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LaunchVic is delighted to present the 2018 Victorian Ecosystem Mapping Report, delivered in partnership with dandolopartners, as part of our ongoing commitment to support Victoria’s thriving startup ecosystem.

Now in its second year, 2018’s report draws on data collected from over 2,700 Victorian startups and scaleups and provides the strongest view of the opportunities and challenges facing the state’s startup sector.

The significant momentum demonstrated by Victoria’s startup ecosystem shows that our thriving entrepreneurial economy is continuing to mature in extraordinary ways. Furthermore, one in five startups are focused on health and wellbeing, strengthening Melbourne’s reputation as a leading HealthTech startup hub in the Asia Pacific region. The investment landscape is also improving, although there is still work to be done to ensure that access to capital does not limit the growth of both early stage startups and the wider ecosystem.

Diversity and inclusion metrics also demonstrate progress, with one in three founders being female – a 3% improvement from 2017. Two percent of founders identify as Aboriginal and Torres Strait Islanders – a welcome overrepresentation when you consider that only 1% of Victorians identify as indigenous. However, there is more opportunity to drive diversity within startup teams and increase inclusion across underrepresented groups – including people living in outer metropolitan and regional areas, the LGBQTIA+ community and people living with a disability.

We hope these findings will help continue to shape the next year of startup growth in the state. The 2018 Victorian Ecosystem Mapping Report is a great resource for policy makers and startup community leaders who play an important role in championing the strengths of the Victorian startup community, both locally and internationally. The data represented here will also be useful to stakeholders wanting to better understand the entrepreneurial landscape in Victoria.

Thank you to our partners who actively promoted the survey, and to the many hundreds of startups that took an interest in this work. They are, after all, the ones driving our thriving startup economy, cementing its position as a leading destination for startup success and contributing to Victoria’s current and future prosperity.

Dr Kate Cornick
CEO LaunchVic
Executive Summary
WHY DID WE DEVELOP THIS REPORT?

This report provides a comprehensive and up-to-date view of Victoria’s startup ecosystem. Building on the very first Mapping Victoria’s Startup Ecosystem report released in 2017, this report examines Victoria’s startup ecosystem in more detail than any previous research. It explores the drivers of Victoria’s startup ecosystem growth and measures the strengths of different elements of the ecosystem.

In developing this report, we have drawn on data collected on over 2,770 Victorian startups and scaleups – including 1,615 firms that kindly completed our survey over the last two years. The data we collected through this work provides a valuable resource for advocates of the Victorian startup community and founders looking for the right support to grow their business. It is also a critical tool for policy makers who play an important role in championing the strengths of Victoria’s startup community both locally and internationally.

WHAT DID WE FIND?

Startups and high growth firms develop in ecosystems – which include, but are not limited to, networks of people, organisations, institutions, expertise and capital – that interact to create and grow new businesses. For the purposes of this report, we have focused on four areas of a thriving startup ecosystem – firms, capital, people and the external environment – and their impact on Victoria’s startup ecosystem.
KEY INSIGHTS

Victoria's startup ecosystem is generating significant momentum but has a lower
density of startups and scaleups compared to other cities:

- Over 2,770 active startups and scaleups across different stages of development
- Startup and scaleup density is lower in Melbourne compared to other cities
- Six unicorns with a combined market capitalisation of over $32b and a track record of big exits, with three acquisitions valued at over $100m each in the last year alone

Victoria has a sophisticated and diverse sectoral mix, with Health having the largest representation at 13%.

