Mind the Bridge

TECH SCALEUP AUSTRALIA

2024 Report

Version 1.0 | **October 2024**

With the support of:

acciona

crunchbase

Photo Credit: Halley Tian

FOREWORD

HOW CORPORATES CAN DRIVE GROWTH

IN AUSTRALIA'S STARTUP ECOSYSTEM THROUGH OPEN INNOVATION

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acciona

Australia is an emerging startup ecosystem, but it's well-positioned to **evolve into a global innovation hub**.

Let's look at the numbers.
According to the Mind the Bridge Report, Australia is home to **1,501 scaleups** and around **60 "scalers"** (startups raising $100M+), which have collectively secured **$32.8 billion** in funding. That translates to 5.6 scaleups per 100,000 people and 2% of the country's GDP invested in innovation.

But there's substantial room for improvement.
Corporates can play a pivotal role in supporting the local ecosystem through **open innovation** tools such as Venture Client and Corporate Venture Capital.

By collaborating with startups, corporations can help validate and scale innovative solutions, while startups benefit from industrial partnerships and market validation.

At the same time, corporates can fuel their own growth by investing in these startups.

At ACCIONA, we are committed to boosting Australia's startup ecosystem.

A prime example is the launch of our top notch startup program, **I'MNOVATION**, in Australia. I'MNOVATION has been recognized as one the best corporate-startup frameworks internationally based on its high rate of startups engaging with ACCIONA in the long run through it as we take advantage of our large infrastructure projects in order to test innovative solutions from local startups in a real environment.

Let's innovate together!

AUSTRALIA'S INNOVATION ECOSYSTEM: RISING GLOBAL PLAYER OR LOCAL CHAMPION?

NO GLOBAL CONNECTIONS, NO PARTY.

Alberto Onetti | **Chairman, Mind the Bridge**
Marco Marinucci | **CEO, Mind the Bridge**

The global race for innovation and startups is accelerating, fueled by increasing geopolitical tensions and stricter regulations.
Cities and regions around the world are intensifying efforts to boost their startup ecosystems and secure global recognition. Meanwhile, **"innovation hunters"** - VC funds and corporations - are focusing their investments on high-density ecosystems like **Silicon Valley**, the **US East Coast**, **Israel**, and **London**. Without achieving critical mass or establishing strong international connections, local ecosystems risk stagnating.

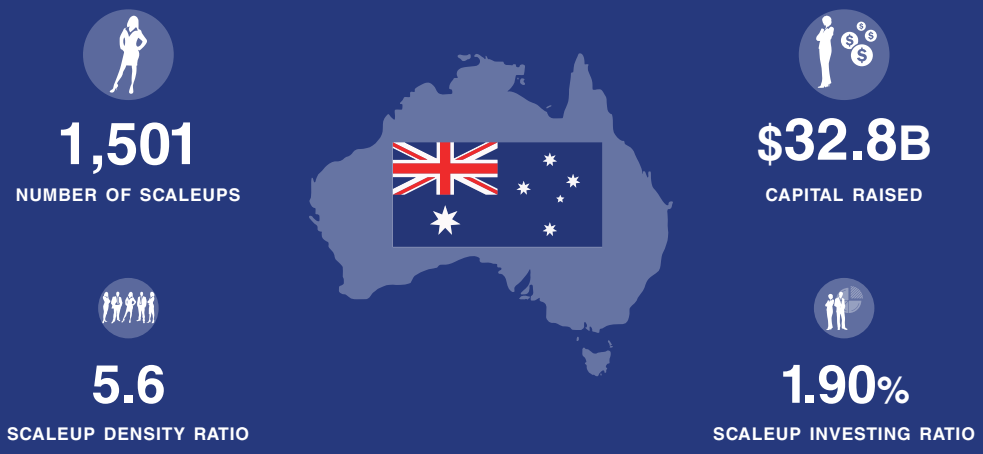
Australia, however, has made significant strides in recent years.
Regional powerhouses such as **New South Wales** and **Victoria** are gaining traction, with **709 and 409 scaleups** respectively.
Both regions are now part of a select group of 50 to 60 global ecosystems that have reached the scaleup phase, producing hundreds of innovators each year.

For these regions, and Australia as a whole, there is a **tangible opportunity to emerge as "Star" ecosystems on the global stage**.
But to truly compete with top-tier innovation hubs, Australia must overcome its geographic isolation by building **strong international connections**.

One such step in this direction is **Sydney's second edition of South by Southwest (SXSW)**, supported by the **NSW Government**.
This event, along with the **Mind the Bridge Scaleup Summit Australia**, represents key milestones in Australia's journey toward global recognition.
The Scaleup Summit, traditionally held in tech hubs like Silicon Valley, South Korea, and New York, brings together startups and corporations for valuable scouting and collaboration opportunities.

Forging these international connections is essential. It's the only way to unlock **Australia's full potential** and solidify its place on the global innovation map.

FIGURE 1
TECH SCALEUP AUSTRALIA
Source: Mind the Bridge with the support of Crunchbase



CONNECTIONS NEEDED
FROM REGIONAL TO GLOBAL

After more than a decade of growth, the Australian innovation ecosystem has evolved into a **competitive player** among both emerging and well-established global innovation hubs.

Despite its relatively small population compared to its vast geography, Australia boasts over **1,500 scaleups**, translating to **5.6 scaleups per 100,000 inhabitants**. This figure far surpasses the European average of 2.7, and other rising ecosystems like South Korea, which sits at 3.4. Only a handful of global innovation epicenters - Silicon Valley, Israel, and the UK - outpace this impressive density of innovation.

The importance of the innovation economy in Australia is further highlighted by the fact that **nearly 2% of the country's GDP is directed toward scaleup financing**, amounting to $32.8 billion.
This percentage exceeds that of all European innovation leaders, including France, Germany, and other major economies like Spain and Italy.

Additionally, Australia has nurtured the growth of **60 "scalers"** - scaleups that have raised $100 million or more - although the country has yet to produce a "super-scaler," a tech giant capable of raising $1 billion in funding[1].

FIGURE 2
COMPARING GLOBAL TECH SCALEUP ECOSYSTEMS
Source: Mind the Bridge with the support of Crunchbase

	Australia	Silicon Valley	Europe	France	Germany	Spain	Italy	UK	Israel	South Korea
Number of Scaleups	1,501	10,407	14,119	2,958	2,147	1,126	704	5,200	3,137	1,740
Number of Scalers	60	1,149	617	129	141	37	19	263	278	76
Number of Super Scalers	0	95	29	4	10	1	0	19	8	8
Total Capital Raised	$32.8B	$748.5B	$345.7B	$66.1B	$78.7B	$20.7B	$9.5B	$154.6B	$121.4B	$61.4B
Scaleup Density Ratio	5.6	211.1	2.7	4.5	2.54	2.4	1.2	7.6	32.0	3.4
Scaleup Investing Ratio	1.90%	78.80%	1.24%	1.71%	1.42%	0.86%	0.29%	3.95%	22.89%	2.10%

1 - Canva's recent $2.4 billion share sale, which boosted its valuation to over $24 billion, was not part of a new funding round. Instead, the proceeds were used to pay back employees, early-stage investors, and venture capitalists.
See: Thomsen S., Why the $2.43 billion Canva share sale is an epic moment for Australian tech, Startup Daily, April 7, 2024, retrieved from: https://www.startupdaily.net/topic/business/why-the-2-43-billion-canva-share-sale-is-an-epic-moment-for-australian-tech/

There are, lastly, some scaleups (known as '**dual companies**"[2]) that were born in Australia but then moved their headquarters outside the country. Between **50 and 100** such scaleups exist, including notable examples like Bugcrowd, a cybersecurity firm that raised $102 million in a 2020 Series D round, and Cyara, a high-tech CRM company that has raised $350 million since its inception.

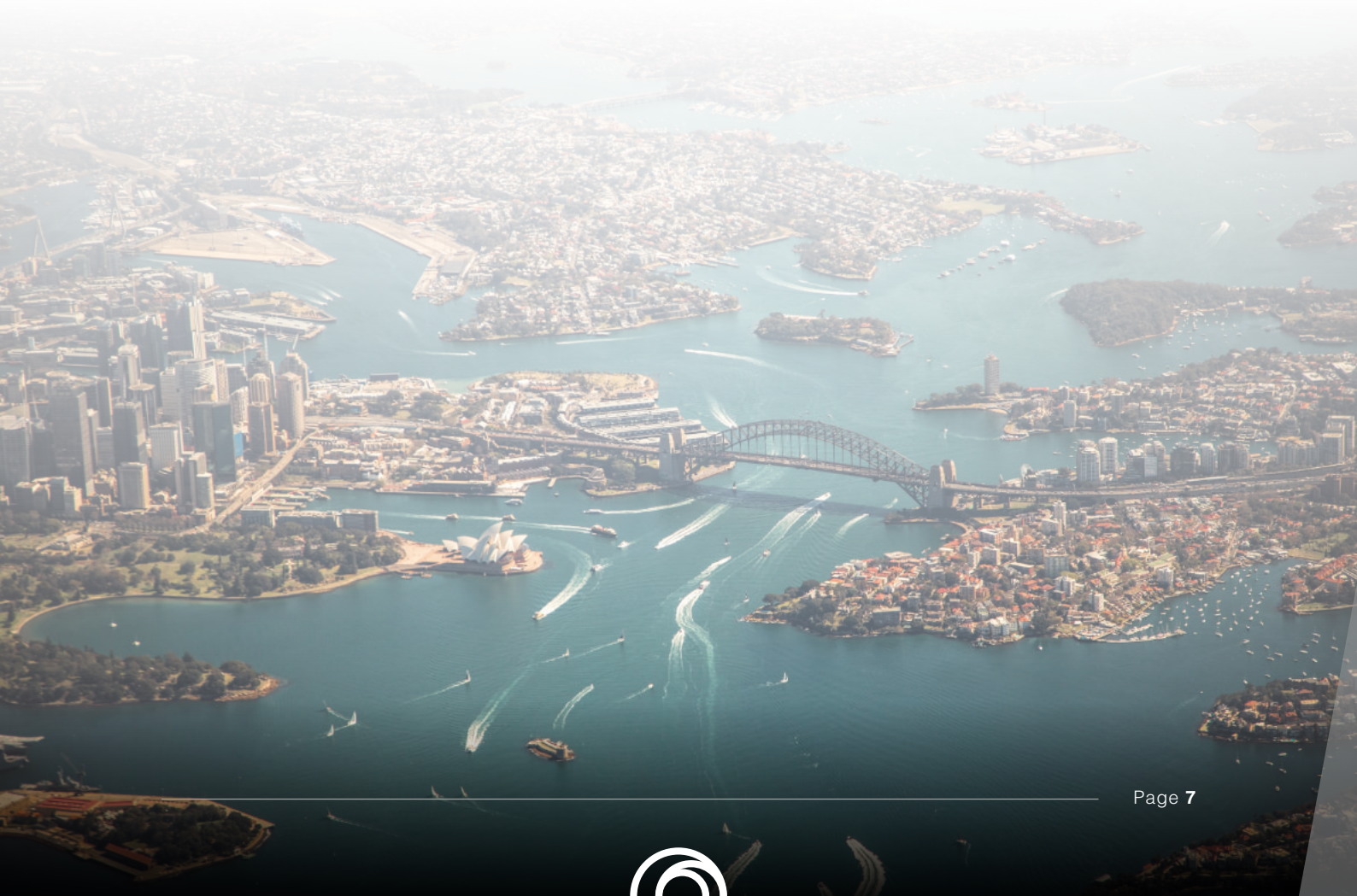
Australia's figures highlight significant **potential**, but its relative **isolation** from global innovation hubs remains a challenge to further growth.

