The SportsTech Report
Advancing Victoria’s startup ecosystem
August 2019
Hon. Martin Pakula, 
Minister for Jobs, Innovation and Trade 
Minister for Sport, Tourism and Major Events 
Minister for Racing

Foreword by Minister

Victoria’s startup sector is booming.

It is now worth $3.4 billion and early-stage startups have delivered 40 per cent growth in economic value over the past 12 months while Melbourne is listed in the world’s “Top 25 Global Ecosystems for both Talent and Connectedness”.

To sustain and grow this position as a globally-recognised startup hub, we need to focus on the core strengths of our startup ecosystem, as well as the broader strengths of Victoria. SportsTech is proving to be a key opportunity.

The 2018 Mapping Victoria’s Startup Ecosystem report identified HealthTech as a key strength for our state, with health and wellbeing technology startups accounting for 13 per cent of all startup activity.

This year we also recognise the growing strengths of SportsTech, a complementary sector to HealthTech and accounting for a further 4 per cent of startup activity in Victoria, home to 65 per cent of Australia’s sports technology industries.

These strengths, combined with Victoria’s reputation as a world-leading hub for both high-performance and community sporting programs, provide an opportunity to capitalise on our position as the SportsTech capital of Australia, and secure a slice of this booming sector.

LaunchVic’s SportsTech Report is the culmination of consultation with a broad range of stakeholders and a review of the international landscape to deliver a comprehensive assessment of where we stand on the global stage, and the opportunities and challenges at hand.

This report articulates the opportunities that sit at the intersections of my portfolios and presents a compelling case for why investing in our strength in SportsTech will deliver future economic benefits for Victorians.
In 2019, LaunchVic partnered with KPMG to undertake a review of the Victorian SportsTech startup ecosystem. The objectives of this review were to:

- Highlight the current state of the SportsTech sector and the extent of opportunities for Victoria
- Identify and build alignment of ecosystem players
- Identify opportunities and key success factors to accelerate the growth of the Victorian SportsTech startup community.

KPMG undertook the following activities to produce the findings contained in the report:

- Desktop research and analysis, including a review of the local and global emerging SportsTech market
- Stakeholder consultation across the Victorian SportsTech sector, including: government, industry associations, SportsTech startups and established SportsTech businesses
- Survey of the Victorian startup community with an interest in SportsTech
- Validation workshop with key stakeholders to test the initial review findings

KPMG also considered the key success factors of emerging global SportsTech ecosystems through the development of specific case studies, identifying opportunities to build alignment and strengthen connections within the local ecosystem. The key findings of the review are outlined in this report – outlining the current state and future opportunities for Victoria’s emerging SportsTech startup sector.
Executive Summary

Why did we develop this report?

In any fast-evolving ecosystem, a sense-check at certain points on the growth trajectory is vital to its sustainable development. As such, we wanted to take stock as Victoria’s startup ecosystem begins to accelerate exponentially, taking the opportunity to map out the global SportsTech landscape, and distil insights about the local ecosystem’s strengths, prospects, sentiments and potential for growth.

Through consultations with key stakeholders, industry experts and a survey of the Victorian startup community, this report includes Victorian startup case studies, global and local predictions for the SportsTech sector, and recommendations on actions that Victoria could take to become a leading global SportsTech hub.

What did we find?

There are currently 112 SportsTech organisations in Victoria, mostly located in Melbourne. The local SportsTech sector has successfully leveraged the strength and global credibility of the Australian and Victorian sports sector to establish Melbourne as the undeclared SportsTech capital of Australia.

Now established and continuing to evolve, SportsTech startups in Victoria are accessing a wide variety of generalist support services and showing increasing growth potential. However, gaps in education, funding and support infrastructure still pose obstacles.

Globally, SportsTech is a fast-growing sector

SportsTech as an industry was recently valued at USD$27.5 billion in 2018 and is expected to grow to USD$93.8 billion by 2027, at a Compounded Annual Growth Rate (CAGR) of 14.7%, providing significant ongoing potential for Victoria’s local ecosystem.

• Leading global SportsTech ecosystems include UK (London), US (California), India and China.
• According to KPMG, the potential domestic growth of the Victorian SportsTech market over 10 years is predicted to be between $1 billion and $3.2 billion.
• Disability, mobility and inclusive sports are growing nationally and globally, which presents Victorian SportsTech companies with significant opportunities.
• Technology that fuels active recreation is also a key growth opportunity as global and local sports sectors aim to increase sports participation across the board.
• Total sports expenditure both domestically and globally is predicted to grow exponentially over the next few years.

Victoria has a strong and credible SportsTech sector, holding the undisputed position as the sporting capital of Australia

• Concentration of the sports sector, co-location of sporting codes headquartered in Melbourne and an extensive calendar of major sporting events are key influencers of this success.
• Victoria’s high-density, tight-knit sports community that spans professional and community sports, was also cited as a key support due to the robust testing environment it presented for SportsTech startups.
• Government leadership and support for new technology, as well as cross-sector collaboration and intersection with global trends, such as disability and mobility technology, all pose opportunities to further accelerate the growth of the sector.

Available support for the Victorian startup support system is established and evolving

• SportsTech startups are accessing a wide variety of generalist support services, highly valuing those tailored to SportsTech, including ASTN and the Sports Analytics Conference.
• Additional support required includes facilitated introductions to sports markets, networking sessions, support programs (for example, accelerators, incubators and co-working spaces), a dedicated mentoring program as well as sales and business development was identified as the most required skill to scale.

Current challenges identified remain barriers to growth

• 40% of respondents have had difficulty accessing funding, a perceived barrier to growth primarily for early stage SportsTech startups.
• Approaches to tech adoption in the sporting sector are also fragmented and ad hoc.
• Access to talent and skills is an issue across the sector and startups at all stages of maturity.
• The most difficult skills to access were computer/IT skills, followed by sales and business development skills.
• Access to university collaboration and industry-leading research remains hard to navigate.
There are significant opportunities for the broader application of SportsTech designed for elite athletes and participants with a disability or mobility issues.
Defining SportsTech

Enhancing human performance through SportsTech

Cross-market opportunities are amplified by SportsTech’s robust product testing environment.

The ecosystem is less regulated than other sectors such as health, and provides access to a testing environment where small improvements in performance are more readily observed and captured to demonstrate benefits.

"The high threshold and performance requirements of elite athletes makes for a great testing ground. When you are dealing with elite sports, often changes that occur over a couple of minutes are so specific. To replicate these in the average person may take much longer as the change is gradual."