The majority of Victoria's startups and scaleups are using innovation to penetrate large, global markets:

- 62% of firms are pursuing market strategies focused on value adding products and services rather than trying to compete on price
- 57% of firms are exporting their products and services with Data & Analytics, Enterprise & Corporate Services and Sports & Recreation having the highest share of exporting firms
- 58% of firms are incorporating disruptive technologies into their products with Mobile Internet, Big Data Analytics and Automation being the most common technologies being adopted

As firms grow, they become increasingly challenged with finding customers, undertaking marketing & branding and recruiting quality talent

A strong supply of venture capital is fueling scaleups, however the investor landscape for startups needs to be grown to secure commensurate growth:

- In the past 5 years, $1.73b has been invested in Victorian startups and scaleups across 766 deals and 504 unique companies
- The dollar amount invested by Early Stage VC and Later Stage VC has been growing, driven by a succession of large capital raises

Angel investments take longer to raise than other capital types, at an average of 5.7 months

There has been strong growth in the number of Accelerator / Incubator deals but the number Seed / Angel deals has dipped after peaking in 2014

Victoria has experienced founders with a background in industries related to their startup:

- Victoria is demonstrating signs of serial entrepreneurship, with nearly 1 in 5 founders having worked at a startup with > $20m valuation
- 28% of founders are female, up from 25% in 2017 with Design, Consumer Goods, Education and Media & Entertainment having achieved relatively equal gender representation for founders
- Few sectors have achieved relatively equal gender representation for founders with key sectors including fintech, sportstech and energy tech having some of the worst performance

In most sectors, less than 50% of firms have a known diversity and inclusion policy.

The amount of support available to Victorian startups and scaleups is increasing:

- Victoria now has 29 accelerator programs, with nearly 60% of programs focusing on a specific vertical or sector
- Melbourne is now the coworking space capital of Australia, accounting for nearly half the total volume of coworking sites across Australia

The popularity of meetup groups is growing, with Victoria's largest meetup groups having grown their membership by 22% over the past 12 months
State of Victoria’s ecosystem

Victoria’s startup ecosystem is generating significant momentum by building on a track record of proven successes.
PIPELINE OF FIRMS

Victoria’s startup ecosystem is demonstrating significant momentum. Since 2010, the number of firms operating in Victoria has been growing at a rate of 23 percent per annum, outpacing the average among comparably sized ecosystems.¹

Our mapping of the startup ecosystem has uncovered 2,770 startups and scale-ups operating in Victoria, and we expect that the total number of active firms is even higher than this. Based on the rate Victoria’s ecosystem is growing, we estimate there could be as many as 2,900 to 3,200 firms.²

As a sign of ecosystem maturity, Victoria’s firms are distributed across a range of stages of development. Victoria has a significant number of early stage startups with future growth potential, as well as a large body of pre- and post-exit scale-ups that are tackling large international markets.

Victoria has over 2,770 active startups and scale-ups across different stages of development

² We have less information on firms established in 2018. Assuming that the number of firms established in 2018 is consistent with previous years, the total number of firms currently operating in Victoria is likely to be 5-15% higher than the 2,771 firms we identified (i.e. a total of 2,900 – 3,200 currently operating firms).
TRACK RECORD OF UNICORNS AND EXITS

Unicorns
Victoria has a track record of transforming firms into billion-dollar companies. There are now six unicorns in Victoria, each valued at more than $1 billion.

Victoria’s unicorns have a combined market capitalisation of over $32b³

<table>
<thead>
<tr>
<th>Unicorn</th>
<th>Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>REA Group</td>
<td>$11.89b</td>
</tr>
<tr>
<td>Seek</td>
<td>$7.91b</td>
</tr>
<tr>
<td>Carsales.com</td>
<td>$3.78b</td>
</tr>
<tr>
<td>MYOB</td>
<td>$1.74b</td>
</tr>
<tr>
<td>Aconex</td>
<td>$1.6b</td>
</tr>
<tr>
<td>Envato</td>
<td>$1b+*</td>
</tr>
</tbody>
</table>

*Envato’s current valuation is unknown, although previous analysis that it could be valued at $6b (smartcompany.com.au, 2016)

³ Public company valuations are based on reported ASX market capitalisation as at 5 September 2018. Aconex valuation is based on the value of its acquisition by Oracle. Envato valuation is based on a 2016 smartcompany.com.au estimate.
EXITS

Victoria also has a track record of generating big exits. In the last year alone, our mapping has uncovered three acquisitions valued at over $100m each – including the $1.6b sale of Aconex to Oracle. These acquisitions build on a growing number of recent $100m+ exits including Kogan, RedBubble TouchCorp and Spinifex Pharma.

