

Tuesday 24 November 2020

MULTIMILLION COUP FOR VICTORIAN STARTUP ECOSYSTEM

LaunchVic today welcomed the Government's *Victorian Budget 2020/21* committing a total of \$186.2 million to the continued growth of Victoria's startup ecosystem.

As part of the announcement, LaunchVic will receive \$40 million over four years to continue its role as the State's startup agency – which since its inception has seen Victoria's startup ecosystem triple in value to \$7 billion.

A further \$60.5 million has been allocated by the government for a Fund of Funds – the Victorian Startup Capital Fund, leveraging up to \$180 million in private sector investment. This will inject much needed early-stage funding into the startup ecosystem supporting startups to become the scaleups and unicorns of the future.

To increase the number of women founders, \$10 million has been allocated to a Women's Angel Sidecar Fund while unlocking a further \$30 million in private sector equity. Established by LaunchVic, the Fund will assist women founders to raise capital to grow their early-stage startups.

Chair of LaunchVic, Leigh Jasper said the Victorian Government's multimillion commitment was a vote of confidence in Victorian startups.

"Startups are proven job multipliers. For every high skilled job they create, a further five jobs are created in associated service sectors in the broader economy," he said.

"I would like to thank the Victorian Government for their vision and recognition of a sector that will accelerate the economic recovery of the State.

"In particular the Fund of Funds will be a game changer, providing much needed capital to Victoria's best early-stage companies to support them to grow and create jobs."

External to LaunchVic, but a major coup for startups and investors, is the \$25.7 million Venture Debt Scheme – the Venture Growth Fund run by Invest Victoria that will inject late-stage capital into the ecosystem.

In addition, the Victorian Government has announced an R&D Cash Flow Loans initiative that will provide up to \$50 million in low-interest loans to innovative businesses including startups that undertake research in Victoria.

LaunchVic's CEO, Dr Kate Cornick thanked the Victorian Government for its significant investment in the sector and its backing of the important work LaunchVic was doing.

"Work is now underway to progress a detailed Business and Implementation Plan for the Victorian Startup Capital Fund, Women's Angel Sidecar Fund and LaunchVic more broadly."

Since LaunchVic was established in 2015 it has supported more than 300 startups to scale; activated upward of \$60 million in private sector capital; upskilled over 5,000 entrepreneurs; and connected over 25,000 people through events.

For more information on the LaunchVic Budget outcomes visit launchvic.org

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About LaunchVic

LaunchVic is Victoria's startup agency. Our role is to support the growth of Victoria's startup ecosystem recognising the valuable contribution successful startups have on the economy through the creation of high value jobs and gross revenue for the State.

For a free and dedicated source of real-time data on Victoria's startup founders, investors, corporates and policy makers go to findingstartups.launchvic.org

Victorian Ecosystem Facts

- Victoria is home to more than 2,000 startups – companies that use innovative business models and technology to grow fast and service global markets.
- The Victorian startup sector employs almost 37,000 full time employees - spread across early stage, scaling and mature startups. This is more than the National Australia Bank.
- As of June 2020, Victoria's startup ecosystem was valued at AU\$7 billion, tripling in value since 2018. This is larger than Victoria's racing industry.
- The startup industry contributes around 0.6% to the Victorian economy – for context, the arts and recreation services industry in Victoria represented 1.1% of the Victorian economy in 2018.
- A report from Deloitte Access Economics in June 2020 found with the right support the Victorian Startup Ecosystem has the potential to add, on average, a further 15,700 FTE's to the economy per annum – that could be more than 150,000 new jobs in ten years or 3.5 times the national workforce of Bunnings (44,000).