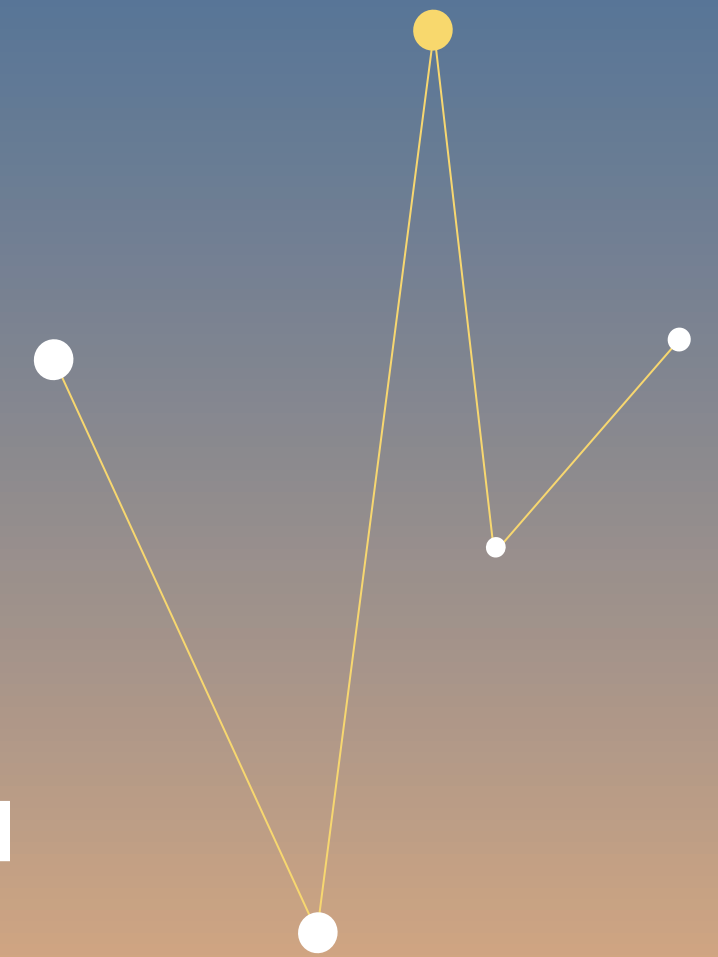


STARTUP 
MUSTER

2025 Report



Since 2013, measuring and publishing the progress, challenges and opportunities within the Australian startup ecosystem, in order to demonstrate and accelerate progress.

MADE POSSIBLE BY



Australian Government
Australian Renewable
Energy Agency

ARENA

OPTUS



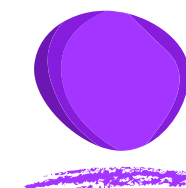
Australian Research Data Commons

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COMPASS



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of Australia



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Artificial
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CANBERRA
INNOVATION
NETWORK

baxter ip



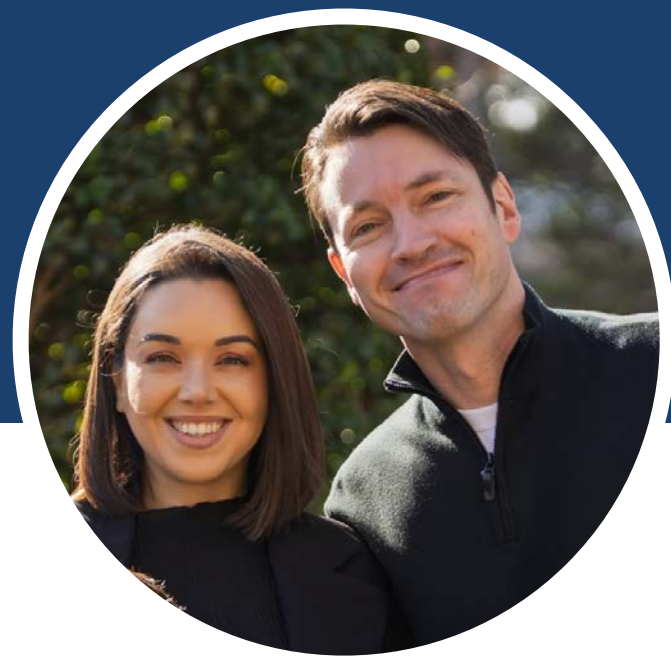
Ashurst

JURISTECHNE

pollenone

PASSIONBERRY

The views expressed herein are not necessarily the views of the Commonwealth of Australia, and the Commonwealth of Australia does not accept responsibility for any information or advice contained herein.



