



INNOVATION
VICTORIA

Driving economic
growth and jobs

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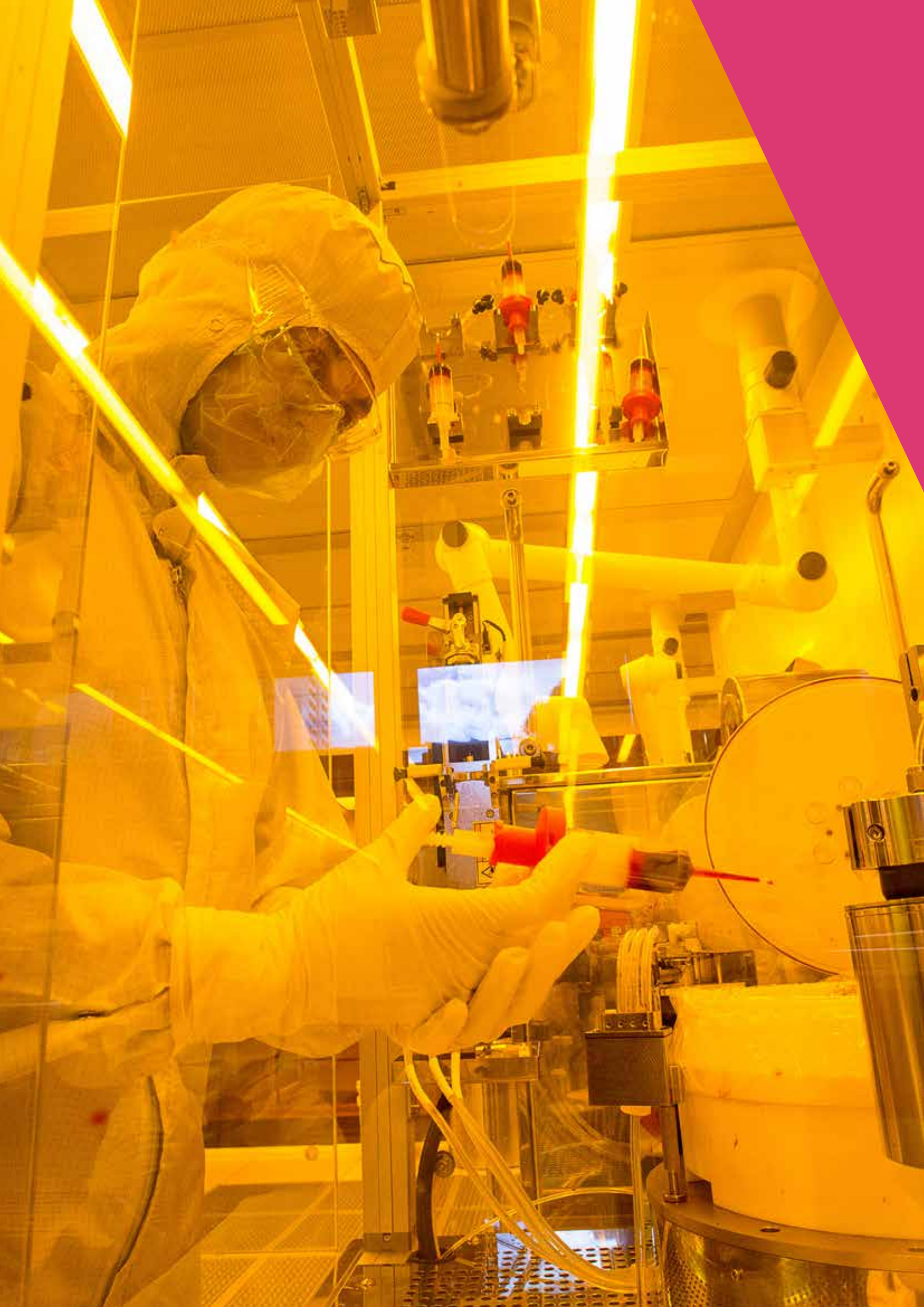
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Innovation
is the key to
overcoming
our greatest
challenges.





FOREWORDS





FOREWORD

Premier of Victoria

In today's world, we can't afford to stand still. The challenges we face are complex — and the answers we seek require new and creative thinking.

But that means investing in our people and backing innovation.

Because without innovation, there is no future.

Innovation is at the heart of a new vaccine that will defeat a highly infectious virus. It drives the creation of new industries and supports jobs for generations to come.

Innovation is what lies at the heart of our ability to solve these challenges and to keep giving all Victorians the best possible opportunities in life.

In Victoria, we've always backed innovation.

We know that for bright minds to grow and for big ideas to flourish, we need to support creative environments.

That means funding ground-breaking research and development, giving companies the support they need to get off the ground and making sure Victorians of all ages have the skills they need for the jobs of tomorrow.

In Victoria, we've been home to first-class health and medical research facilities for many years. Our research and development has made an impact on lives around the world. Now we have the chance to build on this success.

It's why we are making the State's biggest ever investment in science, technology and innovation through the \$2 billion Breakthrough Victoria Fund, over the next 10 years.

It's why we are developing our mRNA manufacturing capability in Victoria — building on our reputation as a leader in life-saving medical research and pharmaceutical production.

And it's why we are continuing to support LaunchVic — to maintain momentum in Victoria's startup ecosystem and promote entrepreneurship in regional Victoria, backed by our \$60.5 million Victorian Startup Capital Fund.

This Innovation Statement sets out the Victorian Government's innovation agenda — the six clear actions we'll take to propel Victoria forward.

It details the investments we're making in our people and how we're building a safer and more prosperous state for all Victorians.

Daniel Andrews MP

Premier of Victoria



FOREWORD

Minister for Innovation, Medical Research and the Digital Economy

Victoria's innovation ecosystem has helped make our economy one of the strongest in Australia.

As we look towards the recovery from the COVID-19 pandemic, our ambitions must go beyond restoration and extend to game-changing improvements which will reshape our state.

History tells us that difficult economic conditions spur creative thinking and challenge us to find new ways of doing things. In the US, more than 50 successful tech companies emerged from the global financial crisis, including Airbnb, Dropbox and Stripe.

By supporting innovation, and drawing on the power of many great minds, we can overcome the challenges we're faced with and create a stronger and more inclusive Victoria. We know this, because the results speak for themselves.

20 years ago, Victoria charted a bold course to create a globally competitive research and innovation ecosystem, through sustained investment in science, product development and commercialisation.

These commitments created tens of thousands of jobs. We attracted businesses to Victoria, delivered better healthcare across the state and enabled our rapid response to COVID-19.

Innovation drives growth across every part of our economy — and makes Victoria one of the best places in the world to live, work and do business.

This Innovation Statement sets out the next chapter for Victoria's growth.

We will continue to back our key industries, like life sciences, education and agriculture, and drive growth in the sectors of the future, from advanced manufacturing to emerging digital technologies.

Our investments will keep Victoria at the cutting edge, build on homegrown talent and turn world-leading research into products sold around the globe.

We'll be better connected, with high-quality digital infrastructure right across the state, breaking down cost and distance barriers so Victorian businesses have access to local and global markets.

We'll nurture collaboration by fostering innovation and technology precincts to harness the skills of entrepreneurs and businesses.

We'll back our startup ecosystem and ensure they have the networks and investment they need to take their ideas to the world.

Victoria is the innovation state and the Victorian Government is committed to ensuring the next generation of Victorians live in a state that is home to the very best opportunities in Australia.

Jaala Pulford MP

Minister for Innovation, Medical Research
and the Digital Economy



BUILDING ON A LONG HISTORY OF INNOVATION

Our cutting-edge
achievements are saving
lives and changing lives
for the better, here and
around the world.



Simply put, innovation is about coming up with new and better ways of doing things. It gives new life to products, services or processes that no longer meet business or customer needs, and turns ideas for brand new offerings into reality.

Innovation drives thousands of Victorian researchers, product developers, business owners and creatives every day.

Investing in innovation — through capability growth, infrastructure and product development — sets us up for long-term success.

Sustained Victorian Government investment in science, health and medical research and industry collaborations have generated tens of thousands of jobs, spurred the world-leading outcomes achieved at our universities, and created the partnerships and networks needed to rapidly respond to a health crisis like COVID-19.



Every
\$1

of Victorian Government
investment in the health
and medical technologies
and pharmaceutical
sectors...