Victoria has had a range of high-profile exits in the last year

<table>
<thead>
<tr>
<th>$100m+</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2000</strong> Founded</td>
</tr>
<tr>
<td><strong>M&amp;A Exit Type</strong></td>
</tr>
<tr>
<td><strong>Enterprise Sector</strong></td>
</tr>
<tr>
<td>Online collaboration software for the construction, engineering and facilities management industries.</td>
</tr>
<tr>
<td><strong>$1.6b</strong> Exit size</td>
</tr>
<tr>
<td><strong>March 2018</strong> Exit date</td>
</tr>
<tr>
<td><strong>Oracle</strong>: Acquirer</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$20m – $50m+</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2015</strong> Founded</td>
</tr>
<tr>
<td><strong>IPO Exit Type</strong></td>
</tr>
<tr>
<td><strong>Health Sector</strong></td>
</tr>
<tr>
<td><strong>$50m</strong> Exit size</td>
</tr>
<tr>
<td><strong>November 2017</strong> Exit date</td>
</tr>
<tr>
<td><strong>ASX</strong>: Exchange</td>
</tr>
</tbody>
</table>
**SECTORAL MIX**

**Firms by sector**

Victoria has a sophisticated and diverse sectoral mix with strong specialisations in Health, Media & Entertainment, Enterprise and Commerce.

*Victoria’s largest sectors are Health, Media & Entertainment, Enterprise and Commerce*
SECTOR GROWTH

A few key sectors are driving Victoria’s rapid growth as a startup ecosystem. Media & Entertainment and Commerce are growing at a fast rate – although they are outpaced by Education, Professional Services and Social Enterprise.\(^4\)

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\(^4\) We were unable to identify social enterprise firms established in 2010. However, the CAGR between 2011 and 2018 for Social Enterprise was 51%.
EMployment

Our mapping of the startup ecosystem has uncovered more large firms than previously identified. We now know that 10% of firms employ 31 or more full-time equivalent employees (FTEs). However, the largest share of firms continues to be those with 2 – 5 FTEs.

10% of firms have 31 or more FTEs

The firms we have analysed as part of this mapping are employing a total of around 26,200 FTEs. Given that we have not been able to gather employment data from every firm in Victoria, we expect that the total number of people employed by startups and scale-ups in Victoria is substantially higher than this.

Revenue

The largest share of firms have annual revenues under $100k. A small share of firms (1.4%) have annual revenues of over $10 million.

Most firms have annual revenues under $100k

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5 This figure was 3% in the 2017 Victorian Startup Ecosystem Mapping.
To achieve further success, Victoria needs to continue to grow its startup and scale-up density

STARTUP AND SCALE-UP DENSITY

While Victoria is demonstrating significant momentum, it still has room to improve. From a global perspective, Victoria performs poorly in terms of startup and scale-up density. Victoria’s major city, Melbourne, has a lower density of startups and scale-ups compared to a number of similarly sized cities around the world.

Continuing to grow new firms is critical to improving Melbourne – and Victoria’s – ecosystem. Ecosystem performance is a function of ecosystem size. An ecosystem’s ability to create high-growth firms and exits rises as its overall size increases. Larger startup ecosystems produce more fast-growing startups and a higher rate of exits – and as a consequence, more jobs and economic growth.6

To catch up with its closest comparators, Victoria needs to increase its density of startups and scale-ups by nearly 50%. Achieving this level of growth would likely place Victoria in the top twenty ecosystems globally and position it as a leading centre of startup activity in the Asia Pacific.

