

ANNUAL REPORT 2022-23



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MESSAGE FROM CHAIR

Leigh Jasper
Chair, LaunchVic



Victoria's startup ecosystem has undergone massive growth in the last year. There are well over 3,200 startups.

The enterprise value of Victoria's entire startup ecosystem (including startups, scaleups and unicorns) is now \$91 billion, placing Victoria's startup ecosystem on par with Tel Aviv in 2016.

Melbourne's early-stage startup ecosystem value has also grown an impressive 56 per cent in a year - from \$23.6 billion in 2022 to \$36.9 billion in 2023.

We also saw Melbourne's overall ranking jump an impressive six places to #33 in the world as part of the 2023 Global Startup Genome Report analysis - making our local ecosystem one of the fastest climbing, behind Singapore, Miami and Zurich.

While some of these growth stats can be attributed to economic conditions, developing ecosystems cannot just rely on 'luck' or market forces alone for their growth.

Growing a startup ecosystem requires carefully considered investments - which is LaunchVic's role.

I'm very pleased to report that in the past financial year, LaunchVic has done a huge amount of work to fuel Victoria's startup ecosystem, particularly its impressive efforts to stimulate investment.

In 2022, Victorian startups and scaleups raised an estimated \$2 billion in angel investment and venture capital, and LaunchVic is making a considerable difference to this figure through its strategic activity.

To date, LaunchVic has unlocked more than \$600 million of private sector investment through its programs and investments.

I'd like to thank our CEO Kate Cornick, who continues to do amazing work and is increasingly recognised nationally for her passion, determination and intelligence in driving Victoria's growth.

I'd also like to thank LaunchVic's Board of Directors and the wonderful team at LaunchVic, whose output for their size is equally impressive.

Backed by this leadership, Victoria's startup ecosystem and its future growth are in very good hands.

MESSAGE FROM CEO

Another year has passed, and the pace we've set at LaunchVic shows no signs of slowing – in fact, our output and the results we have achieved are some of our best yet, and as the CEO of the organisation, it makes me extremely proud of the team.

Highlights from this period include supporting:

- 142 Victorian startups to grow
- Over 1,380 entrepreneurs and aspiring entrepreneurs through short-form programs such as online educational webinars, online workshops, online masterclasses, and mentoring
- 269 investors through angel networks and investor education programs.

In line with our strategy to catalyse early-stage investment, we were thrilled to learn the Alice Anderson Fund was allocated a further \$5 million in the 2023/24 Victorian State Budget. This fund continues to flourish, with a total investment of \$6.07 million in 26 women-led startups, unlocking \$36.8 million in private sector capital and generating 320 new jobs.

Our flagship programs, 30X30 and CivVic Labs, have excelled. With two cohorts of 30X30 delivered, the program has been enthusiastically received by participating scaleups and their teams, with many of them reporting significant uplift in their HR, operations, and finance functions because of their involvement in 30X30.

Collaboration across government has been at the forefront of LaunchVic's activities this past year. We have forged strong partnerships with organisations such as VicHealth and the Department of Energy, Environment and Climate Action to deliver two successful CivVic challenges. We are also working with Agriculture Victoria to deliver an AgTech Grants Program that provides seed capital of up to \$50k for eligible startups and deliver the new \$1 million High Victor McKay Fund for AgTech startups.

Our work to drive awareness and advocacy for the Victorian startup sector has been hugely effective. We successfully delivered the Startups Start Here campaign between 1 April and 30 June 2023, resulting in 49,000 website visitors, 383 direct enquiries to LaunchVic and 2,200 new email subscribers.

There was also a 20 per cent lift in Victorian Startup Ecosystem awareness because of campaign advertising, highlighting the importance of campaigns to raise overall awareness of the sector.

LaunchVic's events program has also been meticulously executed. This year, we held 44 events (a combination of online and in-person), engaging over 3,270 attendees. Particularly outstanding was the inaugural and hugely successful Victorian Startup Gala dinner with 668 attendees in August 2022 – delivered entirely by the LaunchVic team.

We continued to refine and collect data on the Victorian startup ecosystem, including through the Victorian startup database powered by Dealroom.co, a free dedicated source of real-time data for startup founders, investors, corporates and policymakers. For the reporting period, we have also generated 'ecosystem-specific' research to help with our advocacy and inform our work, producing five research reports this past year alone.

In the last year of our current funding cycle, LaunchVic remains committed to fueling the growth of Victoria's startup ecosystem. I extend my gratitude to our dedicated team and the LaunchVic Board. Together, we can celebrate another year of remarkable achievements.

Dr Kate Cornick
CEO, LaunchVic



ABOUT LAUNCHVIC



LaunchVic is Victoria's startup agency. We were established by the Victorian Government in March 2016 as an independent agency responsible for growing the State's startup ecosystem. We do this by building the confidence and capability of Victorians to create, scale and invest in startups.

Through our work, we are driving improvements in the startup investment landscape by developing the angel investor and early-stage venture capital markets in Victoria, supporting programs that build founder, investor, and talent capabilities and confidence, and continuing to drive awareness and advocacy for startups.

Operating in a dynamic, fast-paced environment, we have strong links with Victorian startup founders, Venture Capitalists (VCs), angel investors and community partners such as accelerators, co-working spaces and other service providers.



THE LAUNCHVIC BOARD & TEAM

Our Board

As at 30 June 2023, the LaunchVic Board comprised:



Leigh Jasper (Chair)
Entrepreneur, Investor & CEO,
Saniel Ventures



Ilona Charles
CEO & Co-Founder shilo.people



Aneetha de Silva
MD Government ANZ,
Aurecon



Teresa Engelhard
Director, Wise Tech Global



Con Frantzeskos
Group Chief Growth and Innovation
Officer, GrowthOps



Catriona Larritt
Chief Customer & Digital Officer,
Qantas Group

There were eight meetings of the Board over the year. In addition, Directors considered and unanimously agreed to one circular resolution.