Generates
\$3.66

in additional Gross
State Product (GSP)



Victoria's
\$470 million

Science, Technology
and Innovation
Initiative
(2000 to 2008)



Created
7,600

one-year full-time
equivalent jobs

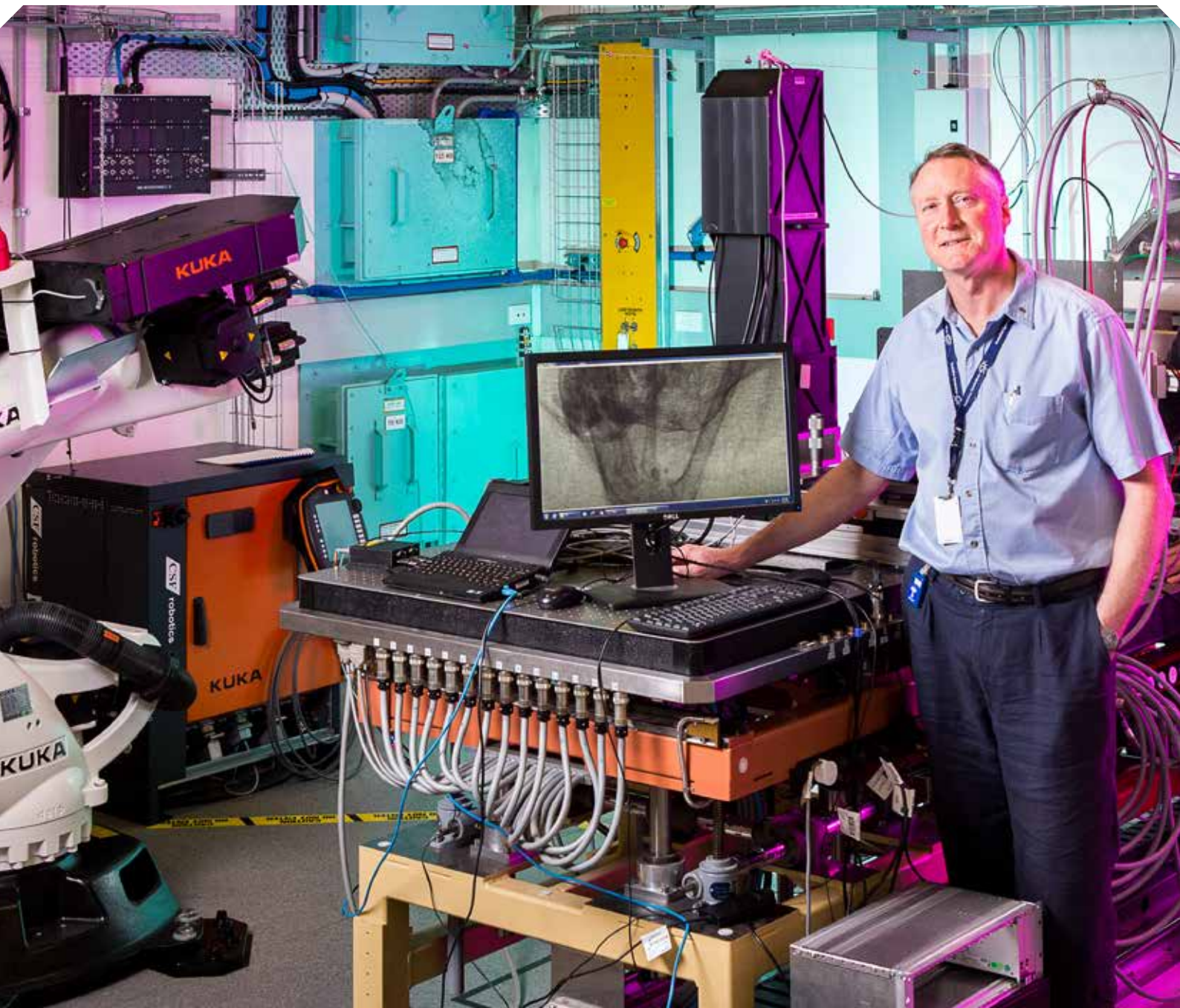
Victoria is continuing to lead the way in Australia's pharmaceuticals industry through the development of mRNA capabilities. mRNA has not only created a new frontier for vaccine development, but has also become a promising new weapon to treat cancer and other diseases.

Collaboration between the Victorian Government and Victorian universities plays a critical role in growing innovation, research and development. Victoria's universities contribute significant value to our state by driving knowledge creation, leading new ways of thinking and supporting innovation. We harness that value in our creative

and economic hubs, sparking innovation through collaboration with industry and academia, in partnership with each Victorian university.

Victorian innovators are responsible for some of the world's major advances in technology, medicine, manufacturing and science — things that are now part of our every day, at home, work, school and in between.

Our position as an innovation leader is firmly established, and the Victorian Government is continuing to build on these foundations for a bright, secure and inclusive future.



Victoria — an innovation leader in many fields

Health and medical research

Producing life-saving vaccines for Australia and the world

A global leader with 18 major medical research institutes, and one of the largest life sciences clusters in the world

Smarter ways to support disadvantaged members of our communities

Eleven teaching hospitals and nine universities — including two in the top 40 ranked universities for biomedicine

Digital technologies

A \$40 billion industry — with 140,000 jobs

Australia's most comprehensive world-class connectivity: broadband, 4G, 5G, free WiFi

Victorian-grown tech companies such as SEEK, Carsales and REA have become global players and major employers

Startup sector

Thriving startup sector and home to 18 startup unicorns (private companies valued at \$1 billion)

Reaching startup rates among the fastest in the world

Partnerships with universities, availability of venture capital and established industries to act as test customers for a range of sectors — such as fintech, edtech, agtech, retail and construction

Food and agriculture

Leading research and adoption of 'digital agriculture'

Home to the AgriBio Centre at La Trobe University — Australia's premier agribioscience facility

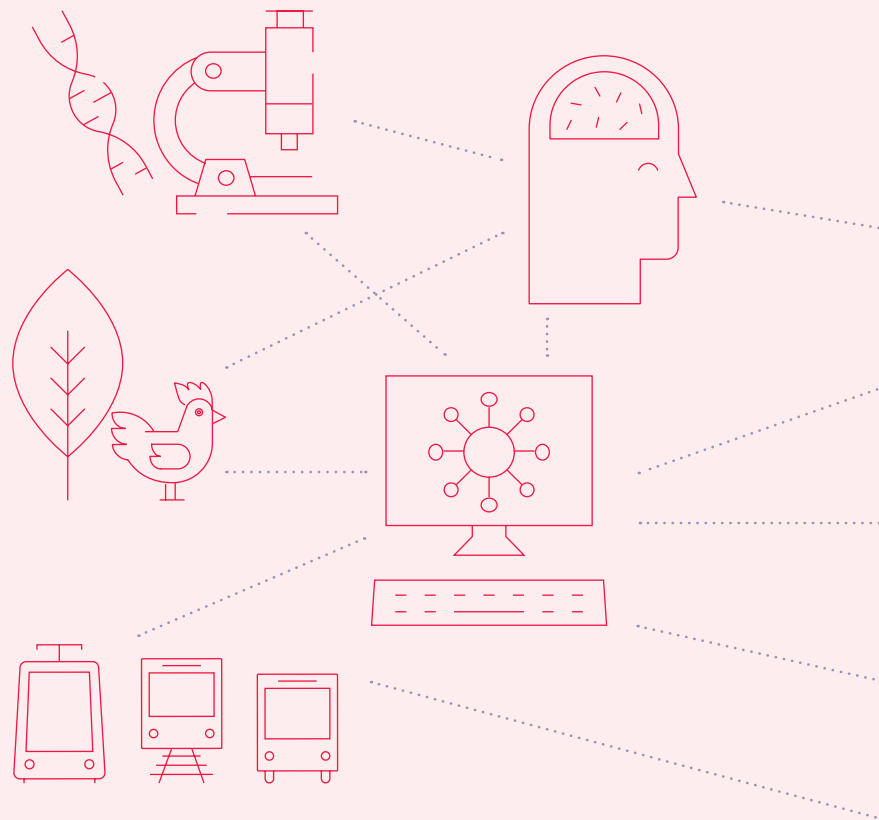
Research institutes partnering with industry as SmartFarms across the state

Transport

World's first live environment for on-road transport technology innovation testing

Regional connected automated vehicle testing facility for Australian conditions

Real-time occupancy data integrated with Google Maps



Education

A thriving EdTech sector — home to almost one-third of Australian EdTech companies

Attracting global giants to establish their R&D in our regional and metropolitan university precincts

Sports technology

2 in 3 Australian sports tech businesses are based in Victoria

World-class sporting precincts are innovation hubs across sports management, science and medicine

Energy

Preparing for a clean hydrogen energy future

Unlocking new energy technologies by funding neighbourhood-scale battery pilots and supporting microgrids across the state

Establishing National Energy Resources Australia (NERA) hydrogen clusters across the state to support collaboration and commercialisation of hydrogen

Advanced metering infrastructure makes Victoria an ideal location to pilot new smart grid technologies, services and business models

Creative and design

Melbourne ranked 1st in Australia and 12th globally on a global index of creative cities

A rapidly growing screen industry — across film, television, online content and digital games

Home to some leading Australian companies in CreaTech — merging technology and creativity to drive innovation

