



FUTURE INDUSTRIES EXCHANGE  
FOR ENTREPRENEURSHIP

**2020**

South Australia  
Startup Report



Government of  
South Australia



We welcome the diversity of ideas, people, culture and interests. We embrace our differences and celebrate the values that unite us in contributing to the growth and prosperity of our state.

# Contents

<b>Minister for Innovation and Skills, the Hon. David Pisoni MP</b>	<b>3</b>
<b>Acknowledgments</b>	<b>4</b>
<b>Data sources</b>	<b>5</b>
<b>Startup definition</b>	<b>6</b>
<b>Startup numbers</b>	<b>7</b>
Location of startups aged 0-10 years by South Australian postcode	7
<b>Industries</b>	<b>8</b>
Count of all startups aged 0-10 by ANZSIC industry division	8
<b>Ferronova: case study</b>	<b>9</b>
<b>Teamgage: case study</b>	<b>10</b>
<b>Sectors</b>	<b>11</b>
Top 10 primary sectors by startups aged 0-10 years	11
<b>Founders</b>	<b>12</b>
Gender of founders	12
Number of founders	12
Founder experience	12
Founder age group	13
Founder education level	13
<b>Employees</b>	<b>14</b>
Employing startups (aged 0 –10 years) by FTE size range	14
Gender of employees	14
Future staffing plans over the next six months	14
<b>Safe Ag Systems: case study</b>	<b>15</b>
<b>Shedmate: case study</b>	<b>15</b>
<b>Personify Care: case study</b>	<b>16</b>
<b>Exports</b>	<b>17</b>
Where are startup exports going?	17
<b>Funding</b>	<b>18</b>
Funding raised by identified startups (aged 0-10) cumulative (\$ millions)	18
Top 5 industry divisions by funding raised, startups aged 0-10 years (\$ millions)	19
Startup funding attempts	19
Percentage of founders currently fund raising	19
<b>Growth plans and challenges</b>	<b>20</b>
Growth plans and challenges – survey responses	20
<b>Advice to others</b>	<b>21</b>



# Message from Minister for Innovation and Skills, the Hon. David Pisoni MP

The positive business outcomes reflected in the 2020 South Australian Startup Report demonstrate just how much this state can achieve when industry, research and government work hand-in-hand.

It has been more than a year since the South Australian Government released the Future Industries eXchange for Entrepreneurship (FIXE) Strategy, outlining key steps towards the growth of our startup ecosystem and, subsequently, the industries of vital importance to the state's future.

In this time, we have continued the transition of the old Royal Adelaide Hospital site into the vibrant innovation precinct Lot Fourteen; home to the Australian Space Agency, Australian Cyber Collaboration Centre and Adelaide's premier startup hub.

A number of high schools have been delivering a specialist entrepreneurial curriculum, instilling crucial leadership, resilience and critical thinking skills in our youth.

The establishment of the FIXE website and social media channels has provided business founders with a mechanism through which they can engage with the broader entrepreneurial ecosystem.

These channels are where you'll find inspirational case studies, advice from experienced business leaders and information on the support and grants on offer.

This was particularly useful during the COVID-19 restrictions, as new programs were established through FIXE to help businesses survive the unexpected disruption.

For example, the **FIXE Mentor Program** connected new founders with experienced business leaders, who volunteered their time to provide tailored advice and help participants navigate tough decisions.

Other new programs include **Go2Gov**, which calls on the startup community to help solve state government challenges—giving local businesses a valuable reference customer to support their growth into new markets.

And startup founders and key employees were invited to apply for grants of up to \$5000 in professional development funding through the **FIXE Scholarship Program**, allowing them to build capability within their business.

Promisingly, the 2020 South Australian Startup Report shows the number of identified South Australian startups and funding being raised is on the rise, with a pattern of consistent growth evident over the past decade.

Most of the identified South Australian startups employ between two and four full-time staff, and 90 per cent of all 2020 SA Startup Survey respondents were planning to increase the number of employees in the next six months.

Making strides in sectors like health and biotech, ag-tech, fin-tech, advanced manufacturing, energy and space, these startups are cementing South Australia's reputation as a place of cutting-edge research and future industries.

And there is much work underway that leads me to believe we will see greater diversity represented in future reports: Business SA's SAYES accelerator program supporting founders aged under 35 and regional entrepreneurs, the Women in Innovation Awards celebrating the work of female founders, and the ongoing establishment of the Aboriginal Entrepreneur Hub as an integral part of the Lot Fourteen innovation precinct.

I look forward to the continuation of this early success as our ecosystem matures and pilot programs transition into ongoing support.



**Hon David Pisoni MP**

Minister for Innovation and Skills

# Acknowledgments

We would like to acknowledge the following organisations for their contributions in developing this report:

**decode**  
SYSTEM

**axant**

# Data sources

A mix of survey and secondary data has been combined in this report to maximise the amount of information available for analysis and to develop findings.

This report has drawn on data collected through the following means:

- **Surveys:** Includes three annual surveys (SA Startup Surveys) initiated by the Department for Innovation and Skills asking respondents about founder details, job numbers, funding, future growth plans and more.
- **Desktop research:** Use of secondary public data sources such as Decode, Techboard, public company websites, social media sites, capital fund reports, and government media releases.
- **Program reports:** Recipient reports provided to the South Australian Government's Research Commercialisation and Startup Fund, and South Australian Early Commercialisation Fund.
- **Commonwealth data:** Includes publicly released data available through the Australian Business Register (ABR) and Australian Bureau of Statistics (ABS).