Melbourne has a lower density of startup and scale-ups compared to other cities

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6 See the Life-cycle Model Explanation section in the 2017 Global Startup Ecosystem Report
Profile of firms in Victoria

The majority of Victoria’s startups and scale-ups are using innovation to tackle large, global markets.
MARKET STRATEGIES

There are four types of market strategy firms can pursue. Firms can create a new market, resegment an existing market as a niche player, resegment an existing market as a low-cost entrant, or enter an existing market.

62% of firms in Victoria are creating new markets or resegmenting existing markets as a niche player. This suggests that the majority of Victorian firms are focused on value-added products and services, and not purely competing on price.

However, it also means that the majority of Victorian firms face a long road to building a repeatable business model and scalable company. Compared to entering existing markets, firms creating new markets or resegmenting existing markets as a niche player tend to have higher cash needs and lower rates of customer acceptance. For example, reaching profitability can take a firm creating a new market as much as five years or more, and it is generally accepted that it takes more than 10 years to reach that status of a unicorn – a company with a valuation of over $1 billion.⁷

Victorian firms are focusing on value added products and services, and not purely competing on price

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Steve Blank. ‘The Four Steps to the Epiphany’.
EXPORTING

Building export markets – and building export-ready firms to take advantage of those export opportunities – lies at the heart of Victoria’s future prosperity. Research shows that typically our export companies are our most dynamic and productive businesses.

The majority of Victorian firms are already thinking global, with 57% of firms exporting outside Australia. This is critical to Victoria’s success as a startup ecosystem. A domestic market of 24.1 million people means that firms in Victoria – and Australia – depend on access to global markets to grow and scale.

Exporting by sector
Victoria’s share of exporting firms varies by sector. Data & Analytics, Enterprise & Corporate Services and Sports & Recreation have the highest share of exporting firms. Energy, Social Enterprise and Food & Fibre have a comparatively lower share of exporting firms.

Data & Analytics, Enterprise & Corporate Services and Sports & Recreation have the largest share of exporting firms

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8 We have excluded firms categorised as ‘other’, consisting of professional services, design and real estate.
EXPORT MARKETS TARGETED BY VICTORIAN FIRMS

The largest overseas markets targeted by exporting firms are the US and UK, followed by New Zealand, China and India. Firms targeting the US, UK and China are more likely to pursue a new market strategy compared to firms targeting New Zealand and India.

The largest overseas markets targeted by exporting firms are the US and UK, followed by New Zealand and China.
58% of Victorian firms are incorporating disruptive technologies into their products and services. The largest share of technologies firms have already reached mainstream adoption, for example, Big Data and Automation of Knowledge Work.

A smaller share of firms are focusing on technologies that are in an early adoption phase, such as Augmented / Virtual Reality, Blockchain and Robotics. It is important to monitor how firms’ uptake of these technologies grows over time.

As these technologies move closer to mainstream adoption, they are likely become increasingly important to Victoria’s ability to compete in a technologically disruptive global landscape.

### Years until technology reaches mainstream

<table>
<thead>
<tr>
<th>Percentage of firms</th>
<th>0% - 15%</th>
<th>15% - 30%</th>
<th>31% - 45%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td><img src="image" alt="Mobile Internet" /></td>
<td><img src="image" alt="Automation of knowledge work" /></td>
<td><img src="image" alt="Internet of Things" /></td>
</tr>
<tr>
<td>5–8</td>
<td><img src="image" alt="Robotics" /></td>
<td><img src="image" alt="Big data analytics" /></td>
<td><img src="image" alt="Artificial intelligence" /></td>
</tr>
<tr>
<td>9–12</td>
<td><img src="image" alt="Automated vehicles" /></td>
<td><img src="image" alt="3D printing" /></td>
<td><img src="image" alt="Augmented / virtual reality" /></td>
</tr>
</tbody>
</table>

**Key**
- Mobile Internet
- Automation of knowledge work
- Internet of Things
- Robotics
- Autos and near-autonomous vehicles
- Genomics
- Energy storage
- 3D printing
- Advanced materials
- Renewable energy
- Artificial intelligence
- Big data analytics
- Blockchain

NB. No disruptive technology is anticipated to reach maturity in 1–4 years.
One of the priorities for Victoria now is to support its innovative and global-focused firms to be high-growth.