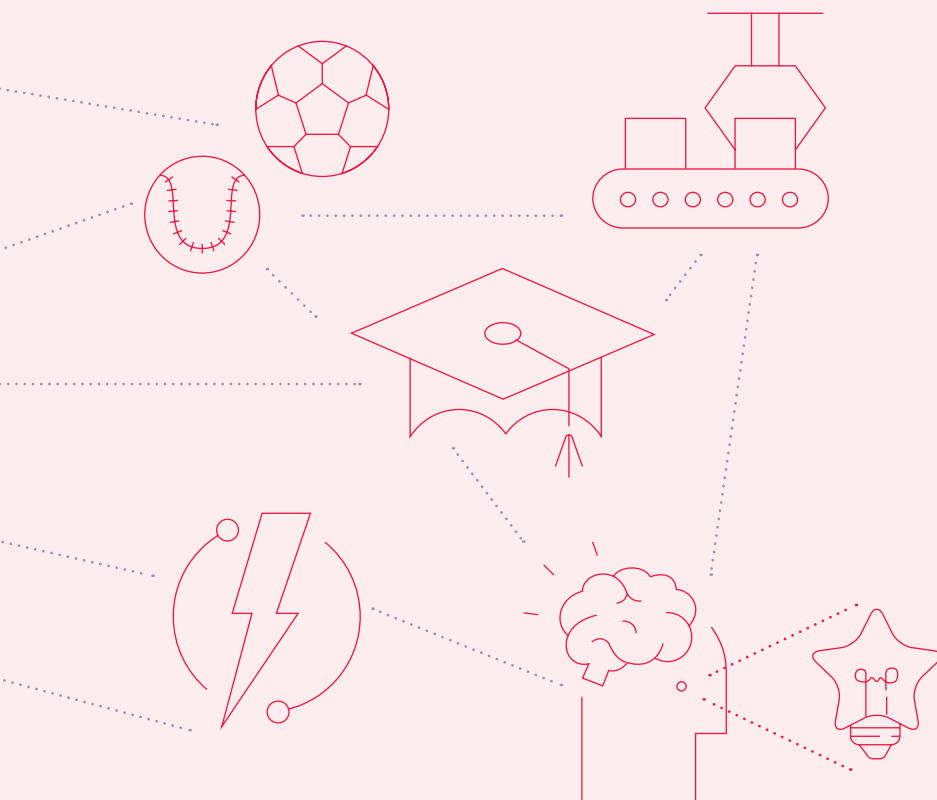
Advanced manufacturing

Established local, innovative companies such as CSL and Dulux

Global manufacturers continuing to reinvest, such as BAE Systems Australia, Bosch and Agilent Technologies

Victorian company SPEE3D exporting 3D metal printing technology to the USA, Germany and South America

Innovative product development companies, such as Invetech, Grey Innovation, Hydrix, Tricycle Developments and Planet Innovation

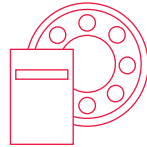


Victoria's rich history of innovation



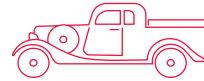
Aquaculture

The earliest living example of aquaculture in the world is Budj Bim, where the Gunditjmara husbanded and harvested eels to ensure a year-round supply.



Feature films

The Story of the Kelly Gang, written and directed by Victorian Charles Tait, is regarded as the first feature length film.



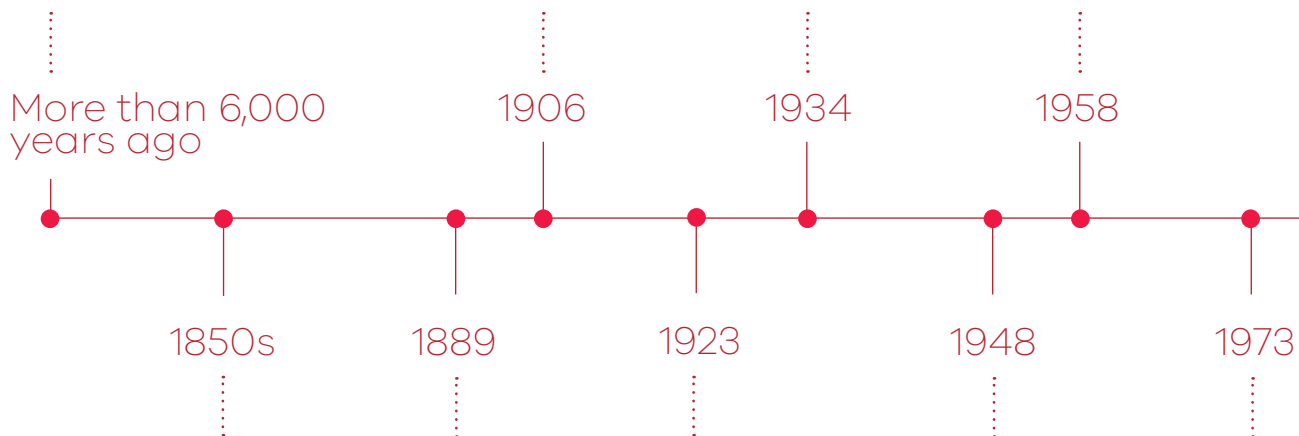
Ute

Coupé utility — combining a two-door “coupé” cabin with an integral cargo bed behind the cabin — designed by Lewis Bandt at the Ford Motor Company in Geelong.



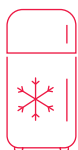
Black box flight recorder

Invented by Dr David Warren AO at the Aeronautical Research Laboratories in Melbourne.



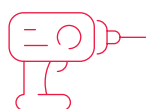
Refrigeration

The first mechanical refrigeration plant, built by James Harrison in Geelong.



Electric drill

Arthur James Arnot patented the world's first electric drill while working for the Union Electric Company in Melbourne.



Vegemite

Created from waste brewer's yeast, invented by Dr Cyril Callister and launched by Melbourne food entrepreneur Fred Walker.



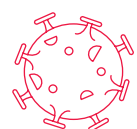
Lithium carbonate for bipolar disorder

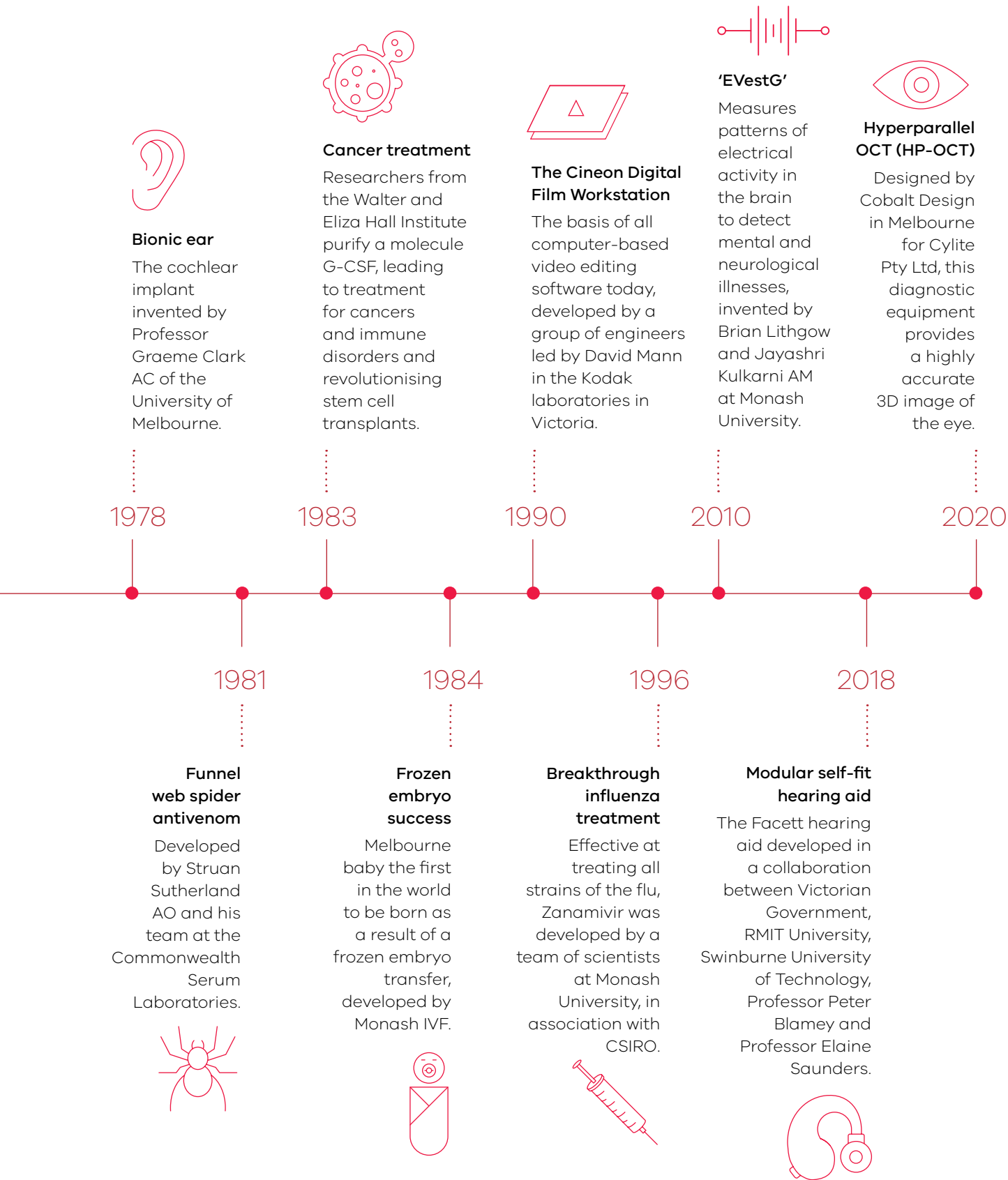
Discovered by Melbourne psychiatrist Dr John Cade AO.



Rotavirus

Discovered by Dr Ruth Bishop AC and the Gastroenterology Research Unit, Royal Children's Hospital, Melbourne.







DRIVING ECONOMIC GROWTH THROUGH INNOVATION

Innovation will underpin
our future and create new
opportunities for Victorians.





Innovation transforms ideas or research into new commercial opportunities, businesses or industries.

This, in turn, creates job opportunities and drives economic growth. Innovation drives productivity, creates solutions to our most complex problems, and benefits our community.

In Victoria, we want to design an economic future driven by innovation. To grow a Victoria where bright ideas are front and centre. Where research is supported to go beyond the lab and into the world, helping Victorian sectors and businesses become more competitive internationally.