The data used in this report does not provide a complete picture of all South Australian startup businesses. However, this work is contributing to a growing collection of data that will progressively provide important details about the health of South Australia's startup and entrepreneurial ecosystem.

Name	Information details
Axant Survey/Research 2018, 2019	<ul style="list-style-type: none"> <li>Employee counts</li> <li>Funding amounts</li> </ul>
2020 SA Startup Survey (44 completed responses)	<ul style="list-style-type: none"> <li>Business model type</li> <li>Location details</li> <li>Founder details (gender, birth year, birth country, education, Active status, founded previous business)</li> <li>Employee counts (by gender)</li> <li>Revenue amounts</li> <li>Export regions</li> <li>Funding types and amounts</li> <li>Future growth plans</li> <li>Advice to other founders</li> </ul>
South Australia Early Commercialisation Fund / Research, Commercialisation and Startup Fund reports	<ul style="list-style-type: none"> <li>Employee counts</li> <li>Revenue amounts</li> <li>Funding amounts</li> </ul>
Accelerating Commercialisation program	<ul style="list-style-type: none"> <li>Grant event, amount and location</li> </ul>
LinkedIn	<ul style="list-style-type: none"> <li>Business founders</li> <li>Business employees</li> </ul>
Techboard	<ul style="list-style-type: none"> <li>Funding raised by types and amounts</li> </ul>
Australian Business Register	<ul style="list-style-type: none"> <li>Business name</li> <li>ABN</li> <li>ABN status</li> <li>Postcode</li> <li>ANZSIC (Australian and New Zealand Standard Industrial Classification) Industry Division</li> </ul>
ABS, Venture Capital and Later Stage Private Equity, Australia Released 27/02/2020	<ul style="list-style-type: none"> <li>Venture capital and later stage private equity raised by financial year</li> </ul>

# Startup definition

Startups outlined in this report have been defined by the following attributes:

- ✓ Based in South Australia
- ✓ Active ABN and operations
- ✓ Develop core innovative products or services
- ✓ Compete for national or overseas customers
- ✓ Have raised funds or potential to raise funds
- ✓ Potential to scale and create wealth
- ✓ Founded in the last 10 years



# Startup numbers

By taking an in-depth look at a subset of South Australian startups, the following report provides a snapshot of the state's startup sector. Based on the definition of a startup described on the left-hand page, 308 startups were identified and have contributed the data analysed throughout this report.

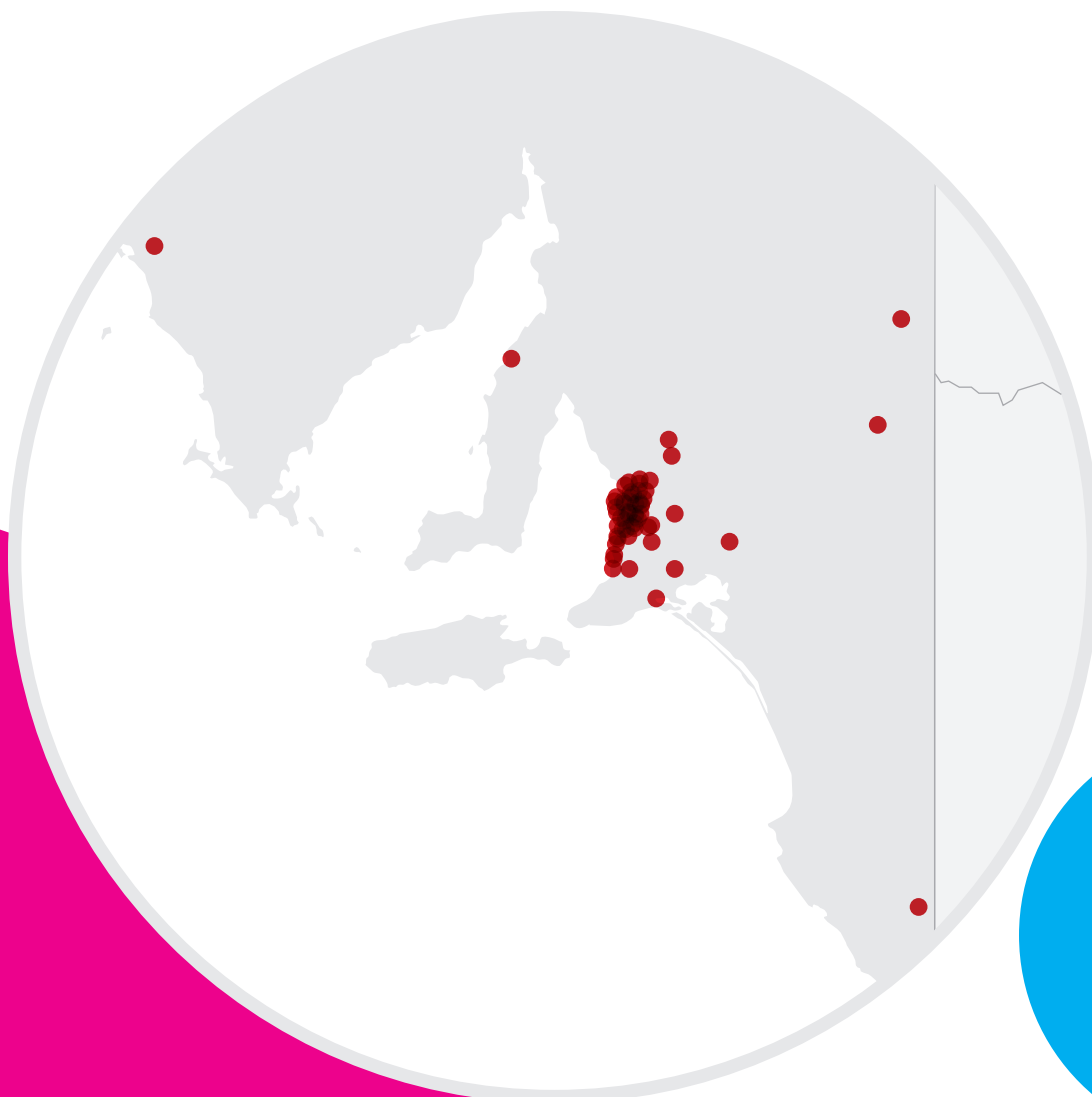
Of these 308 identified startups founded in the last 10 years, the greatest number were founded during 2015 to 2018 (192 businesses), which coincides with stronger economic conditions recorded in South Australia. 291 or 95% of these startups were still active in October 2020, with an average age of 4.2 years.

