

UNDER EMBARGO UNTIL TUESDAY 8 MAY 8.00AM AEST

## **TECH STARTUPS KEY TO GENERATING MULTI-BILLION ECONOMIC WINDFALL FOR VICTORIA**

- Melbourne's startup sector has the potential to add between \$2.5 - \$4b to the State's economy
- The city ranks in the top five globally for growth in early-stage funding
- Melbourne has 1,100 tech startups - twice the average for comparable cities
- 1 in 4 Melbourne entrepreneurs moved from overseas specifically to start a startup
- Melbourne has global startup strengths in life sciences and healthtech

(02 MAY 2018, MELBOURNE): A new in-depth report on Melbourne's startup ecosystem has found that tech startups—off the back of a rapid growth period—have the potential to generate up to \$4 billion to the Victorian economy if there is continued investment in the local ecosystem.

Startup Genome's '*Melbourne Startup Ecosystem Report*' commissioned by LaunchVic has shown that Melbourne's startup ecosystem is growing at a rapid rate given its current size.

With approximately 1,100 tech startups in Melbourne and an overall ecosystem value of \$1.6 billion, the City has benefited from an increase in early-stage funding, ranking in the top five globally for early-stage investment growth.

As Melbourne's ecosystem grows and achieves stronger global status there is the potential to add \$2.5 billion in value – according to Startup Genome's methodology used to measure the startup ecosystems of over 40 cities around the world.

The report also stated that with even more growth of local tech startups, Melbourne could potentially add as much as \$4 billion in value, creating thousands of jobs directly and indirectly.

In keeping with the state's growing diversity and connectivity, 1 in 4 entrepreneurs located here moved to Melbourne from another country specifically to start a startup – a third more than the global mean. Founders in Melbourne also surpassed the average number of 'global connections' by about one third as compared to other comparable ecosystems.

Victoria's strengths in life sciences and healthtech are also recognised, noting that 1 in 5 Victorian startups are in healthtech and that Melbourne remains the center of Australian biotech and one of the world's leading biotech hubs.

Dane Stangler, Startup Genome's Chief Policy Officer, noted that "Startups, especially in technology sectors, are the key to economic prosperity in Victoria and across Australia. Melbourne has made great progress in creating a vibrant environment for these startups. Continued support through LaunchVic and other public and private channels will help the region realize the massive economic potential to be generated by successful startups."

Commenting on the results of Startup Genome's research, Dr Kate Cornick, CEO of LaunchVic, said: "The report shows that startups are an incredibly important part of our future economic mix and represent a major opportunity for Victoria and Australia to make greater global gains in innovation."

There is also a growing opportunity for early-stage investment. Over the 2014-16 period, Melbourne enjoyed a rate of Scaleups (companies that received Series A round funding going on to exit) higher than Stockholm and Tel Aviv.

“By capitalising on Melbourne’s strengths and addressing the opportunities highlighted by the Startup Genome research, we can build more successful startups and drive greater economic value for the entire region,” Cornick says.

If Melbourne can increase early-stage funding the report projects that an ecosystem value of \$2.5b can be achieved in three years.

To view Startup Genome’s full report into the Melbourne Startup Ecosystem, please visit [www.startupgenome.com](http://www.startupgenome.com)

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## **NOTES TO EDITORS**

### **About LaunchVic**

LaunchVic is Victoria’s startup agency. We invest in organisations and projects that empower startups to scale innovative companies, and deliver new industry benefits to the Victorian economy. At LaunchVic, we’re fuelling the startup ecosystem by supporting founders and investors to sustainably grow and deliver economic and cultural benefits for Victoria.

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

### **About Startup Genome**

Startup Genome works with more than 50 cities globally to increase the success rate of startups and improve the performance of startup ecosystems. They advise innovation ministers, agencies and organisations supporting startups with data-driven insights, clarity and focus to the actions needed to produce more scale-ups, job creation, and economic growth.

Download their free [Global Startup Ecosystem Report 2018](#) to learn more.