**HIGH-GROWTH FIRMS**

Victoria has a number of up-and-coming firms that have the potential to drive the next wave of big exits. Victoria’s fastest growing firms are expanding rapidly, with some having grown their employees by up to 50% in the past six months.
Victoria is home to a number of fast-growing startups and scale-ups, and our mapping has identified the following:

<table>
<thead>
<tr>
<th>Company</th>
<th>Stage</th>
<th>Sector</th>
<th>Founded Year</th>
<th>Series</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture Amp</td>
<td>Series D</td>
<td>Enterprise</td>
<td>2010</td>
<td>D</td>
<td>People analytics platform offering data-driven insights on employee engagement and company culture.</td>
</tr>
<tr>
<td>Airwallex</td>
<td>Series B</td>
<td>Fintech</td>
<td>2010</td>
<td>B</td>
<td>Provider of cross-border payments and foreign exchange platform.</td>
</tr>
<tr>
<td>ROLLER</td>
<td>Series A</td>
<td>Commerce</td>
<td>2010</td>
<td>A</td>
<td>Provider of e-commerce services for hospitality businesses.</td>
</tr>
<tr>
<td>Ento</td>
<td>Series A</td>
<td>Education</td>
<td>2016</td>
<td>A</td>
<td>Provider of childcare management app to help parents interact with their children in real-time.</td>
</tr>
<tr>
<td>Assembly</td>
<td>Series A</td>
<td>Fintech</td>
<td>2013</td>
<td>A</td>
<td>Developer of an online payments gateway to accept, manage and distribute online payments.</td>
</tr>
<tr>
<td>Genero</td>
<td>Series B</td>
<td>Media</td>
<td>2009</td>
<td>B</td>
<td>Provider of an online video platform designed to connect brands with content production teams.</td>
</tr>
<tr>
<td>Moula</td>
<td>Series A</td>
<td>Fintech</td>
<td>2013</td>
<td>A</td>
<td>Provider of working capital to small and medium sized businesses.</td>
</tr>
<tr>
<td>BiViz</td>
<td>Series A</td>
<td>Meditech</td>
<td>2010</td>
<td>A</td>
<td>Developer of suprachoroidal positioned retinal devices to restore vision.</td>
</tr>
<tr>
<td>Myagi</td>
<td>Series A</td>
<td>Education</td>
<td>2013</td>
<td>A</td>
<td>Provider of an online workforce training platform designed to make sales associates experts.</td>
</tr>
<tr>
<td>Your Grocer</td>
<td>Angel</td>
<td>Commerce</td>
<td>2013</td>
<td>G</td>
<td>Provider of an online shopping platform.</td>
</tr>
</tbody>
</table>

Growth Stage

Early Stage
CHARACTERISTICS OF HIGH-GROWTH FIRMS

The firms that are growing the fastest are distinct from most other firms. They tend to be led by older and more experience founders, know more about their market and are more likely to be using disruptive technologies.

Victoria’s high-growth firms differ from other firms

Founders of high growth firms (compared with all founders):

- Are 4 years older on average: Average age for founders of high growth firms is 41 (37 for all founders).
- Have founded more startups previously: High growth founders have on average founded 2 startups previously (average of 1.1 previous startups for all founders).
- Are more likely to have a lot of sector experience: 80% of high growth founders have more than 6 years sector or industry experience (60% for all founders).