– Professor Tino Fuss, Swinburne University

- Human resources
- Retail
- Tourism
- Defence and security

- Health and wellbeing
- MedTech
- Clothing and textiles

- Data and analytics
- Marketing

- Business management
- Tourism
- Events

- Defence
- Gaming

- Broader media entertainment

Expanded SportsTech segments
Overview
Catapult designed sports technology with solutions for every element of the performance ecosystem, from wearable tracking to athlete management and video analysis.

Founded
2006

Location
Head office in Melbourne with staff in 30 locations

Co-founders
Shaun Holthouse and Igor van de Griendt

Current FTE
340+ staff globally

ASX listed
Since 2014

Website
www.catapultsports.com

The strength and reputation of Australian – and especially Victorian – sports science is respected globally and has been key in opening doors for us overseas, supporting our global growth trajectory.

Background
In 1990, a Cooperative Research Centres (CRC) program was established to enhance Australia’s industrial, commercial and economic growth. Shaun Holthouse and Igor van de Griendt led a team of researchers focusing on emerging micro-technology who partnered with the Australian Institute of Sport (AIS) on projects to measure physical performance. In 1999, the team invented wearable technology for elite sports teams, providing a legitimate solution to a long-standing problem in performance measurement and management. Catapult was founded in 2006 to commercialise the product.

Why Victoria
Catapult was founded in Melbourne because its founders were located there. Catapult continues to be based in Melbourne enjoying the credibility that comes with the market. Australian, and especially Victorian, sports science is well respected all over the world, and being from Victoria has helped open doors overseas.

Key startup supports accessed
Government support: A commitment at a state and federal level to driving high performance in sport underpinned the opportunities that led to the establishment of Catapult. Ongoing support for the sector, through initiatives such as trade missions, has supported global growth.

Strong sports science sector: The strength of the Victorian sports science sector has created opportunities for collaboration and partnership as well as offering a credible reputation that has opened access to international markets.

Where to next
The last few years have seen Catapult complete a number of key acquisitions. This includes the purchase of Canberra-based GPSports in 2014, market leader in video-based technology XOS Digital, as well as Ireland-based PlayerTek in 2016, and most recently SportsMed Elite and Baseline athlete management systems in August 2017.

STRENGTHS OF VICTORIA
- Credibility and density of the sports sector
- Strength of our sports science sector
- Networking and partnership opportunities through the sector
- Access to trade missions to support global growth

CHALLENGES EXPERIENCED
- N/A
The Australian Sports Sector
The Australian Sports Sector

What are Australia’s most popular* participation sports?

8.4 million adults

3 million children

participate in sport each year

From Saturday morning sports at the local primary school, to summer cricket at the MCG, sport and active recreation is a healthy pastime and fundamental part of life for many Victorians. From the community and grassroots level to professional athletes and arenas, over 90% per cent of Australian adults have an interest in sport.

In addition to being active participants, Australians are huge fans. The most recent ABS census data highlights that 43 per cent of the population aged 15 years and over attended a sporting event in 2009-10. Since 2003, over 286 million people have attended a sporting event of some kind across the country.

Australia’s sporting industry contributes a vast array of social, economic and health benefits, improving the wellbeing and liveability of our cities and communities.

*This focuses on organised sports in the top 15 most popular sports by participation. This does not include sports categorised as ‘active recreation’, such as walking, fitness/gym, running and bush walking that are also included in the AusPlay 2018 top 15. Sources: AusPlay Survey data, 2019; National Industry Insights, AIS Website; ‘Sport, Fitness and Recreation’; Sport 2030, Sport Australia, pg. 33; ABS data; ‘Spectator attendance at sporting events’ 2009-10; 4174.0 Austadiums, ‘Australian Sports Crowds’; Boston Consulting Group; ‘Intergenerational Review of Australian Sport, 2017’; **2018 Rugby Australia Annual Report.
Australia’s Thriving Sports Economy

$12.9 billion is spent each year on Australia’s sporting landscape (including fan engagement). This investment across the country can be seen to impact the wider economy, it is equivalent to 2-3 per cent of Australia’s GDP and an estimated total economic value (direct and indirect) closer to $50 billion.

As at the 2016 Census, Victoria had the highest volume of employment in sport and recreation* in Australia, at more than 21,000 employees, and the second highest state budget allocation to sport and recreation, behind New South Wales. Governments at all levels are involved in sport, with total government spending estimated at approximately AUD$2.1 billion. In the 2018/19 Federal budget, the government committed $230m in new funding for sport and physical activity, while at a state level, the largest expenditure on sports and sports infrastructure is driven at a local government level.

Sports is also a large and growing employer, supporting a national workforce of more than 220,000 people as well as a large commitment by volunteers, who donate approximately 158 million hours to sport per year. The Australian Industry Skills Council (AISC) has recorded growth of approximately 47 per cent over the period of 2008-18 of employment in sport and recreation activities.

*KPMG analysis of 2016 Census data, based on core categories of employment within the broader field of ‘Sport and Recreation’.

How has technology changed the sporting landscape?

Technology and innovation continue to disrupt the way Australians engage and participate in sport, contributing to the rise of SportsTech and its applications:

- Digital access has transformed how fans access and engage sports
- In professional sporting environments, this disruption has increased the monitoring and analysis of athletes to drive high performance.
- Sports engineering products are also increasing access to sport, in particular for people with disabilities***.

***‘Absolutely Everybody: State disability plan 2017-20’, outlining Victoria’s commitments to improve opportunities for people with a disability to access sport and recreation; through Access for All Abilities initiative/ Sport 2020 Plus, pg. 4 noting that the Aus. Government will fund a para innovation award for new tech developments in equipment that can be specifically used by elite para-athletes.

The Australian Sports Sector

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Employed persons in sport and recreation by place of work (Source: ABS, 2016 Population and Housing Census Data – KPMG Analysis)*

<table>
<thead>
<tr>
<th>State</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>VIC</td>
<td>21,389</td>
</tr>
<tr>
<td>NSW</td>
<td>20,259</td>
</tr>
<tr>
<td>QLD</td>
<td>12,785</td>
</tr>
<tr>
<td>WA</td>
<td>7,023</td>
</tr>
<tr>
<td>SA</td>
<td>4,347</td>
</tr>
<tr>
<td>ACT</td>
<td>1,325</td>
</tr>
<tr>
<td>TAS</td>
<td>1,112</td>
</tr>
<tr>
<td>NT</td>
<td>502</td>
</tr>
</tbody>
</table>

*KPMG analysis of 2016 Census data, based on core categories of employment within the broader field of ‘Sport and Recreation’.**

Australia's impressive national sporting calendar generates significant economic activity, particularly through the attraction of both international and domestic tourists. We have hosted key international sporting events including the 2006 Melbourne Commonwealth Games, the 2018 Commonwealth Games*, which sold more than 1.2 million tickets and delivered an estimated economic impact of $2 billion over nine years, as well as the 2000 Sydney Olympics.