Significantly fewer startups were identified as founded between 2010 and 2014, due to the limited data available on public websites and reports.

In 2020, 14 startups were founded and startup exits slightly increased, which coincides with more subdued economic conditions, mainly due to COVID-19.

Most identified startups were based in the central business district of Adelaide and surrounding suburbs.

## Location of startups by South Australian postcode



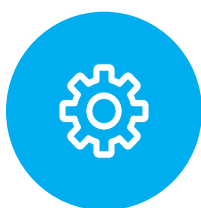
# Industries

Of the 308 startups identified, the top three ANZSIC (Australian and New Zealand Standard Industrial Classification) industry divisions with the most startups were:



## Professional, Scientific & Technical Services

(163 startups or 53% of total)



## Manufacturing

(35 startups or 11% of total)



## Retail Trade

(19 startups or 6% of total)

Table 1 shows the numbers of the 308 identified startups by industry division and the year in which they were founded. The greatest number of startups were formed in 2017, with over half of those startups operating in the professional, scientific and technical services industry.

**Table 1: Count of startups by ANZSIC industry division**

Industry Division	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Professional, Scientific & Technical Services		4	5	15	12	23	26	35	25	12	6	<b>163</b>
Manufacturing		1	1	1	2	6	9	4	5	4	2	<b>35</b>
Retail Trade		2	1	2	2			4	4	3	1	<b>19</b>
Information Media & Telecommunications		1	1	1	2	3	1	4		2		<b>15</b>
Financial & Insurance Services	1				2	1	1	2	1	1	1	<b>10</b>
Health Care & Social Assistance		1				3	2	1	1			<b>8</b>
Wholesale Trade	1		1			1	1	1	1	2		<b>8</b>
Administrative & Support Services				1	1	2		1	1	1	1	<b>8</b>
Rental, Hiring & Real Estate Services	1			1				2	2	1		<b>7</b>
Construction		2			1	1	1		1		1	<b>7</b>
Education & Training		1		1	1		1	1	1			<b>6</b>
Electricity, Gas, Water & Waste Services								3	2			<b>5</b>
Transport, Postal & Warehousing					2			2				<b>4</b>
Unknown				1			1				2	<b>4</b>
Other Services							1	1		1		<b>3</b>
Arts & Recreation Services						1	1					<b>2</b>
Agriculture, Forestry & Fishing		1								1		<b>2</b>
Accommodation & Food Services								1				<b>1</b>
Mining				1								<b>1</b>
<b>Total</b>	<b>3</b>	<b>13</b>	<b>9</b>	<b>24</b>	<b>25</b>	<b>41</b>	<b>45</b>	<b>62</b>	<b>44</b>	<b>28</b>	<b>14</b>	<b>308</b>

Source: Australian Business Register using combined data sources.

## SOUTH AUSTRALIAN STARTUP CASE STUDY

## Ferronova

Adelaide-based biotech company Ferronova is developing cutting-edge technology that is improving the surgical detection of cancer and transforming care for early stage cancer patients.

Established in 2016 and spun out of the University of South Australia (UniSA) and Victoria University of New Zealand, Ferronova is working with researchers from UniSA's Future Industries Institute, the University of Sydney, and the University of New South Wales to further develop the technology.

The cancer tracer uses advanced magnetic nanoparticles that enable surgeons to accurately detect and treat the early spread of complex cancers, focused on head and neck, colorectal and gastric cancer, but potentially applicable to all solid tumours.

The technology is providing a breakthrough for the healthcare industry improving on current technology, which is often unable to detect the spread of cancers and can lead to poor outcomes including undertreatment and morbidity.

Ferronova has received State Government funding under the South Australian Venture Capital Fund and the South Australian Early Commercialisation Fund to drive product development, future investment and growth to address limitations of existing technologies. It performed first-in-human clinical trials and established manufacturing of its tracer nanoparticles in Adelaide.





#### SOUTH AUSTRALIAN STARTUP CASE STUDY

## Teamgage

Teamgage is a home-grown success story and an example of a local startup adapting its product offering during the COVID-19 pandemic.

Founded in 2013 by Ben and Noelle Smit, the Adelaide startup has developed a modern alternative to culture and engagement surveys by designing software that enables teams to engage, collaborate and continuously improve the way they work together.

Team members provide anonymous feedback within 20 seconds on metrics that are strategic for the business. They can include workplace communication and culture, leader support and wellbeing and safety.

Feedback is provided to management in real-time, driving continuous improvement from the bottom up across areas of critical need to drive better business outcomes for organisations whilst improving people and culture.

In response to COVID-19, Teamgage adapted its service to help organisations transition to working from home by introducing a new analysis tool: Ready to Use Solution.