To address this, the country is actively pursuing stronger connections through several key initiatives:

- Implementing strong **policies to attract capital (FDIs)**
- Providing **public entrepreneurship support**, with a focus on engaging underrepresented groups
- The commitment of federal and state institutions to promote **world-class events like SXSW Sydney**, aimed at attracting interest and showcasing Australia's potential to global innovation stakeholders.

Additionally, in a global landscape dominated by AI investments, Australia has the opportunity to drive innovation in traditionally low-tech sectors like **mining**, **construction**, and **energy**, which are increasingly important for tackling the unique challenges posed by the rapid growth of AI and generative technologies.

2 - Mind the Bridge & WSGR, European Dual Companies - Scaleup Migration?, London, June 2017



AUSTRALIA
A FUTURE HOTBED FOR MINING TECH?

The recent **exponential growth of AI technologies** and the global shift toward electrification are presenting both significant **challenges** and **opportunities** for traditional industries.

One sector in particular - **mining**, which has remained largely unchanged for decades, if not centuries - is now evolving rapidly to meet the growing demand for efficiency, resource extraction, and sustainability. This shift is driven largely by the increasing need for critical minerals to power large-scale AI models and computational systems. However, the sector also faces several critical challenges.

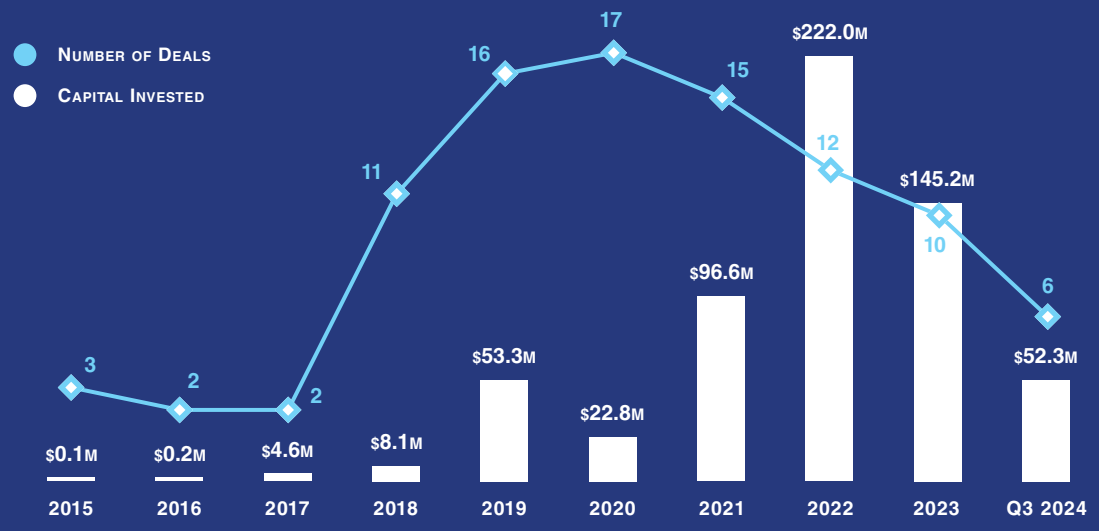
Efficiency
Modern mining operations are increasingly reliant on automated systems to handle tasks that were once manual, reducing time waste and minimizing the risk of human error.

Safety
Digital and immersive tech can operate in hazardous conditions, reducing the need for human presence. Real-time monitoring also ensures continuous oversight and rapid response.

Sustainability
To lessen the environmental impact of mining, digital and technological solutions are being used to improve resource management and minimize waste.

Mining Tech addresses these needs by leveraging advanced technologies like IoT, AI, machine learning, and cloud computing to streamline operations. As sustainability becomes a priority, mining tech is also incorporating **renewable energy solutions** and **circular economy** principles to minimize environmental impact. With global investments in Mining Tech shifting from early-stage funding to more concentrated later-stage investments, certain ecosystems have the potential to emerge as **future hotbeds** for this technology.

FIGURE 3
MINING TECH INVESTMENTS YEAR-OVER-YEAR
Source: Mind the Bridge with the support of Crunchbase



Most Australian mining companies are currently focused on core innovations, prioritizing tech solutions to optimize traditional methods. However, a few are taking a forward-thinking approach, addressing future challenges with **exceptional foresight**.

The **BHP Group** integrates AI and automation solutions across its entire value chain. Autonomous vehicles enhance the efficiency and safety of mining operations, while AI systems monitor and control processing plants to optimize performance.
Additionally, AI-powered sensors are utilized in inventory operations, such as ore sorting. Predictive maintenance technologies and AI solutions also boost logistics efficiency by improving rail maintenance, precision crane operations, and shipping routing. At the market level, AI aids in demand forecasting, allowing for more accurate adjustments to production and inventory.

Australian mining tech is also finding its way to space

The expanding market for **space exploration**, largely fueled by the potential abundance of valuable resources like rare metals and minerals, is projected to reach **$16 billio**n within the next decade, growing at a **CAGR of approximately 20%**. Australian tech is stepping up to meet this challenge, with some notable examples outlined below.

The **CSIRO (Australia's National Science Agency)** has developed a space exploration system that delivers real-time data to NASA's Astrobee robot. This system integrates high-resolution vision technology, LIDAR sensors, and spatial orientation equipment.

The Australian oil and gas company **Woodside Energy** is testing a NASA robot at its offshore Earth facilities to aid in the design of robots for lunar conditions.

Scaleups on the watch

The mining tech startup and scaleup scene in Australia is still in its early stages; however, several local endeavors are beginning to gain significant attention.

FleetSpace offers ExoSphere, an end-to-end mineral exploration solution that utilizes space technology, advanced multiphysics, and AI to map mineral systems in real-time with minimal environmental impact. This innovative platform redefines data-driven exploration, delivering real-time insights with unmatched speed, scale, and depth to pave the way for a more sustainable future in mineral discovery.

Geomoby specializes in unique technology that enhances safety, response, and performance across the mining, resources, and construction industries. By providing real-time business intelligence, Geomoby empowers organizations to make informed decisions, improving operational efficiency and safety in critical environments.

CorePlan is a Mining SaaS company that has developed a customizable drilling software designed for seamless integration and ease of implementation. With a focus on providing a user-friendly experience, CorePlan's solution offers a lower total cost compared to traditional custom-built options, streamlining operations in the mining sector.

Signs of a growing market for Mining Tech in Australia are emerging.
Will the ecosystem rise to the challenge and establish itself as a leader on the global stage?

Sources:
a) Mind the Bridge elaborations based on industry reports from Deloitte
b) Mind the Bridge elaborations on Pitchbook report data
c) Thomson O., How can digitalisation streamline HR departments in mining?, Australian Mining, October 3, 2024.
d) BHP, Artificial Intelligence is unearthing a smarter future, BHP Insights, August 1st, 2024.
e) Nadig S., Digital transformation: how Australian mining is embracing technological innovation, Mining Technology, April 26, 2023.
f) Turton S., Rockets and rocks: Australia's mining tech finds its way to space, Nikkei Asia, August 9, 2024.

CONSTRUCTION TECH & AI IN AUSTRALIA

THRIVING ON GLOBAL MOMENTUM

Australia's Contech and AI Scaleup Scene in the Global Scenario

In addition to the country's innovation core strengths, other tech industries are contributing to Australia's innovation economy. The **Construction and Infrastructure Tech** sectors combined are gaining traction, featuring **79 scaleups** that raised a total of **$1.6 billion**.

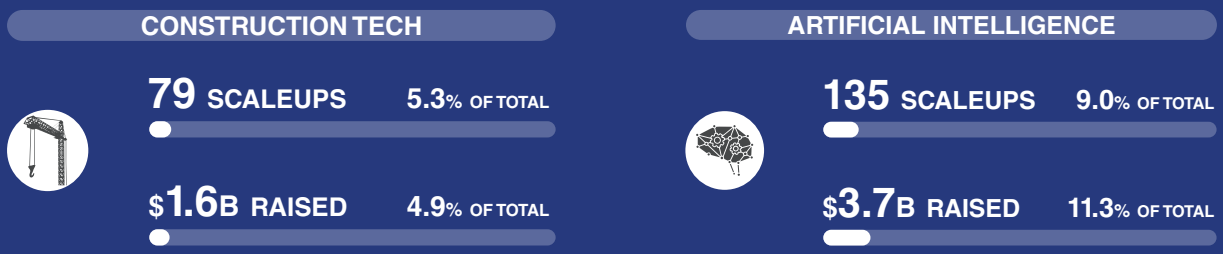
In addition to this, the **AI revolution** is also expanding to **Australia**. As of 2024, we have identified **135 scaleups** (9% of the total) focused on developing AI technologies across various industry verticals. Collectively, these scaleups have attracted **$3.7 billion** in funding, accounting for 11.3% of the total.

These two trends fit into a global increasing capital flow into Construction Tech (Contech) and, more specifically, into AI applied to Contech.

FIGURE 4

CONSTRUCTION TECH AND AI SCALEUPS IN AUSTRALIA

Source: Mind the Bridge with the support of Crunchbase



The Construction Tech sector at global scale has experienced significant growth in the last 4-5 years. In the last 10 years (2015-2024), the total global investments in AI for the Built Environment have raised to **$2.4 billion**, 70% of which has been raised in the last 4 years only.

Moreover, the global **Generative AI market in Construction** was valued at approximately $164 million in 2022 and is projected to reach around $3.3 billion by 2032. This growth represents a robust CAGR of 35% during the forecast period from 2023 to 2032.