2025 TEAM

Managing Director: Murray Hurps

Creative Director: Danielle Hurps



SA Coordinator:
Danielle Seymour
_SOUTHSTART



WA Coordinator:
Nate Sturcke
Spacecubed



TAS Coordinator:
Taz Devadass
Futures Isle



QLD Coordinator:
Kate Montgomery
Tropical Innovation Festival



NT Coordinator:
Emma Nesbitt
ACTIO Group



VIC Coordinator:
Claire Gifford
LaunchVic



NSW Coordinator:
Maxine Sherrin
Spark Festival



ACT Coordinator:
Petr Adámek
CBRIN



CTO:
Muhammad Jafer

SURVEY METHOD

The Startup Muster 2025 survey was available to complete online via startupmuster.com from July to September 2025.

Survey questions were sourced from past surveys where time-series data was deemed valuable, and new questions in response to requests from organisations supporting Australian startups.

All survey participants identified as either **currently running an Australian startup** (“a technology-enabled entrepreneurial pursuit”), or **working at organisations that currently offers support to startups in Australia**.

Startup support organisations included accelerators, incubators, investors, mentors, educators, service providers, membership-based organisations and government.

Promotion of the survey to startups was conducted primarily through these startup support organisations, so the sample should be considered startups with some connection to support.

In 2025, promotion work was led by a network of Survey Coordinators in every single Australian state and territory. We estimate this yielded a 14% increase in participation outside NSW (while retaining the same promotion methods).

Responses underwent an exhaustive (and exhausting) validation and cleaning process, including multiple manual reviews of each participant to ensure compliance with our definitions. Startup Muster defines a startup as an early stage business that has a potentially large addressable market that utilises technology to capture that market quickly.

The total response count for each question varies as not all questions were compulsory. Some questions with options were single-select and others multi-select depending on the needs of the question. Manual thematic clustering was conducted for 51 free text questions, and occasionally was redone for past years of data when new categories were used for 2025 data.

Unrealistic numerical outliers were removed, as were obviously incorrect answers.

For organisations participating in 2025, 32% also took part in 2024, 22% in 2023, 10% in 2018, 7% in 2017, 1.4% in 2016, 0.8% in 2015 and 0.5% in 2014.