The tool has garnered great interest from customers in Australia and abroad, with up to 1200 new users subscribing to the service within three days of launching.

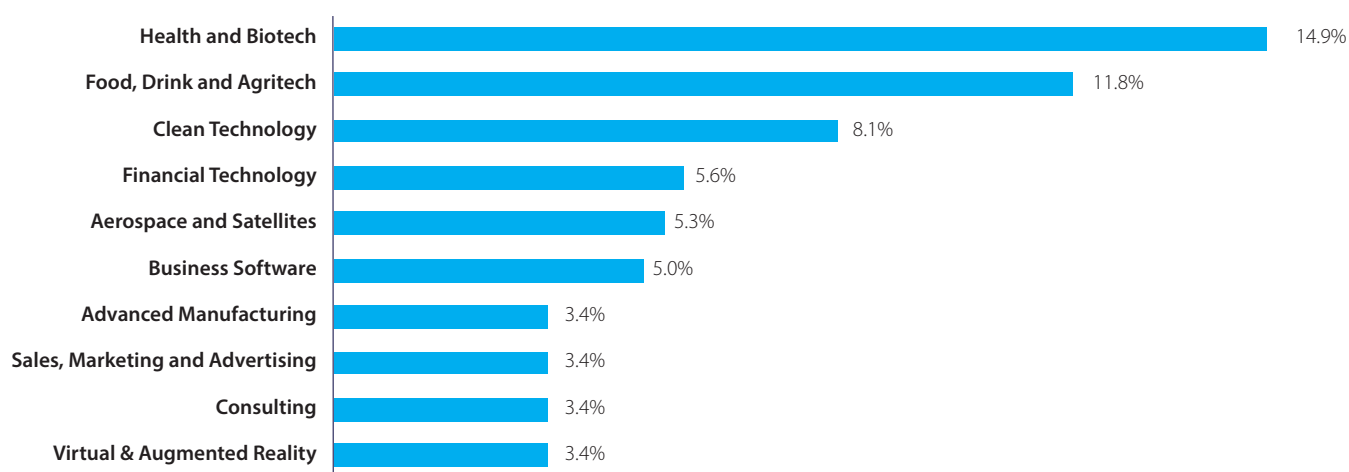
In early 2020, Teamgage received a \$350,000 grant under the South Australian Government's Research, Commercialisation and Startup Fund to further develop their innovative software platform. The project will overcome regulatory and infrastructure barriers to enable expansion into several large international markets including the US, Europe and Asia.

# Sectors

A customised definition of sectors was used to classify the cohort of 308 startups identified.

While most tended to work across more than one of these sectors, a primary sector was selected to indicate the main activity performed. The top 10 primary sectors are shown below with almost two-thirds of startups performing their main activity in one of these sectors. More than one third were in Health and Biotech; Food, Drink and Agtech; and Clean Technology.

## Top 10 primary sectors of startups



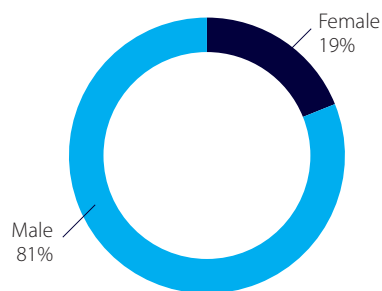
Source: combined data sources.

# Founders

Founder details were obtained from LinkedIn, company websites, reports, and surveys. Of the 308 identified startups, the details of 222 unique founders were obtained from across 140 businesses.

Of the identified startups, 81% of founders were male and 19% were female.

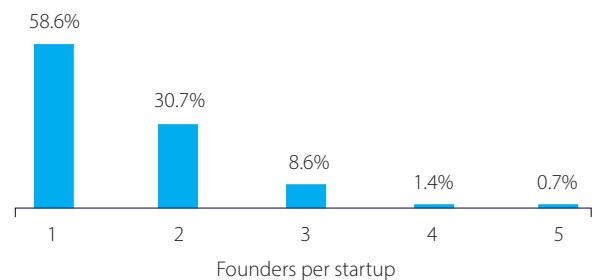
## Gender of founders



Source: combined data sources.

Almost 60% of the identified startups had just one founder.

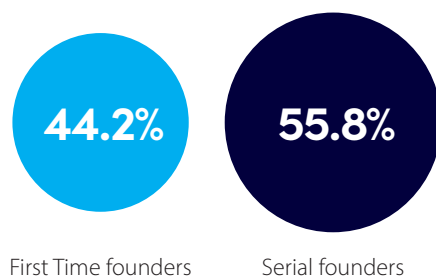
## Number of founders



Source: combined data sources.

Of the founders that responded to the 2020 SA Startup Survey, over half had formed more than one business.

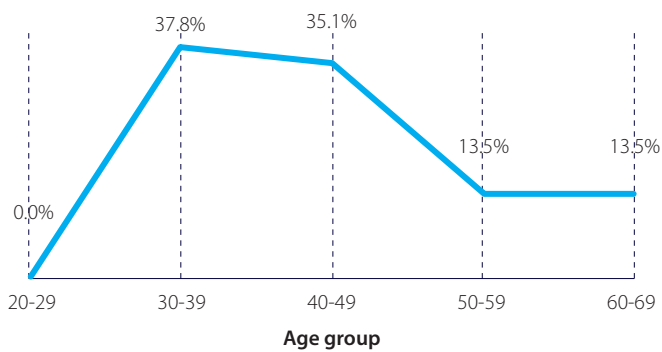
## Founder experience



Source: 2020 Startup Survey.