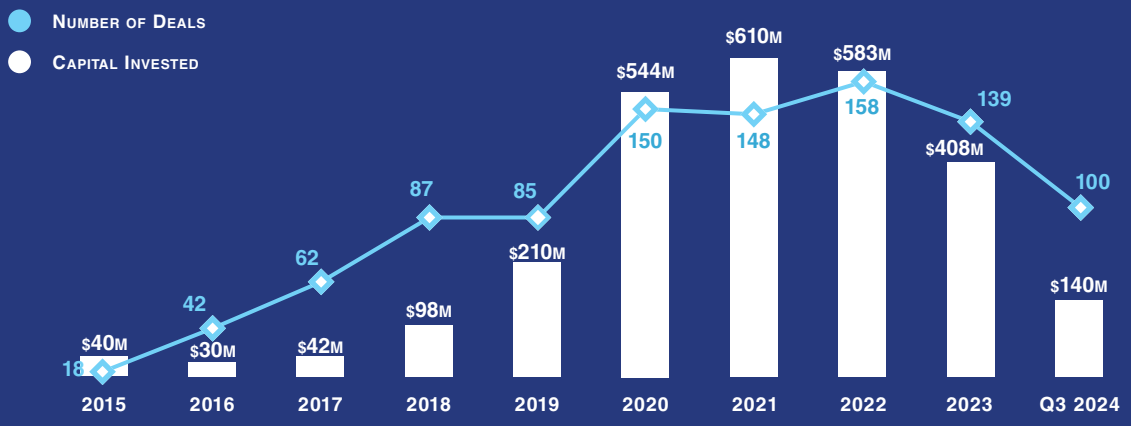
Though currently at global scale technology adoption in the Construction industry has been rather slow, Generative AI is poised to transform the construction industry. It may do so by **enhancing processes** such as design optimization through rapid iteration and prototyping. It can **streamline project management** with data harmonization, monitoring, and improved scheduling.

Additionally, it **supports operations and maintenance** via automated digital twins and synthetic data generation, while facilitating compliance and risk management through automated reporting and forecasting.

FIGURE 5

GLOBAL CONTECH IN AI INVESTMENTS YEAR-OVER-YEAR

Source: Mind the Bridge with the support of Crunchbase



The Australian Construction Industry: Set for Growth, but Facing Challenges

Recent reports indicate that the Australian construction industry is poised for growth. The government has committed **$17.9 billion** over the next decade in infrastructure investments across road, rail, airports, energy, and social infrastructure. Moreover, with the **population** of Australia projected to reach **40 million by 2059**, there is a pressing need for critical infrastructure.

However, the industry also faces significant **challenges**, including rising labor costs, a shortage of skilled workers, stricter regulatory compliance, and the need to adopt more sustainable practices, all compounded by increasing material costs.

Innovation and adopting technologies aimed at improving productivity and efficiency will be a key driver of growth across the industries in the upcoming years.

Some critical needs include greater collaboration across teams, better data management, broader adoption of robotics, and a shift towards sustainable building practices.

Future growth in AI applications will address these areas, with common data environments (CDEs) enabling smoother team collaboration and investment in data quality mitigating the costly impact of "bad data."

Robotics and green construction software will further drive efficiency and sustainability, helping to meet the industry's evolving demands for carbon reduction and resource management.

Scaleups on the watch

HAMMERTECH

Founded in 2015, **HammerTech** offers a cloud-based platform that enhances safety, quality, and operational efficiency on construction sites. By connecting people, machines, and materials, HammerTech aims to create a safer, zero-waste industry. The company has earned a strong reputation across Australia for its exceptional software and customer service.

build AI

BuildAI addresses inefficiencies in the construction industry by improving communication and data transparency. The platform enables teams to boost workflow productivity, enhance crane safety, and optimize project outcomes, reducing the labor-intensive demands typically seen in construction.

Sources:
a) Mind the Bridge elaborations on Pitchbook report data
b) Mind the Bridge elaborations on Precedence Research

VC PULLBACK AND AUSTRALIA'S RESILIENCE

NAVIGATING GLOBAL SHIFTS IN THE INNOVATION ECONOMY

The year 2023 has posed significant challenges for the global venture capital (VC) industry. The much-discussed "**VC pullback**" (also known as the "VC reset") has slowed down the global innovation economy, while rising geopolitical tensions have spurred governments worldwide to **tighten control** over business activities, particularly mergers and acquisitions (M&A).

Governments, especially in the U.S. and EU, have ramped up efforts to combat market concentration and monopolistic practices, as seen in high-profile cases like the blocked Adobe-Figma deal.

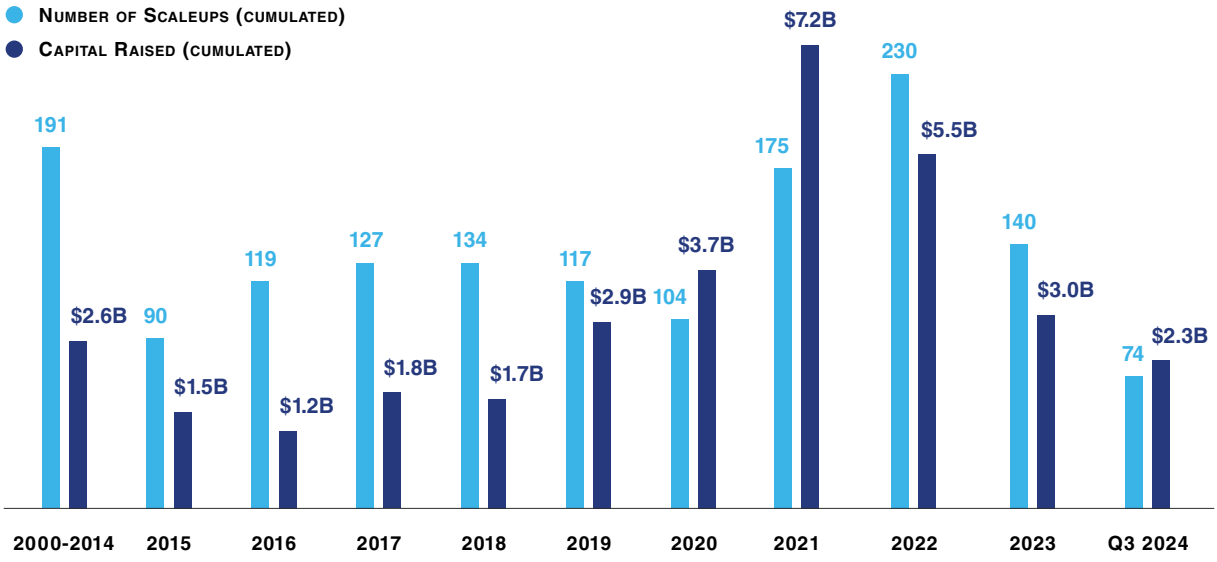
This growing political pressure may continue to reshape the VC landscape and the global startup ecosystem[3].

Australia's innovation ecosystem, despite being affected by these global trends, has demonstrated **resilience**.

After two years of rapid expansion in 2021 and 2022 - where the Australian innovation economy produced around 200 new scaleups annually and attracted an average of $6 billion in scaleup financing - the ecosystem has now **reverted to pre-2020 levels**.

However, **this slowdown is relatively modest**, especially when compared to other mature markets.

FIGURE 6
TECH SCALEUP AUSTRALIA - YEAR OVER YEAR GROWTH
Source: Mind the Bridge with the support of Crunchbase



3 - Mind the Bridge & Crunchbase, The End of the Startup M&A Era? - Tech Startup M&A 2024 Report, San Francisco (CA), September 2024

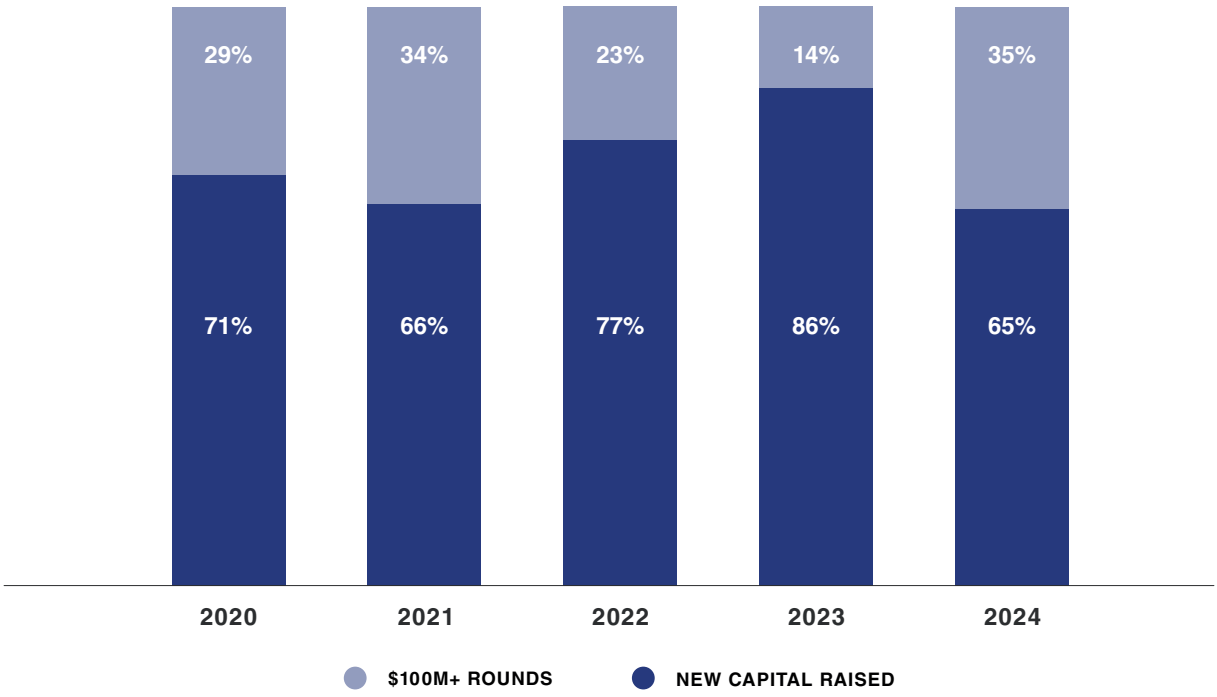
In 2023, Australia witnessed the emergence of **140 new scaleups**, which collectively secured **$3 billion** in financing.
Early 2024 data points to a similar trajectory, with **74 new scaleups** and **$2.3 billion** raised by Q3.

