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# GRANTS FOR VICTORIAN ANGEL NETWORKS

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Catalysing Early-Stage Startup Investments

## BACKGROUND

Victoria's startup ecosystem has undergone phenomenal growth in the past few years. There are now over 3,500+ startups in the State. In 2023, \$668 million was invested into Victorian startups. This was a reduction from 2021 and 2022 funding levels which averaged more than \$2 billion annually and reflected a global slowdown in VC investments. However, LaunchVic's data continues to show while the overall investment into Victorian startups has grown dramatically in recent years, there is a lack of early-stage venture capital.

Angel Networks play an important role in providing an avenue of early-stage funding for founders in a structured and purposeful way, as well as supporting aspiring VC Funds managers to hone their skills and build relationships with investors and a track record of success.

To date, LaunchVic has supported 10 Angel Networks and together these Angel Networks have recruited over 600 investors and activated more than 30 million into Victorian startups. Four have now 'flipped' to become VC Funds in their own right, leaving a potential space for more angel networks to enter the market.

By supporting operational funding for new Angel Networks, LaunchVic seeks to encourage a growth in early-stage investments in Victorian startups and an increase in the early-stage investor pool.

## OBJECTIVES

The objectives of this funding are to support new Angel Networks to establish in Victoria - by providing up to \$300,000 (exclusive of GST) over 2 years to cover operating costs.

The Angel Networks are expected to:

- Increase access to early-stage capital for Victorian Startups; and
- Increase the number of new informed and active angel investors in Victorian startups.

## DEFINITIONS

The below definitions apply to this Grant Round:

**Angel Investor** is an investor with a high-risk appetite who provides seed investments into early-stage startup ventures, prior to institutional investors including venture capitalists. Typically, Angel Investors provide more than investment alone – they bring business experience, mentorship and networks that can help the invested startup accelerate its growth.

**Angel Network** is a formalised group of Angel Investors that collectively evaluate and invest in entrepreneurial ventures. For the purposes of this grant round, Angel Networks include:

- Angel syndicates/groups where individual Angel Investors join together with other angels to evaluate and invest in entrepreneurial ventures; and
- Angel networks that match entrepreneurs and Angel Investors but remain neutral and generally refrain from formally evaluating business plans or angels.

**Existing Angel Network** is an established Angel Network of Angel Investors that is registered as an incorporated association or as a company through ASIC.

**Lead Partner** will lead the activities of the New VC Fund in Victoria and will be permanently based in Victoria as their primary place of residence.

**New Angel Network** is a group of Angel Investors that have not formally registered as an incorporated association or as a company through ASIC.

**Operating Costs** include staff salaries, event costs, insurance, accounting costs, legal costs, marketing costs, investment platform costs and any other reasonable costs to support the operations of the Angel Network.

**Startups** LaunchVic defines a startup as an innovative, technology-based business that can scale rapidly and capture mass markets.

Examples of technology-based businesses include: software and application development (Artificial Intelligence (AI), blockchain, big data analytics, e-commerce or marketplaces, augmented or virtual reality, Software as a Service (SaaS)), hardware, advanced manufacturing, sensor technology, robotics, autonomous vehicles, quantum technology, deep tech, and genomics and life sciences (including biotech & medtech). Once a startup has demonstrated accelerated growth sufficiently it becomes a scaleup.

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## ELIGIBILITY

Applicants must satisfy the following eligibility criteria:

1. Applicants must have demonstrable expertise in investing and/or supporting startups, and understand the key issues relevant to startup investing;
2. Applicants must be seeking funding to either:
  - i. support the establishment of a New Angel Network in the State of Victoria by registering as an incorporated association or as a company in the State of Victoria through ASIC; or
  - ii. enable an Existing Angel Network currently registered with ASIC outside of the State of Victoria to establish its first official branch/office in the State;
3. The Lead Partner must commit to permanently reside in Victoria.
4. Applicants seeking up to \$300,000 (exclusive of GST) over 2 years are eligible; and
5. Applications must be submitted via the [LaunchVic online application system](#) before the closing date and time to be eligible.

The following applicants are ineligible to apply:

- Existing Angel Networks that previously received funding from LaunchVic
- Applicants seeking funding for another proposal unrelated to a Victorian Angel Network.

All applications will be assessed for eligibility by LaunchVic. Applications that do not meet the eligibility criteria will not be assessed.

If you are unsure about your eligibility, please contact the [LaunchVic Grants Team](#).

## KEY ASSESSMENT CRITERIA

Applicants are required to address the following Key Assessment Criteria via the LaunchVic online application system. Included below are the required responses and the maximum word count for responses.

	CRITERIA	RESPONSE
<b>1. Angel Network Summary</b>	a. Describe the proposed angel network, including investment thesis. Please make clear any industry (vertical), technology (horizontal) or social (diversity, inclusion, and underrepresented founders) focus.	250 words
	b. Explain why Victoria needs this angel network, including addressable dealflow and how it differentiates from other angel networks operating in Victoria?	200 words
<b>2. Experience</b>	a. Who is the Lead Partner(s)?	Name LinkedIn CV (2 page max.)
	b. Please provide a capability statement of the Lead Partner(s) including: <ul style="list-style-type: none"> <li>• understanding of key issues relevant to startup investing</li> <li>• experience investing in and/or supporting startups to become high-growth companies</li> <li>• experience negotiating early-stage investments in startups</li> <li>• number of investments made in early-stage startups</li> </ul>	Upload (no more than 1 page)
	c. Are there any other Key Personnel involved in the Angel Network (e.g. an Investment Committee). You do not need to list administrative support.	Name LinkedIn CV (2 page max.)
	d. Please provide a capability statement for any Key Personnel listed in (c) above, articulating their relevant expertise.	Upload (no more than 1 page per person)
	e. Upload two letters of support for the Lead Partner(s), from two existing startup investors or experts.	Upload