Within this ecosystem, Melbourne has claimed the mantle of sports capital of Australia and is recognised as a global sports city**, with an annual calendar of flagship sporting events that has helped establish a thriving local sports ecosystem:

Flagship calendar of annual Victorian events

- **January**: Australian Open Grand Slam
- **March**: Formula 1 Australian Grand Prix
- **May**: Australian Gymnastics Championships
- **September**: AFL Grand Final
- **October**: Australian Motorcycle Grand Prix
- **November**: Spring Racing Carnival — Melbourne Cup
- **December**: Cricket Boxing Day Test Match

*Gold Coast 2018 Commonwealth Games Corporation, Annual Report 2017–18
Australian sport code and association websites.
**Melbourne was judged sporting capital of the world in 2016 for the past decade — media release from the Premier on 21 April 2016: https://www.premier.vic.gov.au/melbourne-the-sporting-capital-of-the-world/
The Australian Sports Sector

Key SportsTech trends

In all tiers of Australian sport, technology is evolving and advancing. The following provides an insight into key trends across the key Australian SportsTech market segments:

High performance elite sport

Australia has eight major players’ and athletes’ associations, representing over 3,500 athletes.

Key Trends

SportsTech is utilised as a tool to enhance elite performance and gain a competitive advantage.

Organised sport

25 per cent of the Victorian adult population, and 21 per cent of Australian adults nationally, participate in netball, cricket, tennis, AFL, soccer and basketball.

Key Trends

• Funding models are tied to participation rates, with fan engagement a core driver.
• Clubs are largely reliant on volunteers, and lack access to sophisticated back-office services and management support.
• Professional eSports tournaments are emerging in prominence, with Australia participating in the inaugural Nations Cup.

Social and community sport

There is a growing trend towards active recreation, underpinned by strong government support, with 62 per cent of the Victorian adult population, and 59 per cent of Australians nationally participating in active recreation, including: jogging and running, pilates, yoga and fitness or gym activities.

Key Trends

• There is demand to engage participants in unstructured and social sport and active recreation, with growing focus on health and wellbeing, increased participation by women and people with disabilities.
• There has been a surge in active wear sales, anticipated to grow by 5.7 per cent from $201.8m to a market value of $266m in 2023-24.
• Growth in wearable devices, representing 1% of Australian household expenditure on sport in 2018.

High performance sport has become an ultra-competitive “arms race” where countries pour hundreds of millions of dollars into elite programs aimed at landing gold medals and pushing nations higher up the Olympic medal table.

– Sport 2030

There is a missed opportunity for smaller and grassroots sports to engage with startups. Many tier 2 and 3 sports don’t have access to sufficient resources and funding, largely requiring similar types of solutions for the business management issues they are experiencing. There is an opportunity to aggregate the back office end of community sports club management in an effort to achieve successful sport business management at a community level.

– Ron Gauci, Chair of VicSport

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– Professor Tino Fuss, Swinburne University

These ‘Weekend Warriors’ are more open to innovating and adopting tech, but will look to industry and what elite athletes are using for proven results.

– Professor Tino Fuss, Swinburne University
Victorian SportsTech Startups – Case studies

Ida is developing sports footwear that is anatomically designed for women – initially focusing on designing the perfect women’s football boot.

Founded
2018

Location
Melbourne CBD, with a second office opening in Amsterdam mid-2019

Co-founders
Laura Youngson and Ben Sandhu

Current FTE
2.5

Website
www.idasports.co

Overview
Ida is developing sports footwear that is anatomically designed for women – initially focusing on designing the perfect women’s football boot.

Melbourne has proved an incredible proving ground for sports. It’s the fact that you have all types of sports here and everyone plays something, or has a team they follow. It’s made it a great experimental test ground.

Background
Ben and Laura founded Ida sports in early 2018. The idea stemmed from trying to solve a problem Laura faced as an avid amateur footballer, forced to buy men’s or children’s boots that were not anatomically correct for women and often of lower quality materials. After researching the market and speaking with other female athletes, Laura soon realised that this was a systematic problem – that everything was designed for men! In 2018, Ida developed a prototype of the boot - the Frankenshoe - and tested this with both amateur and professional athletes.

Why Victoria
Ben and Laura cite the strength and density of Victoria’s sports sector and culture of sport in Victoria as a key factor to their decision to base Ida sports in Melbourne. A key part of this has also been the amazing network of women’s sport – this has made Victoria a strong testing ground to trial their products and do market validation. Ida also acknowledge the strength of Victoria’s university ecosystem and has utilised a number of supports. This was also a key factor for Laura, who is originally from the UK, to move to Melbourne to study entrepreneurship at the University of Melbourne.

Key startup supports accessed
Accelerator programs: Ida previously participated in the ASTN accelerator program and are currently hosted by the RMIT Activator Accelerator.

University support: Ida has worked with a number of Victorian universities to access a range of supports, including: student talent, internships, research capabilities (such as 3D printing. Ben and Laura also give back to the community – mentoring other startups and students.

Where to next
Ida is currently developing a prototype of each size of their boot and have plans for a pop-up retail space so that women can try the boot before they pre-order. They are also looking to expand their presence into the European market in 2019.

STRENGTHS OF VICTORIA

- Credibility and density of the sports sector
- Strength of the university ecosystem
- ASTN support, including access to mentoring, local and global networks
- Growing women’s sport market – at both a community and professional level

CHALLENGES EXPERIENCED

- Access to flexible funding and investment to support growth
- Access to flexible talent to support growth stage and with available funding
- Lack of ecosystem understanding of the value and growth associated with women’s products
- Lack of diversity and inclusion of key ecosystem supports
The Global SportsTech Opportunity
SportsTech is considered an emerging global sector, thanks to the relatively low number of players and level of investment in comparison to other established sectors such as Fintech. As such, the huge growth occurring across the sector demonstrates a real opportunity for Victoria to become a recognised leader in what is only the beginning of a global movement.

A number of clear trends are underpinning this growth, from global sport audiences seeking to become more engaged in the viewing and participatory experience, to the rising popularity of eSports across many key markets.

### European and UK SportsTech Industry
- The European SportsTech industry grew by 27 per cent in 2018 with total investment in the sector of approximately €360 million.
- The UK has the highest percentage (29 per cent) of SportsTech startups in Europe.
- London is considered the hub of SportsTech startups within Europe and the UK – accounting for half of all UK SportsTech companies and nearly 16 per cent of all European SportsTech startups.
- London SportsTech startups received approximately €100m investment in 2018.
- ‘Media and fans’ is considered the largest sector in the UK SportsTech market.
- eSports only accounts for 6 per cent of European startups, but is showing huge growth, currently the second largest segment by investment.