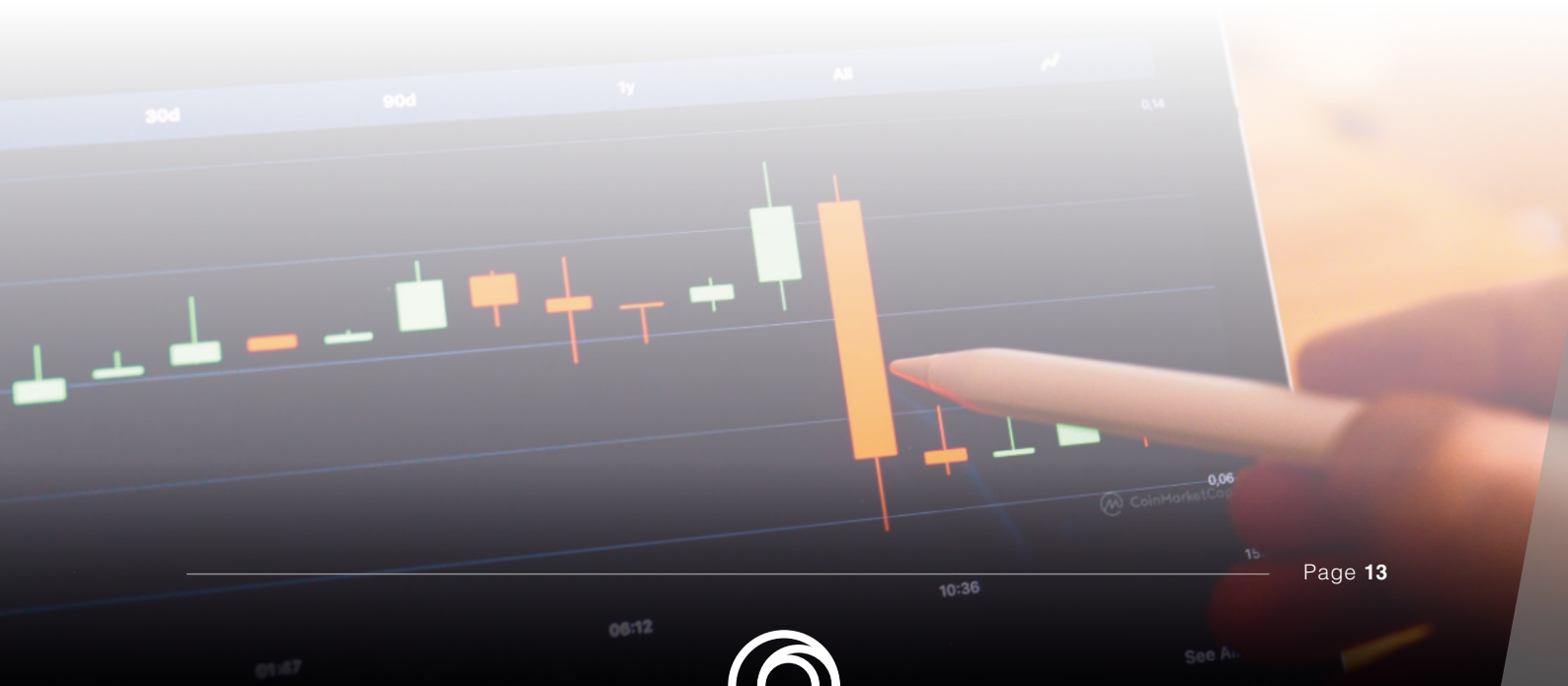
By year-end, the total funding is expected to match 2023 levels, albeit with capital being more concentrated on fewer scaleups, indicating a shift toward more focused investments.

As shown in Figure 4, the proportion of "mega-rounds" (scaleup investments exceeding $100 million) reached an all-time high of 35% of the total in 2024, up from just 14% in 2023, returning to levels last seen in 2021, when the Australian scaleup ecosystem experienced its strongest growth.

Whether this signals the beginning of a new phase of exponential growth or proves to be an outlier remains to be seen.

FIGURE 7
TECH SCALEUP AUSTRALIA - MEGA ROUNDS IMPACT ON YEAR OVER YEAR FUNDING
Source: Mind the Bridge with the support of Crunchbase





COUNTERING GEOGRAPHICAL ISOLATION

THE GOVERNMENT'S EFFORTS TO ATTRACT FOREIGN INVESTMENTS

Foreign Direct Investments (FDIs) are deemed critical to Australia's prosperity, driving economic growth, high-skilled employment, productivity, innovation, and access to new markets.

The framework for foreign investment is governed by the **Foreign Acquisitions and Takeovers Act** of 1975 and the **Foreign Acquisitions and Takeovers Fees Imposition Act of 2015**, along with their associated regulations.

In May 2024, the **Australian Government** announced additional reforms to streamline and strengthen the country's foreign investment framework, aiming to provide a **faster, stronger, and more transparent** approach to FDIs.
The reforms are designed to attract investments in several key areas:

- **Net zero transformation and cleaner energy**
- **Increased housing supply**
- **Supporting Australia's critical minerals strategy to help the country become a renewable energy superpower**
- **Accelerating the development of new and critical technologies**

To **balance economic benefits with security risks**, the government reviews foreign investment proposals on a case-by-case basis. Investments in sensitive sectors, such as critical infrastructure, technology, and those near government facilities, undergo greater scrutiny.
In contrast, **low-risk investments are streamlined for faster approval**, with the goal of processing 50% of these proposals individually within a 30-day timeframe by January 2025.

The ultimate goal of this strategy is to create a **robust foreign investment environment** while safeguarding both national security and economic interests.

Source:
a) Australian Government, Department of Industry, Science and Resources
b) Australian Government - The Treasury, Australia's foreign investment framework, March 1st, 2024

SXSW SYDNEY

A PIVOTAL OPPORTUNITY TO CONNECT THE WORLD OF INNOVATION TO AUSTRALIA

SXSW ("South by Southwest") was founded in 1987 in Austin, Texas, with the goal of promoting local creatives and music while offering the world a close-up view of the city's culture.
In 2009, SXSW launched **SXSW Pitch**, a platform for **early-stage startups** to present innovative technologies to a panel of industry experts, prominent media professionals, and VCs/angel investors. Since its inception, SXSW Pitch has featured around **650 participants** who have collectively raised over **$23 billion** in funding.

In 2023, SXSW Sydney became the first-ever SXSW event held outside Austin, featuring approximately 1,200 sessions and events and attracting more than **300,000 attendees** from **41 countries**. Secured by the **NSW Government**, SXSW Sydney functions as a city-wide music festival and futurist think tank, showcasing Sydney as a **hub for tech pioneers** and the creative industries in the Asia Pacific region.

In **October 2024**, the second edition of **SXSW Sydney** will take place, offering over **1,000 events** and a dedicated **Tech Innovation track** that will feature talks, showcases, networking, and pitching opportunities, highlighting the latest innovations in **AI**, **sustainability**, **healthcare**, and more.

SXSW SYDNEY

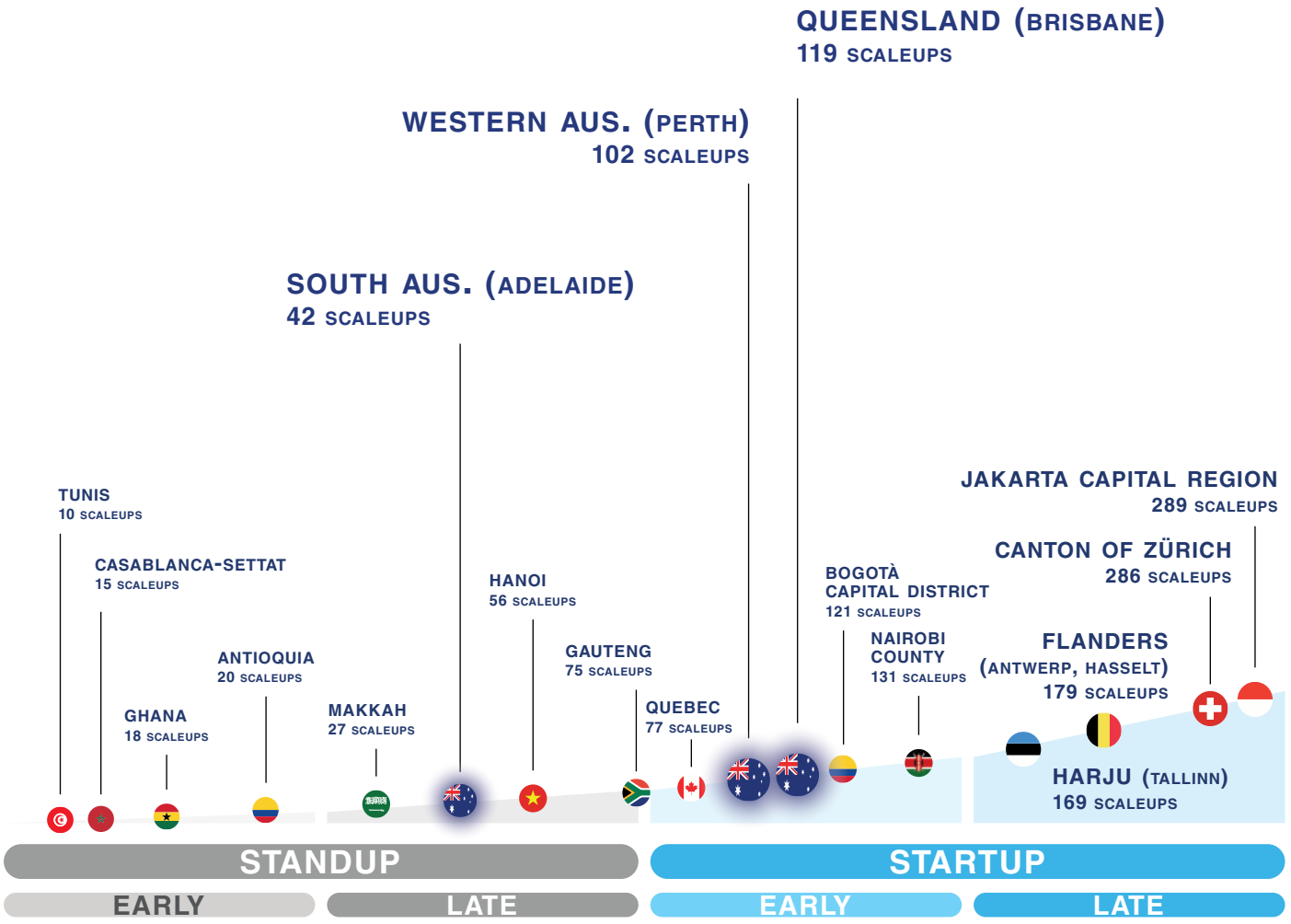
Sources:
a) Pitchbook, SXSW Report, 2024
b) NSW Minister for Jobs, Minister for Tourism, Iconic festival SXSW has a new home in Sydney, October 15, 2023
c) sxswsydney.com

ARE NEW SOUTH WALES AND VICTORIA ON THEIR WAY TO BECOME STARTUP ECOSYSTEM STARS?

The world of innovation is not flat.
As highlighted in previous reports[4], global innovation activity tends to concentrate in a few key hotspots characterized by a high density of scaleups, capital, and talent. Most other local ecosystems - whether countries, regions, or cities - remain largely **off the map**. It takes years for local ecosystems to advance through the necessary stages to become global innovation hotspots.

However, **targeted policies and initiatives** that encourage capital attraction, entrepreneurship, and talent development can help accelerate this process.