<b>3. Membership</b>	a. Upload a list of Current or Committed Angel Investors on the template provided by LaunchVic. Information to include: Name, Email, Location (State), New or Existing angel investor. List must also include status (current 'member'/committed to join/in discussion/not approached yet).  <i>Information will be kept strictly confidential, LaunchVic may contact a sample for verification.</i>	Upload
	b. If funding is awarded, how many Victorian Angels will be committed to become part of the Angel Network in: 3 months, 6 months and 12 months?	Numbers
	c. How will Angels be recruited and what requirement, if any, must Angels meet in order to join the network?	200 words
	d. What is the minimum financial commitment you require from investors per deal?	Number
	e. What support, if any, will be delivered to support Angel Investor education, and the startup sector more broadly? (e.g. workshops, office hours)	200 words
<b>4. Organisational Structure and Deals</b>	a. Upload the proposed organisational structure for the Angel Network.	Upload
	b. How many deals in Victorian startups do you expect to close in: Year 1 and Year 2? Provide details on the expected average investment per deal.	Numbers 75 words
<b>5. Operating Model</b>	a. What is the proposed model of managing and facilitating deals? Will this be managed through a platform and if so, what platform do you intend to use?	150 words
	b. How will the Angel Network support follow-on funding? Include any details of the core team's relationships with seed/series A investors including VCs.	150 words
	c. Upload a clear timeframe of your process for investing in startups from initial approach to final decision.	Upload

<b>6. Finance and sustainability</b>	a. What will the annual operating costs of the Angel Network be in: Year 1, and Year 2?	Numbers
	b. Budget: outline the expenditure (Operating Costs) of the 2-year LaunchVic grant  <i>NB: Operating Costs include staff salaries, event costs, insurance, accounting costs, legal costs, marketing costs, investment platform costs and any other reasonable costs to support the operations of the Angel Network.</i>	Table
	c. When, and how, will the Angel Network achieve long-term sustainability?	150 words
<b>7. Risks</b>	Identify key risks and mitigants for the Angel Network	Table
<b>8. Diversity and Inclusion</b>	Outline how the applicant will address diversity and inclusion in its organisation and investments.	200 words

## ASSESSMENT AND SELECTION

Applications must be submitted via the [LaunchVic online application system](#) by the specified deadline.

Eligible grant applications will be assessed against the Key Assessment Criteria by an Assessment Panel comprising at least three LaunchVic personnel. LaunchVic may appoint an external expert to the Assessment Panel. Applications that do not meet the eligibility criteria will not be assessed.

**Interview:** Shortlisted applicants will be required to attend an interview with the Assessment Panel. Applicants may be required to provide additional information as part of the application process. Funding outcomes are ultimately determined by the LaunchVic Board (or delegate), and their decision is final.

**Due Diligence:** shortlisted applicants will undergo due diligence by LaunchVic (or approved third parties) who will conduct a Financial Risk Assessment.

- New Angel Networks will be required to provide information on the Company and Directors for the newly established organisation including (but not limited to): Full Name, Date of Birth, Address and list of other Director Positions.
- Existing Angel Networks looking to establish a presence in Victoria will be required to provide financial reports (up to 3 years) including (but not limited to) profit and loss statements, balance sheets and cash flows.

Information provided will be kept strictly confidential.

Applicants may be required to provide additional information as part of the application process.

LaunchVic may enter negotiations with shortlisted applicants to refine project proposals.

Funding outcomes are ultimately determined by the LaunchVic Board (or delegate) and their decision is final.

All applications are made at the applicants' own cost and will not be reimbursed, whether the application is successful or unsuccessful.

LaunchVic is offering this grant round concurrently with an VC Support Grant Round. The number of angel network applications supported will depend on the quality of applications from both grant rounds. LaunchVic is under no obligation to award any grants under this grant round if applicant quality is not sufficient. In this case funding will likely be directed to support more VC funds.



## CONTRACT

Successful applicants will be required to enter a legal contract (Grant Agreement) with LaunchVic and provide project reporting and evidence of project progress against KPIs to receive payments under agreed milestones. Approximately 15 percent of the total grant is allocated to milestone 1 and contracts typically include approximately five to seven milestones. The number of milestones, and amounts, are determined by LaunchVic.

## APPLICATION FORM

To register your interest in applying, preview and start an application form please go to the [LaunchVic online application system](#)

## TIMINGS

Indicative timings for this Funding program are as follows:

- **Round launched:** 29 January 2025
- **Information Session:** 12 February 2025 by webinar
- **Round Closes:** 31 March 2025
- **Communications:** to unsuccessful and shortlisted applicants by 24 April 2025
- **Interviews:** 28 April 2025
- **Communications:** to successful applicants by 15 May 2025
- **Contracting:** contract execution with recipients expected mid-late May.
- **Announcement:** an announcement will follow once contracts are executed.

## QUESTIONS?

If you have a question regarding this program, please email [grants@launchvic.org](mailto:grants@launchvic.org). Relevant questions will be posted on the LaunchVic website via the Grant Frequently Asked Questions.

## CHANGE REGISTER

NUMBER	SECTION	CHANGE DESCRIPTION SUMMARY	DATE CHANGE ISSUED