Directors' Meetings

	Number eligible to attend	Number attended
Leigh Jasper	8	8
Ilona Charles	8	7
Aneetha de Silva	8	8
Teresa Engelhard	8	5
Constantine Frantzeskos	8	8
Catriona Larritt	8	6

LaunchVic's Board also has three Sub-Committees.

- The Audit, Finance & Risk Committee members are Aneetha de Silva (Chair), Constantine Frantzeskos and Leigh Jasper. The committee met six times over the year with no Circular Resolutions.
- The Grants & Funding Committee members are Catriona Larritt (Chair), Aneetha de Silva and Ilona Charles. The committee met three times over the year and approved four Circular Resolutions.
- The People Committee members are Ilona Charles (Chair) and Leigh Jasper. The committee met two times over the year, and there was one Circular Resolution.



Our Team

LaunchVic is supported by a dedicated team that is passionate about growing the Victorian Startup Ecosystem. As of 30 June 2023, the LaunchVic team comprised:

Kate Cornick	Chief Executive Officer
Georgia McDonald	Chief Operating Officer
Amanda Collins	Chief Financial Officer
Shane Morris	Company Secretary
Bronwyn Betro	Events Manager
Holly Clark	Communications Lead
Penny Coutts	Executive Officer
Kat Franks	General Manager, Research, Evaluation and Reporting
Kate Gittings	General Manager, Marketing and Communications
Peter Goldsworthy	General Manager, Startups
Jacinta Haikal	Assistant Accountant
Mark Knobel	Marketing Campaign Manager
Andrew Lanigan	General Manager, Government & Policy
Alex Lewis	Program Consultant
Josh Lipscombe	Investment Manager, Hugh Victor McKay Fund & Community Manager
Mark Newman	Startup Programs Manager

Catheryn Pangallo	Social Media Lead
Rebecca Peart	Grants and Procurement Manager
Danielle Roberts	Coordinator – Regional and AgTech
Rebecca Rozencwajg	General Manager, Investors, Alice Anderson Fund / Hugh Victor McKay Fund
Elena Toh	Operations Manager
Erique Truong	Data Analyst
Michelle Vu	Investment Manager, Alice Anderson Fund

The following staff commenced working with LaunchVic during the reporting period:

Penny Coutts	Executive Officer
Kat Franks	General Manager, Research, Evaluation and Reporting
Alex Lewis	Program Consultant
Catheryn Pangallo	Social Media Lead
Michelle Vu	Investment Manager

We extend our deepest thanks to Al Gibb, Government Engagement Manager who worked tirelessly to support Victorian startups access Government.

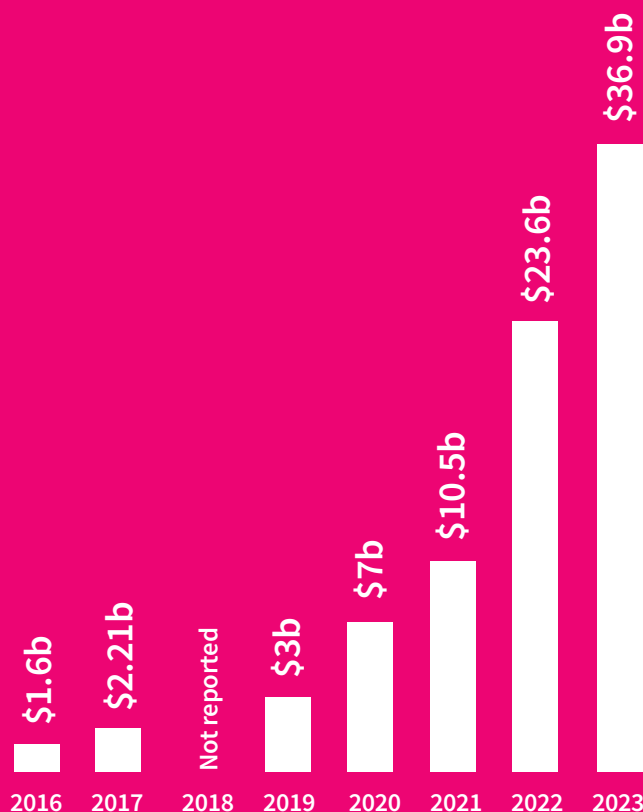
We wish Al all the best in his future endeavours and thank him for his contributions to LaunchVic.

OUR ECOSYSTEM

Victoria is home to more than 3,200 startups – technology-driven companies that use innovative business models and technology to grow quickly and service global markets.

The enterprise value of Victoria's entire startup ecosystem (including startups, scaleups and unicorns) is now \$91 billion – Victoria's startup ecosystem is now the same size as Tel Aviv in 2016.

Melbourne's early-stage startup ecosystem value has also grown an impressive 56 per cent in the past year, up from \$23.6 billion in 2022 to \$36.9 billion in 2023.



**VICTORIA'S
EARLY-STAGE
STARTUP
ECOSYSTEM IS
THE SAME SIZE
AS TEL AVIV'S
IN 2016.**

Jobs Growth

Despite Victoria's population falling for the first time in almost 30 years, the Victorian startup ecosystem experienced a rapid expansion of its startup workforce, which increased from 37,000 in 2020 to 52,000 FTE jobs in 2022.

“The fundamentals are in place for strong ecosystem growth in Victoria, but to keep this momentum going and build on this rapid growth to date, continued investment is essential.”

Dr Kate Cornick
CEO LaunchVic

In a period of just two years, we have seen startup jobs grow annually by

20%

Deloitte Access Economics was commissioned to report on the impact of the Victorian startup ecosystem, and their report explored what Victoria's economy could look like if its startup ecosystem resembled the international benchmarks of Singapore and Tel Aviv. ‘Scaling up: Growing the economic opportunity for Victoria's startup ecosystem’ showed that associated growth in startup density and scaleup success rates will significantly impact productivity, employment, and the broader Victorian economy over the next 20 years.