### US SportsTech Industry
- North America, driven by the US, is the largest SportsTech startup market in the world.
- In 2018, there was a total investment of approximately USD$1.8 billion, an increase of 82 per cent from 2017.
- 41 per cent of US SportsTech startups are located in the western United States.
- California is a hub – with 28 per cent of SportsTech startups headquartered in the state.
- ‘Wearable devices’ have received the most SportsTech startup funding in the USA since 2014.
- There has also been a recent shift towards eSports, with some large investments seen in this segment.
Countries seeking to become early leaders in the emerging SportsTech sector are presented with a significant opportunity to secure a substantial slice of this growing global market. For this report, we chose to profile London, California and India, owing to their many similarities with Victoria’s SportsTech ecosystem, and the insights they may offer into potential opportunities for driving growth.

All three ecosystems are at different stages of development and underpinned by different supports that have been integral to their early growth. London and UK were selected based on the maturity of their markets, level of investment and growth in SportsTech startups, to inform an understanding of potential enablers. India was identified on the basis of the rate of growth and its potential as an export market.

Emerging global SportsTech startup ecosystems

**CHINA**

The Chinese Government have placed a significant focus on the broader sports sector, with a five-year national span to grow the value of the sports sector to USD$813bn by 2025, including through investment in new sporting facilities and innovative technologies.

This priority focus is evident by the recent growth of the broader Chinese sports industry by 11.1 per cent year-on-year growth in 2016 to USD$295bn.

Research suggests that Beijing accounts for 27 per cent of SportsTech companies, followed by Shanghai (20 per cent) and Hong Kong (19 per cent).

'Management and Organisation' (Management and Event Technology) is considered the largest component of the SportsTech market based on the number of companies identified across the market.

**CALIFORNIA, UNITED STATES**

Summary key factors

- World leading startup ecosystem, including connected university system, experienced founders and policy environment.
- Access to capital and dedicated SportsTech investors.
- Home of major sports clubs, and professional and college sports culture, with commitment to innovation - including club based accelerator programs.
- World leading Tech ecosystem.

**LONDON, UNITED KINGDOM**

Summary key factors

- Collective government leadership and focused effort.
- Commitment to SportsTech to enable increased physical activity and participation.
- Strength and credibility of the local sport and technology sectors.
- Sports sector’s commitment to innovation and technology as a key enabler.
- Established startup ecosystem, including club-based accelerator programs.

**INDIA**

Summary key factors

- Collective government leadership and focused effort.
- Commitment to SportsTech to enable increased physical activity and participation.
- Strength and credibility of the local sport and technology sectors.
- Sports sector’s commitment to innovation and technology as a key enabler.
- Established startup ecosystem, including club-based accelerator programs.

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Summary key factors

- Collective government leadership and focused effort.
- Commitment to SportsTech to enable increased physical activity and participation.
- Strength and credibility of the local sport and technology sectors.
- Sports sector’s commitment to innovation and technology as a key enabler.
- Established startup ecosystem, including club-based accelerator programs.

The emerging nature of the SportsTech sector globally presents an opportunity for those with an interest to become early leaders.
Victorian SportsTech Startups – Case studies

Rosterfy is an online technology platform for events workforce management, initially focused on sports events but with broad applicability.

**Overview**
Rosterfy was born in 2015 when Shannan Gove and Bennett Merriman identified a market opportunity to connect university students with jobs at sporting events. As their business grew, they realised they needed an online technology solution to manage their growing workforce. In 2015, they created a software platform for workforce management, and Rosterfy was born. Rosterfy initially focused on sports events, however they soon realised the platform had broad applicability and have since expanded the business into adjacent sectors (including charities and not for profits, and event suppliers) across three continents.

**Why Victoria**
Both founders are from Victoria and initially identified a gap in the Victorian sports events market, with the Melbourne Marathon their first client. The strength of relationships and the close-knit sports and events sector has provided them with introductions to new events, allowing them to organically scale and go where there is client pull, initially nationally and then globally.

**Key startup supports accessed**
- **Government support:** Rosterfy was part of AusTrade’s 2017 Landing Pad program, helping to enter the lucrative San Francisco market, where they have since established a local office.
- **Mentors:** Rosterfy have always accessed business mentors, and have found the most value from people with operational experience or knowledge of the local market who can provide insights into commercial supports.

**Where to next**
Rosterfy plan to focus on continued growth and deepen their experience and offering across a range of verticals, building on the flagship events they are supporting including Expo 2020, Dubai, London Marathon, the Super Bowl, and Rugby Sevens World Cup.

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**STRENGTHS OF VICTORIA**
- The openness of the Victorian sports events sector - collaborative nature, and desire to improve
- Local connectedness – strength of local relationships and introductions to local and global networks, support growth
- Strength of the Victorian sports events sector
- Access to business mentors throughout their journey

**CHALLENGES EXPERIENCED**
- People dismissed the idea early on, and did not provide support including university sector
- Access to affordable talent overseas
- Ability to scale operations (for example, HR business support) at a commensurate rate – due to a focus on business and product development
- Lack of awareness and community to help founders understand the investment landscape and ensure they are suitably prepared
Overview of Victoria's Startup Ecosystem
Countries seeking to become early leaders in the emerging SportsTech sector are presented with a significant opportunity to secure a substantial slice of this growing global market. For this report, we chose to profile London, California and India, owing to their many similarities with Victoria’s SportsTech ecosystem, and the insights they may offer into potential opportunities for driving growth.