PARTICIPATION

163,733

Questions answered by

1,192

People in July-September 2025

AFTER VALIDATION

699

People

146,398

Answered

473

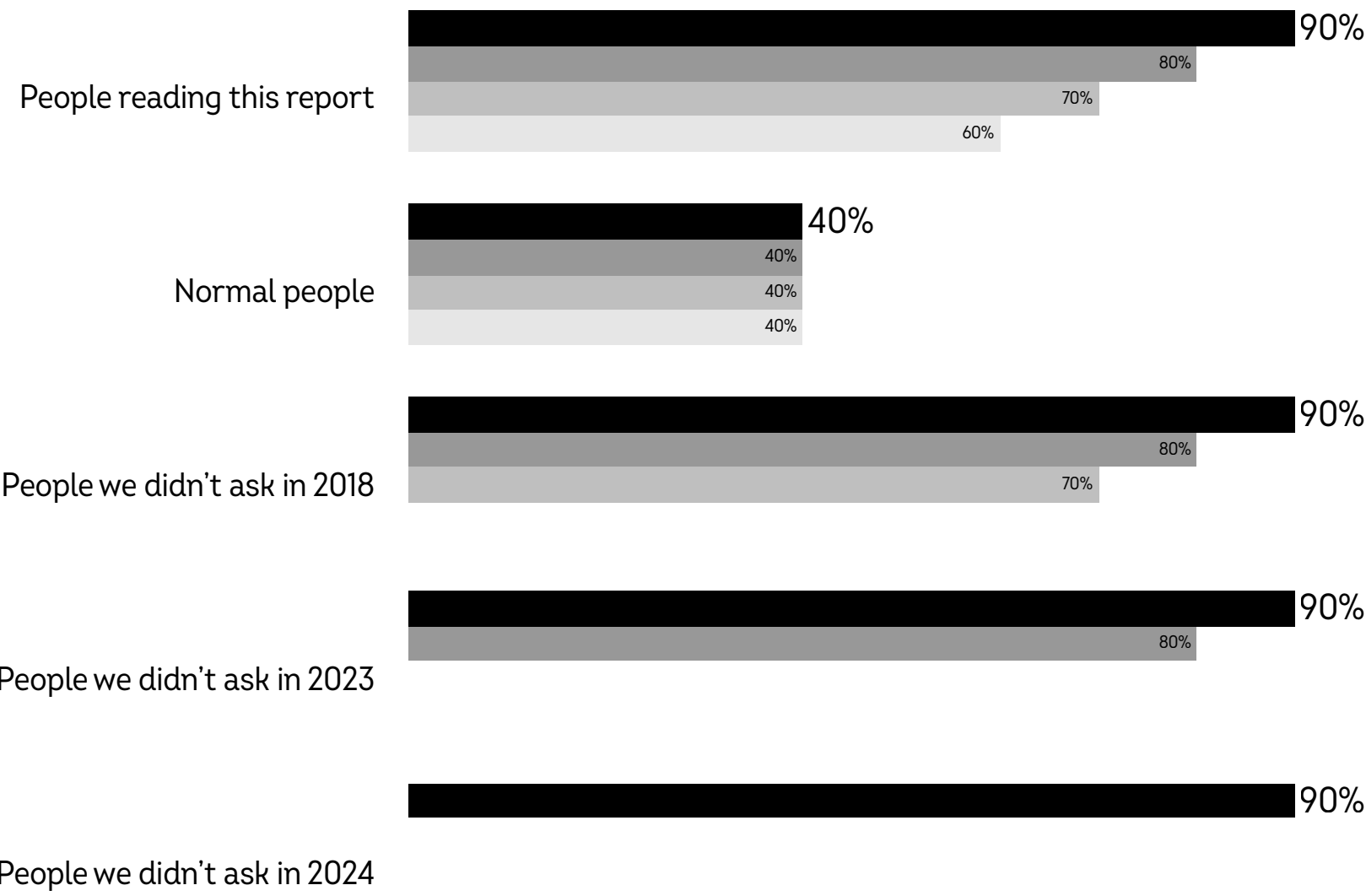
Startups

248

Supporters

EXAMPLE:

PROPORTION OF PEOPLE THAT LIKE
BAR CHARTS



LIKE BAR CHARTS?

With 225 charts in this report, an effort has been made to make the data presentation consistent for rapid understanding and high data-to-ink ratio. We've also worked to make sure data can be imported quickly for the generation of customised comparison reports (eg: comparing a geographical area, industry, demographic, etc).

As a digital-only report, many charts are designed to be zoomed in for extra detail when needed. For example, value labels on prior years are deliberately small, allowing visual comparison but detail when needed.

Bars will be missing for previous years in cases where data was not available.

The legend for each page is in the bottom left.

WHY 2018?

In our charts you will spot a gap between the last three years of data and 2018.

Startup Muster ran each year from 2014 to 2018, supported the first two years by Murray Hurps, then the next three were supported by Google, the Department of Industry, Innovation and Science, UTS and MYOB.

Work was paused in 2019 due to funding constraints, missing a significant period of change in the ecosystem.

