



# Startup Manifesto



An Open Letter to the  
32nd Prime Minister of Australia



## Our Focus

*Building a Thriving Future for  
Australian Innovation.*



Startup  
Coalition



# Startup Manifesto

## An Open Letter to the 32nd Prime Minister of Australia

Dear 32nd Prime Minister,

### **Australia's startup and scaleup ecosystem is at a pivotal moment.**

In recent years, we have witnessed remarkable growth and innovation across the country. Investment in Australian tech startups has surged, with record-breaking funding rounds and a burgeoning ecosystem that rivals the best in the world. Our entrepreneurs are pioneering breakthroughs in fields like artificial intelligence, biotechnology, and renewable energy, positioning Australia as a leader in the global innovation landscape.

However, we now face significant challenges. According to the Global Startup Ecosystem Index 2024, **Australia has dropped out of the top 10** for the second consecutive year, now ranking 11th. This is Australia's **worst ranking** since the introduction of the Index. Moreover, although we have two cities in the global top 50, none are in the top 30, highlighting our struggle to establish a dominant startup hub on the global stage.

The recent data from "The State of Australian Startup Funding" report by Cut Through Venture and Folklore Ventures further underscores our concerns. In FY21, Australia saw 731 deals raising \$10.6 billion in capital. By FY22, the number of deals dropped to 712 with \$7.4 billion raised. Most alarmingly, in FY23, deals plummeted to 413, with only \$3.5 billion raised. This **declining trend** in both the number of deals and the total capital raised is a clear signal that we need urgent action to revitalise the startup funding landscape in Australia.



**As founders, investors, and advocates** for Australian tech, we are united in our belief that this progress must not only continue but accelerate. Despite our successes, there are pressing challenges that need to be addressed to ensure our ecosystem remains vibrant and globally competitive.

As the upcoming state and federal elections approach, the future of our startup ecosystem will be significantly influenced by the decisions and policies of our elected leaders. We urge the incoming government to prioritise the needs of startups and scaleups, recognising that supporting our entrepreneurs is crucial for Australia's economic prosperity.

The 32nd Prime Minister will face the task of addressing several critical issues that are essential for the sustained growth of our startup sector. These include enhancing investment opportunities, fostering talent development and retention, and creating a regulatory environment that encourages innovation rather than stifling it.

Above all, there must be a focused effort to dismantle the barriers that hinder the success of our most promising companies and entrepreneurs.

We endorse a comprehensive plan to achieve these objectives, and we believe that with the right policies in place, Australian startups can play a central role in driving economic growth and job creation in the coming years.

Your Sincerely

**The Startup Coalition**



# Startup Ecosystem Overview

Australia has one of the most startup-friendly business environments in the world, and several of the country's top startups, such as Canva and Atlassian, have become well-known global brands. While Australia has a fairly small population considering the country's geographical size, it still manages to attract overseas talent. Being a native English-speaking country gives Australia a significant global advantage, especially towards fostering international collaborations and attracting talent from around the world.



Australia enjoys a smart and proactive approach from its federal and state governments, both supporting the growth of its startup ecosystems. Multiple public sector organisations are actively involved in the startup ecosystem. Some of the most notable initiatives come from organisations such as the Sunshine Coast Council, the Government of South Australia, Adelaide Economic Development Agency, the Western Australia Department of Jobs, Tourism, Science and Innovation, and LaunchVic

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When it comes to advantages for entrepreneurs, Australia offers the Provisional visa for Business Innovation and Investment, which allows startup entrepreneurs to stay in the country for up to 5 years. Moreover, the government supports the tech sector with initiatives like the Venture Capital Limited Partnerships and Early Stage Venture Capital Limited Partnerships, offering tax incentives to encourage VC investment.

Additionally, the Entrepreneurs Program and the Incubator Support Program both contribute to a supportive environment by providing funding, mentoring, and networking opportunities to ecosystem stakeholders. Finally, Australia's substantial superannuation funds actively invest in venture capital and startups, showcasing a commitment to support high-growth startups.



Complementing this governmental support, universities play an active role in the development of city ecosystems, which adds to the inertia of creating an entrepreneurial culture and helps forge connections that improve funding. Another group of active stakeholders in Australia are the local chambers of commerce, such as the Victorian Chamber of Commerce and Industry, Canberra Business Chamber, and Business Chamber Queensland, each providing resources, networking, and advocating for pro-growth policies.





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