73% of the founders responding to the 2020 SA Startup Survey were 30 to 49 years of age.

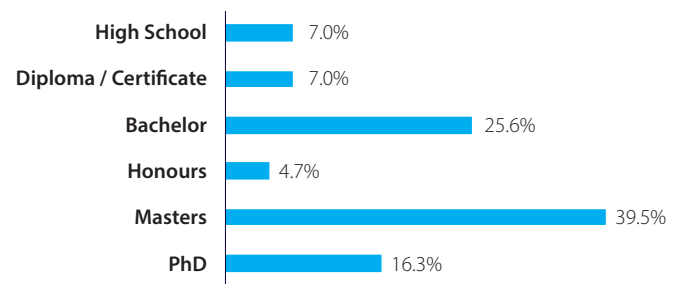
### Founder age group



Source: 2020 SA Startup Survey.

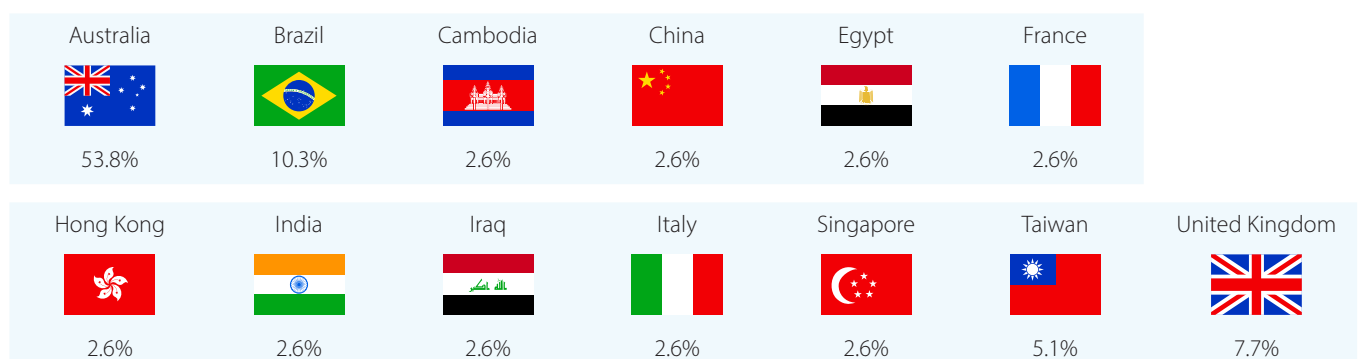
86% of the founders responding to the 2020 SA Startup Survey had a bachelor's degree or higher.

### Founder education level



Source: 2020 SA Startup Survey.

Founders responding to the 2020 SA Startup Survey were born in various countries, with more than half born in Australia.



Source: 2020 SA Startup Survey.

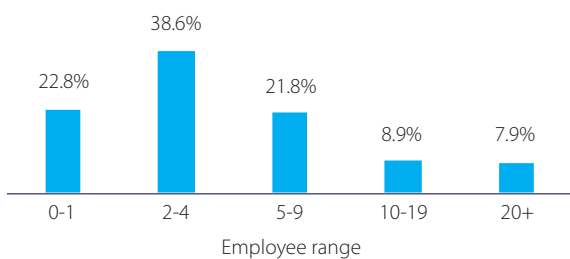
# Employees

Employee information was obtained from LinkedIn queries, company websites, reports, and surveys.

Of the 308 identified startups, 202 were identified as an employing business, which included a total of 1,320 full time equivalent (FTE) employees.

A high proportion (38.6%) of employing startups had between 2 and 4 FTEs.

## Employing startups by FTE size range

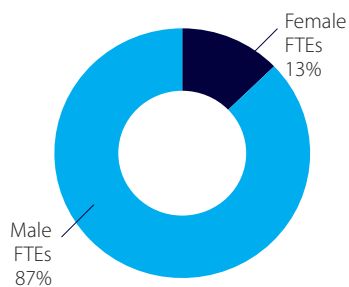


Source: combined data sources.

13% of staff were female and 87% were male.

*Note: many businesses do not indicate gender of staff.*

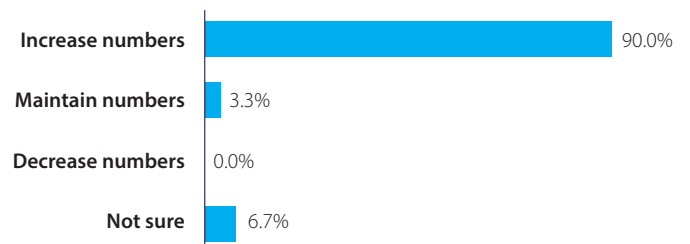
## Gender of employees



Source: combined data sources.

Of the startups that responded to the 2020 SA Startup Survey, 90% were planning to increase staff numbers in the next six months.

## Future staffing plans over the next six months



Source: 2020 SA Startup Survey.



## SOUTH AUSTRALIAN STARTUP CASE STUDY

## Safe Ag Systems

Safe Ag Systems was founded in 2016 to help small farmers meet complex Occupational Health and Safety (OH&S) regulations without resorting to piles of paperwork.

The cloud-based software can be set up on a desktop computer and accessed via mobile app, making it easier to develop safety policies and inductions and store training and compliance records. The business soon attracted larger operations who saw the value in OH&S software tailored to the agriculture industry—which can face very different safety challenges than other workplace environments.

With a \$500,000 grant from the Government of South Australia's Early Commercialisation Fund in late 2019, Safe Ag Systems increased staff numbers and expanded the scope of their product to cover additional regulatory needs.