High growth firms (compared with all firms):

- Are older on average: High growth firms are 4.5 years old on average (3.8 years for all firms).
- Are more likely to have diversity and inclusion policies: 52% of high growth firms have diversity and inclusion policies (41% for all firms).
- Know the Australian market: No high growth firms report being unsure about how many direct competitors they had in Australia (compared with 7% of all firms).
- Have a higher proportion of firms in education: 15% of high growth firms are in the education sector (only 8% of all firms operate within this sector).
- Have a higher proportion of firms using disruptive technologies: 72% of high growth firms offer products or services with at least one disruptive technology (compared with 60% of all firms).
CHALLENGES TO ACHIEVING HIGHER GROWTH

Firms have identified a range of challenges they face in achieving higher growth. Earlier stage firms identify raising capital as their largest challenge. As firms grow, they become increasingly challenged with finding customers, undertaking marketing / branding and recruiting quality talent.

Firms at the idea stage identify raising capital and developing their product as their largest challenges.

Firms at the product development stage also identify raising capital as their largest challenge.
Firms at the sales and expansion stage face a more varied set of challenges – most commonly finding customers, undertaking marketing / branding and finding quality talent.
Capital

A strong supply of venture capital is fueling scaleups, however the investor landscape for startups needs to be grown to secure commensurate growth.
INVESTMENT ACTIVITY

In the past 5 years, $1.73 billion has been invested in Victorian startups and scale-ups across 766 deals in 504 unique companies. The dollar amount invested by Early Stage VC and Later Stage VC has been growing. This has been driven by a succession of large capital raises including Judo Capital, Airwallex and Culture Amp.

Seed stage investment shows less growth. The number of Seed deals has dipped after peaking in 2014.

**Venture Capital is growing strong while Angel investors retreat**

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**Major raises include:**

<table>
<thead>
<tr>
<th>Company</th>
<th>Round</th>
<th>Amount ($)</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sumo</td>
<td>Angel</td>
<td>$7.41m</td>
<td>June 2017</td>
</tr>
<tr>
<td>IRExchange</td>
<td>Early VC</td>
<td>$38.33m</td>
<td>Oct 2017</td>
</tr>
<tr>
<td>Certa Therapeutics</td>
<td>Early VC</td>
<td>$24.35m</td>
<td>Jun 2018</td>
</tr>
<tr>
<td>Judo Capital</td>
<td>Later VC</td>
<td>$136.38m</td>
<td>Aug 2018</td>
</tr>
<tr>
<td>Airwallex</td>
<td>Series B</td>
<td>$103.9m</td>
<td>Jul 2018</td>
</tr>
<tr>
<td>Culture Amp</td>
<td>Series D</td>
<td>$51.95m</td>
<td>Jul 2018</td>
</tr>
<tr>
<td>Spinifex</td>
<td>Series C</td>
<td>48.0m</td>
<td>Apr 2018</td>
</tr>
</tbody>
</table>
MEDIAN CAPITAL RAISES

The median amount seed firms raise is $53k from Accelerators / Incubators and $869k from Angel investors. Firms raising Venture Capital receive a median of $3.03m from Early Stage VC and $11.29m from Later Stage VC.

Median amounts of capital vary by investor type

<table>
<thead>
<tr>
<th>Investment type</th>
<th>Median amount raised ($AUD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accelerator / Incubator</td>
<td>$0.05m</td>
</tr>
<tr>
<td>Angel</td>
<td>$0.87m</td>
</tr>
<tr>
<td>Early Stage VC</td>
<td>$3.03m</td>
</tr>
<tr>
<td>Later Stage VC</td>
<td>$11.29m</td>
</tr>
</tbody>
</table>

EASE OF RAISING CAPITAL

73% of firms report that they are able to raise as much or more capital than they require. 20% of firms report failing to raise capital or not being able to raise enough. The firms that fail to raise capital or are unable to raise enough are typically seeking to raise an Angel round.

Most firms are able to raise capital...