By backing innovation today, we are investing in creating new industries and jobs for the future, and supporting Victorians to pursue new opportunities both here and on the world stage.

We will be equipped to tackle the challenges that could compromise our high standard of living — from developing resilient food crops, to nurturing a sustainable environment, to finding cures for disease and evolving modern ways of doing business, or finding new ways of story-telling through our creative industries.

This Innovation Statement lays out the Victorian Government's action plan to keep Victoria charting a path for a thriving and successful future.

Six priority action areas will guide our innovation investments.

1



Capitalising on our research and innovation potential

We will invest in Victoria's world-class research and innovation capabilities, and in translating outcomes into commercial opportunities. This will help grow our key industries and create new jobs, preparing us to tackle the big challenges of the future.

4



Growing our innovation precincts

We will support Victorian businesses to thrive in high-value employment and innovation precincts, where research institutions, businesses, accelerators, and startups can connect and collaborate.

2



Developing our talent

We will create wide-ranging opportunities for Victorians to upskill, reskill and develop new skills in fields such as medical research, digital, creative technologies, entrepreneurship and agtech so they can thrive in our economy, now and in the future.

5



Taking Victorian innovation to the world

We will connect Victorian businesses to global supply chains, pursue opportunities to engage with world-leading innovators, and boost international investment in Victoria.

3



Cultivating our startup ecosystem

We will continue to grow our startup ecosystem to rival the world's leading startup cities, supported by local venture capital and a skilled workforce to create more jobs and develop new industries.

6



Delivering innovative services for Victorians

We will lead by example, embracing innovation in Victorian Government operations, service delivery and infrastructure, and putting people at the centre of everything we do.



Capitalising on our research and innovation potential



We will invest in Victoria's world-class research and innovation capabilities, and in translating outcomes into commercial opportunities. This will help grow our key industries and create new jobs, preparing us to tackle the big challenges of the future.

Backing breakthrough ideas

We know Victoria has some of the best innovators, scientists and knowledge institutes in the world, producing ground-breaking research with significant commercial potential.

But we also know there is more to be done to convert research and ideas into commercial outcomes that accelerate industry growth and create more high-value jobs. We need to bridge the gap between discovery and commercialisation to attract the capital investment that turns research into new products and services.

Breakthrough Victoria, a state-owned company with an independent board, oversees the \$2 billion Breakthrough Victoria Fund. This initiative will fuel Victoria's ability to translate and commercialise Victorian research and innovation, while cementing Victoria's international reputation as a destination for investment, global talent, and the transformative industries that will continue to power the Victorian economy.

Breakthrough Victoria will initially focus investment in key industry sectors, including health and life sciences, agri food, advanced manufacturing, clean economy and advanced digital technologies, and explore areas of emerging research and development capability.

Breakthrough Victoria will keep Victoria at the forefront of innovation and drive commercialisation

Victoria is home to some of the world's leading researchers and brightest minds. To take ground-breaking research from the lab to the world, innovators need funding and connections to commercial partners across the globe.

The \$2 billion Breakthrough Victoria Fund will ensure Victoria remains at the forefront of innovation in the next decade by funding translation and commercialisation activities across the innovation spectrum.

Breakthrough Victoria funding will bridge the gap between research and development, and market-ready, investible propositions able to attract capital investment.

The fund will further equip Victoria's key innovation and employment precincts such as Arden, Bundoora, Clayton, Fishermans Bend, Parkville and Waurin Ponds — fostering collaboration between industry and research partners and creating high-skilled jobs.

We will seize opportunities created by advanced technology

The key to developing our own advanced technologies right here in Victoria is through backing our world-class scientists, researchers and innovators to deliver them.

By 2030, industry sectors that rely on advanced technology will account for nearly \$9 trillion in output worldwide. That is more than the global car, banking and oil and gas industries combined.

By developing new technologies right here in Victoria, such as artificial intelligence (AI), vehicle automation, cyber security and robotics, we can seize the opportunities offered by this rampant

growth. By stimulating and promoting innovation, we will increase our competitiveness and attract national and international investment to create high-value jobs for Victorians.

Initiatives like the Advanced Manufacturing Industry 4.0 Hub, a Victorian Government partnership with Swinburne University of Technology, are focused on doing just this. The Hub provides a new model of university-industry collaboration, enabling Victorian manufacturers to develop digitalisation strategies and provide training for technologies such as AI, the Internet of Things, smart robotics and virtual reality.

Case study:

Positioning Victoria at the forefront of innovation in automated vehicle technologies

Connected and autonomous vehicles offer an exciting opportunity to improve road safety and productivity. Victoria is well-placed to be at the forefront of this change through research, testing and commercialisation of connected and automated vehicle technology. Victoria's progressive regulatory environment supports technology development through permits for automated driving systems and complements our expertise in automotive design and advanced manufacturing, as well as our world-renowned academic research community.

We are partnering with innovative companies, such as Bosch, to support trials of vehicle connectivity and automation on Victorian roads to see how they can help reduce road trauma and improve our roads. We are also supporting Victorian companies like Applied EV to commercialise autonomous electric vehicles designed to service markets for goods delivery, logistics, industrial applications and passenger transport.



Innovation is the key to overcoming our greatest challenges

Building capability in emerging technologies will also help us to solve some of the biggest challenges facing Victoria, and the world. For example, advanced technology capabilities and smart design will help us reach the Victorian Government's target to halve carbon emissions by 2030, achieve net zero emissions by 2050, and improve sustainability as we shift to a circular economy.



Centre for New Energy Technologies (C4NET)

The Victorian Government is providing \$5.36 million in seed funding over four years to establish the Centre for New Energy Technologies (C4NET).

In 2018, the Department of Environment, Land, Water and Planning launched C4NET to support and capitalise on new and developing energy technologies, products and services in Victoria. Working with complexity requires diverse skills, reliable data and new approaches — elements C4NET's unique model is designed to deliver.

C4NET is an industry-led, not-for-profit company. Through C4NET, new energy technology proponents have access to high-quality researchers and sophisticated data analytics experts and tools, along with co-funding opportunities to accelerate project development and implementation.

C4NET delivers projects and events focused on intelligent data access and use to transform energy data into valuable information to:

- improve industry efficiency by identifying gaps and duplication
- support consumers to take up new energy technologies, products and services
- enable evidence-based policy, regulation and market development
- drive better cost, choice and solution outcomes for energy consumers
- improve integrated approaches across the value chain
- build educational opportunities for the current and emerging workforce.



Sparking sustainable ideas through the Circular Economy Business Innovation Centre (CEBIC)

In 2020, we launched Recycling Victoria — A new economy. Led by the Department of Environment, Land, Water and Planning, this 10-year, \$515 million investment and action plan will transform Victoria's waste and recycling system. It details a commitment to build our circular economy, transform how we use materials to promote reuse, repair and recycling, and accelerate innovation.

From this commitment, CEBIC was born. CEBIC will bring together businesses, industry bodies, research organisations, governments and communities to collaborate on innovation challenges; foster innovation and collaboration across supply chains; encourage investment; and leverage Victoria's design and engineering expertise.

CEBIC will drive all of this and more by providing businesses with the support they need to innovate, adopt, and implement circular economy opportunities and business models.

The coronavirus pandemic has underscored the importance of being able to produce goods within Australia — also referred to as sovereign capability — in critical components of public health response, including vaccines and medicines. mRNA Victoria was established in May 2021, with an initial \$50 million funding commitment to develop mRNA manufacturing capability in Victoria. mRNA Victoria is being advised by a Scientific Advisory Group comprising world-leading vaccine, infectious diseases and biomedical experts.

This capability will secure coronavirus and other vaccine supply, support local manufacturing and create a more robust defence against future pandemics. The Victorian Government is partnering with the Monash Institute of Pharmaceutical Sciences and the Peter Doherty Institute for Infection and Immunity to trial the country's first local mRNA COVID-19 vaccine candidate in 2021.



We are investing in growth sectors that are underpinned by technology and innovation

Here is a snapshot of our recent innovation investments in key sectors for the future.



Health and life-sciences

Australian Institute of Infectious Disease

The \$650 million project will deliver a facility for a consortium of world-leading research institutes

COVID-19 research

\$16.5 million to support development of treatments and responses to address the immediate, medium and long-term impacts of COVID-19

Melbourne Genomics Health Alliance

\$36 million to support and expand Victoria's genomics data and technology systems, to help bridge the gap between research innovation and healthcare reality

mRNA manufacturing

\$50 million to fast-track mRNA vaccine and therapeutics manufacturing in Victoria

MedTech manufacturing centre

\$20 million to put Victoria at the forefront of medical technology, innovation and design



Digital technologies

Technology Adoption and Innovation Program

\$6.1 million to encourage the adoption of innovative, new and commercial technology

Connecting Victoria

\$550 million to fast-track better mobile coverage and broadband across the state



Agri-food

Agriculture Strategy

\$115 million to support a new strategy for Agriculture in Victoria — with a key focus on modernisation through the development of innovative farming techniques and agtech



Clean economy

Energy Innovation Initiative

More than \$100 million supporting the commercialisation of innovative, emerging renewable energy technologies in Victoria

Circular Economy Business Innovation Centre

Part of our \$515 million investment to transform Victoria's waste and recycling system through innovation, this new centre will accelerate the shift to a circular and climate-resilient economy



Advanced manufacturing

Manufacturing and Industry Development Fund

\$60 million investment to build Victoria's sovereign manufacturing capability by supporting Victorian businesses in key growth sectors across the state

Defence industry package

\$5.4 million to secure roles in delivering major defence contracts through advocacy, advisory and capability development activities



Creative industries

VICSCREEN

\$191.5 million invested in a new screen strategy, including training in innovative digital sectors such as visual effects, games and animation

Creative State 25

\$288 million invested in the next creative industries strategy, designed to secure jobs and reassert Victoria's position as the creative and innovative state



Developing our talent



We will create wide-ranging opportunities for Victorians to upskill, reskill and develop new skills in fields such as medical research, digital, entrepreneurship and agtech so they can thrive in our economy, now and in the future.