The startup has also found success in international markets, with more than 800 customers and 6000 users across Australia and New Zealand, and a commercial trial underway in the United Kingdom.



## SOUTH AUSTRALIAN STARTUP CASE STUDY

## Shedmate

Founded in early 2020, Shedmate is a startup developing software solutions for the construction industry, integrating Building Information Modelling (BIM), parametric and generative design, AI and robotic automation into its projects.

The company's goal is to save shed builders time and money by providing the tools for anyone to create and use BIM data, speeding up the shed design process by up to 80%. Their software enables employees to design, engineer, detail, quote and document a shed project—ready for council approval—in minutes without relying on complex CAD skills.

Experienced industry members Artur Bessoni and Thiago Almeida have been developing the idea since 2018, while working in a shed building company in South Australia. They launched the cloud-based technology from Mount Gambier to solve real problems encountered on the job, and are currently refining their product offering through the Flinders University New Venture Institute Venture Dorm program.



#### SOUTH AUSTRALIAN STARTUP CASE STUDY

## Personify Care

The COVID-19 pandemic has accelerated the adoption of digital health solutions around the world. For local digital health company Personify Care, this has meant a 700% growth in the adoption of its mobile platform in 2020. Health services have used the platform to deliver over 3.4 million patient interactions in the last 12 months alone.

Established in 2014 with support from the South Australian Government, Personify Care believes people deserve access to the best possible care, even when they are not in a hospital. Their mobile platform helps healthcare teams reach patients when they need it most, by converting clinical protocols into a convenient, digital patient experience.

Personify Care's solutions allow healthcare workers to provide personalised care to their patients using evidence-based protocols. By eliminating the need for paper forms and phone calls, the platform ensures patients are better prepared for their surgery or treatment, and are supported in their recovery post-discharge.

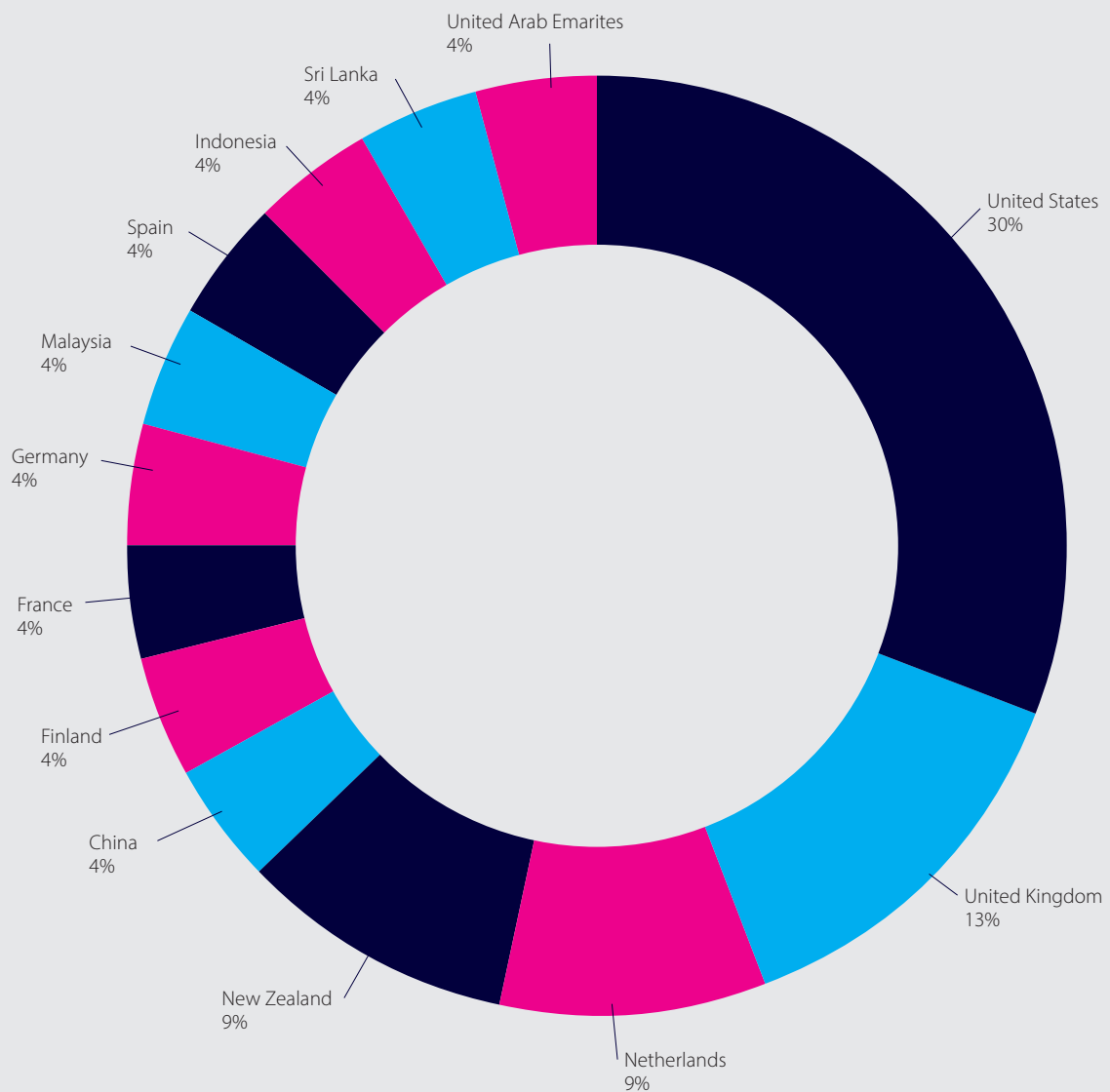
With results presented at international conferences, Personify Care is proving to simultaneously improve care for patients, reduce administrative burden for healthcare workers and reduce cost pressure on healthcare systems. The solution recorded a patient response rate of more than 86% and is being used by healthcare teams across Australia, New Zealand and in the United States.