...Although there appear to be challenges with raising Angel investment

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5 Valuations based on reported ASX market capitalisation as at 5 September 2018,

10 Median amount raised over the last 5 years. Information is sourced from Pitchbook Data.
Ecosystem Mapping

Effort It Takes to Raise Capital

Raising capital is a lengthy and effort-intensive process. Firms typically take five to six months to raise capital and engage with 10 to 20 different investors. It takes longer to raise Angel compared to other capital types, at an average of 5.7 months.

*Raising capital can take nearly half a year and involve conversations with multiple investors*

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**Average no. of conversations**

<table>
<thead>
<tr>
<th></th>
<th>Angel</th>
<th>Venture Capital</th>
<th>Private Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average time (months)</td>
<td>5.8</td>
<td>5.6</td>
<td>5.4</td>
</tr>
</tbody>
</table>

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*Average no. of conversations*  
*Average time (months)*
People

Victoria has experienced founders with a background in industries related to their startup.
EXPERIENCE OF FOUNDERS

Around half of founders have previously started a business. Founders with previous experience starting a business are more likely to be leading a successful firm, measured in terms of its current size.

Founders with previous experience starting companies are more likely to be successful

SERIAL ENTREPRENEURSHIP

Victoria is demonstrating signs of serial entrepreneurship. 18% of founders in Victoria have previously worked at a firm that reached a valuation of $20 million or higher.

Nearly 1 in 5 founders have worked at a startup with >$20m valuation
Industry experience appears to be a major driver of founders establishing new firms. On average, founders with more industry experience have founded more startups than founders with less industry experience.

People with more experience working in industry are more likely to found a startup.
There is room to improve the diversity of both startup founders and their teams.

**FOUNDER DEMOGRAPHICS**

**Fast facts on founders**

**Gender of founders**
28% of founders are female, revised up from 25% in 2017.

- 71.5% Male
- 27.6% Female
- Other 0.1%
- Prefer not to say

**Age of founders**
The average age of all founders is 37, with females being slightly more likely to establish a startup over the age of 50 compared to males.
The average age of a founder that has raised a Series A or beyond is 38 at the time of founding their company.
65% of founders are born in Australia.

55% of founders have one or more parent born outside Australia.

2% of founders are of Aboriginal and/or Torres Strait Islander descent – compared to less than 1% in Victoria’s population.
GENDER REPRESENTATION OF FOUNDERS BY SECTOR

Design, Consumer Goods, Education and Media & Entertainment have achieved relatively equal gender representation for founders. However, there is room to improve the level of gender representation in other sectors.

Few sectors have achieved relatively equal gender representation for founders

![Gender Representation Chart]
DIVERSITY AND INCLUSION

Very few firms have diversity in terms of staff who identify as LGBQTIA+, Aboriginal and/or Torres Strait Islanders, or having a disability. There is better representation of females and culturally and linguistically diverse staff – although still significant room for growth.

**Areas of poor diversity:**
Staff who identify as LGBQTIA+, Aboriginal and/or Torres Strait Islanders, or having a disability

- 84% of firms have no staff who identify as Aboriginal and/or Torres Strait Islander
- 68% of firms have no staff who identify as having a disability
- 56% of firms have no staff who identify as LGBQTIA+

**Relatively diverse areas:**
Staff who identify as culturally or linguistically diverse or female

- Culturally or linguistically diverse
- Female
DIVERSITY AND INCLUSION POLICIES

In most sectors, less than 50% of firms have a known diversity and inclusion policy. The exceptions are Design, Education, Data & Analytics, Media & Entertainment and Enterprise & Corporate Services.

Firms in most sectors do not have a known diversity and inclusion policy.

Note: No firms in Professional Services and Social Enterprise responded to this question.
External environment and support

Victoria’s external environment is growing from a strong base, with investment from LaunchVic and the private sector increasing the supply of external support available to firms.
ACCELERATORS

The number of specialist accelerator programs has proliferated. Victoria now has 29 accelerator programs, with nearly 60% of programs focusing on a specific vertical or sector. Health claims the most dedicated programs, followed by Food & Fibre and Cyber, Data & IoT.