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### Overview of Victoria’s Startup Ecosystem

#### Exploring the state’s growing and connected startup ecosystem

#### Industry strength and global connections

- There are eight unicorns (firms that have become billion-dollar companies) in Victoria
- The majority of Victorian startups (57 per cent) are exporting outside of Australia – with US, UK, NZ, China and India the key markets

#### Ecosystem supports and clusters

- Victoria has approximately 30 accelerator programs
- Approximately 60 per cent are specialist/sector focused
- Victorian startups have access to a significant number of events and networking opportunities – 35 per cent of startups have accessed a meetup group in the past 12 months

#### Investment and funding

- There are 31 startup investors supporting startups in Victoria and Australia
- In the last five years, $1.73bn has been invested into Victorian startups and scale-ups (766 deals and 504 companies)

#### Talent and employment

- Melbourne is ranked Top 25 Global Ecosystems for Talent
- A total of approximately 26,000 FTEs are employed by Victorian startups
- The percentage of female founders is increasing (28 per cent in 2018)
- Nearly 1 in 5 Founders are considered serial entrepreneurs with experience in firms valued $20m or higher

Startup Genome, Global Startup Ecosystem Report, 2019; Startup Genome, Melbourne Startup Ecosystem Report, 2018; LaunchVic and Dandolo Partners, Victorian Startup Ecosystem Mapping Report, 2018; LaunchVic website
The state’s SportsTech ecosystem comprises a diverse range of startups and rapidly growing companies that offer solutions to the wider sports sector. Within Victoria, the vast majority of these companies are based in metropolitan or inner Melbourne, as demonstrated by the map below:

The rapid emergence of companies in Victoria can be linked to the increasing availability of support for startups generally, as well as the establishment of targeted supports including the Australian Sports Technologies Network (ASTN) and the Sports Analytics World Series.

Victoria is the undeclared SportsTech capital of Australia

65% of Australian SportsTech industries are based in Victoria

The vast majority of Victorian SportsTech companies are based in metropolitan or inner Melbourne

There are only two identified SportsTech companies based outside of Melbourne, which are located in Geelong:
• Fysho
• POD Active

After Victoria, Queensland has the next highest concentration of SportsTech startups – with the Australian Sport Technologies Network (ASTN) estimating that Queensland companies comprise 28 per cent of their membership. The Queensland Government is increasingly supporting the sports and SportsTech sectors, hosting events including the Commonwealth Games and the SportAccord 2019.
Two of the most prominent SportsTech startups from Victoria that have proceeded to become well established companies are Champion Data and Catapult Sports; with Catapult Sports becoming a publicly listed company in 2014.
In compiling this report, KPMG identified 112 active and relevant SportsTech companies across Victoria. These companies were subsequently categorised under one of seven market segments (outlined below) to inform a Victorian market landscape analysis.

For the purpose of this mapping, companies were classified against one primary segment. However, it is acknowledged that companies are often pursuing opportunities across multiple market segments.

Victoria’s major players

There appears to be a Victorian market strength in ‘Wearable Technologies and Performance Enhancement’, with 44 per cent of companies primarily classified in this segment.

While no companies were classified primarily in ‘Stadium and Facilities’, survey analysis suggests that a number of Victorian companies are in fact working in this category, with nine respondents selecting this as a segment of interest.

There has been a significant spike in the founding of SportsTech companies across Victoria in recent years, with approximately 60 per cent of companies for which data was available having been founded since 2011. Those that have progressed to ASX listing are: Catapult Sports, DorsaVi, RhinoMed and QMS Media.
Overview of Victoria's Startup Ecosystem

### eSports
- Wicked Watch
- Draftstars
- Shunt
- Gain Line
- Athlete's AI
- Stakeform
- Infoplum
- Sports
- Sport

### Sports Analytics
- Alertworks
- Shunt
- SHURT
- Performance
- Sport
- Sports
- Sports
- Sport

### Social, Marketing and Fan engagement
- cCapps
- OnmyStudio
- Gemba
- SportsChamp
- Sports
- SHURT
- Drift

### Management and Event Technology
- Attendly
- MATCHREF
- InteractSport
- TEAMOR
- Otium
- SPORT LEISURE
- DMC
- Sport
- Sport
- Sport

### Wearables and Performance Enhancement
- dorsaVi
- 2XU
- XPD
- GMI
- MX3
- Form
- Form
- Sports
- Sports
- Sports

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What the sector is telling us
Surveying Victoria’s sportstech startups to understand key barriers, challenges and strengths.

Of the 42 SportsTech startup respondents:

- 85 per cent identified SportsTech as either a primary or secondary focus of their business.
  15 per cent indicated this was a sector of future interest.
- The majority of respondents are relatively small in size, with 61 per cent of companies indicating they have an FTE total of between 1-10, and nearly half (46 per cent) of respondents indicating an FTE total of 1-3.
- The majority (64 per cent) of respondents reported an annual revenue below $1 million, with almost half (41 per cent) being less than $100k.

*It should be noted that the relatively low sample size for stage 1 and stage 2 companies may mean the level of maturity across the sector is actually lower than reported.*

*A total of 42 responses were received for the survey, from 40 unique companies. Analysis for each question is based on the total responses received for the specific question.*
What the sector is telling us

Access to support

We wanted to find out what kind of supports Victorian SportsTech startups have accessed to date, and which would be the most valuable to them in the future. We also uncovered what kinds of challenges they faced, with accessing particular skills and capabilities cited most often. Startups were asked what support would be most useful for their future growth. Respondents ranked ‘Facilitated introductions to sports markets’ and ‘Dedicated networking sessions’ as the most valuable support to help them scale. This indicates the value respondents place on support for relationship building and connections.

KEY SUPPORTS ACCESSED

Most indicated they had accessed a range of soft and hard infrastructure supports to help them on their journey to date. The supports most heavily accessed were:

- Meetups (55%)
- Grants and incentives (52%)
- Co-working spaces (40%)
- Professional services (38%)
- Industry associations (36%)

UNIVERSITY COLLABORATIONS

Respondents were asked if they had worked with Victorian universities.

- Approximately half (47 per cent) of the respondents indicated they had collaborated with at least one Victorian university.
- All Victorian institutions (with the exception of Federation University) were selected by at least one respondent, with Victoria University, RMIT and the University of Melbourne the most commonly selected.

ACCESS TO KEY SKILLS

- ‘Sales and Business Development’ was identified as the most required skill to scale at 68 per cent. This was followed by ‘Marketing’, at 50 per cent.
- The most difficult skills to access were identified as ‘Computer/IT skills (interpreted as programming)’, followed by ‘Sales and Business Development’ and ‘Marketing’.

Respondents ranked ‘Facilitated introductions to sports markets’ and ‘Dedicated networking sessions’ as the most valuable additional supports to help them scale. This indicates the value respondents place on support that provides opportunities for building relationships and connections.
Access to funding and growth strategy

We asked respondents to comment on their ability to access funding and any barriers experienced in their target markets of interest.

**ACCESS TO INVESTMENT**

Respondents have accessed a range of funding, as follows:

- Government grants (38%)
- Family and Friends (26%)
- Angel Investment (24%)
- Venture Capital (14%)

**BARRIERS TO ACCESSING FUNDING**

- The majority (71% per cent) of respondents had accessed funding domestically, in Victoria or Australia.
- Approximately 40% of respondents have experienced barriers in accessing funding.
- Barriers tend to diminish as startups become more mature, with Stage 5 (Global) respondents reporting the lowest level of barriers to funding.

