payment of a CTS living allowance stipend would not offend the relevant eligibility criteria under the APA and APAL schemes.</p> <p>The 2007 APA guidelines (which comprise chapter 3 of the Guidelines for Commonwealth Scholarships) will make provision for receipt of a part-time APA if a student is undertaking CTS training concurrently with a HDR.</p>

9	Student eligibility	<p>Some respondents proposed that CTS training should be limited to Doctorate students only, while others saw value in making the scheme open to Masters students.</p> <p>The requirement for a student to hold an Honours 1 or high 2A undergraduate degree was regarded as redundant if a student had already been accepted into a HDR programme.</p>	<p>Both Doctorate and Masters by research students are eligible to receive support under the CTS.</p> <p>The requirement for a student to hold an Honours 1 or high 2A undergraduate degree in order to be eligible under the CTS has been removed.</p>
10	Selecting students for CTS training	<p>Some respondents believed that preferentially selecting students for CTS training on the basis of the commercial potential of their research was too limiting.</p>	<p>The basis upon which students must be preferentially selected has been broadened to those students that have the best prospects of pursuing a career that will utilise the skills, knowledge and experience gained during CTS training.</p>
11	Transferring between CTS HEPs	<p>Several respondents considered that measures to prevent a transferring HDR student from completing CTS training with a new HEP were too restrictive.</p>	<p>Provision has been made for students to transfer between CTS HEPs subject to the new HEP having sufficient CTS grant amounts of its own available.</p>
12	Evaluating the CTS	<p>Respondents suggested a range of possible methods for evaluating the outcomes of the CTS, most of which revolved around conducting longitudinal studies of employment outcomes and employer satisfaction.</p>	<p>The Department has yet to decide on a methodology to measure both short-term and long-term outcomes of the CTS and will seek further expert advice.</p>