Over two thirds of programs focus on a specific vertical or sector

![Number of accelerators by sector](chart.png)

- General
- University
- Health
- Creative
- Food & Fibre
- Cyber, Data & IoT
- Sportstech
- Social Enterprise
- Energy
- Enterprise
COWORKING SPACES

Over the past three years, the availability of coworking spaces in Melbourne has grown 960 per cent. Melbourne is now the coworking space capital of Australia, claiming over 170 coworking spaces and accounting for nearly half the total volume of coworking sites across Australia.

2 in 5 firms have accessed a coworking space during the past 12 months

Melbourne now claims the largest share of coworking spaces in Australia

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MEETUP GROUPS

The popularity of meetup groups is growing, with 35% of firms having accessed a meetup group during the past 12 months. Victoria’s largest meetup groups have grown their membership base by 22% over the past 12 months. Startup Victoria continues to be the largest meetup group in terms of membership.

1 in 3 firms access meetup groups

Startup Victoria is the largest meetup group, with over 11,500 members

<table>
<thead>
<tr>
<th>Meetup Group</th>
<th>Number of members in 2018</th>
<th>Year Established</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Startup Victoria</td>
<td>11,546</td>
<td>2010</td>
</tr>
<tr>
<td>2. The Entrepreneur Club</td>
<td>11,291</td>
<td>2010</td>
</tr>
<tr>
<td>3. Melbourne Silicon Beach</td>
<td>9,968</td>
<td>2011</td>
</tr>
<tr>
<td>4. Entrepreneurship and Innovation Hub</td>
<td>6,798</td>
<td>2014</td>
</tr>
<tr>
<td>5. Melbourne Startup Founder 101</td>
<td>5,283</td>
<td>2014</td>
</tr>
<tr>
<td>6. Disruptive Startups Melbourne</td>
<td>5,245</td>
<td>2013</td>
</tr>
<tr>
<td>7. Startup Grind Melbourne</td>
<td>3,908</td>
<td>2010</td>
</tr>
<tr>
<td>10. Startup HealthTech</td>
<td>2,717</td>
<td>2013</td>
</tr>
</tbody>
</table>
PROFESSIONAL SUPPORT

Firms are accessing a range of professional support, with over half of all firms drawing on advice from Mentors & Advisors and Lawyers.

Mentors and advisors are the most common form of support firms draw on

<table>
<thead>
<tr>
<th>Percent of firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mentors and advisors</td>
</tr>
<tr>
<td>Legal advice</td>
</tr>
<tr>
<td>Financial advisors / accountants</td>
</tr>
<tr>
<td>Business consultants</td>
</tr>
<tr>
<td>Universities / research institute partners</td>
</tr>
<tr>
<td>Professional development training</td>
</tr>
<tr>
<td>Local government</td>
</tr>
</tbody>
</table>
Geography

93% of firms are based in the Greater Melbourne Region, with 7% of firms based in regional Victoria.
GEOGRAPHY

93% of firms are based in the Greater Melbourne Region, with 7% of firms based in regional Victoria.

The majority of Victorian firms are based in the Greater Melbourne Region

20% of firms in the Greater Melbourne Region are in the CBD. The remaining 80% of firms are predominantly distributed across Melbourne’s inner city and south eastern suburbs.

Coworking spaces and firms are clustered together in Melbourne’s CBD and inner suburbs

Location of coworking spaces and firms in Melbourne

Top 10 firm locations
1. Melbourne CBD
2. Richmond
3. South Melbourne
4. St Kilda Rd
5. Collingwood
6. Prahran
7. St Kilda
8. South Yarra
9. Docklands
10. Southbank

Top 10 coworking space locations
1. Melbourne
2. Collingwood
3. Richmond
4. St Kilda
5. Southbank
6. South Melbourne
7. Prahran
8. Docklands
9. Carlton
10. Fitzroy

Startup density
Coworking space density
Low
High
Acknowledgements

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