VICTORIA



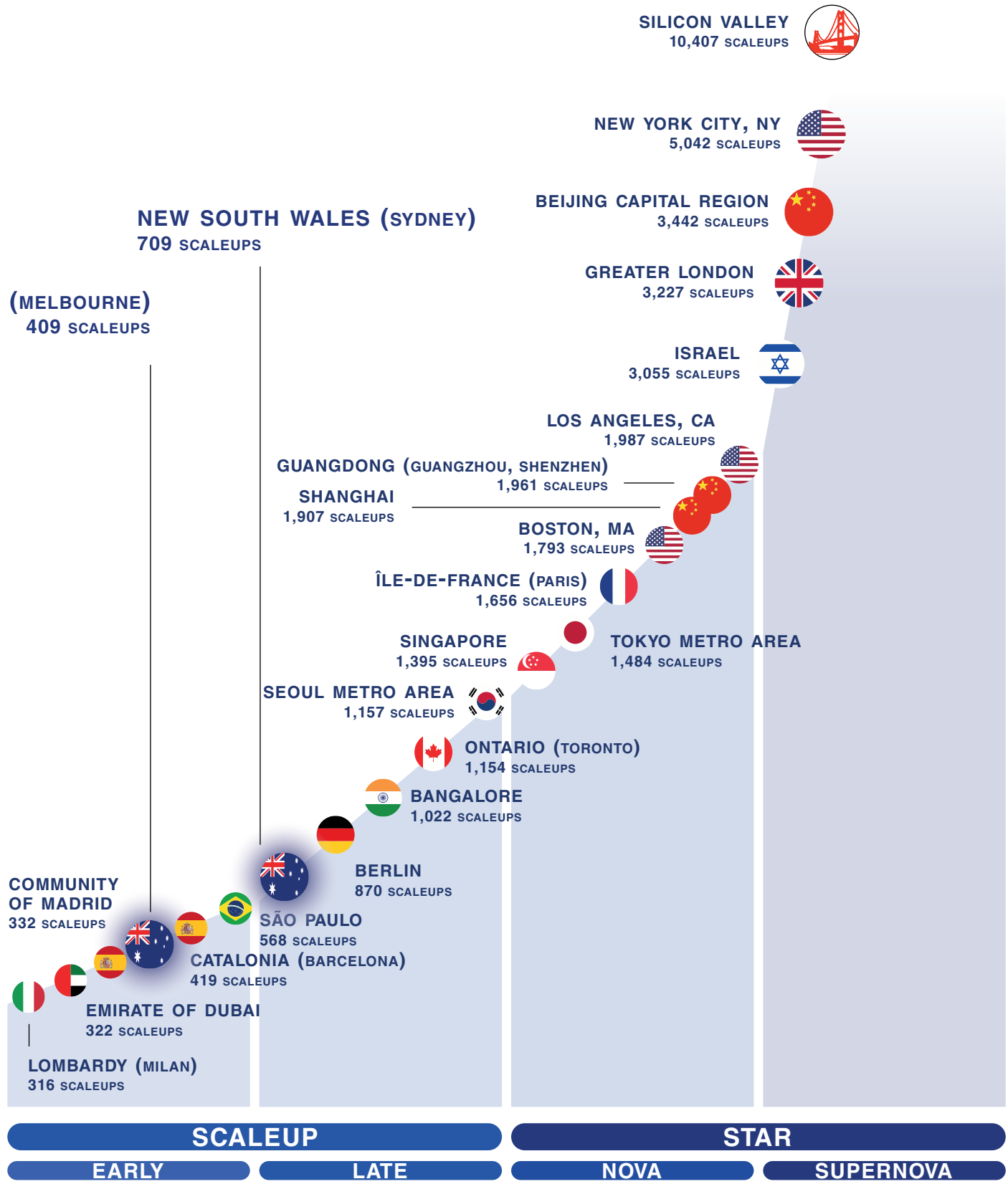
For the Standup, Startup, and Scaleup stages

4 - Mind the Bridge, Building Startup Ecosystem Stars - The World's Life Cycle of Innovation Report 2023, Paris, December 2023

FIGURE 8

AUSTRALIAN REGIONS ON THE GLOBAL MAP OF SCALEUP ECOSYSTEMS

Source: Mind the Bridge with the support of Crunchbase



s, exemplary ecosystems are plotted on the curve

Australia's two leading innovation ecosystems have made significant strides.
New South Wales has reached the "late scaleup" phase, with **709 scaleups** that have collectively raised **$17.3 billion**, putting it in close competition with hubs like Berlin (870 scaleups).

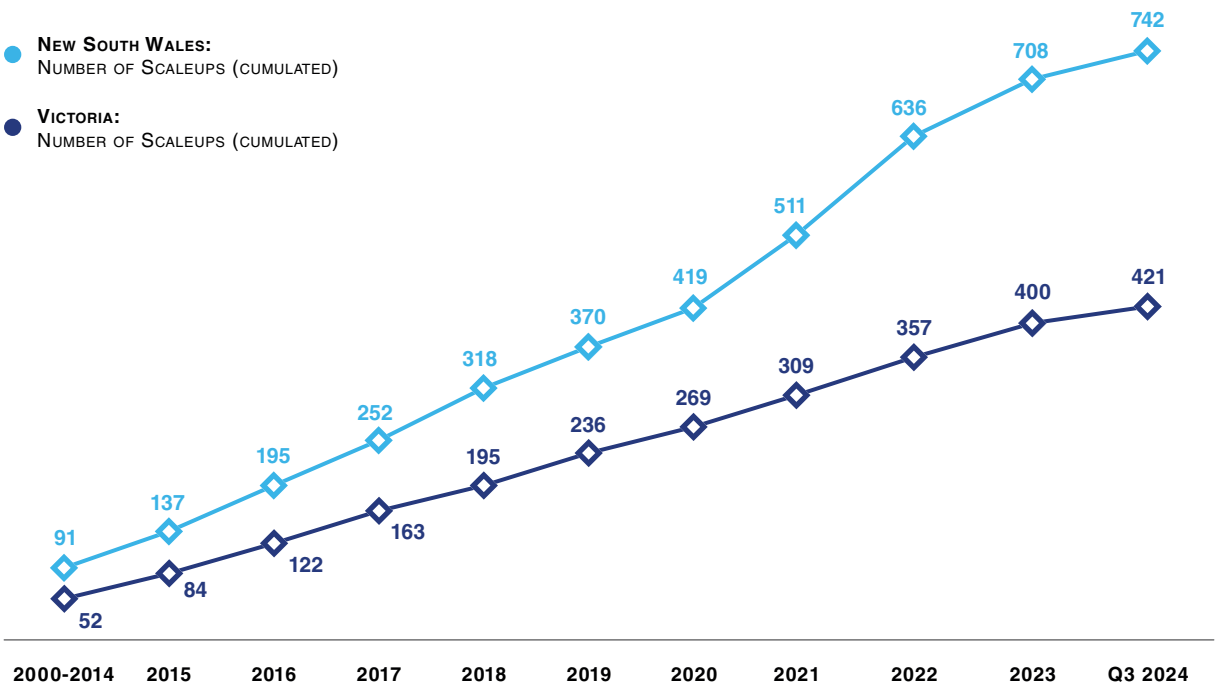
Meanwhile, **Victoria** continues to advance through the Early Scaleup stage, now home to **409 scaleups** that have raised **$8.7 billion** - comparable to the Catalonia (Barcelona) region (419 scaleups).

Two other states, **Queensland** and **Western Australia**, primarily driven by their capitals, **Brisbane** and **Perth**, have entered the Startup stage, each surpassing the 100-scaleup mark.
Queensland boasts **119 scaleups**,
while Western Australia has **102**, with a combined total of **$3.5 billion** in funding raised.
These hubs have the potential to serve as launchpads for Australia's broader scaleup economy, further enhancing the country's global reputation as a growing innovation ecosystem.

A comparison of the growth rates between Australia's two leading innovation hubs reveals some key differences.

- **New South Wales experienced a rapid surge between 2020 and 2022**, growing much faster than Victoria, with the number of scaleups rising from 419 in 2020 to 636 in 2022.
- In contrast, **Victoria followed a more steady growth trajectory**, adding 30 to 50 new scaleups per year over the past decade.
- Both states saw a **notable slowdown between 2023 and Q3 2024** (34 new scaleups in New South Wales, 21 in Victoria), likely influenced by the global "VC pullback" and the general decline in scaleup investments.

FIGURE 9
NEW SOUTH WALES VS. VICTORIA - YEAR OVER YEAR GROWTH
Source: Mind the Bridge with the support of Crunchbase



According to our research, transitioning from the 'Scaleup' stage to the 'Star' stage typically requires **7-8 years of sustained growth**.

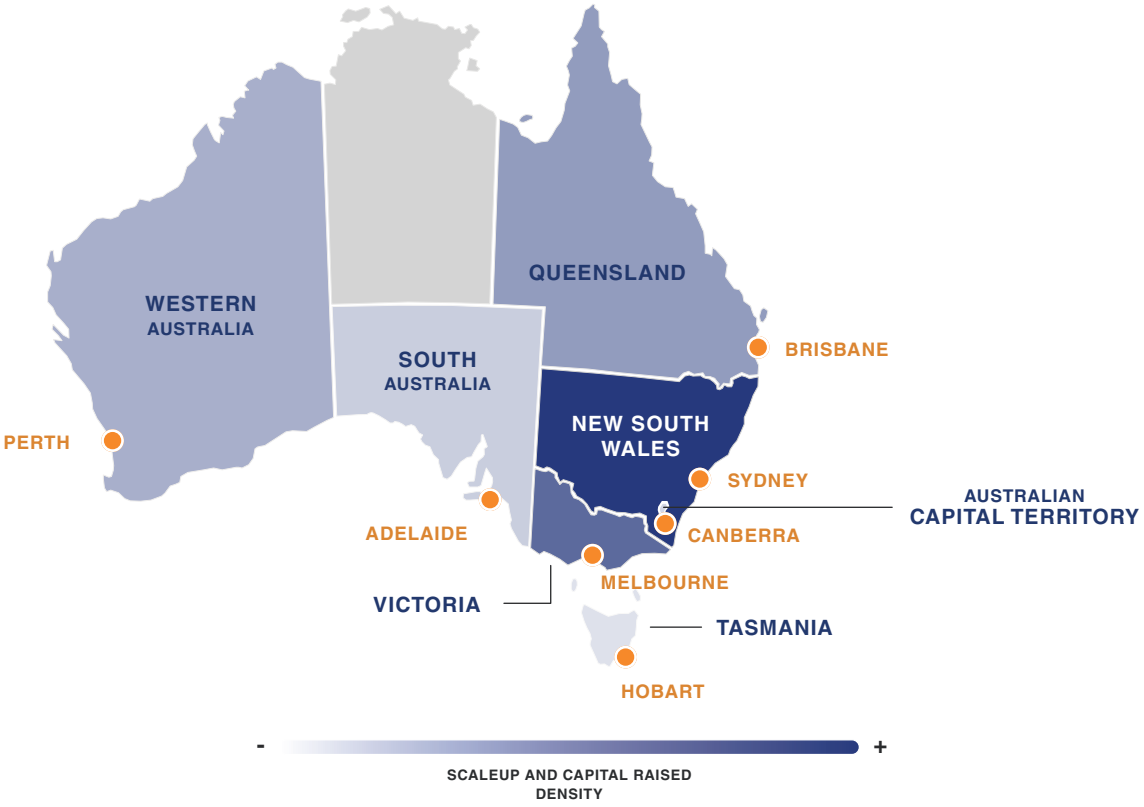
New South Wales progressed through earlier phases (Early and Late Startup) in the expected timeframe of about two years per phase, but its growth has since slowed.