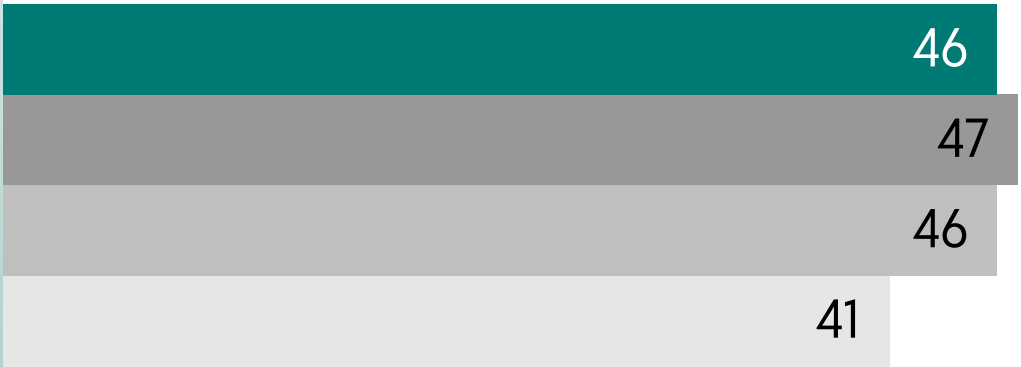
Work resumed in 2023 thanks to support from NSW Government and Atlassian, with further support from CommBank, Microsoft, Antler, Vanta, UNSW, City of Parramatta, Amplitude and Relevance AI.

In 2025 we are proud to be supported by Optus, ARENA, Australian Research Data Commons (Research Link Australia), City of Sydney, ACS Labs, Rippling, Stone & Chalk, Main Sequence, Queensland University of Technology, University of Newcastle, Pledge 1%, National AI Centre, CSIRO, Ashurst, Baxter IP, Gild Group, ServiceRocket, Compass IoT, JurisTechne, PollenOne and Passionberry Marketing.

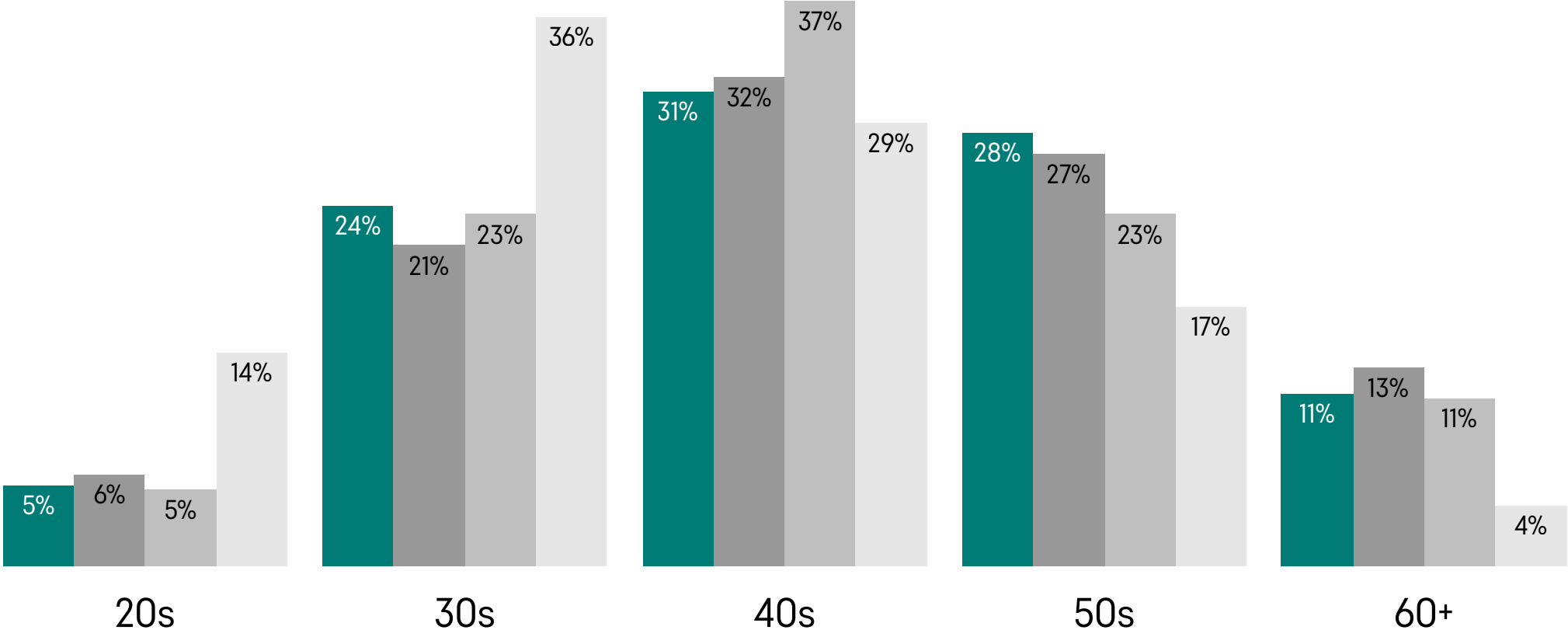
If you find this report useful, please reach out to help ensure work continues in 2026.