By 2042, if Victoria's startup density grows to the level of Singapore, Victoria's GSP could be \$6.9 billion higher or \$10.2 billion higher if it grows to the density of Tel Aviv. This amounts to an increase in GSP of between \$26.9 billion and \$35.8 billion in net present value (NPV) terms over the modelled period.

This level of growth will create between 19,400 and 30,200 additional FTE jobs (cumulatively) by 2042, or between 8,150 and 12,350 additional jobs annually over the modelled period.

Early-Stage Investment

An estimated \$2 billion in angel investment and venture capital was raised by Victorian startups and scaleups in 2022.

Despite the global economic downturn, this was only slightly less than the record AUD\$2.3 billion venture capital funding in 2021.

There has been enormous growth in the late-stage venture market from Series B onwards. In 2016 there was no Series B and later capital, and today it accounts for 87% of total funding. Victoria's early-stage VC community including pre seed, seed and series A funding has shown little growth since 2016 despite a dramatic rise in the number of startups in Victoria.

To address this LaunchVic has funded the establishment of eight new angel groups in Victoria since 2020, and angels now account for 29% of total rounds in Victoria - a dramatic increase from around 5% in just two years.

Angels now
account for

29%

of total rounds
in Victoria

Sector Strengths

Ecosystem mapping reveals the joint largest startup sub-sectors are Health (16%) & Enterprise & Corporate Services (16%). This is followed by Financial Services (10%).

Melbourne performs strongly in talent, experience and knowledge and is ranked as a top 25 ecosystem in the category.

Our universities produce a strong talent pipeline through their deep pool of work-ready graduates from world-class education institutions.

Our Founder Profile is also changing...

- The average founder age is 42. However, the share of founders in their 30s has increased substantially in 2022.
- Firms with at least one woman founder have grown from 20 per cent in 2020 to 34 per cent in 2022, however, they still only represent 22 per cent of founders across all firms.
- 10% of founders identify as LGBTQIA+.
- 36% of firms have at least one employee who identifies as having a CALD background.
- 93% of firms are based in the Greater Melbourne Region, and 7% are based in Regional Victoria.
- 88% of startups have a founder with at least two years of prior work experience in a relevant industry, and 83% of firms have at least one founder with a business degree or at least two years of experience as a manager.

AWARENESS & ADVOCACY

LaunchVic's communications and marketing team have had a big year using owned and earned communications and campaigns to promote our investments, programs, and the Victorian Startup Ecosystem.

In the past year, the team secured significant media and PR with 354 news items to a potential audience reach of 278 million viewers. Highlights included an exclusive in *The Australian Financial Review* covering key findings from the Startup Skills Report with the Tech Council of Australia, coverage in *The Australian* of our inaugural 30X30 cohort and influential funding announcements from Alice Anderson portfolio companies Modo, More Good Days and Oho.

LaunchVic's digital footprint continues to grow. LaunchVic's corporate website has had a large increase in website traffic and interest, up 76% to 84,814 users. Social media engagement over the period has increased by 45%, with LinkedIn jumping in the number of followers by 37% as a result of a clear social media and content strategy to support LaunchVic's operations and activity. There has also been a 17% increase in LV newsletter signups, measured by the size of the mailing list, since 1 July 2022.

A 3-month trial of paid social media resulted in an increased reach of our messages across social channels, including 10k new website users, 533 referrals to LaunchVic-funded programs, 54 direct inquiries to LaunchVic and 379 new email subscribers.

Startups Start Here

The "Startup Start Here" ecosystem campaign was delivered between 1 April and 30 June 2023 with the aim of championing the state's most successful startups and encouraging more Victorians to commercialise their ideas.

The campaign included a mix of above-the-line and below-the-line marketing activity. Startups Start Here told the story of some of Victoria's best startups and how the people and place backed them to be where they are today. Featured case studies included Zac Leigh of Tixel, Hannon Comazzetto of AirRobe, Ben Pfisterer of Zeller, Dr Ben Hurst of HotDoc, Kim Teo of Mr Yum, Jordy and Julia Kay of Great Wrap and Jeanette Cheah of Hex.

As a result of campaign media activity, there were 49,000 visitors to the LaunchVic website, 4,800 referrals to LaunchVic-owned and supported programs, 383 direct enquiries to LaunchVic and 2,200 new email subscribers. The campaign also resulted in a 20 percentage point lift in Victorian Startup Ecosystem awareness as a result of campaign advertising.

1M

video views

2,200

new email
subscribers

76%

increase in online traffic
at the LaunchVic's
corporate website

49,000

visitors to
the LaunchVic
website

20%

lift in Victorian
Startup Ecosystem
awareness

354

news items
published in
the past year



EVENTS



44

LaunchVic events
attracted over

3,270

attendees



Events

LaunchVic has delivered 44 events in person and online since 1 July 2022, attracting over 3,270 attendees.

In August 2022, we hosted the inaugural Victorian Startup Gala, celebrating our rapidly growing startup sector with 650 stakeholders. Key speakers included:

Her Excellency the Hon.