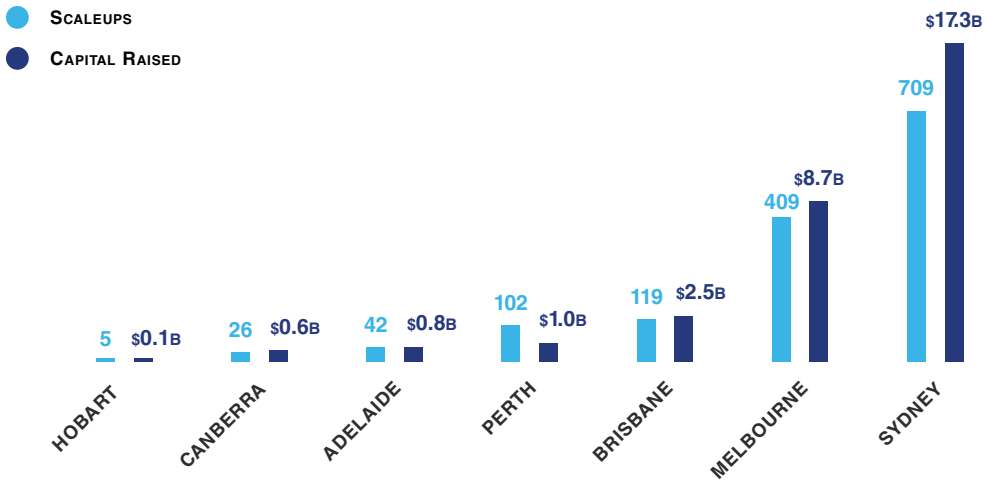
As a result, we estimate that **New South Wales** will need approximately **three more years** of steady growth to achieve "**Star**" ecosystem status. **Victoria**, however, **is about 2-3 years behind** in this progression and has yet to experience a period of exponential growth.

FIGURE 10

TECH SCALEUP AUSTRALIA ECOSYSTEMS HEATMAP AND CITY RANKING

Source: Mind the Bridge with the support of Crunchbase





AUSTRALIAN "INDIGIPRENEURS"

FOSTERING DIVERSITY TO DRIVE GROWTH OPPORTUNITIES

Diversity adds value to both companies and ecosystems.
In Australia, the **First Nations population** (Aboriginal and Torres Strait Islanders) represents **1 million people**, or 3.8% of the total population, yet there remains a significant **employment gap** - 56% compared to 78% for non-Indigenous people.

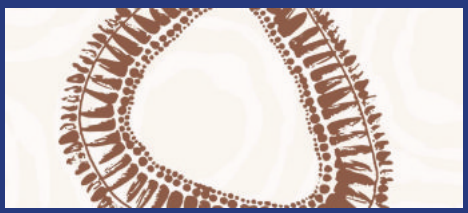
Several key drivers are at play in efforts to increase employment rates.
First, **education** is crucial. Second, **entrepreneurship** serves as a powerful engine for growth, well-being, and community welfare. To address this, the Australian government has launched various programs to support First Nations entrepreneurial activity, empowering individuals to become entrepreneurs - or "Indigipreneurs."

Indigenous Business Sector Strategy

Released in 2018 by the Department of the Prime Minister & Cabinet, this 10-year strategy aims to help Aboriginal and Torres Strait Islander people build **sustainable businesses** through the following key initiatives:

- Developing **structures and services** to support businesses throughout their life cycle
- Improving **access to finance** with flexible systems
- Fostering **connections** and **partnerships** to support thriving startups

Indigenous Business Australia (IBA)



Indigenous Business Australia (IBA) is a government-sponsored entity that supports Indigenous Australians in starting their own businesses.
It offers:

- **Financial packages** of up to A$150K for startups
- **Accelerator programs**, providing mentoring, advice, training, and networking opportunities

YARPA

Established in 2018 under the Indigenous Business Sector Strategy (IBSS), **YARPA** is a partnership between the NSW Aboriginal Land Council and the Australian Government, aimed at connecting First Nations people with **business and employment opportunities** across NSW.

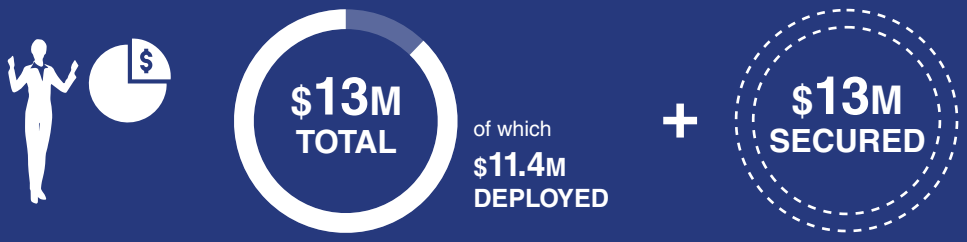
YARPA offers a **co-working hub** and the **YARPA Growth program**, a 10-week business accelerator.

First Australians Capital

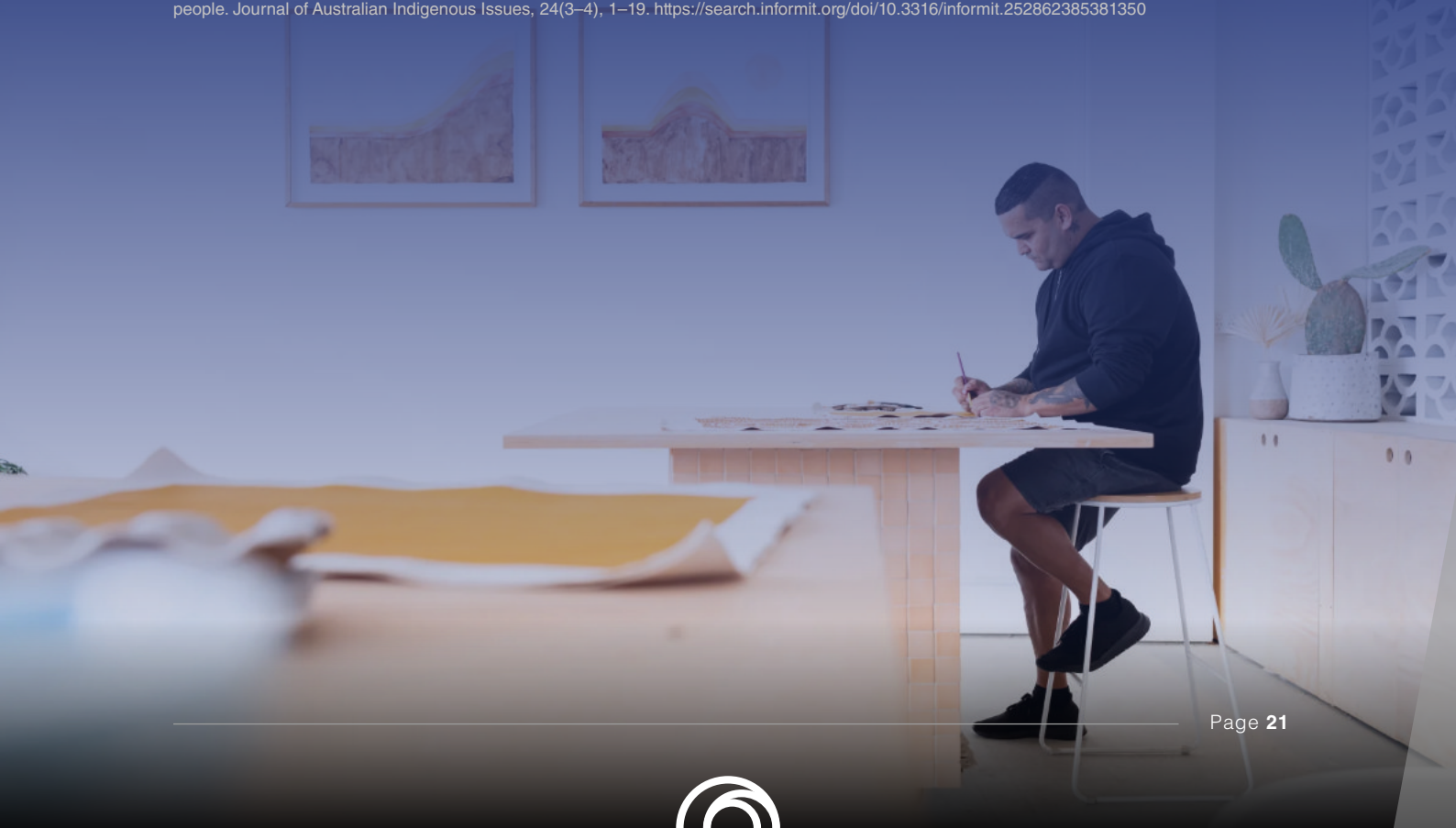
First Australians Capital (FAC) is an investment vehicle dedicated to advancing Indigenous economic independence.
FAC manages a **$13 million concept fund**, of which $11.4 million had been deployed as of March 2024. In June 2024, FAC secured an additional **$13 million in commitments** for its "Catalyst Impact Fund," which focuses on diverse, impact-driven investments in Indigenous-led businesses to generate long-term social and environmental benefits for communities through patient debt financing.

Additionally, in August 2024, FAC launched the "**First Australians Capital Business Acceleration Program**," with support from the Queensland government, offering a staged approach for First Nations innovators, including guidance, advisory services, loans, and grants.

FIGURE 11
THE FIRST AUSTRALIAN CAPITAL (FAC) DRY POWDER
Source: Mind the Bridge



Sources:
a) Australian Bureau of Statistics, Estimates of Aboriginal and Torres Strait Islander Australians, June 30, 2021
b) Australian Government - Productivity Commission, Socio-economic outcome area 8 - Strong economic participation and development of Aboriginal and Torres Strait Islander people and communities, 2022
c) Australian Bureau of Statistics, Australia: Aboriginal and Torres Strait Islander population summary, July 1st, 2022.
d) Maritz, A., Foley, D., Jones, C., Andrews, J., & Shrivastava, A. (2021). Entrepreneurship and self-employment among Indigenous people. Journal of Australian Indigenous Issues, 24(3–4), 1–19. https://search.informit.org/doi/10.3316/informit.252862385381350



THE IPO TRACK AS A VIABLE GROWTH OPPORTUNITY FOR SCALEUPS

The Australian innovation landscape holds a distinct advantage: the Australian Stock Exchange (ASX) serves as a viable platform for scaleups to secure growth capital. In 2024, we identified **212 Australian scaleups** that conducted **initial public offerings (IPOs)** - with the vast majority (over 90%) listing on the ASX - raising an average of **$6.5 million** per round, including post-IPO equity deals.

This data reveals that approximately **14% of all Australian scaleups** have successfully accessed capital through the stock market, compared to less than 10% for scaleups in comparable, well-established ecosystems like **Europe, South Korea, or MENA**.