WHO IS LAUNCHING?

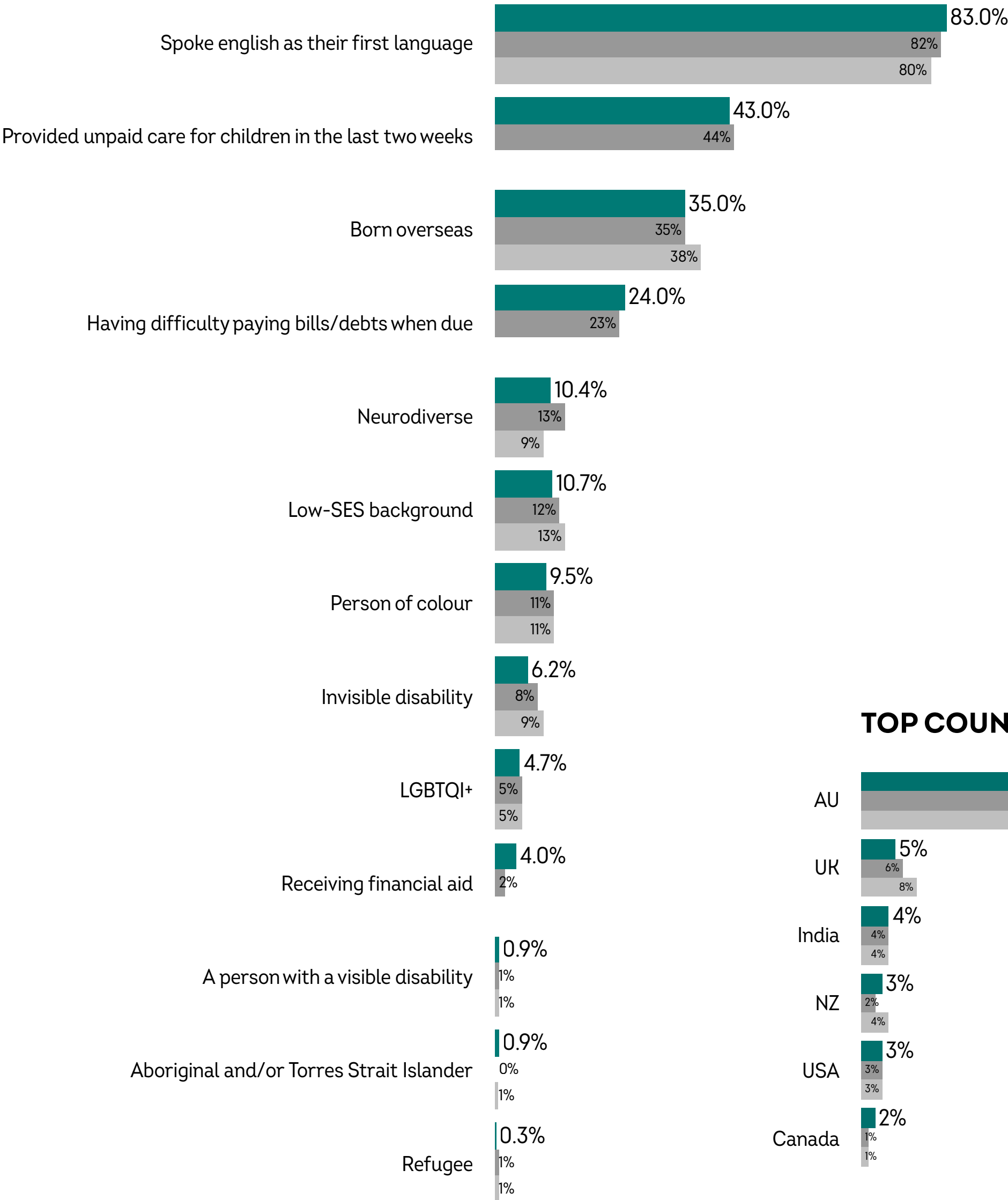
AVERAGE FOUNDER AGE



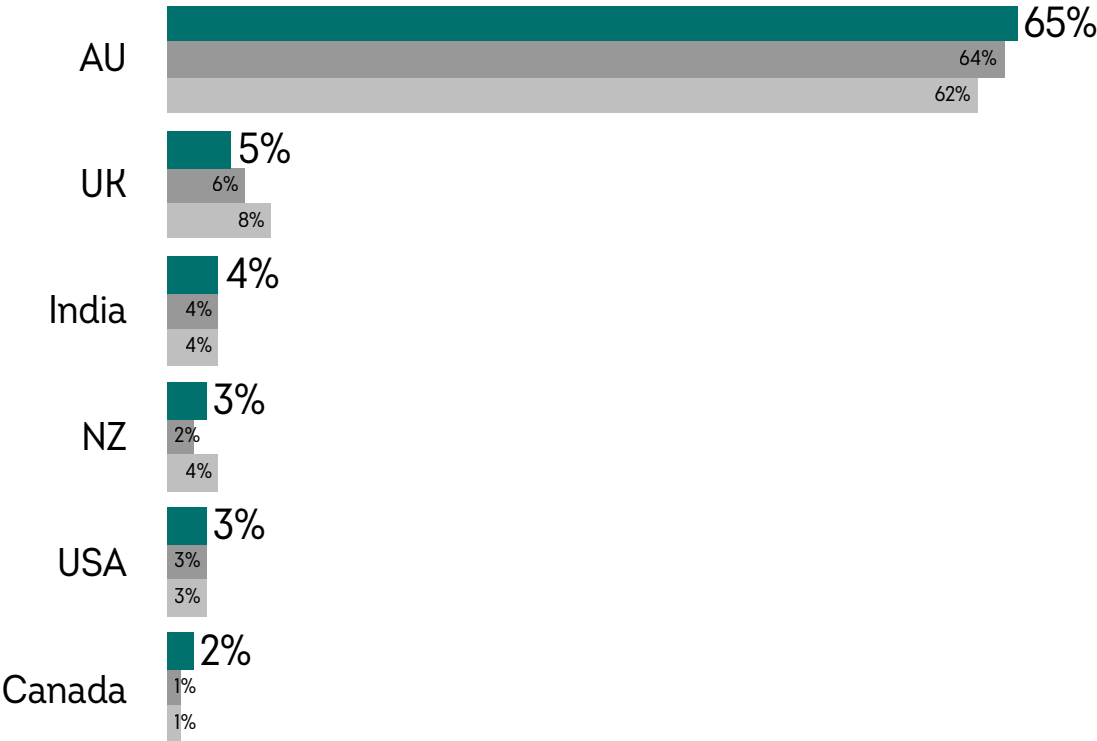