Linda Dessau AC Governor of Victoria

The Hon. Jaala Pulford

Victorian Minister for
Innovation, Medical Research
& the Digital Economy

The Hon. Ed Husic Federal Minister for Industry
and Science

Leigh Jasper Chair of LaunchVic

Rae Johnson MC

Sam Cobb CEO, Currus Biologics

Dan Adams Co-Founder, Amber Electric

Dean Freestone Co-Founder, Seer Medical

In May 2023, we also held the Governor of Victoria Startup Awards at Government House, celebrating the outstanding contribution of Victoria's \$91 billion startup sector. In its second year, the winners included:

Best Newcomer Willd

Startup of the Year Mr Yum

Scaleup of the Year Zeller

Regional

Ecosystem Hero

Dr Elena Kelareva, CEO, GippsTech

Ecosystem

Hero of the Year

Emily Casey, Founder, What
the Health

Investor of the Year (Joint Winner)

Nick Crocker,
General Partner, Blackbird
Rachael Neumann,
Co-Founder, Flying Fox Ventures

In July 2023, we were again joined by over 800 investors, industry supporters and founders for the second Victorian Startup Gala, celebrating our rapidly growing startup sector. Key speakers included:

The Hon. Ben Carroll Minister for Industry
and Innovation

Leigh Jasper Chair of LaunchVic

Fenella Kernebone MC

Grace Brown Co-Founder and CEO,
Andromeda

Lina Xu Co-Founder and COO, Telecare

Amy Yu Co-Founder, Ventora Medical

Gerard Holland Co-Founder and CEO,
InternMatch

Ecosystem Research

We work closely with our industry partners dealroom.co, Startup Genome and dandolopartners international to collect and refine our data to help us understand opportunities and challenges facing the ecosystem, and to raise awareness and advocate for the Victorian startup sector.

The Victorian Startup Database powered by Dealroom now has over 3,200 verified startups on the platform. This has a considerable jump from the same time last year when there were just 2,600 startups.

The 2022 Startup Ecosystem Mapping Report, the fourth report of its kind developed by LaunchVic in partnership with consulting and research firm dandolopartners, found that Victoria's startup ecosystem is rapidly maturing with its growth outpacing some of the world's most entrepreneurial cities, such as Tel Aviv, Toronto and Amsterdam.

It also showed there have been 1,300 new startups created since the previous report in 2020, reflecting a strong pipeline of new ventures in the state.

The 2023 Global Startup Genome report (GSER) released during the reporting period found that despite a global slowdown, Melbourne's startup ecosystem continued to perform against other global cities in the report.

The GSER analysis showed Melbourne had jumped an impressive six places to #33, to be one of the fastest climbing, behind Singapore (+10 spots to #8), Miami (+10 spots to #23), and Zurich (+10 spots to #36).

The report also shows that Melbourne's early-stage ecosystem value has jumped from \$23.6B (AUD) in 2022 to \$36.9B (AUD) in 2023 – a 56 per cent jump in the past year.

Melbourne also performed strongly in talent, experience and knowledge and is ranked as a top 25 ecosystem in the category.

We also released a report examining the investment landscape in Victoria in partnership with dealroom.co.

The State of Funding in Victoria marked the first time we have had a holistic view of the enterprise value of Victoria's entire startup ecosystem – collectively valued at \$91 billion (AUD).

The data showed the effectiveness of the VC industry in Victoria. Since 2016, we have seen enormous growth in the late-stage venture market from Series B onwards - although significant amounts of invested capital are coming from overseas.

Most telling is the continued stagnation of the early-stage VC community, including pre-seed, seed and series A funding, which continues to have little growth since 2016 despite a dramatic rise in the number of startups in Victoria.

Finally, a joint report from LaunchVic and the Tech Council of Australia revealed despite reported layoffs in larger tech businesses, demand for talent in the ecosystem remained robust.

The Startup Skills Report confirms that Victorian startups need more than just technical talent, with many facing significant issues in recruiting and retaining business, operations and design talent.

But these shortages are not driven by a lack of suitably skilled talent. For every vacancy in these business and operations roles, there are approximately 25,000 people in Victoria with suitable skills and experience.



\$91B

Victoria's total ecosystem value in 2023, including scaleup and unicorns

\$36.9B

Melbourne's early-stage ecosystem value in 2023

1,300

new startups created since the previous report in 2020



SUPPORTING PROGRAMS THAT GROW STARTUPS

LaunchVic has always supported programs that support founders to get the skills they need to start, grow and scale their startups.

We do this through supporting third-party programs, including pre-accelerators and accelerators, and more recently, LaunchVic has implemented its own founder programs for the benefit of the startup community.





30X30

30X30

LaunchVic's ambitious 30X30 program is on a mission to help 30 of Victoria's best scaleups reach unicorn status by 2030.

The fully subsidised and bespoke leadership program is tailored to support scaleup founders and their executive teams as they take their businesses to the next level.

Designed using extensive feedback from consultation with scaling founders, 30X30 addresses some of the most significant pain points to a scaleup's growth, which often develop in the day-to-day HR, Operations and Finance functions.

As part of the program, the leadership teams of some of Victoria's best scaleups receive sponsored executive education and have access to a range of mentors who have themselves been through the scaling journey as a leader in either HR, Operations or Finance.

Cohort 1

Our inaugural 30X30 cohort ran between July-October 2022, with the following scaleups selected to participate:

Bare: a high-quality and affordable cremation service

Buildkite: a platform for running fast, secure and continuous integration pipelines on infrastructure

Carbar: Australia's #1 car subscription website

HammerTech: a leading construction company safety software platform

InternMatch: the world's #1 platform for internships

July: Australian-made luggage and travel accessories with unique production technology

Mr Yum: Australia's leading mobile food ordering, payments and marketing platform.

Nutromics: revolutionising precision medicine through Continuous Molecular Monitoring

Seer Medical: reimagining how people undergo long-term monitoring of epilepsy, sleep and cardiac conditions

“An amazing and horizon broadening program - as we didn't have a dedicated HR executive I sat in the HR Stream.

It has really been a game changer for JET Charge - the quality of mentors as well as the quality of the material was so valuable and immediately applicable to our business.”

Ellen Liang
JET Charge Co-Founder



Cohort 2

In 2023, 30X30 has expanded its mentor group further to include more experts in HR, Ops and Finance from unicorns and scaleups such as Linktree, DropBox, 99 Designs, Seek, Harrison.ai and Go1, along with returning mentors from Culture Amp, Atlassian, Canva, Dollar Shave Club and Uber.

Expressions of interest for the second cohort opened in February 2023, and eligible scaleups were invited to apply to the four-month program.