Developing our talent will help Victoria remain globally competitive

Victoria's innovative industries — including advanced manufacturing, food and agriculture, medical technologies and pharmaceuticals, and international education — depend on exceptional people to remain globally competitive. They must continue to develop new management, export, and technology capabilities and build expertise in areas such as robotics, quantum computing, artificial intelligence, and data analytics.

We will give Victorians opportunities to develop new skills and capabilities to do meaningful and valuable work, now and in the future.

Investing in the skills of the future will ensure all Victorians can be part of our workforce and will attract more people to call Victoria home — whether they're studying, starting a business, raising a family or preparing for retirement.

Diversity matters. Underrepresentation of women and girls in science, technology, engineering, and mathematics (STEM) is one significant barrier to achieving our potential in emerging industries. The Victorian Government's investments in STEM support women and girls to lead the industries of the future in Victoria.

In 2021/22 we have invested \$6.2 million in digital literacy — a critical investment not only in equipping Victorians with skills for the future, but in ensuring an inclusive and connected Victoria in today's digital world.

Digital innovation has raised Victorian businesses to new levels of achievement. It has connected businesses with consumers, innovators with investors, and researchers with international research teams. It has improved access and participation across the community. Digital platforms have delivered healthcare and education; allowed us to keep working; kept us entertained, enlightened and informed; and helped us stay connected to loved ones.

Talented Victorians lead the way



Talented Victorians are launching innovative businesses and promoting diversity. Take Melbourne-based startup Work180, which has created an international jobs platform to connect progressive employers with talented women in the workforce. In 2017, Work180 won the Victorian Innovation Minister's Diversity Award.

Our people are our strength

Victoria's highly skilled, business savvy, multilingual and culturally aware workforce gives us a competitive advantage and helps us to collaborate and build commercial relationships.

Our universities generate around one third of Australia's graduates in key disciplines, giving our industries the talent pipeline they need to get the job done.

And through the Digital Jobs program, we're supporting mid-career Victorians to retrain and reimagine their careers, and supporting Victorian businesses seeking to build their digital capability or looking for workers with digital skills.

Top universities create a wellspring of talent for Victoria

The Economist Intelligence Unit ranks Australia 2nd in the Asia Pacific region in its Global Talent Index. Globally, Victoria ranks 13th in the world.

The University of Melbourne is Australia's highest-ranked university and the third highest in the Asia-Pacific region. Monash, Deakin, La Trobe, RMIT, Swinburne and Victoria universities also feature in the region's top 100 universities.

Record investment in training and skills will build a workforce for a thriving future economy

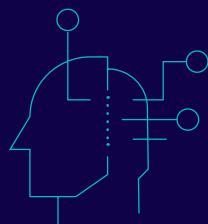
We invested a record \$1 billion in the 2021/22 State Budget, and an additional \$384 million in 2021/22 to make sure the state has the training and skills system it needs to emerge stronger from the coronavirus pandemic. Here are some of our key investments and initiatives.

We're giving Victorians opportunities to develop new skills and capabilities

Digital Jobs Program

\$64 million to build a talent pool of 5,000 motivated, job-ready candidates with industry-relevant skills to meet the strong and growing demand for digital skills in the workforce.

\$64
million



Higher Education State Investment Fund

\$350 million to support universities with capital works, applied research and infrastructure projects focused on boosting Victoria's productivity and the economy.

\$350
million



Startmate

LaunchVic invested \$1.8 million in Startmate, one of Australia's leading accelerator programs, to strengthen the investor landscape and lift the capability of Victorian startups.

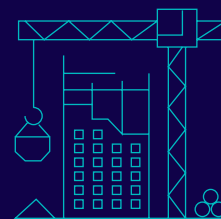
More than \$580,000 will go to Startmate to deliver a dedicated accelerator program for 30 Victorian startups over three years, establish a permanent Victorian office and recruit a local workforce.



Apprenticeships Victoria

Apprenticeships Victoria coordinates and oversees all aspects of Victorian apprenticeships. This includes programs such as Big Build Apprenticeships, which will see thousands of apprentices join Victoria's Big Build, ensuring our record infrastructure investment delivers a skills legacy for our state.

Apprenticeships Victoria also works with industry to develop new apprenticeship and traineeship pathways to support the workforce of the future.



Victorian Skills Authority

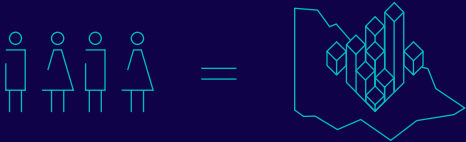
The newly established Victorian Skills Authority will bring together leading education and training providers, employers, unions and communities to co-design innovative approaches to skills development in established and emerging industries. It will strengthen the link between industry needs, training delivery and student attraction and outcomes, foster innovation, and improve decision-making.



Free TAFE

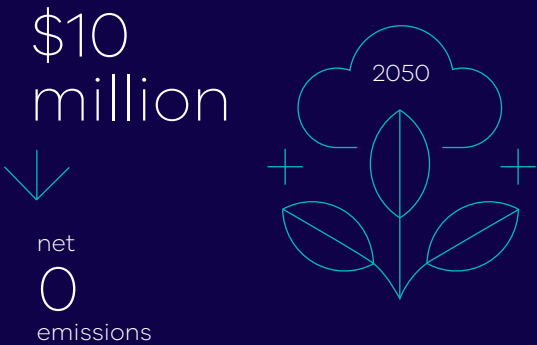
Our FreeTAFE initiative reduces financial barriers for students and enables them to train in priority courses that lead to in-demand jobs.

We offer many courses through the Free TAFE initiative, including in cybersecurity, building and construction, education support, agriculture, and community services.



Clean Economy Workforce

\$10 million to meet the skills and training needs required to decarbonise the economy and achieve net zero emissions by 2050.

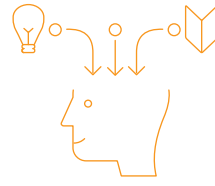


VICSCREEN

\$191.5 million investment in our screen industry, including funding to build a highly skilled workforce to solidify Victoria's reputation as a global destination for VFX and screen production.



3 Cultivating our startup ecosystem



We will continue to grow Victoria's startup ecosystem to rival the world's leading startup cities, supported by local venture capital and a skilled workforce to create more jobs and develop new industries.

Making Victoria a top destination to launch startups

Startups are young and emerging companies with big growth plans and a scalable — potentially global — offering.

Startups around the world every day are launching new ideas and products that disrupt

traditional businesses. Countries and cities that foster startups are ahead of the game — they're growing the businesses and jobs of the future in their own backyard and reaping the rewards.

We aspire to make Melbourne a top 10 city to launch a startup. Think California's Silicon Valley, Berlin's Silicon Allee, and Tel Aviv's burgeoning tech hubs.

Startups turn innovative ideas into new jobs

Never has the global marketplace been more volatile, uncertain, complex, and ambiguous. Technology is advancing at record speed, changing the way we live and work. Competition is fierce, and consumer sentiment is constantly changing.

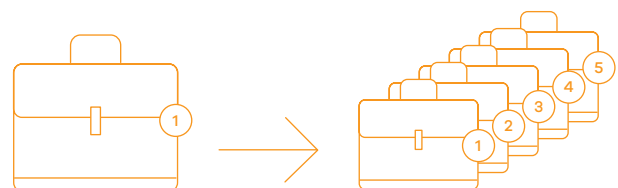
At the same time, we're facing a new wave of challenges — things we've never dealt with on such a large scale before. Our climate is changing, threatening lives and livelihoods. We've seen the impacts of excess consumption and waste on our environment. Our growing and ageing population is placing greater demands on the healthcare system. Industries and markets are being disrupted by new technologies and product offerings. Businesses need to continue to improve their operating models to stay globally

competitive. Finding solutions to these challenges needs fresh thinking and investment in new systems, technologies and services — in turn, creating new businesses and new jobs.

Victoria's startup sector generates innovative ideas and garners investment to scale these ideas into high-growth businesses. Startups are proven job multipliers — adding thousands of net new jobs to the economy at faster rates than most sectors.

We'll back startups by driving improvements in the startup investment landscape; developing the angel investor and early-stage venture capital market in Victoria; supporting programs that build founder, investor, and talent capabilities; and increasing understanding and awareness of Victoria's startup ecosystem.

For each single high-value startup job, five more jobs are created in associated service sectors in the broader economy.



Case study:

Snobal virtual reality

The office will always be an important site for workplace collaboration, but it is no longer the only place. Virtual environments are increasingly playing a key role.