*It is noted that the sample size for Stage 1 and Stage 2 respondents who answered this question is relatively small. However, these findings are consistent with what was reported throughout the consultation process.

*A total of 42 responses were received for the survey. Analysis for each question is based on the total responses received for the specific question.
What the sector is telling us

Startup growth strategy and target markets

Startups were asked if their growth strategy was national or global, and which key markets they were targeting or currently working with in their go-to-market strategies:

### Startup growth strategy

- **National**: 20%
- **Global**: 80%
- **Both**: 0%

### Key markets identified

- **UK**: 80%
- **India**: 40%
- **Europe**: 60%
- **USA**: 50%
- **Australia**: 80%
- **China**: 40%
- **Other**: 20%

The majority (83 per cent) of respondents indicated they have a global strategy. New Zealand was identified repeatedly as an 'Other' market.

The US, Europe and the UK were the markets of greatest interest (ranging from 48 per cent - 55 per cent) of respondents.

India and China were also selected as a target market by approximately one-quarter (respectively 21 per cent and 26 per cent) of respondents.
Startups were asked what support would be of most useful for their future growth. Respondents ranked ‘Facilitated introductions to sports markets’ and ‘Dedicated networking sessions’ as the most valuable support to help them scale. This indicates the value respondents place on support for relationship building and connections.
Background
Champion Data was founded by Tex Hopkins, an ex-Carlton VFL player, most famous for his four goal effort in Carlton’s 1970 Grand Final win after coming off the interchange bench at half-time and Collingwood being ahead by 44 points. Originally established to provide data and statistics to support high performance coaching at clubs, with links to the North Melbourne Football Club during their premiership in 1996, the company has greatly evolved as a leading digital business. Following private investment in 1999 and a change of ownership in 2006, Champion Data has leveraged the core data capture platform to provide automated statistics and live data feeds across sports clubs, services and venues. Since 1999, it has held a licence as the AFL’s official provider of statistics and live data feeds, and is the official provider for Netball Australia and Netball New Zealand.

Why Victoria
Champion Data believes it is the strength of the sporting culture and sector in Victoria that makes it so open to technology and innovation – a culture focused on performance that has been cemented for decades, along with the density of sport that provides good access to customers.

Key startup supports accessed
Government support: Champion Data has participated in a number of inward and outward trade missions facilitated by the Victorian government.

University supports: Champion Data has accessed a range of research capabilities over their journey. Originally they had a partnership with Swinburne University, while more recently considering student internships (for example, the Australian Postgraduate Research Intern at Australian Mathematical Sciences Institute). They also have established links with leading researchers at Victoria University, La Trobe University and RMIT.

Where to next
The company is looking to further grow in Australia and to expand into global markets. Champion Data recognise there is a need to constantly innovate and are open to exploring different technologies and partnerships that align with their growth strategy.
The future: Leveraging Victoria's key strengths to maximise growth
Leveraging Victoria’s key strengths to maximise growth

Prospects for growth in Victoria’s SportsTech sector

KPMG undertook high-level modelling to understand the current and future growth prospects for the Victorian SportsTech sector. The key driver of this growth is based on current expenditure and activity in the Australian sports sector, both household and public.

KPMG Analysis. Household Expenditure Survey 2009-10 and ABS 5206.0 Table 8; Household Expenditure Survey 2015-16 and ABS 5206.0 Table 8

Two key sources of growth for Victorian SportsTech companies are:

1. Growth in the size of the Sports Sector
2. Increase in SportsTech’s share of sales in the Sport Sector

Based on 2015-16 data*, households with higher incomes (in the top third) allocate a higher percentage of their total expenditure to sport. The government also spends a significant share of the budget on sport, with an estimated AUD $2.1bn allocated in 2018.

*KPMG Analysis. Household Expenditure Survey 2015-16 and ABS 5206.0 Table 3; KPMG Quarterly Economic Outlook

**Note:**
- Sports Equipment
- Espectato admission fees to sport
- Sports lessons
- Sporting club subscriptions
- Wearable fitness technology
- Health & fitness studio charges
- Other
- Sports fees & charges
Prospects for growth in Victoria’s SportsTech sector

Domestic vs global expenditure

The modelling by KPMG indicates continued growth – both nationally and globally - for the SportsTech sector over the next decade, presenting a huge opportunity for Victoria’s ecosystem.

Although it should be noted that due to the emerging nature of SportsTech as an industry globally and difficulty in quantifying inputs, modelling provided should be used for high-level guidance only.

Predicted Australian growth

- Based on projected private and public expenditure on sport, KPMG analysis predicts the Australian sports market to grow at an approximate CAGR of 6.7% over the next decade.

- This equates to an estimated total sports expenditure of AUD $17.5bn - $21.4bn

- The projected size of the market for this sector ranges from just under AUD $1bn to just over AUD $3bn per annum.

Predicted global growth

- Estimates used are based on KPMG analysis that assumes global Final Consumption Expenditure in 2029 will be in the vicinity of USD$100 trillion.

- Based on a mid-point scenario analysis (10% market share for SportsTech) and range of GDP expenditure on sport as a percentage of total expenditure (0.8% - 1.2% based on the current sports expenditure of countries as a share of total expenditure), the projected size of the global market for SportsTech in 2029 ranges from approximately USD$82bn to $123bn.

Projecting the growth prospects of an evolving industry with undefined boundaries, including significant overlap with other sectors and inconsistent global data to inform modelling, is complex. As such, modelling provided based on economic drivers is for high-level guidance only. Refer to Appendix F for further details of limitations and key assumptions used to inform economic modelling.
Overview
GeniusTech build technology for large-scale business-to-consumer and business-to-business applications with incredible user experiences as well as acting as a strategic partner for startups via the Genius Tech Fund. Key areas of product focus are in sports stats and games.

Founded
2012

Location
Head office in Melbourne, with staff in the UK, US, India, Philippines, Tel Aviv and Poland

Co-founders
Jared Hopping, Brett Cosgriff & Nathan Rothschild

Current FTE
Approx. 100 employees and growing rapidly

Website
www.geniustechgroup.com

Background
Founded by Jared, Brett and Nathan, Genius Tech Group was born out of passion and driven by an obsession to build genuinely innovative products to generate large scale consumer engagement through data analytics and gamification. Their flagship product, iSport Genius, is a sports data platform that provides unprecedented sporting insights through highly innovative statistical analysis of trillions of pieces of data.

Why Victoria
All founders were living in Melbourne and it was the strength of Melbourne's reputation as the sporting capital of the world that cemented their commitment to stay. Key drivers for locating the head office in Melbourne include the connected and supportive sporting ecosystem, which has created opportunities for testing and proving products prior to scaling globally, and the credibility and reputation of Australian sports and technology products.