The nine scaleups selected in the latest 30X30 cohort include:

JET Charge: Australia's leading EV charging infrastructure and technology company.

preezie: specialises in eCommerce solutions that drive customer acquisition and enable guided experiences.

Thriday: an all-in-one business financial management platform.

IntelligenceBank: IntelligenceBank is the leading innovator in marketing operations and compliance.

Halaxy: a global healthcare platform for practitioners, patients and consumers that makes healthcare efficient, effective and accessible for everyone everywhere.

FourthRev: empowers learners for high-growth digital careers.

Vendor Panel: Australia's most-awarded ProcureTech solution. It simplifies procurement and drives positive impact.

XY Sense: offers real-time occupancy intelligence for workplace teams, with AI-powered sensors and analytics platform, worldwide.

Great Wrap: a material science company on a mission to end human reliance on plastic.



CivVic Labs

LaunchVic continues to scale its CivVic Labs offering, a pre-accelerator program bringing startup innovation to government challenges.

From July to August 2022, we were proud to host a challenge with VicHealth focused on some of the key health challenges facing young people. 13 early-stage startups were selected to participate, and six progressed to a final pitch where three secured \$25,000 seed funding to further develop their ideas.

Winners:

WIRL: a nutrition education app that supports mental wellbeing through the gut-brain axis.

eMojo: a gamified data collection tool to amplify the voices of young people, so change makers can design public health solutions with more impact.

Product Forge: a browser extension installed in the web browser of research participants that gives a real-time view of the types of advertising young people are served.

In October 2022 we also partnered with the Department of Energy, Environment and Climate Action on a challenge for emerging EnergyTech startups.

10 startups spent six weeks codesigning and testing their solutions supported by \$15,000 funding. At the end of the program, two startups secured further seed funding to continue to develop their solutions.

Winners:

HAL Systems: a predictive energy-efficient climate control system for the commercial property market.

Top Property: a platform that can calculate how to best understand the right energy products and choices for your home based on realtime data.

The CivVic Labs program continues to scale up with new challenge agreements signed with the Department of Transport and VicHealth for delivery in the next financial year.



ClimateTech startup
HAL systems raises

\$850,000

in seed funding

Vicky and Julian
Featherston,
Co-Founders,
HAL Systems

Case Study: HAL Systems

ClimateTech HAL Systems recently took out the CivVic Labs EnergyTech challenge run by LaunchVic in partnership with the Department of Energy, Environment and Climate Action.

The six-week program connects startups and the public sector to help solve real-world challenges identified by Government. For Vicky, the program presented a unique opportunity to code with customers and test the results.

“CivVic Labs helped us refine and validate our business model, customer journey map, and go-to-market strategy. It also expanded and strengthened our network, which helped us to acquire great talent and strategic partnerships.”

With co-investment from LaunchVic’s Alice Anderson Fund, HAL has now closed out their first capital raise to install the next iteration of the tool in a series of commercial buildings.

The \$850,000 round included a range of angel investors with an interest in sustainability and architecture, and like many founders we speak with, Vicky says cultural fit with investors was just as important as cheque size.

“Julian and I sat down and outlined our parameters on what type of investor we’d like to partner with – we needed to make sure we were on the same page with our direction and know each other’s preferences,” Vicky says.

Capital is being cautious right now, so Vicky’s advice to founders currently raising is to seek constant feedback.

“If you’re not successful, listen to their feedback and see if there’s something you can do to progress your business forward,” she said.

“Once you’ve done work, don’t be afraid to circle back – investors will appreciate your effort, accountability and resilience.”



7%

of startups
are based in
regional Victoria

Support for Regional Startups

Community of Practice

While 25% of Victoria's population resides in the region, LaunchVic's 2022 ecosystem mapping showed only 7% of startups were based in regional Victoria.

Grants for regional startup development

In June 2022, LaunchVic announced a grant round supporting more regional startup activity.

After a competitive process, Startup Central Victoria, Latrobe City Council, Mildura Regional Development and Warrnambool City Council received up to \$300,000 to run programs to reach thousands of regional entrepreneurs.

- Startup Central Victoria will support more than 550 startup entrepreneurs in the Loddon Campaspe region through events and pre-accelerator programs with expert regional presenters and mentors.
- Latrobe City Council will lead the Startup Gippsland Ecosystem Activation Program to increase ecosystem connectedness for more than 600 local entrepreneurs.
- Mildura Regional Development will offer the GetUp StartUp Mildura program, which includes a skills development program and events to support at least 50 innovators in the Mildura region.
- Warrnambool City Council will partner with Moyne Shire, Corangamite Shire, Deakin University ManuFutures, South West TAFE and Food and Fibre Great South Coast to accelerate the Great South Coast's startup ecosystem and support at least 720 startup entrepreneurs.

To help more regional founders start up, LaunchVic also runs a Community of Practice (CoP) for regional startup program managers and local councils. The CoP provides an opportunity for peers across the state to meet, learn from startup leaders and connect with programs across the State. The CoP now comprises 53 members and meets eight times in the period.



Founder Office Hours

Office Hours is an online service offered by LaunchVic to connect Victorian founders to specialists across a broad range of areas to help them in the early stages of their startup journey. It also helps LaunchVic gauge challenges and opportunities faced by founders.

During the reporting period we delivered 280 office hours to help founders better navigate the Victorian startup ecosystem and connect with support as required.

Support for Women-Led Startups

On International Women's Day in March, LaunchVic announced new funding for pre-accelerator programs to build a pipeline of women founders entering the ecosystem.

Flying Fox Ventures and Jumpstart Studio each received \$300,000 to run pre-accelerator programs offering women founders the advice, support and networks required to build a minimum viable product and find their first customer.

- The Flying Fox Female Founders program will leverage the experience and network of the Flying Fox Ventures community to provide female founders with the knowledge and connections they need to build and grow successful startups.
- Jumpstart Studio's Press Play program will support mid-to-senior level women in corporates, startups and scaleups looking to transition into entrepreneurship.