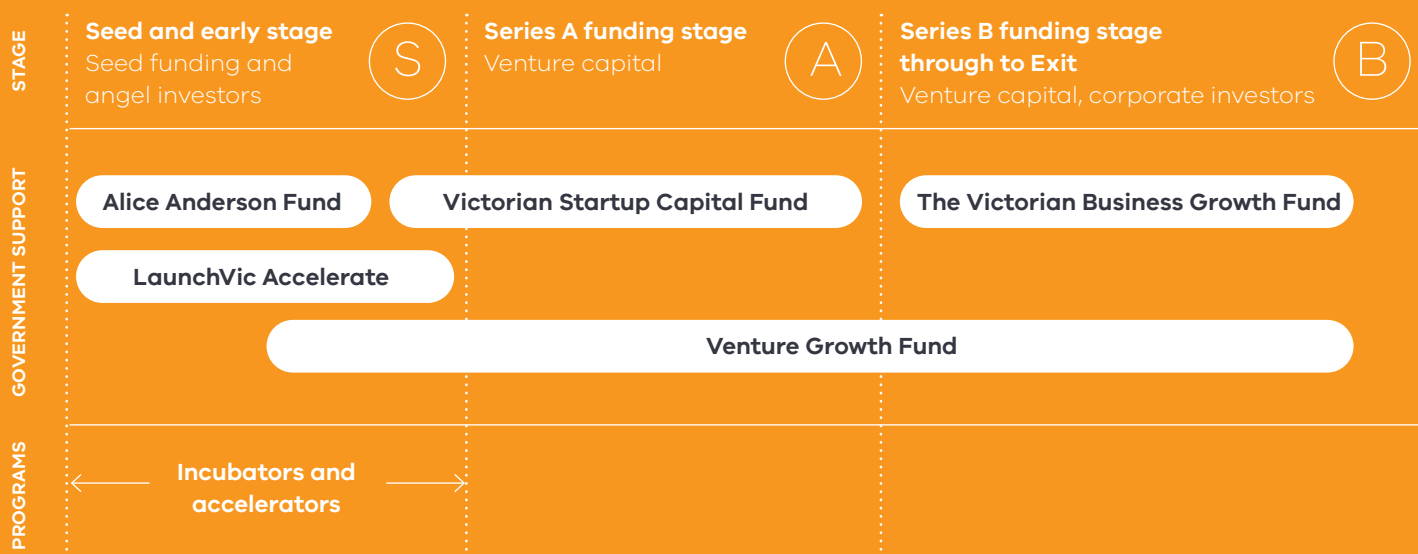
Melbourne headquartered Snobal, a world leader in virtual and augmented reality (VR/AR) for business and a participant at this year's Global Victoria's Global EdTech & Innovation Expo, is helping shape this global trend through its software enabling people to meet, discuss, present and collaborate in virtual reality.

Taking startups to scaleups

Through our startup agency, LaunchVic, we have helped put Victoria's startup ecosystem on the global map.

Victoria is home to more than 2,000 startups, employing around 31,600 full time employees, spread across early-stage, scaling and mature startups. We've grown 18 startup unicorns — businesses that were once startups and that have grown to a value of over \$1 billion — including the digital and creative assets hub, Envato, people and culture platform Culture Amp, and the online car marketplace Carsales.

Supporting Victorian startups to thrive



Government Investment funds, grants and loans

Alice Anderson Fund

Assists female founders to raise the capital they need to grow their early-stage startups and create new high-value jobs. This fund can leverage up to an additional \$30 million of private capital.

LaunchVic Accelerate

\$40 million to support high potential startups to survive and grow, encourage more entrepreneurs to start high growth companies, and support startups to scale and access local talent.

Victorian Startup Capital Fund

\$60.5 million fund that leverages existing private sector venture capital funds, injecting money into Victorian startups requiring early-stage investment.

Victorian Business Growth Fund

\$250 million over 10 years to support small and medium businesses with strong long-term growth prospects to access capital, to help drive growth and economic recovery.

Venture Growth Fund

The Victorian Government will invest \$25 million into the Venture Growth Fund. The Government's investment will be matched at least 1:1 by private investors creating a total credit fund of \$50+ million. It will be used to provide credit financing to high growth startups.

Our startup sector is growing quickly

In June 2020, Victoria's startup ecosystem was valued at \$7 billion, tripling in value since 2018.

While not all startups make it, those that are successful often start with a passionate founding team and can scale to 100+ employees in a relatively fast amount of time. Airwallex and Afterpay are examples of this — founded in the last six years, these companies both have multi-billion dollar valuations and collectively they employ 1,000+ people locally and internationally.

With the right support, the Victorian startup ecosystem has the potential to add a further 15,700 full-time equivalent jobs to the economy by 2038.

With this proven success and demonstrated growth potential, we're investing a further \$110.5 million in LaunchVic, to spur the development of our globally connected startup ecosystem.

Linktree: a revolution for social media connectivity



Ever seen the phrase 'Link in bio' as you scroll Instagram, Twitch or YouTube? Then you've likely come across Linktree, the Melbourne startup enabling influencers to link their social followers with their entire online ecosystem.

From its start in 2016, Linktree's reach has exploded, with over 16 million users worldwide. It earned 4th place on Fast Company's 10 Most Innovative Social Media Companies of 2020 list.



Achieving scale, reach and impact with LaunchVic



LaunchVic is the Victorian Government agency tasked with growing Victoria's startup ecosystem. It invests in programs that empower entrepreneurs to scale up innovative companies and create new opportunities for the Victorian economy.

LaunchVic supports early-stage startup founders who need help developing their product, honing

their business model, or connecting with investors. It offers courses, mentoring and online learning covering subjects critical to startup success.

Over 115 projects have been funded with direct grants and more than 300 Victorian startups have passed through its accelerator programs. Here are some of our success stories.

ClearCalcs



ClearCalcs is a Victorian startup that went through the LaunchVic-funded Startmate accelerator in 2019.

This cloud-based structural design and analysis software was created to help engineers and architects automate everyday calculations, such as the size of timber beams required to build a home.

ClearCalcs has continued to thrive through the pandemic. The shift to remote working resulted in an explosion in product usage, especially in the US.

Seer Medical



Founded in Melbourne in 2017, Seer Medical is revolutionising epilepsy diagnostic services.

Understanding the cause of seizures can be an uncomfortable and time-intensive endeavour. Seer's machine-learning technology has not only sped up diagnoses, its wearable devices allow patients to be monitored in the comfort of their home.

The success of its products has seen Seer rapidly expand to include 20 Australian clinics, with pilot programs underway in the UK, US and Germany with help from Victorian Government Trade and Investment Offices.

Australian Sports Technologies Network



Established in 2012, The Australian Sports Technologies Network (ASTN) helps build Australian sports tech companies with global aspirations.

Supported by LaunchVic funding, ASTN has taken 27 founders through its startup accelerator and supported researchers, young entrepreneurs and athletes in its highly successful pre-accelerator program. Participants focused on technology-based solutions to injury prevention, high performance, fan engagement, business leadership, coaching, virtual reality and artificial intelligence in sports.

Boab AI



Artificial Intelligence (AI) technologies are projected to be worth \$315 billion to Australia's economy by 2028, driving demand for up to 161,000 new specialised workers by 2030.

Backed by LaunchVic and Australian venture capital investor Artesian, Melbourne-based Boab AI is investing in high-growth companies, based predominantly in Victoria, that are pushing the boundaries of AI technologies that span machine learning, robotics, and natural language processing.

Boab announced its first cohort of five AI scaleups in 2020. One of these is the Plaetos Group, which delivers nuanced people data for better informed and more inclusive business strategy.

4 Growing our innovation precincts



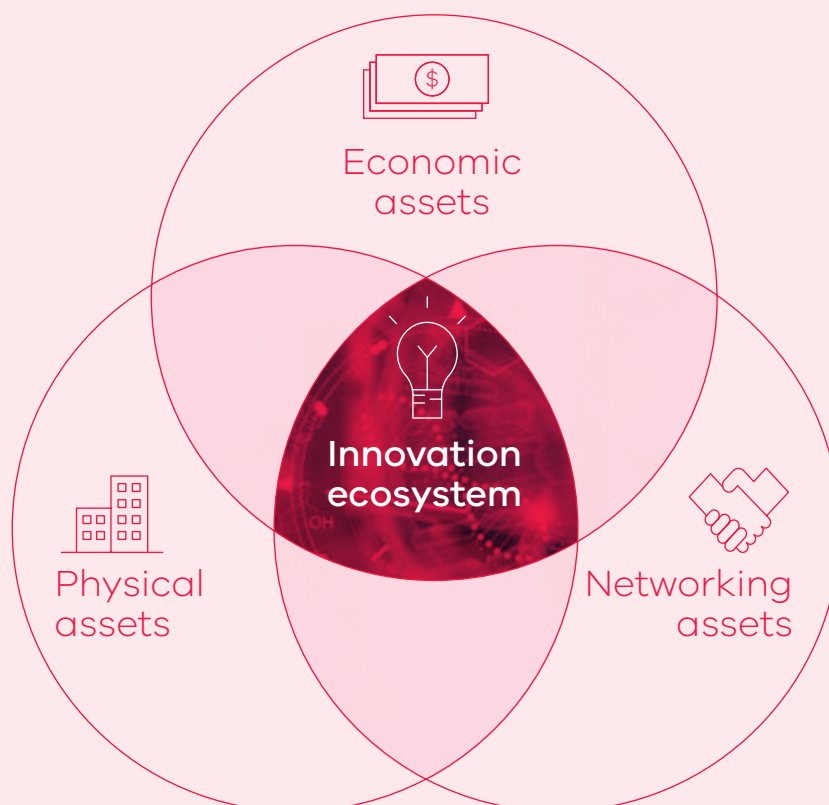
We will support Victorian businesses to thrive in high-value employment and innovation precincts, where research institutions, businesses, accelerators, and startups can connect and collaborate.

