

# MEDIA RELEASE



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## **VICTORIA'S STARTUP ECOSYSTEM SEES SIGNIFICANT GROWTH**

- There are now over 2,700 startups in Victoria and the sector is growing at 23% per annum
- One in five startups are focused on health and wellbeing which continues to be a core strength of the ecosystem
- Diversity within the ecosystem is improving, with one in three founders female – a 3% improvement from 2017

LaunchVic's comprehensive annual analysis of Victoria's startup ecosystem reveals the State is cementing its position as a leading destination for startup success, with increased investment and support infrastructure driving rapid growth in new startup figures.

The report found Victoria's startup ecosystem is growing at 23% per annum. One in five of these new businesses are solving health and wellbeing challenges, a core strength of the state and a \$30 billion sector.

LaunchVic's annual [Mapping Victoria's Startup Ecosystem](#) report draws on data collected from over 2,700 Victorian startups and scaleups, providing the largest and most in-depth survey of Victoria's startup ecosystem to date.

Kate Cornick, CEO of LaunchVic, said: "Mapping the sector allows us to comprehensively monitor the evolution of Victoria's startup ecosystem, showing we're home to a thriving entrepreneurial economy that's starting to mature and develop in an extraordinary way."

"LaunchVic was founded with the vision to make Victoria one of the world's top destinations for entrepreneurs, startups and scaleups. This report shows that vision is becoming a reality, but there is more to do to fully realise the potential of Victoria's startup ecosystem."

### ***Venture Capital is growing strong***

The Victorian investment landscape is booming with \$1.73 billion invested in Victorian startups and scaleups across 766 deals in 504 companies over the past five years.

The median seed investment raise from Accelerators and Incubators was \$53k and \$869k from Angel investors. Startups raised a median of \$3.03m from Early Stage VC and \$11.29m from Later Stage VC.

However, the report identified that the angel investor gap is still prevalent, with the biggest hurdle facing early stage startups being the ability to raise capital and develop their product.

### ***Diversity***

Diversity and inclusion metrics show positive signs of improvement. The report revealed 28% of founders are female, up 25% from 2017. Two per cent of founders also identify as indigenous, an over representation considering one per cent of Victorian's identity as indigenous in total.

Supporting the state's reputation as a top destination for international entrepreneurs, the study found a third of startup founders (34%) were born outside of Australia.

"A diverse and inclusive startup ecosystem is essential because we want the startup ecosystem to reflect broader society," Dr Cornick said.

"It's encouraging to see that we're heading in the right direction, but there is more work to do to drive diversity in startup teams and increase inclusion across unrepresented groups including regional, disabled and LGBTQIA+ community and people living with a disability."

### ***Globally-minded***

The majority of Victorian firms are already thinking global, with over half (57%) of firms exporting outside Australia – particularly those specialising in Data & Analytics, Enterprise & Corporate Services and Sports & Recreation.

The largest overseas markets targeted by exporting firms are the US and UK, followed by New Zealand, China and India.

### ***More support for startup founders***

Victoria now has 29 accelerator programs, with nearly 60% of programs supporting startups to grow within a specific vertical or sector. Many programs have been established with the support of LaunchVic.

The availability of coworking spaces in Melbourne has skyrocketed 960 per cent. Melbourne remains the coworking space capital of Australia, claiming over 170 coworking spaces and accounting for nearly half the total volume of coworking sites across Australia. It's no surprise two in five Victorian founders accessed a coworking space in the past year.

### ***The journey isn't over, it's just begun***

While Victoria is demonstrating significant momentum, it still has room to improve. From a global perspective, Victoria's major city, Melbourne, has a lower density of startups and scaleups compared to a number of similarly sized cities around the world.

"To catch up with comparative ecosystems, such as Berlin and Tel Aviv, Victoria needs to increase its density of startups and scaleups by nearly 50%," Cornick said. "Achieving this level of growth will provide Victoria with the potential to reach the top twenty ecosystems globally and position it as a leading centre of startup activity in the Asia Pacific."

The 2018 Victorian Ecosystem Mapping is a valuable resource for policy makers and startup community leaders. The full report can be downloaded from the [LaunchVic website](#).

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## **NOTES TO EDITORS**

### **About LaunchVic**

LaunchVic is Victoria's lead startup ecosystem development agency. We invest in organisations and projects that empower entrepreneurs to scale innovative companies, and deliver new industry benefits to the Victorian economy. At LaunchVic, we're fuelling the startup ecosystem by supporting entrepreneurs and investors to sustainably grow and deliver economic and cultural benefits for Victoria. To date LaunchVic has invested \$x

million and funded an exciting x projects that have delivered services and support for the benefit of the Victorian startup community.

To find our more, visit [www.launchvic.org](http://www.launchvic.org)