In 2020, the COVID-19 pandemic presented unique challenges for healthcare workers. Personify Care responded with tailored solutions to rapidly support their customers around the world. Closer to home, Personify Care supported a number of initiatives including pre-admission screening and telehealth pathways to ensure that the South Australian community received the care they needed, despite restrictions associated with COVID-19 requirements.

# Exports

Of the founders that responded to the 2020 Startup Survey, 13 indicated the key regions where they export their products and services, with the highest number of startups exporting to the United States.

## Where are startup exports going?



## Funding

Based on three years of collective research, the total amount of identified funding raised by 148 of the 308 identified startups from 2012 to 2020 was \$411.8 million.

**\$411.8  
million**

**Identified funding raised by  
148 startups, 2012 to 2020**

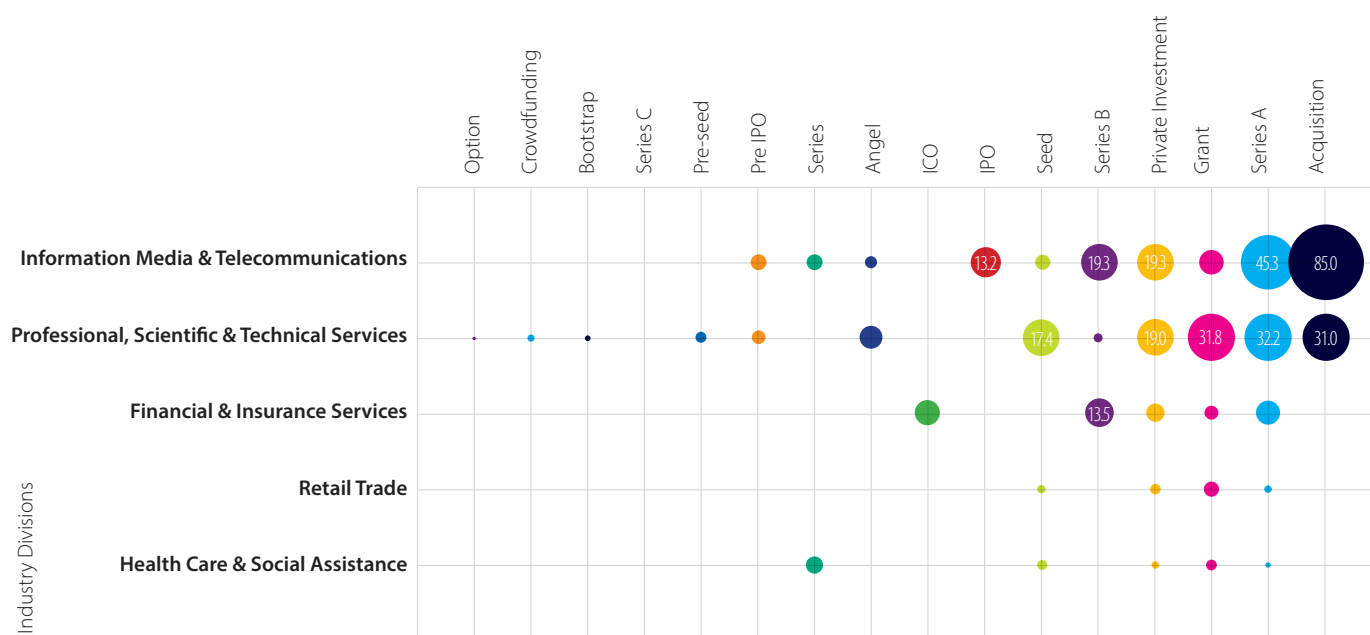
Source: combined data sources

Most of the identified funding was raised from 2016 onwards. It is expected that additional funding would have been raised between 2010 and 2015 but could not be identified based on available information sources.

The most significant South Australian funding event in 2020 involved Uniti Group's \$85 million capital raise which was used in its acquisition of 1300 Australia, the country's largest inventory holder of phone words.

As a result, the highest level of funding raised by the identified startups was classed under the Information Media & Telecommunications industry division, and acquisition events generated the most funding overall by type.

## Top 5 industry divisions by startup funding raised (\$ millions)



\* The labels in the chart above show funding amounts of \$10 million or more. Source: combined data sources

More than half of respondents to the 2020 SA Startup Survey indicated they had raised funding for their startup.

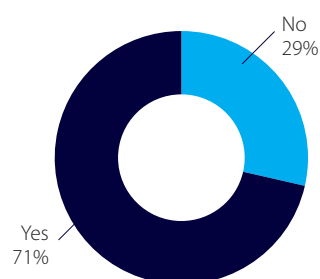
### Startup funding attempts



Source: 2020 SA Startup Survey.