AGE DISTRIBUTION



FOUNDER DEMOGRAPHICS

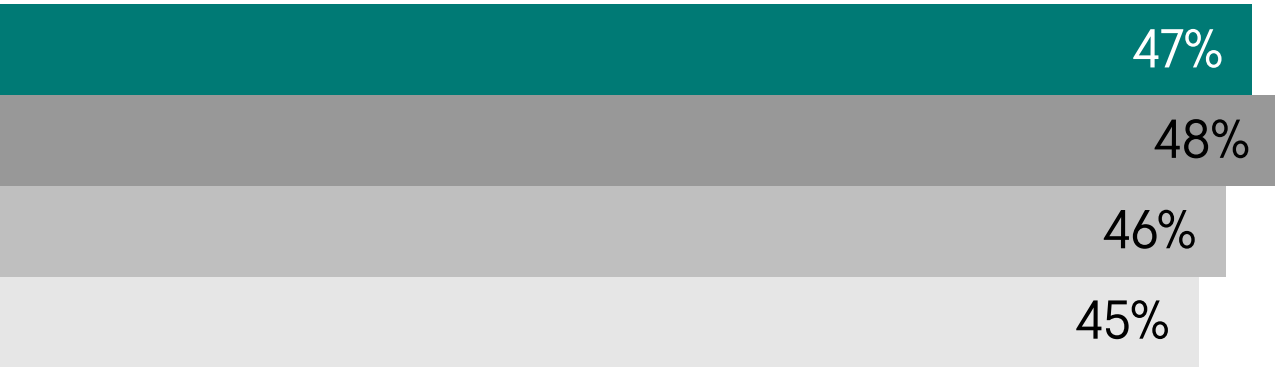


TOP COUNTRIES OF BIRTH

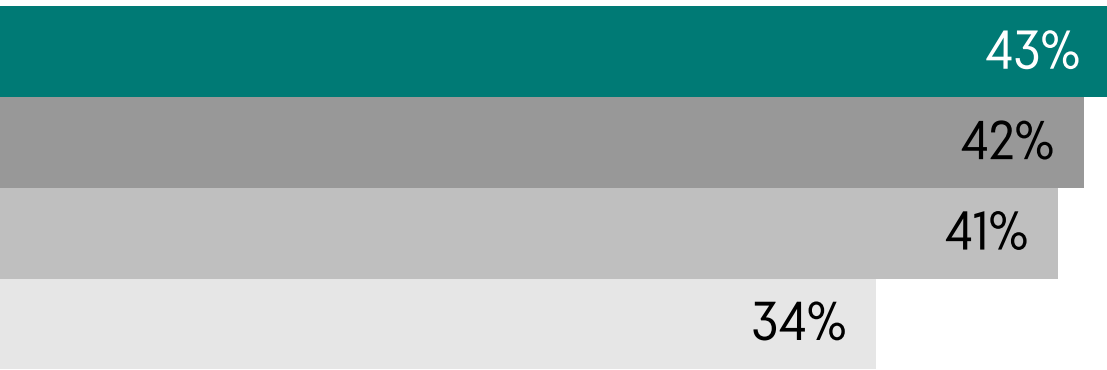


WHO IS LAUNCHING? *(cont'd)*

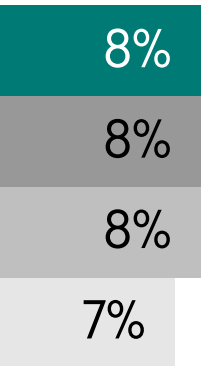
FOUNDERS WITH PAST STARTUP FOUNDING EXPERIENCE