Bringing like-minded people together sparks innovation

Innovation precincts are emerging globally as the engines of economic growth, drawing on and revaluing the intrinsic qualities of cities: proximity, density, authenticity, and vibrancy.

They are areas where leading-edge anchor institutions and companies cluster and connect with startups, business incubators, accelerators, global companies and investors, to spur new ideas for commercial products and services.

Our approach to precincts promotes collaboration and the convergence of talent and ideas. In Victoria's precincts, we're building innovation ecosystems that bring together economic, physical and networking assets. We strive for high-quality places, co-locating collaborative partners and investing in networking efforts that connect the dots.



Illumina — University of Melbourne Genomics Hub

Accelerating commercialisation of biomedical research

The Victorian Government is supporting the establishment of a \$60 million world-leading genomics hub. The Illumina-University of Melbourne partnership will lift local genomics research and clinical trials to global scale and quality.

It will drive collaboration within the Melbourne Biomedical Precinct through the development of three core enabling platforms in clinical genomics, bioinformatics, and health economics.

Fishermans Bend

Creating an internationally renowned centre of innovation in advanced manufacturing, engineering and design

The Fishermans Bend National Employment and Innovation Cluster is forecast to support 40,000 jobs and over 20,000 students by 2050. It will bring together global companies like Siemens with the tertiary sector and create an environment for entrepreneurial students and startups to innovate and create at scale.

In May 2021, the Victorian Government announced a \$179.4 million funding package to commence development of the Fishermans Bend Innovation Precinct.

The investment will fund a major transformation of the former General Motors Holden site at Fishermans Bend, creating an investment-ready, world-class, advanced manufacturing, engineering and design precinct.

Our established precincts are thriving and we're investing to make them even better

Victoria has world-class, established innovation precincts across the state, including seven National Employment and Innovation Clusters which include Parkville, Fishermans Bend, Clayton, Bundoora, Sunshine, Dandenong and Werribee, as well as sector-specific innovation precincts emerging in Geelong, Gippsland, Warrnambool, Arden and Cremorne.

Additionally, the Victorian Government is investing in four key business precincts — Docklands, Fishermans Bend, Footscray, and Parkville — to support quality local jobs and sustainable economic prosperity, as well as vibrant and liveable communities.

While Victoria's precincts specialise in different technologies and industry sectors, they are bound together by a commitment to high-quality urban design and architecture, unique research and testing capabilities, active public transport, and high-quality digital infrastructure.

The more people that come together, the greater the innovation. We're developing our precincts across the state to increase economic activity, attract talent and capital, and maximise the value of our collective investments — ensuring the precincts are distinctive, innovative and support Victoria's economy now and into the future.

Innovation is happening across our state

The Victorian Government is investing in dedicated precincts to drive innovation and create new opportunities — bolstering the innovative work happening in businesses and communities right across the state.





Ballarat Technology Park

Recently celebrating its 25th anniversary, the Ballarat Technology Park is home to more than 2,400 employees and 62 enterprises, generating \$700 million in national economic activity and accounting for nearly 10 per cent of all jobs in Ballarat.

The IBM and Federation University partnership, supported by the Victorian Government, has facilitated research projects that have solved real-world challenges and delivered hands-on experience for students — driving innovation and research. The intern program has generated in excess of 480 graduates across the 25 years, creating critical ICT skills capability in the Ballarat economy.

Melbourne Biomedical Precinct

Victorian Comprehensive Cancer Centre (VCCC)

The VCCC's purpose-built facilities opened in July 2016 in the Melbourne Biomedical Precinct. It includes a home for the Peter MacCallum Cancer Centre as well as new facilities for cancer research, education and clinical services.

The facilities also link to Parkville campus partners: the Royal Melbourne Hospital, University of Melbourne, Royal Women's Hospital and the Walter and Eliza Hall Institute.

These world-class facilities place many of Victoria's best and brightest cancer minds side-by-side, expediting advances in cancer research, care and education for the benefit of people with cancer, everywhere.



New investments will accelerate precinct growth and connect people to the jobs and opportunities they hold

We're also connecting more people to jobs and opportunities in our precincts through world-class transport and digital infrastructure. The Metro Tunnel, our new underground, high-capacity rail line, will service Melbourne's city centre, the Parkville and Arden precincts, while the Suburban Rail Loop will link the Clayton, Bundoora, Sunshine and Werribee precincts.

Connectivity enables innovation to happen anywhere — not just in designated innovation precincts. Connecting Victoria is a \$550 million program that will radically improve mobile coverage across Victoria, and address gaps in the availability of reliable high-speed fibre optic and wireless broadband services for business users. It will target communities that stand to benefit the most from improvements in technology, including those in regional Victoria.



5 Taking Victorian innovation to the world



We will connect Victorian businesses to global supply chains, pursue opportunities to engage with world-leading innovators, and boost international investment in Victoria.

Melbourne is known as one of the world's most liveable cities, a global sporting and events capital, and a leading city for international education. We want 'innovation leader' to be high on this list, supported by strong and growing export sectors that attract investors and talent.

To realise this potential, we will help our high-growth potential exporters navigate the international business environment and support them to access and enter new global markets.

To be globally competitive, we need to be globally connected

By connecting with global supply chain companies and engaging with world-leading innovators, we encourage them to establish operations in Victoria. This creates high-value jobs and brings new skills and capability into our economy, boosting our overall competitiveness.

Victoria's whole-of-government International Investment Strategy focuses on attracting global companies from emerging and growth industries that are crucial to growing the state's economy.

Invest Victoria is the Government's investment attraction agency. It offers a range of free professional services and support to potential investors and entrants looking to establish operations in Victoria across a range of sectors, including advanced manufacturing, health and life sciences, fintech, and digital games. Invest Victoria has provided business case support to companies like Square, a global fintech company, when establishing its Australian presence in Victoria.



Our export markets are leading the way

Our export capability is underpinned by outstanding logistics infrastructure, a sophisticated financial services sector, robust talent pools, and deep connections to the Asia-Pacific region and vital global markets. We have a number of sectors leading the way in exporting products to the world.

MedTech



Melbourne has more than 22 pharmaceutical manufacturers, including CSL and IDT Australia. Pharmaceuticals (including vitamins) were Victoria's highest-value manufactured export in 2019, totalling \$3.2 billion, accounting for over half of Australia's pharmaceutical product exports.

Food and fibre



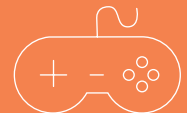
Victoria's food and fibre sector is one of our most internationally competitive. We're Australia's largest producer of food and fibre products, which account for an estimated 5.9 per cent of gross state product and over a quarter of Australia's food and fibre exports.

Aviation and aerospace



Our aviation and aerospace sector is Australia's biggest and Victoria has been the nation's centre of aircraft manufacturing and maintenance for more than 50 years. Our aerospace industry supplies global aviation.

Digital games



Digital games is the fastest growing segment of the global screen entertainment industry, forecast to reach US\$186 billion in 2021. Victoria is home to half of Australia's total digital games industry. Melbourne International Games Week is Asia-Pacific's largest digital games celebration.



Spotlight: Global Victoria

Global Victoria supports businesses to grow on the international stage and promotes Victoria's world-class industry capabilities to international audiences. Together with Invest Victoria, Global Victoria motivates world-leading innovators to establish operations in Victoria through targeted investment attraction.

And through our international network of 23 Victorian Government Trade and Investment offices and strong stakeholder relationships in key export markets, we are ready to pursue strategic partnerships wherever they arise. Global Victoria:

- provides tailored initiatives to support major exporters and helps Victoria's most innovative, high-growth companies export and access global supply chains
- supports businesses to explore opportunities through outbound trade missions
- runs workshops and webinars on emerging export trends, market intelligence and industry insights
- supports companies through innovation and knowledge exchange programs, including through the Victoria-India Innovation Exchange Fund and programs with China and Israel
- works with LaunchVic to identify startups that could benefit from global missions and trade opportunities.

Case study:

Nura's adaptive headphone: from Melbourne to the world

Nura, a Melbourne-based consumer electronics company, developed the Nuraphone and Nuratrue headphones — the world's first headphones to automatically learn and adapt to a user's unique hearing. The Nuraphone won Nura the CES Best of Innovation and SXSW Innovation Award, supported by Global Victoria with grant funding and trade show support.



Our investments are setting us up for an export-led recovery



Investment attraction package

\$80 million to attract business investment to Victoria in line with the Victorian Government's Foreign Direct Investment Strategy



Go Global

A free tool for Victorian businesses to assess their capability and capacity to export into new markets



Export skills program

The Export Skills Program is helping Victorian businesses impacted by COVID-19 to grow and develop their export skills and capabilities



Export Recovery Plan

\$32 million investment that supports Victorian exporters to stabilise and pivot their business models for recovery, sustains operations of the Victorian Government Trade and Investment network, and showcases Victorian businesses to the world

6 Delivering innovative services for Victorians



We will lead by example, embracing innovation in Victorian Government operations, service delivery and infrastructure, and putting people at the centre of everything we do.

Our mission is to make everyday life and doing business easier for all Victorians, with modern and responsive digital services. It's critical that this technology is safe and reliable.