The two new grants will see more than 130 women get the support they need to launch their startups over the next two years.

"Women in corporate roles are the perfect fit for entrepreneurship, and I say this from personal experience.

They possess an arsenal of technical skills, tenacity, and leadership traits, and they are already battle-hardened players in the business world."

**Sangeeta Mulchandani,
Co-Founder,
Press Play Ventures**



“The #1 barrier identified to moving into tech jobs or founding a startup is the lack of awareness about what tech jobs exist and simply not knowing where to get started,”

**Michael Batko,
CEO, Startmate**



Launching the Next Generation of Tech Talent

In July, LaunchVic announced a \$300,000 grant over two years, which will see at least 320 Victorian students complete the Startmate Student Fellowship, a three-week intensive designed to give students the confidence, connections and skills they need to launch their own startup and gain a deep understanding of the startup ecosystem.

The program offers university students a peek behind the scenes of what it's like to work at a startup and life-long access to Startmate's community.

It culminates in the 'Founder's Challenge', where students work on solving a problem they are passionate about and pitch their startup ideas to top VCs in ANZ.

363 Victorian students have been through the Student Fellowship to date, and more than 160 have gone on to either work at a startup or found one of their own.

“Instead of the best and brightest students following traditional entry-level career opportunities in corporates, the Student Fellowship will enable students to pursue their most ambitious startup ideas now.”

“By surrounding students with the right community to support them, we will empower them to raise their ambitions faster and higher than they could have ever done alone, and dramatically increase their chance of success. This will strengthen, develop and grow the startup community and foster the next generation of founders.”

**Michael Batko,
CEO, Startmate**

Planting Seeds for AgTech Growth

Victoria is Australia's largest agricultural producer, but despite our reputation as the nation's food bowl, our AgTech sector has historically been small and underdeveloped.

To help more Ag entrepreneurs start up, LaunchVic announced a partnership with Agriculture Victoria in September 2021 to boost the number of Victorian AgTech startups and build entrepreneurial culture and capability in this crucial sector.

In February 2023, we announced two grant rounds to further grow the sector.

- The AgTech Angel Network Grant to support Victoria's first dedicated AgTech Angel Network. Assessment is underway.
- The AgTech Grants Program which provides equity grants of up to \$50,000 to Victorian AgTech startups looking to move to the next stage of their growth.

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AgTech Grant Recipients

Applications for the AgTech Grant round are accepted on a rolling basis, and our assessment committee meets bi-monthly to review submissions. So far, 13 companies have secured grants to build their entrepreneurial capability and move to the next stage of growth.

AEI: developing sophisticated energy solutions for the agriculture sector that work behind the meter to provide automated optimisation and participation in the energy marketplace.

Air Agri: an agricultural platform inspired by social networks, market places and Agri software.

Ambit Robotics: The Ambit robot wakes up each night to count and grade each piece of fruit in a crop row. Taking these measurements every 24 hours gives grower users unprecedented insight into both short-term (one day) and longer-term (multiweek) yields.

Farmo: monitoring water supply to livestock with a floating water trough sensor

Boodbox: a thermal image-based pollination management system for the commercial agriculture sector

Mobble: a cloud-based livestock farm management software on a mission to make farmers' lives easier and more successful

Rubens Technologies: a first-in-class non-destructive technology for determining fruit quality and consistency

AquaTerra: an IoT platform providing farms with valuable data and actionable insights

Gaia Project: producing industry-leading crop densities without the need for transplantation.

Leaf Protein Co.: Extracting protein from plants to increase the biodiversity of our planet

PHNXX: modular microgrid system providing farmers with mobile and scalable solutions

Tie up Farming: data-driven solutions to optimise farming operations and enhance productivity

Viman Techa: helping beekeepers see the real-time health of all their hives, no matter how far away.

CATALYSING EARLY-STAGE INVESTMENT

Support for Angel Networks

Supporting investors through education programs and establishing new angel networks and syndicates is critical to driving improvements in the early-stage landscape.

Over the course of the year, LaunchVic supported three new angel networks to come to market.

Cut Through Angels, Ecotone Ventures, and Playbook Angel Network each received grants of up to \$300,000 to deploy close to \$9 million in capital to early-stage startups over the next two years.

Angel networks support early-stage startups seeking funding (generally between \$100,000 and \$1 million), mentorship and networks to support business development.

With the addition of the three new groups funded during the period, LaunchVic has now seed funded nine active Angel networks, including Angel Partners, Archangel Ventures, Innovation Bay Angel Network, Scale Investors and Flying Fox Ventures.

“Ecotone Ventures is the new climate angel network we have established as a key initiative of Ecotone Partners. The network strives to ensure that early-stage startups with climate solutions get access to the capital they need. Founders come to us for advice on the type and right amount of capital they need, and we help connect them to the right investors.

Through our network, we’ve seen Victorian startups take on many different and important challenges. Some are helping corporates build climate into their business strategy, others are working to transform specific industries for a more sustainable future. We’re also working with startups focused on developing new technologies and [have] seen some really exciting ideas.”

Dan Madhavan,
Investment Principal,
Ecotone Ventures





Grants for World-Class Accelerator Programs

We continue supporting globally competitive programs with a new grant round announced in May 2022 to establish more world-class accelerator programs for Victorian founders. The competitive grant round resulted in three world-class accelerator programs being supported.

ANDHealth, Antler, and Climate Salad have each received up to \$1.4 million each to support startups to get the support and investment they need to grow.

ANDHealth, a leading digital commercialisation program, is supporting the 1 in 5 Victorian startups working in HealthTech through a new accelerator connecting the next wave of health innovators with investment and commercialisation opportunities.

Global venture capital firm Antler has expanded its presence in Victoria with funding to build a dedicated community of pre-seed entrepreneurs for future programs.