Key startup supports accessed
Industry support: The ASTN has been a strong supporter of the company and offered support, advice and mentoring along the journey. The Sports Analytics Conference has led to a number of really valuable and ‘hard to access’ connections.

Government support: From both the Federal and Victorian Governments through a range of initiatives and networking activities. This has created strong connections with key people both domestically and internationally.

Where to next
The company has created a game engine, Genius Games, to service consumer demand by allowing sports fans to predict any outcome within a sporting event. The games division has recently expanded to include animated arcade games to fuel further fan engagement. The suite of games is live in markets globally and the company is committed to continued global growth as well as representing Victoria on the global stage.

STRENGTHS OF VICTORIA
- Credibility and density of the Victorian sports sector
- Credibility and reputation of the Victorian technology sector
- Access to support through ASTN
- Networking and mentoring opportunities through the sector
- Access to funding and investment early on

CHALLENGES EXPERIENCED
- Managing the speed of growth and ability to scale to meet demand
- Managing and leveraging technology appropriately
- Managing the growth of the team
- Early expansion globally without representation on the ground
Key Themes
Insights and challenges uncovered in the Victorian SportsTech ecosystem
### 1. Victorian SportsTech ecosystem

**Victoria has a strong and credible sports sector**

The local SportsTech sector has successfully leveraged the strength and global credibility of the Australian and Victorian sports sector.

- Melbourne’s undisputed position as the sporting capital of Australia has translated to Victoria establishing itself as the undeclared SportsTech capital of Australia.
- Concentration of the sports sector, co-location of sporting codes headquartered in Melbourne and an extensive calendar of major sporting events are key influences of this success.
- Victoria’s high-density, tight-knit sports community that spans professional and community sports, was also cited as a key support due to the robust testing environment it presented for SportsTech startups.

**Victoria’s startup ecosystem supports its community**

The Victorian startup ecosystem is now established and continuing to evolve and SportsTech startups are accessing a wide variety of generalist support services.

- The Victorian SportsTech community highly values those tailored to SportsTech.
- SportsTech companies particularly value dedicated SportsTech startup supports, including ASTN and the Sports Analytics Conference.

**Victoria has world-leading research and education capabilities in Sport and Tech**

The SportsTech sector recognises the strength of the Victorian higher education sector’s sport and technology research capabilities, however, advises that it is not always easy to navigate.

- The SportsTech sector acknowledges and seeks to leverage the strength of the Victorian higher education sector.
- The SportsTech startup sector cited the reputation of Victorian tertiary institutions for world-leading research capabilities across sports and technology as a strength that contributes to the credibility of Australian SportsTech internationally.
- However, startups suggest that there is a lack of clear pathways to collaborate with universities and commercialise on university research – a barrier to commercialisation of technology. This finding is consistent with issues identified across the broader Victorian startup sector.
- This issue is two-way, and was also identified by the Higher Education sector, who face difficulties engaging with and developing relationships with startups.
2. SportsTech market opportunities

**There is a global and local focus on increasing participation in sport**

The worldwide focus on increasing participation and active recreation is fuelling innovation in sport, with technology as a key enabler.

- Key national and Victorian government agencies (including Aus Sport, Sport and Recreation Victoria, VicHealth and VicSport) are all seeking to drive sports participation rates.
- At a global, national and state level, governments are investing in innovative models and technologies to drive participation, with a particular emphasis on diversity and inclusion.
- Increasing sports participation is also a priority for Victorian sports associations — with funding tied to participation rates.
- Sports associations who see community participation as a pipeline for fan engagement and athlete development, are looking to new innovations and technologies as a key enabler.
- There is a growing trend towards active recreation, suggesting a need for solutions that also address consumer preferences in less-structured sport.

**Women’s sport is a growing market with opportunities for SportsTech**

Female sports participation is growing at a phenomenal rate in Victoria and Australia.

- This growth is underpinned by government commitment to drive female participation and engagement, coupled with the growth in professional leagues for women over the past five years.
- Victoria has a strong community and network of women’s sports codes and clubs that provide a testing environment for women’s sport — locally and globally.
- However, a recognised lack of diversity within the Victorian sports and startup sectors may result in missed opportunities to fully harness growth.

**Disability, mobility and inclusive sports hold potential opportunities for SportsTech**

Disability, mobility and inclusive sports are growth markets nationally and globally, with potential opportunities for Victorian SportsTech companies.

- There is government commitment to drive inclusive participation, both nationally and globally with a growing focus and support, e.g. through the Paralympics and Invictus games. This is driving a need for innovation and enabling technologies.
- SportsTech focused on disability and mobility has huge potential for crossover application in other sectors relating to enhanced human performance (for example health, defence, data and analytics) making this a potential high growth area.
- However, a lack of diversity within the SportsTech and startup sectors may result in missed opportunities to fully harness growth.
The crossover of SportsTech with other sectors offers wider markets and future growth opportunities

The ability to cross-pollinate with other national and global sectors provides an opportunity for Victoria to accelerate the growth of this sector.

- The relatively low regulation applied to SportsTech makes it attractive for product testing and refinement, creating a positive environment for development.
- The high performance of athletes offers high quality and nuanced testing opportunities for products and technology.
- The close intersection of SportsTech with other sectors (for example, health, defence, aged care, data and analytics) provides an opportunity for companies in these related sectors to consider SportsTech as a testing ground for their products or expanded market opportunity.
- Victorian SportsTech startups are starting to leverage the broader application and intersection of their technologies to adjacent industries, helping them to scale quickly once their technology is proven.

Government leadership and support for new technology has acted as a catalyst to drive sector establishment and growth in key emerging technology areas globally.

- There are strong parallels with the current Victorian SportsTech ecosystem and examples from other sectors (for example, the Victorian Biotechnology sector in the early 2000s and the NSW FinTech sector) where clear government leadership and commitment positioned the industries as national and global leaders.
- In the SportsTech sector, the UK Government provides a directly relevant case study of leadership. This includes a focus on establishing London as a global SportsTech hub, a Strategic Plan for Action, and London Sport (a collaborative effort across different government agencies).
- UK government commitment to and investment in technology to drive athlete performance has resulted in a pro-technology mindset and culture within the UK sports sector.
- Victoria has organically become a SportsTech hub, driven by a range of factors (e.g. ASTN, the strength of our sports sector and higher education sector). There is an opportunity to formalise and acknowledge this as a critical industry for Victoria, underpinned by a strategy to support growth.
4. Current challenges identified

**Approaches to adoption of tech by the sporting sector are ad hoc**

Enhancing athlete performance and driving participation and engagement are all priorities for sports associations, with technology seen as a key enabler. However, engagement with technology and startups is fragmented and ad hoc.