Over 70% of respondents to the 2020 SA Startup Survey indicated they plan to raise future funding

### Percentage of founders currently fund raising



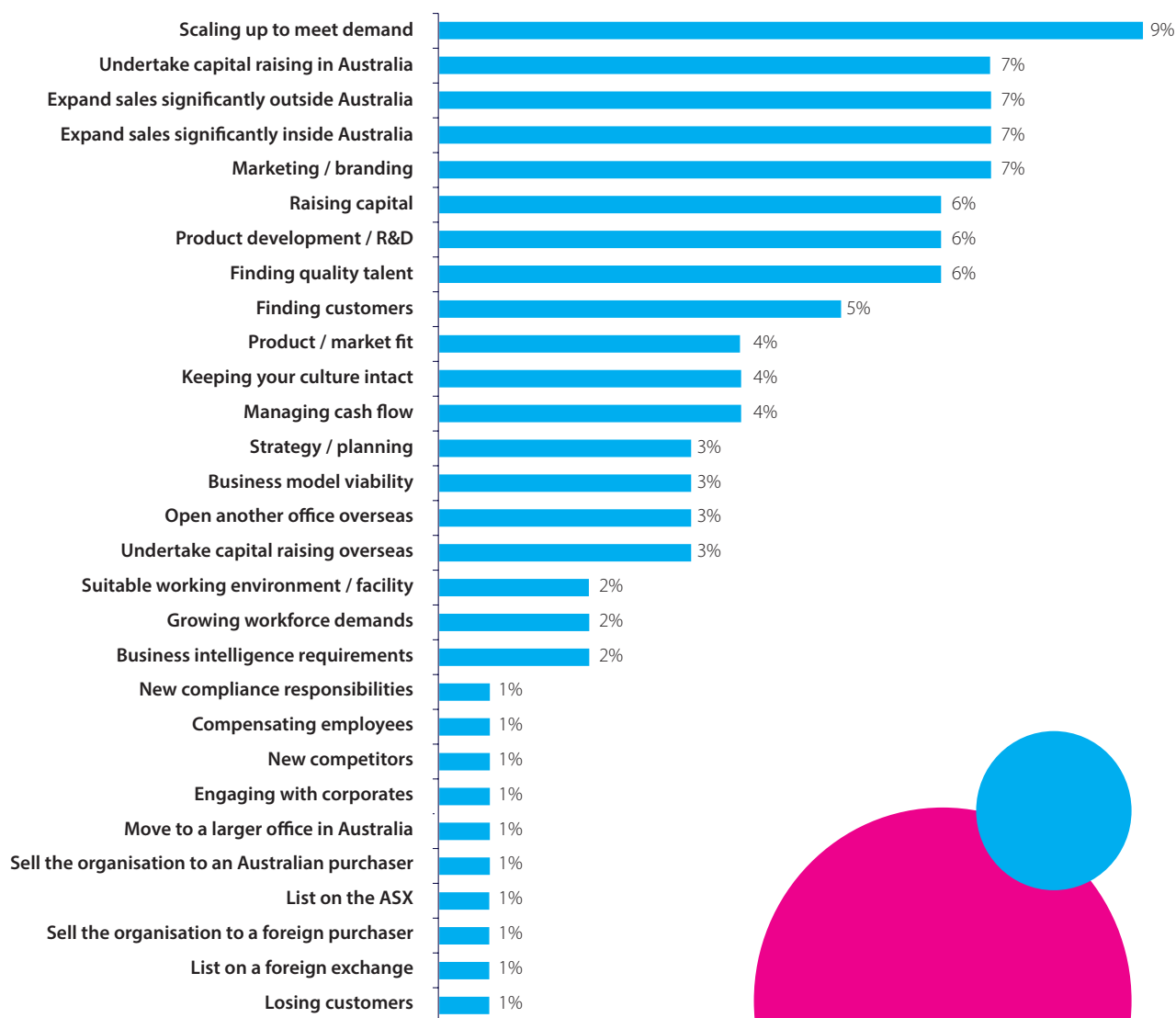
Source: 2020 SA Startup Survey.

Total funding expected to be raised by all respondents in their next funding round is **\$44.4 million.**

# Growth plans and challenges

Respondents to the 2020 SA Startup Survey outlined their growth plans and challenges ahead. The most common challenges included scaling up to meet demand, undertaking capital raising in Australia, and expanding sales significantly inside Australia.

## Growth plans and challenges – survey responses



Source: 2020 SA Startup Survey.

# Advice to others

Startup founders were asked, based on their experience, what are the most important things to advise any friends wanting to start a company. Below were some of their responses.

## Mindset

- Don't do it half-heartedly. Decide to 'go' and go for it.
- Be resilient!
- It will take a lot longer than you expect.
- Expect it to take longer and cost more than you expect.
- Prepare for a longish journey and uncertainty.
- Aim high!

## Preparation

- Do research and seek assistance.
- Develop a sound plan and have access to funds.
- Set timeframes for review of progress.
- Make sure your product is thoroughly quality assured and keep data about how popular it is.
- Validate through research that you have a problem that needs solving and that the current market has an appetite to have the problem solved.
- Examine the strength of intellectual property (IP) protection.

## Mentorship

- Get a great group of advisors.
- Need to have mentorship in your field.
- Do your homework, talk to people who have tried to setup a similar business in Australia.
- Join a pre-accelerator program.

## Work with others

- Work with others that can connect you to investors.
- Use a lawyer to start up the company. Set up bookwork with an accountant experienced in your field.
- Get a reliable accountant.
- Do research and seek assistance.

## Product / Company

- Work with your customer from day one.
- Don't underestimate your company's value.
- Get to know the buyer of your product / service before you start building a product.
- Talk to clients and launch as soon as possible (today!)
- Keep a record of development for marketing purposes; start a blog as soon as your product is designed.
- Apply for all the grants but don't get side-tracked - the most important thing is the product.

To bring the ecosystem together we want to hear and see your stories. Tag and follow:

 @fixe.effect

 @fixeeffect

 @fixeeffect

## Contact.

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