We're accelerating progress through Digital Victoria, which will centralise and simplify the Victorian Government's IT services — reducing costs and improving service delivery for all Victorians.

We've opened up access to key data through Application Programming Interface (API) standards and created an API marketplace. Our central API gateway stimulates innovation and economic activity by making data discoverable and using data in new and clever ways. This approach is driving new partnerships with major global firms.

Transforming how we operate will also create more opportunities for Victorian businesses

By driving innovation through government projects and priorities, such as the \$80 billion investment in Victoria's Big Build, we're collaborating with a wide range of industries and local businesses to adopt new technologies, transfer knowledge and skills, and deliver services and infrastructure that have lasting benefits.

Giving customers real-time public transport information to better plan their journey

Public transport patronage dropped dramatically during the COVID-19 pandemic. The Department of Transport ran a challenge that asked the market how technology could be used to help customers feel comfortable returning to Melbourne's public transport network.

Within six months, pilot trials were complete and in January 2021, RideSpace was launched on Melbourne's metropolitan train network. RideSpace is a free online tool showing passengers how busy their train, platform and station is in real-time, allowing people to decide whether they want to travel now — or wait for a quieter service.

The Department of Transport worked with Google Maps to incorporate RideSpace data into its popular journey planning tool, demonstrating the value of open data in giving people information via their preferred platforms. Trials are underway to investigate expanding RideSpace to other public transport services.

Comfort and convenience with digital healthcare

The Victorian Government is giving more patients the opportunity to recover from illness and surgery in the comfort and familiarity of home with family and friends with the \$120.9 million **Better at Home** initiative.

The investment will provide a range of different types of care at home, including clinical appointments, chemotherapy and rehabilitation — making a real difference to people's lives. This allows up to 50,000 chemotherapy appointments to be delivered in living rooms across Victoria, meaning Victorians can undergo rehabilitation from the comfort of home — while also freeing up around 160 hospital beds.

Harnessing our buying power to support local businesses

The Victorian Government recognises its unique position as a major procurer of products and services. Procurement processes can open the door for small and medium sized businesses (SMEs) to thrive. Our Local Jobs First policy gives Victorian SMEs a fair opportunity to compete for work on all types of Government contracts. This can help growing companies scale-up and attract investors and new customers.

We also have a role to play in contributing to sustainable and responsible development. Societies worldwide face significant challenges with waste management, liveability, and the transition to a low-carbon future. Victoria has an opportunity to bring together new technology, universities and other research institutions, businesses and policy makers to develop innovative solutions to these complex issues.

PredictiveHire: supporting Victorian Government recruitment



The Victorian Government is using Artificial Intelligence (AI) technology developed by PredictiveHire, a Victorian human resources tech startup, to assess candidates for the Digital Jobs program.

PredictiveHire AI uses a unique blend of machine learning, natural language processing and personality theory to assess and rank candidates based on answers they give to open-ended questions.



Embracing innovation across government

The Victorian Government is investing in innovation and the digital transformation of its operations and processes.

Digital Victoria



\$196 million for a new agency dedicated to reducing costs and improving the delivery of services to Victorians.

Recycling Victoria



\$515 million over 10 years, to transform our waste and recycling system, including through the Circular Economy Business Innovation Centre. This investment will support our transition to a circular economy.

Service Victoria



\$67 million to make it simpler and easier for Victorians to get things done online with the Victorian Government.

The Hive



A world-leading testbed for new technology, tasked with leading innovation, providing access for emerging technology firms to develop solutions, and demonstrating the value of new technology to Victoria's construction industry.

HousingVic



HousingVic makes it easier to find the right information about housing and housing assistance in Victoria, helping public housing renters and others seeking housing in Victoria to make informed decisions. HousingVic connects users with other state and Australian Government services, including Centrelink and the National Disability Insurance Scheme.

Zero Emissions Vehicle Roadmap



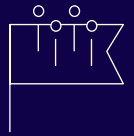
The Victorian Government is supporting the adoption of Zero Emissions Vehicles in Victoria through its roadmap, supported by a \$100 million package which includes a roll-out of electric vehicle charging infrastructure and trials for zero emissions public transport buses.

Cyber Safe Victoria 2021



\$51 million to bolster Victoria's cyber security — including harnessing opportunities for Victoria to collaborate across government, industry and the community to support local cyber businesses, and developing a dynamic and competitive cyber sector underpinned by innovation and jobs growth.

Victoria's Open Data Program



\$7 million investment to put data back in the hands of Victorians and Victorian businesses. The program will help individuals and businesses make informed decisions and partner with government in developing community-based solutions to public policy challenges.

Digital Twin Victoria



Following a successful pilot, the Victorian Government is investing \$35.2 million in digital twin technology — digital representation of a real-world object or system — rich 3D and 4D spatial data, artificial intelligence and sensor data to help Victoria plan for a liveable, sustainable and resilient future.

CivVic Labs



Bringing startups and government together to solve public sector challenges. Startups in CivVic Labs have secured \$1.8 million in funding since the program commenced in 2018.

Digital Cadastre Modernisation



\$45 million investment to accurately display Victorian property boundaries in a digital format. The project will deliver cost and time savings in property development and real estate by bringing the map of Victoria's property boundaries into the digital age.

Engage Victoria



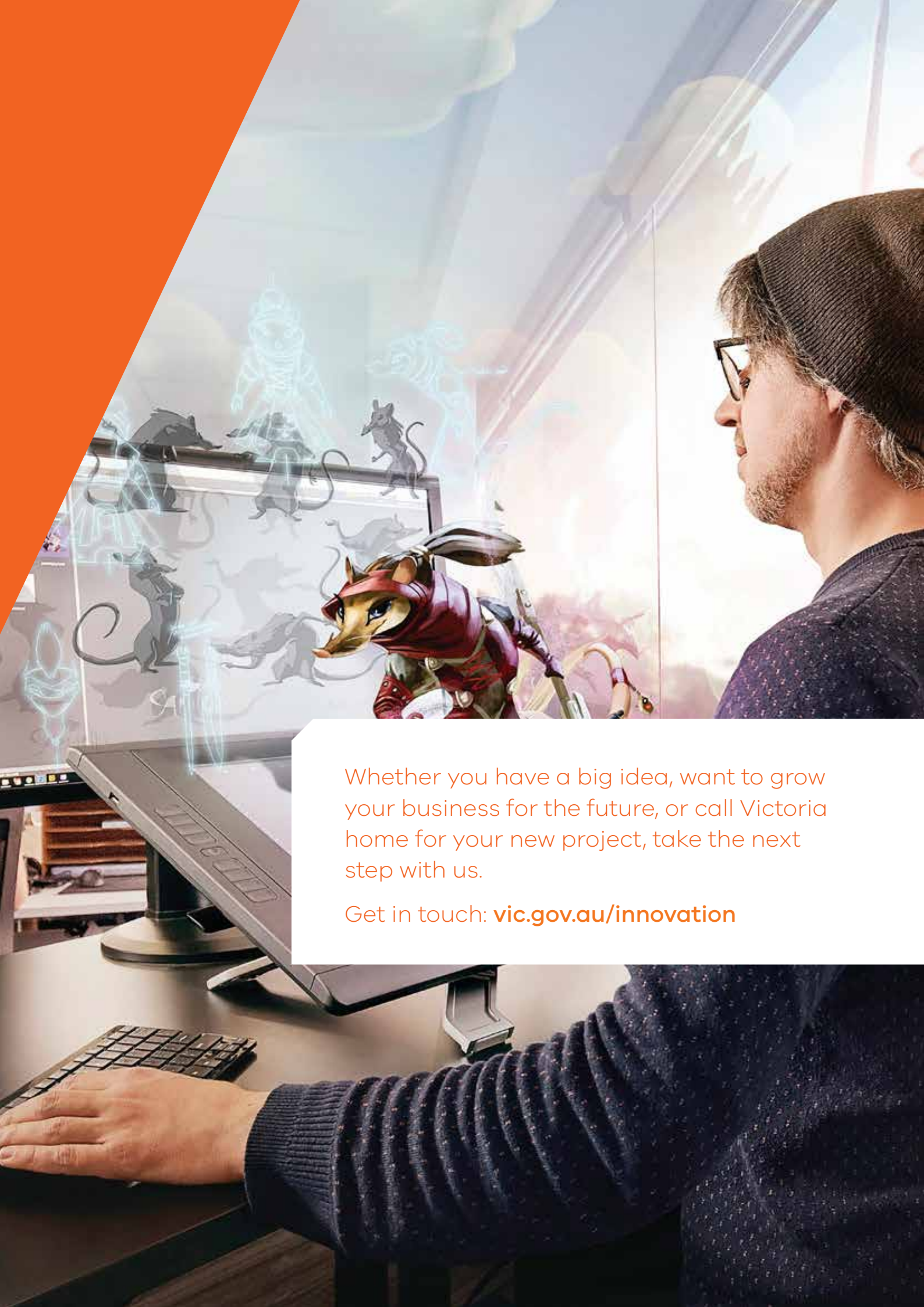
Upgrading the Government's digital public consultation platform, which has already attracted thousands of contributions on critical reforms such as the Royal Commission into Victoria's Mental Health System.

EXCITED BY WHAT'S NEXT?

—

Victoria's future is bright.
We are an innovation powerhouse
— responsive, inclusive, and
thinking ahead.





Whether you have a big idea, want to grow your business for the future, or call Victoria home for your new project, take the next step with us.

Get in touch: vic.gov.au/innovation

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