- Sports codes reported a range of different approaches that inform their adopting of technology, and only a small number have defined technology strategies.
- While sporting clubs and associations report a high-volume of approaches from startups and technology companies, few have defined processes for assessment.
- Organisations advise of different mechanisms for informing technology adoption, from reliance on recommendations through their networks for tried and tested technologies (for example, global counterparts), to purchasing off-the-shelf solutions or in-house development of solutions.
- The startup sector advises that accessing the sporting sector can be difficult without personal introductions or strong networks.

**The ability of SportsTech startups to access funding varies**

Access to funding is a perceived barrier to growth, primarily for early stage SportsTech startups, as compared with more established startups.

- Victorian SportsTech startups are accessing a variety of funding sources, including government grants, angel investment and venture capital.
- Early-stage startups often identify access to the capital required to scale as a key barrier.
- In contrast, more established startups, those with an established business or proven technology, are less likely to see funding as a barrier, and believe it is available, both domestically and globally, when required.
- A range of factors have been suggested at driving this discrepancy, including a lack of awareness and knowledge by early-stage startups on how to navigate the investment process, a lack of awareness of a company’s value in the early stages of their development and a need for support in developing strong business plans and business cases.

**Victorian SportsTech startups require access to key talent and skills to scale**

Access to talent and skills is an issue across the sector and startups at all stages of maturity.

- Early-stage SportsTech startups believe Victoria has the talent they require, however due to funding limitations, they often experience challenges in accessing a flexible workforce.
- More established startups suggest that access to talent, in particular IT (software development and programming skills) is becoming increasingly problematic.
- This is consistent with research of the broader Victorian startup sector, which found ‘finding quality talent’ is a key challenge to achieving higher growth at all stages of development, but greatest as startups enter the product development stage.
Key limitation and assumptions

Projecting the growth prospects of an evolving industry with undefined boundaries, including significant overlap with other sectors and inconsistent global data to inform modelling, is complex. As such, modelling provided in this report based on economic drivers is for high-level guidance only. Below outlines data limitations and key assumptions used to inform economic modelling.

<table>
<thead>
<tr>
<th>AUSTRALIAN GROWTH – 2029</th>
<th>GLOBAL GROWTH - 2029</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPMG analysis is based on predicted public and private expenditure on sport in 2029 of between AUD$17.5bn - $21.4bn.</td>
<td>The global growth projects are based on a range of data sources and key assumptions and limitations, including:</td>
</tr>
<tr>
<td>• This assumes government expenditure of sport remains at about 0.6 per cent of government spending, with government spending to grow at an annualised rate of 5 per cent between 2018 and 2029.</td>
<td>• A difficulty to obtain estimates of country expenditure on sport that are comparable across countries.</td>
</tr>
<tr>
<td>• This would equate to approximately AUD$3.7 bn in 2029.</td>
<td>• Many countries do not report on such information, while for those that do there is no consistency about what is included as sport, and no consistency (or continuity) in the timing or frequency of data.</td>
</tr>
<tr>
<td>KPMG is projecting household consumption to grow at an annualised rate of just under 4.8 per cent between 2018 and 2029.</td>
<td>Assumption on country growth of SportsTech:</td>
</tr>
<tr>
<td>• This assumes government expenditure of sport remains at about 0.6 per cent (i.e., 0.8 per cent) it is estimated that in 2029 Australian households will spend AUD$13.8 bn on sport.</td>
<td>• Our analysis assumes that for countries with a relatively high GDP per capita scope, the expenditure on sport to increase as a share of total expenditure is limited.</td>
</tr>
<tr>
<td>• Under the reasonable assumption that the share of household expenditure allocated to sport increases to 1 per cent, spending on sport by Australian households in 2029 would increase to AUD$17.7 bn.</td>
<td>• In these countries growth opportunities for the SportsTech sector are expected to be mainly driven by increases in the share of sports expenditure allocated to SportsTech.</td>
</tr>
<tr>
<td>Using scenarios where SportsTech accounts for 5, 10 and 15 per cent of sports expenditure shows that the size of the market for this sector ranges from just under AUD$1 bn to just over $3 bn per annum.</td>
<td>• For countries with relatively low GDP per capita, we have made the assumption that the share of expenditure allocated to sport is expected to increase over time as GDP per capita rises. In these countries growth opportunities for SportsTech companies will be driven both by the increase in the overall market share of sports and by the increased share of SportsTech within the expanding sports market.</td>
</tr>
<tr>
<td>• Assuming the share of household expenditure allocated to sport remains at the 2015-16 level (i.e., 0.8 per cent) it is estimated that in 2029 Australian households will spend AUD$13.8 bn on sport.</td>
<td>Assumption on global consumption:</td>
</tr>
<tr>
<td>• Under the reasonable assumption that the share of household expenditure allocated to sport increases to 1 per cent, spending on sport by Australian households in 2029 would increase to AUD$17.7 bn.</td>
<td>• The World Bank estimates that global Final Consumption Expenditure was US$46.2 trillion in 2017. KPMG is projecting annualised growth of just under 7 per cent for nominal global GDP between 2017 and 2029.</td>
</tr>
<tr>
<td>Using scenarios where SportsTech accounts for 5, 10 and 15 per cent of sports expenditure shows that the size of the market for this sector ranges from just under AUD$1 bn to just over $3 bn per annum.</td>
<td>• Assuming the share of global Final Consumption Expenditure in global GDP remains at the current level (i.e. about 57 per cent) we estimate global Final Consumption Expenditure in 2029 will be in the vicinity of USD $100 trillion.</td>
</tr>
</tbody>
</table>

*Household Expenditure Survey 2015-16 and ABS 5206.0 Table 3
**4 KPMG Quarterly Economic Outlook
Acknowledgements

Stakeholder consultations

To inform this report, a number of key stakeholders were consulted with across the ecosystem. KPMG and LaunchVic acknowledge the time and contribution from the following people consulted as part of this review.

**ORGANISATIONS**

**Athletics Australia:** Adam Bishop  
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**Australian Sport Technologies Network (ASTN):** James Demetriou and Dr. Martin Schlegel  
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**F1 Grand Prix:** James Rosengarten  
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**Startup Bootcamp:** Oliver Howard  
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**Tennis Australia:** Machar Reid  
**UK Consulate General:** Chris Holtby  
**Vald Performance:** Craig Hill  
**Vicsport:** Ron Gauci  
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