Climate Salad received \$1.4 million to launch a Global Impact Incubator and catalyse \$2.4 million in investments into startups in the sustainability space. LaunchVic's funding will cover operational costs and enable an \$800,000 investment into participating startups.

ALICE ANDERSON FUND

The Alice Anderson Fund

Announced as part of the 2020/21 Victorian State Budget, The Alice Anderson Fund is LaunchVic's own investment fund established to assist women-led early-stage startups to raise the capital they need to grow their businesses and create new high-value jobs.

The fund is a 'Sidecar Fund' which co-invests alongside private sector investors, leveraging the Government's investment by a minimum of 3:1 ratio. The fund has an active investment period of three years, providing between \$50,000 and \$300,000 co-investment into each startup.

To send a strong signal to the market that backing women-led businesses makes economic sense, the Alice Anderson Fund runs as a commercial fund. The fund aims to co-invest in approximately 40 to 60 women-led startups.

Progress to Date

Twelve investments had been finalised during the reporting period and a further two companies were offered conditional pre-approval for funding.

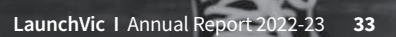
Since the inception of the fund, a total of \$6,069,039 (including non-dilutive grants) has been invested alongside co-investments of \$36,832,921 from co-investors, achieving a leverage of 6.1 for each dollar invested by LaunchVic (far exceeding the 3:1 leverage requirement).

The Alice Anderson Fund portfolio companies have created 319 jobs with 230 women employed.

There are 50 women in executive positions, representing 63% of all executive positions within portfolio companies. \$1,957,887 in export revenue has been generated in the year ending 30 June 2023, with many portfolio companies gearing up to launch in overseas markets.

\$36.8M

leveraged from
private sector
investors





Investment Committee

An expert Investment Committee steers the Alice Anderson Fund:

Susan Oliver AM	Co-Founder Scale Investors (Chair)
Matt Allen	CEO, Tractor Ventures
Kerri Lee Sinclair	Chair, SBE Australia
Aneetha de Silva	LaunchVic Board Director
Dr. Kate Cornick	LaunchVic CEO

The IC has met nine times since 1 July 2022 and responded to two additional Circular Resolutions.

Twenty-seven investments into 26 companies had been finalised by 30 June 2023.

Portfolio Companies

The investments that have been announced during this reporting period include:

- 1. Oho:** Software that stores, tracks and continuously monitors employee, contractor and volunteer accreditations
- 2. LIFTwomen:** Rewards-based fundraising platform supporting female founders to source capital.
- 3. Work180:** Raising organisation standards so that all women can choose workplaces where they thrive.

4. SmileyScope: Virtual Reality to alleviate the fear of needles and medical procedures.

5. ReciMe: A social cooking platform to share and discover recipes from around the world.

6. Verve Superannuation: Supporting women to build financial power through superannuation and investments.

7. Neighbourlytics: A social analytics platform for neighbourhoods that solves the human data gap for the property sector.

8. Pivot Professional Learning: Software that helps schools create a learning environment where students thrive.

9. More Good Days: Digital neuroscience and psychology-based chronic pain management.

10. Modo: A mindful productivity app that helps its users to be present in the moment and focus on what really matters.

11. Circle In: A digital-first employee benefits platform for caregiving employees and their managers at every life stage.

12. Andisor: A platform unlocking ways for retailers to collaborate with their suppliers, plan their business better and build thriving, sustainable fashion businesses.



Case Study: Alice Startups Join Forces to Support Working Parents

Having a career and being a parent are not mutually exclusive.

That's why Alice Anderson Fund Portfolio startups Circle In and Milkdrop have joined forces to make the transition back to work that little bit easier for breast-feeding and pumping parents.

Up to 200,000 Australian women every year will need to navigate pumping at work, but despite it being such a common experience, Circle In General Manager Liz Fox said a lack of support can leave new parents questioning their return to the office, costing organisations in lost productivity, recruitment and training.

"Some parents even delay their return to work because there is little to no support in place to pump. The thought of having to pump in a communal toilet or being in fairly intense pain because a meeting ran long and you've not had a chance to express... nightmare!" she says.

Circle In and Milkdrop have developed a unique educational program for managers, bringing together Milkdrop's expertise and customer research in developing products designed to revolutionise the pumping experience, and Circle In's caregiver employee benefits platform.

HUGH VICTOR MCKAY FUND





“Early-stage ventures in AgTech are often working with hardware and deep tech. These can be essential innovations in agrifood transition, since you can’t eat software.”

Matthew Pryor,
Co-Founder,
Tenacious Ventures
and Partner, AgThentic

The Hugh Victor McKay Fund

As part of our continued partnership with Agriculture Victoria we announced the \$1 million Hugh Victor McKay Fund, which will invest up to \$200,000 into at least five early-stage startups in the next 12 months.

Like LaunchVic's highly successful Alice Anderson Fund, the fund will co-invest with private sector investors, who will match the government's contribution by a minimum of 2:1.

Investment Committee

Susan Oliver, AM	Founding Chairperson, Scale Investors (Chair of the Hugh Victor McKay Fund)
Ilona Charles	CEO and Co-Founder, shilo.people
Amanda Derham	Advisor, Investor and Director, Aultmore Pty Ltd
Matthew Pryor	Co-Founder, Tenacious Ventures and Partner, AgThentic

Why AgTech?

The Hugh Victor McKay Fund will provide critical support for founders building the future of on-farm productivity and sustainability.

The story behind the fund

The fund is named after pioneering Victorian inventor Hugh Victor McKay, who patented the original combine harvester in the 1880s – widely credited as one of the most important agricultural innovations in recent history.

LaunchVic's Investment Portfolio

LaunchVic has a responsibility to maximise the impact of the funds it administers.

In certain circumstances, this can include investing in programs rather than granting funds to drive a return on investment. Any returns can be recycled to generate even more significant impacts for the Victorian startup ecosystem.