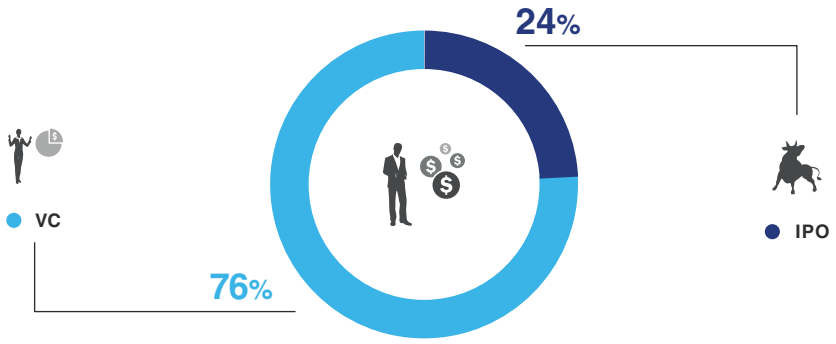
Only a select few Australian scaleups have ventured onto foreign stock exchanges. The most prominent example is **Atlassian**, which held its IPO on **Nasdaq** in 2015, raising **$0.5 billion**.

This demonstrates the need to **strengthen connections** between **Australia** and other **global innovation hubs**. By doing so, Australia can facilitate larger IPO deals, expand growth opportunities, and create additional exit pathways, including potential **dual listings**.

FIGURE 12

TECH SCALEUP AUSTRALIA: CAPITAL RAISED DISTRIBUTION AND NOTABLE SCALEUP IPOS ON THE ASX

Source: Mind the Bridge with the support of Crunchbase



SCALEUP	CAPITAL RAISED AT IPO	IPO YEAR
SiteMinder	$0.5B	2021
nuix	$0.3B	2020
tyro	$0.2B	2019
3P Learning	$0.3B	2014
iSelect	$0.2B	2013
VOCATION	$0.2B	2013

A US-LED INVESTMENT LANDSCAPE

The Australian venture capital (VC) market is heavily **influenced by the US** who lead the charge, accounting for **41% of total capital invested** in Australian scaleups, which amounts to **$10.3 billion**.

Close behind, **domestic investors** contribute 39% of the total, injecting **$9.8 billion** into the local innovation ecosystem.

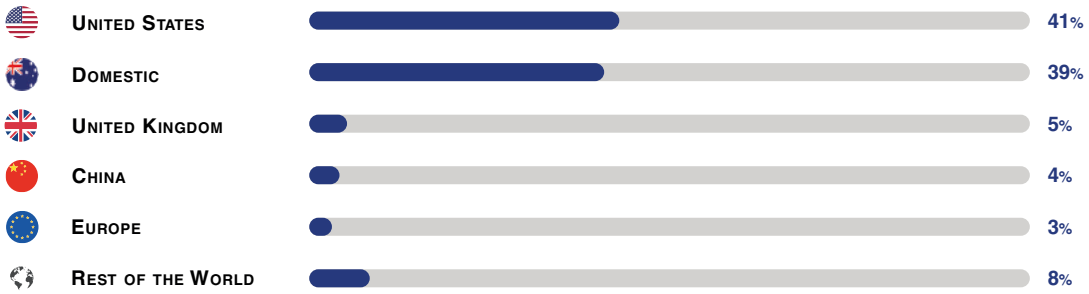
Other global players have a more limited presence. **UK investors** account for **5% of total** VC funding (approximately $1.3 billion), while **Chinese** investors contribute **4%** ($1 billion).
European investors follow with **3%** ($0.8 billion), and an additional 8% comes from investors in Singapore, the UAE, Japan, and Canada.

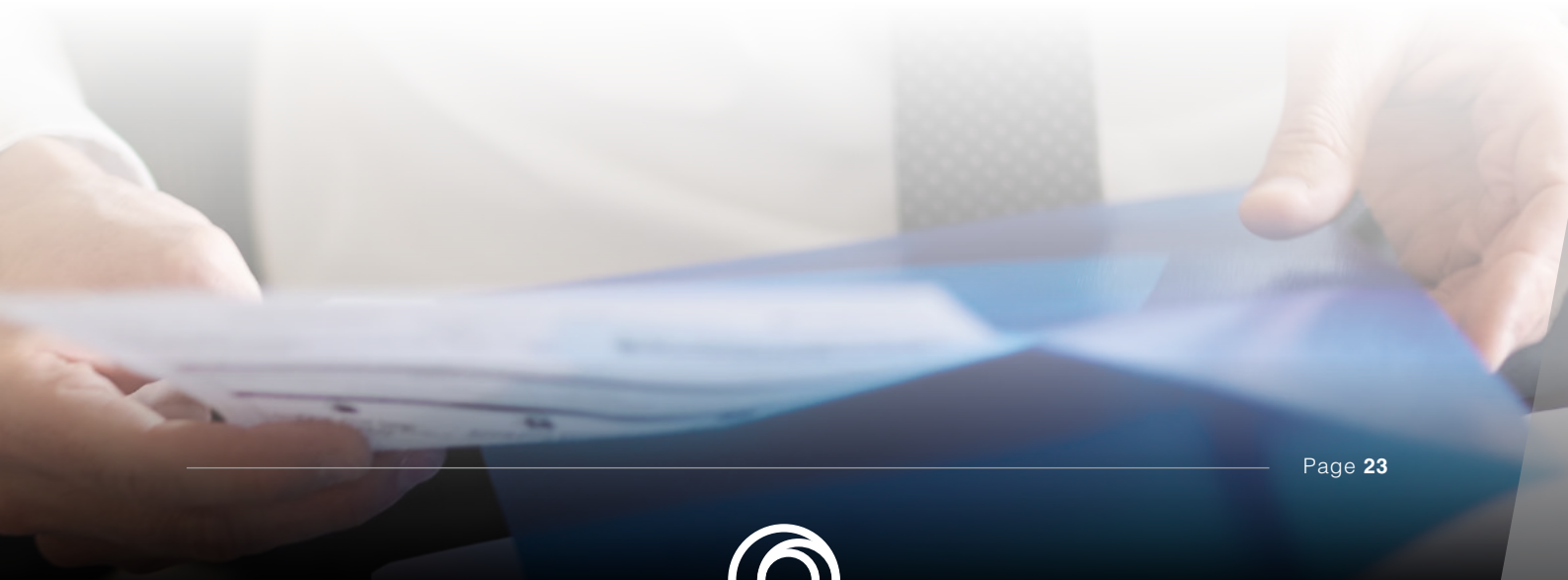
The dominance of US investors in Australia's startup funding landscape is notable on a global scale.

By comparison, **South Korea**, a similarly sized innovation ecosystem, is predominantly driven by **domestic investors**, who account for **52%** of total funding, with **Japanese** and **US** investors contributing just **18%** and **17%**, respectively.

In **Europe**, **US investors** provide **one-third** of the capital, on par with the amount contributed by domestic investors.

Figure 13
VC Investments in Australian Scaleups by Geography
Source: Mind the Bridge with the support of Crunchbase





DIGITIZING THE ECONOMY
IN AN AI-DOMINATED SCENARIO

Our data clearly shows that **specialization** in specific strategic industry verticals is strongly linked to accelerated ecosystem growth. As of 2024, the Australian scaleup economy demonstrates significant expertise in several key areas.

Given Australia's vast geography and relatively small population, there is an intensified focus on **digitalization** to enhance various aspects of daily life. This emphasis is particularly evident in three primary industry specialties:

Fintech

The fintech sector in Australia is booming, featuring challenger banks, smart payment providers, asset management software for personal and business use, and advanced robo-advisors. With 240 scaleups collectively raising $7.9 billion in funding, this sector is a cornerstone of Australia's innovation landscape.

Healthtech

Digital transformation in healthcare is a major driver of growth in Australia, where 147 healthtech scaleups have secured a total of $2.5 billion in funding. These innovative companies are poised to revolutionize healthcare delivery and accessibility.

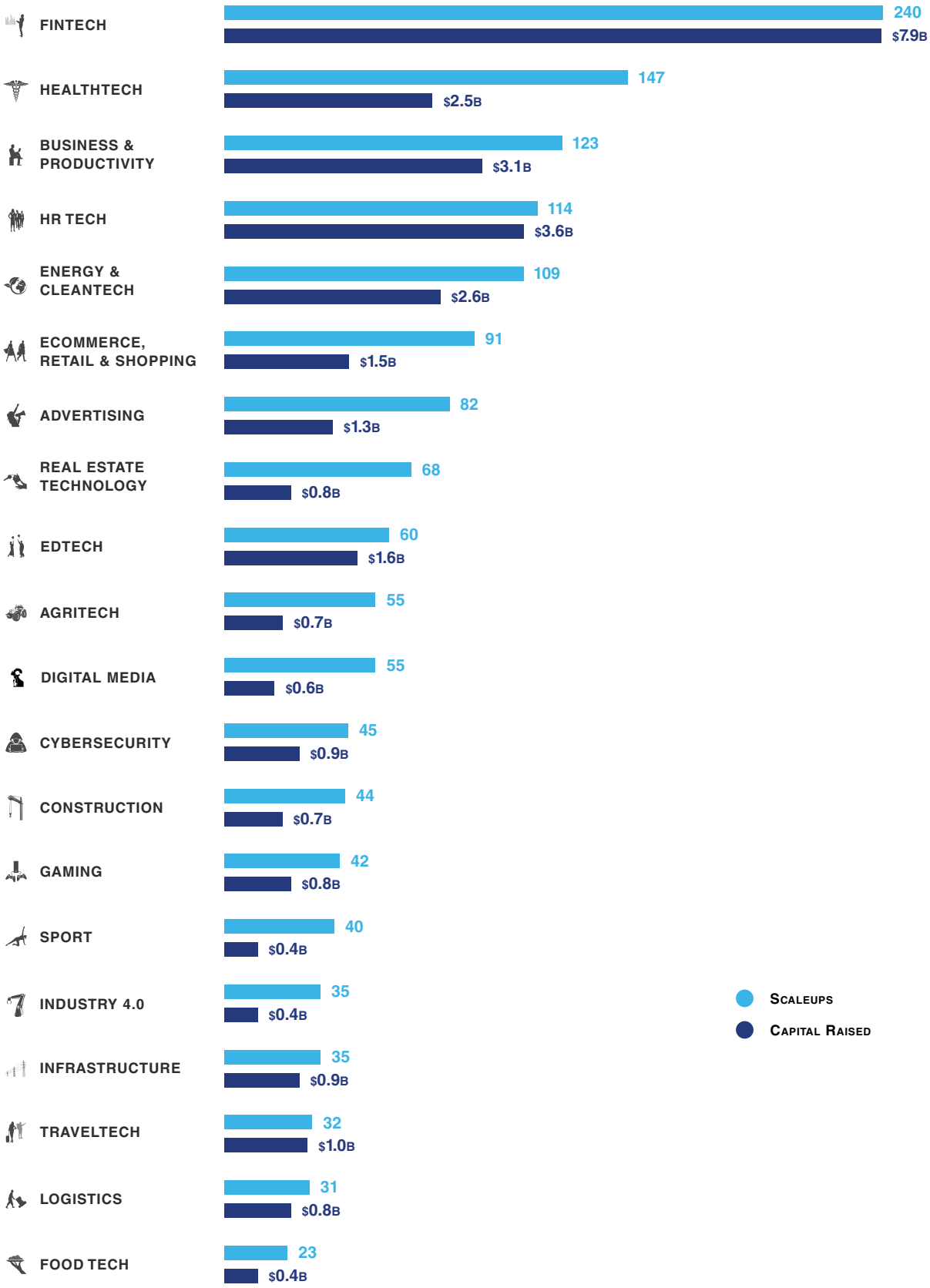
Business & Productivity and HR Tech

Workplace challenges, ranging from remote work to enterprise data management, have gained prominence. Numerous Australian scaleups are providing digital solutions for enterprise and team management - including onboarding, career services, and employee welfare - as well as enterprise data solutions that support overall management and decision-making. In total, 237 scaleups in these two verticals have raised $6.7 billion in funding.

FIGURE 14

AUSTRALIAN TECH SPECIALTIES

Source: Mind the Bridge with the support of Crunchbase



AT THE FOREFRONT OF CONSTRUCTION INNOVATION CHALLENGES

THE WESTERN HARBOUR TUNNEL (WHT) PROJECT

Cutting-edge innovation is playing an increasingly important role in traditionally conservative sectors such as construction and infrastructure. The New South Wales (NSW) Western Harbour Tunnel (WHT) project is a prime example.

The WHT is part of "the largest infrastructure program in NSW history," designed to "**transform how people move**, making travel around Sydney easier, faster, and safer, while reducing congestion and alleviating pressure on existing infrastructure."

THE LARGEST INFRASTRUCTURE PROGRAM IN NSW HISTORY

The project consists of 6.5 km twin mainline tunnels with six lanes in total (three in each direction) and is being delivered in **two construction phases**.
The first phase, which began in 2022, was led by John Holland and CPB Contractors.
The second phase, starting in November 2023, is being handled by Acciona.
A project of this scale presents significant construction and environmental impact challenges, which are being addressed through the extensive use of advanced, innovative technologies.

The second phase, in particular, involves **marine work** beneath Sydney Harbour and tunnel fit-out. To construct the underground tunnel, Acciona will use a Tunnel Boring Machine (TBM), avoiding the need for dredging and minimizing environmental impact.

6.5KM TWIN MAINLINE TUNNELS

Leveraging **cutting-edge immersive technology**, Acciona can fully virtualize its tunneling operations, enabling real-time monitoring and optimization of the TBM's performance through VR headsets. This virtual environment replicates the TBM cabin, displaying all screens, information, and tools, using data from the TBM's IoT sensors.
In this setup, expert professionals from around the world can access data in a secure, collaborative space, optimizing energy consumption and resource use.
This approach significantly improves processes and decision-making.
Thanks to **VR**, the pilot engineer can receive support from multiple experts outside the TBM, as though they were all on-site together.
In the future, the aim is to **fully control the TBM remotely**, dramatically boosting efficiency and safety while lowering costs.

AIMING AT FULL REMOTE CONTROL AND VIRTUALIZATION


Lane Cove Tunnel
Northbridge
Lane Cove
Gore Hill Freeway
Cammeray
Middle Harbour
Crows Nest
Greenwich
Cremorne
Military Road
Mosman
Waverton
North Sydney
Warringah Freeway
Neutral Bay
Gladesville Bridge
Sydney Harbour Bridge
Sydney Harbour Tunnel
Sydney Harbour
Vaucluse
Birchgrove
Victoria Road
Iron Cove Bridge
Rozelle
Balmain
ANZAC Bridge
Pyrmont
Sydney
Western Distributor
City East Freeway
Lilyfield
Rose Bay
Double Bay
Annandale

METHODOLOGY

DEFINITIONS

"Tech Companies"

Mind the Bridge categorizes **"Tech Companies"** as follows:

- **"Startup"** <$1M funding raised
- **"Scaleup"** >$1M funding raised
- **"Scaler"** >$100M funding raised
- **"Super Scaler"** >$1B funding raised

Mind the Bridge defines "Tech Companies" as companies:

- operating in Tech & Digital industries,
- founded in the New Millennium,
- with at least one funding event since 2010.

Companies operating in the Biotech, Life Sciences and Pharma, Semiconductors industry verticals are currently not included.

Mind the Bridge also includes in the analysis so-called "**Dual Companies**", defined as:

- Startups founded in one country that relocated their headquarters – and with that part of their value chain – abroad, while maintaining a strong operational presence in their country of origin.

"Closure"

We consider "closed" all scaleups that shut down and do not continue to operate anymore. Reasons for closure include (but are not limited to) non-voluntary closure - e.g. bankruptcy - and voluntary closure

"GDP (Gross Domestic Product)"

Data from IMF (PPP, most recent data and/or projections).

"Population"

Data from World Bank, United Nations, Local government and other reliable sources (2018, or most recent census data).

FUNDING

Mind the Bridge categorizes funding as follows:

"Equity Funding"

- All private equity funding rounds (including angel investments, seed capital, series A, B, C, etc…), either coming from VCs and CVCs; funding raised on equity crowdfunding platforms; convertible notes and other equity-based financial instruments.
- Public funding provided in exchange for equity (e.g. specific investments vehicles from the EIB).
- IPO proceeds, at closing price, including over-subscribed shares.
- Capital raised through ICO (exchange rate of cryptos at the day of ICO).
- Operations with no new cash entering company's balance sheet as a number of existing shareholders sell all or a portion of their holding are not considered. This includes e.g. secondary funding rounds, buyouts and buy-ins.

"Non-Equity Funding"

Includes (but not limited to): public grants, debt financing, product crowdfunding.

"IPO (Initial Public Offering)"

For companies that went public, the exit valuation is that on the day of the IPO.

"ICO (Initial Coin Offering)"

A means of raising capital using cryptocurrencies issued by the company ("tokens") in exchange for legal tender or other cryptocurrencies such as Bitcoin or Ethereum. Price data converted in US$ at day of sale.

INDICATORS

Mind the Bridge produces and monitors the following indicators:

"Scaleup Density Ratio"

Number of scaleups per 100K inhabitants. A measure of density of scaleups in a given ecosystem.

"Scaleup Investing Ratio"

Capital raised by Scaleups as a percentage of GDP. A measure meant to measure the capital invested in scaleups in a given ecosystem, compared to the size of the overall economy of that country.

"Scaleup Country Index"

Country ranking built upon Scaleup Density Ratio and Scaleup Investing Ratio. A measure of the overall innovation commitment of a given ecosystem and its ability to produce significant tech players.

"Scaleup Matrix"

The matrix visually compares ecosystems by factoring the Scaleup Density Ratio and Scaleup Investing Ratios.

GEOGRAPHIES

"Europe"
We analyze scaleups headquartered in 45 Continental European states as listed below.
We categorize European sub-regions as follows:
British Isles: United Kingdom (including Gibraltar, Guernsey and Jersey), Ireland
Central Europe: France, Germany, Switzerland, Austria, Principate of Monaco, Liechtenstein.
Nordics: Denmark, Iceland, Finland, Sweden, Norway.
Southern Europe: Spain, Italy, Portugal, Greece, Malta, Cyprus, Andorra, San Marino, Vatican City.
Benelux: The Netherlands, Belgium, Luxembourg.
Eastern Europe: Poland, Czech Republic, Slovakia, Slovenia, Croatia, Serbia, Bosnia and Herzegovina, Montenegro, Macedonia, Kosovo, Albania, Romania, Bulgaria, Hungary, Moldova, Ukraine, Belarus.
Baltics: Estonia, Lithuania, Latvia.

"MENA"
Scaleups headquartered in 19 countries identified based on World Bank definition, excluding Malta (included in Continental Europe due to its participation in the Eurozone), Israel, and Turkey (analyzed separately for international comparability purposes).
Middle-East: United Arab Emirates, Kingdom of Saudi Arabia (KSA), Kuwait, Qatar, Bahrain, Sultanate of Oman, Yemen, Kingdom of Jordan, Iraq, Islamic Republic of Iran, Syria, Lebanon, West Bank and Gaza, Djibouti.
North Africa: Egypt, Morocco, Algeria, Tunisia, Libya.

"Unites States of America"
Scaleups headquartered in all 50 US states (Overseas territories (e.g. Guam) are not included). Data collected with the support of Crunchbase and analyzed and reclassified by Mind the Bridge.

"Israel"
Scaleups headquartered in Israel. Data collected with the support of Crunchbase and StartupNation and reclassified by Mind the Bridge.

"South Korea"
Scaleups headquartered in South Korea. Data collected with the support of Crunchbase, TheVC.kr, Startup Alliance Korea and reclassified by Mind the Bridge.

"Silicon Valley"
The following 46 cities are home to various high-tech companies and have thereby become associated with "Silicon Valley", although some are technically outside of Silicon Valley: Alameda, Albany, Atherton, Belmont, Berkeley, Brisbane, Burlingame, Campbell, Castro Valley, Cupertino, Daly City, Dublin, East Palo Alto, Emeryville, Foster City, Fremont, Hayward, Los Altos, Los Altos Hills, Los Gatos, Menlo Park, Millbrae, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Newark, Oakland, Palo Alto, Pleasanton, Portola Valley, Redwood City, Redwood Shores, San Bruno, San Carlos, San Francisco, San Jose, San Leandro, San Mateo, San Ramon, Santa Clara, Saratoga, South San Francisco, Stanford, Sunnyvale, Union City.

First published in Sydney in October 2024

ABOUT MIND THE BRIDGE

Mind the Bridge is a global open innovation platform, providing services and products to corporates and local startup ecosystems. Headquartered in Silicon Valley with offices in Barcelona, Tel Aviv, and Seoul, and a presence in Los Angeles, New York and Milan, Mind the Bridge has been working as an international bridge at the intersection between startups and corporates since 2007.

Mind the Bridge scouts, filters, and works with 10,000+ startups a year supporting global corporations with open innovation initiatives that translate into curated deals with startups (POCs. procurement, investments, and/or acquisitions). It also provides corporates with advisory services and benchmarking on innovation strategies and structures.

Mind the Bridge developed MTB Ecosystem, a AI-powered open innovation matching platform.

Mind the Bridge regularly produces research reports with the goal of sharing insights and data about startup ecosystems, open innovation, and corporate presence in global innovation hubs. Mind the Bridge reports have been featured on the Financial Times, USA Today, El Pais, Techcrunch, and more.

Mind the Bridge, in collaboration with the International Chamber of Commerce, the 100 y.o. institution representing more than 45M businesses worldwide, annually runs the “Corporate Startup Stars” awards, which rates and awards the most startup-friendly global corporates.

For more info:
http://mindthebridge.com | @mindthebridge