In the reporting period, LaunchVic invested \$800,000 into Climate Salad as part of their accelerator funding agreement.

This builds on our previous investments in:

- Startmate's Winter 21, Summer 22 and Winter 23 funds to ensure Victorian participants receive the capital to scale
- Our \$250,000 investment in Startupbootcamp's fund that invests in startups going through the EnergyNext accelerator.
- A \$2.4 million investment into the MedTech Actuator to scale its operations
- A previous loan to Tractor Ventures to support its establishment

These investments are expected to generate returns over the next few years that will further support the Victorian startup ecosystem.

The VSCF

The Victorian Startup Capital Fund (VSCF) was designed as a \$60 million Fund of Funds to increase the availability of early-stage venture capital and the number of investors in Victoria.

In May 2023, LaunchVic learned the Victorian Startup Capital Fund (VSCF) would no longer be funded by the State Government. LaunchVic continues to advocate for increasing the availability of early-stage venture capital in the Victorian startup ecosystem.

FINANCE SUMMARY

The consolidated financial statements for the financial year ended 30 June 2023 are presented as Group accounts – covering LaunchVic Ltd and its wholly owned subsidiary Alice Anderson Fund Pty Ltd, as the Trustee for the Alice Anderson Fund Trust. For the financial year, the Group generated a surplus of \$6,009,733 for the year ended 30 June 2023 (2022: Surplus of \$5,481,235). The Group earned revenue and income of \$20,523,594 in the reporting period (including various grants of \$19,151,537) and has expensed \$14,513,861 comprising program costs of \$12,501,155, fair value loss on investments of \$505,642 and operational costs of \$1,507,064.

Since its inception in August 2016, the Group has committed close to \$86.77 million of program activity funds through grant rounds, delivery of partnership programs and investing into startups, including through the Alice Anderson Fund.

Over the duration of its funding LaunchVic has kept operational expenditure within 15% of the total grant it received from the Victorian Government.

The Victorian Auditor-General's Office completed its audit of LaunchVic's group financial statements for the period ended 30 June 2023 and has issued an unmodified audit report.

For further details on the Group's finances, see the audited consolidated financial statements on the LaunchVic website.

Since its inception in August 2016, the Group has committed close to

\$86.77M

of Program Activity funds

Key Outcomes at a Glance

Strategic Pillar	Activities	LaunchVic Achievements
Awareness and advocacy	Communications & marketing activities	<ul style="list-style-type: none"> Completed a brand design refresh that was rolled out in Dec 2022. Website refresh completed and launched in Dec 2022. Helped increase awareness of the ecosystem through comms and marketing activities.
	Stakeholder engagement & event	<ul style="list-style-type: none"> 44 events attracting over 3,270 attendees. Delivered the highly successful Victorian Startup Gala Dinner in Aug 2022 and Jul 2023. Successfully delivered the 2023 Governor's Startup Awards.
	Startups Start Here Campaign	<ul style="list-style-type: none"> Successfully delivered Startups Start Here campaign. from 1 April to 30 June 2023.
	Campaigns to promote initiatives	<ul style="list-style-type: none"> Delivered campaigns to promote LaunchVic, its programs. and investment initiatives.
	Policy research and advocacy	<ul style="list-style-type: none"> Represented the voice of the startup ecosystem through various. State, national and international forums.
	Ecosystem research & monitoring	<ul style="list-style-type: none"> Continued to collect data and monitor the ecosystem to inform. reports and strategy. Commissioned and published the Startup Skills Report (Tech Council), Scaling Up: Growing the Economic Opportunity for Victoria's Startup Ecosystem (Deloitte), Victorian Startup Ecosystem Mapping (Dandolo), The State of Startup Funding Victoria (Dealroom).



Strategic Pillar	Activities	LaunchVic Achievements
Support programs that grow more successful startups	30X30	<ul style="list-style-type: none"> Completed Cohorts 1 and 2 with 18 scaleups successfully graduating.
	CivVic Labs	<ul style="list-style-type: none"> Successfully delivered VicHealth CivVic Challenge (cohort 1) supporting 13 startups. Successfully delivered DEECA Challenge (cohort 2) supporting 10 startups.
	Founder Office hours	<ul style="list-style-type: none"> 280 office hours sessions held with Victorian founders.
	Accelerators	<ul style="list-style-type: none"> Funded ANDHealth, Climate Salad and Antler to deliver accelerator programs.
	Pre-accelerators	<ul style="list-style-type: none"> Funded Jumpstart Studio and Flying Fox Ventures to deliver women's pre-accelerators. Funded Runway Geelong to continue to deliver their pre-accelerator program.
	Regional Programs	<ul style="list-style-type: none"> Funded four programs to drive regional entrepreneurship - Startup Central Victoria, Startup Gippsland, Mildura Regional Development, Warrnambool City Council. Regional Community of Practice delivered for regional startup program managers.
	Other founder programs	<ul style="list-style-type: none"> Funded The Startup Network to deliver Pitch Nights. Funded Startmate deliver Student Fellowship Program create new startups. Funded SBE to provide scholarships for their Life Sciences Program.
Investor Programs	Angel Investors	<ul style="list-style-type: none"> Funded three new angel networks - Climate Network, Cut Through Angels and Playbook Ventures. Grant Round completed for an AgTech Angel Network (assessment underway).
	Alice Anderson Fund	<ul style="list-style-type: none"> Continued to operate the Alice Anderson Fund which finalised 12 investments over the year.
	High Victor McKay Fund	<ul style="list-style-type: none"> Established the High Victor McKay Fund, which was announced in Aug 2023.
	LaunchVic Investments	<ul style="list-style-type: none"> Invested \$800,000 into Climate Salad, as part of their accelerator funding



“Melbourne’s early-stage startup ecosystem value has grown an impressive 56 per cent in a year - from \$23.6 billion in 2022 to \$36.9 billion in 2023.”

Leigh Jasper
Chair, LaunchVic