FOUNDERS WORKING A JOB OUTSIDE THEIR STARTUP



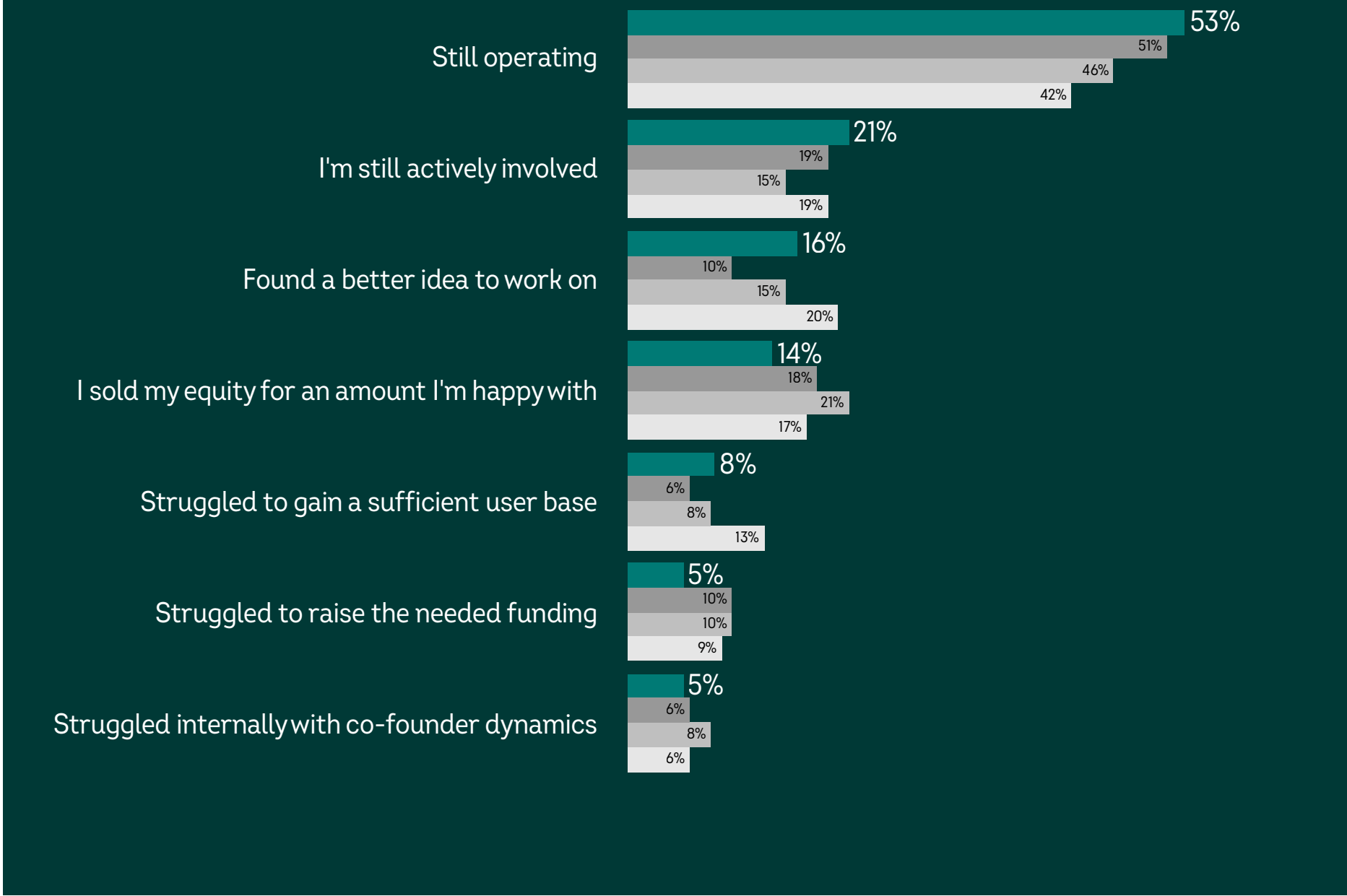
FOUNDERS CURRENTLY STUDYING



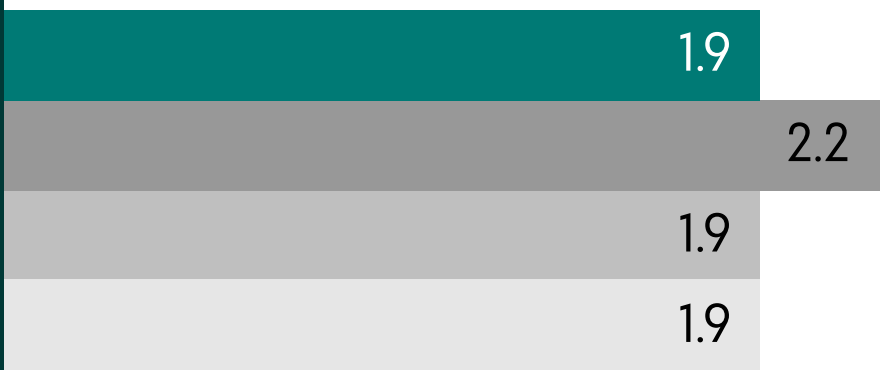
FOUNDERS WHOSE STARTUP IS RELATED TO THEIR CURRENT OR PAST AREA OF STUDY



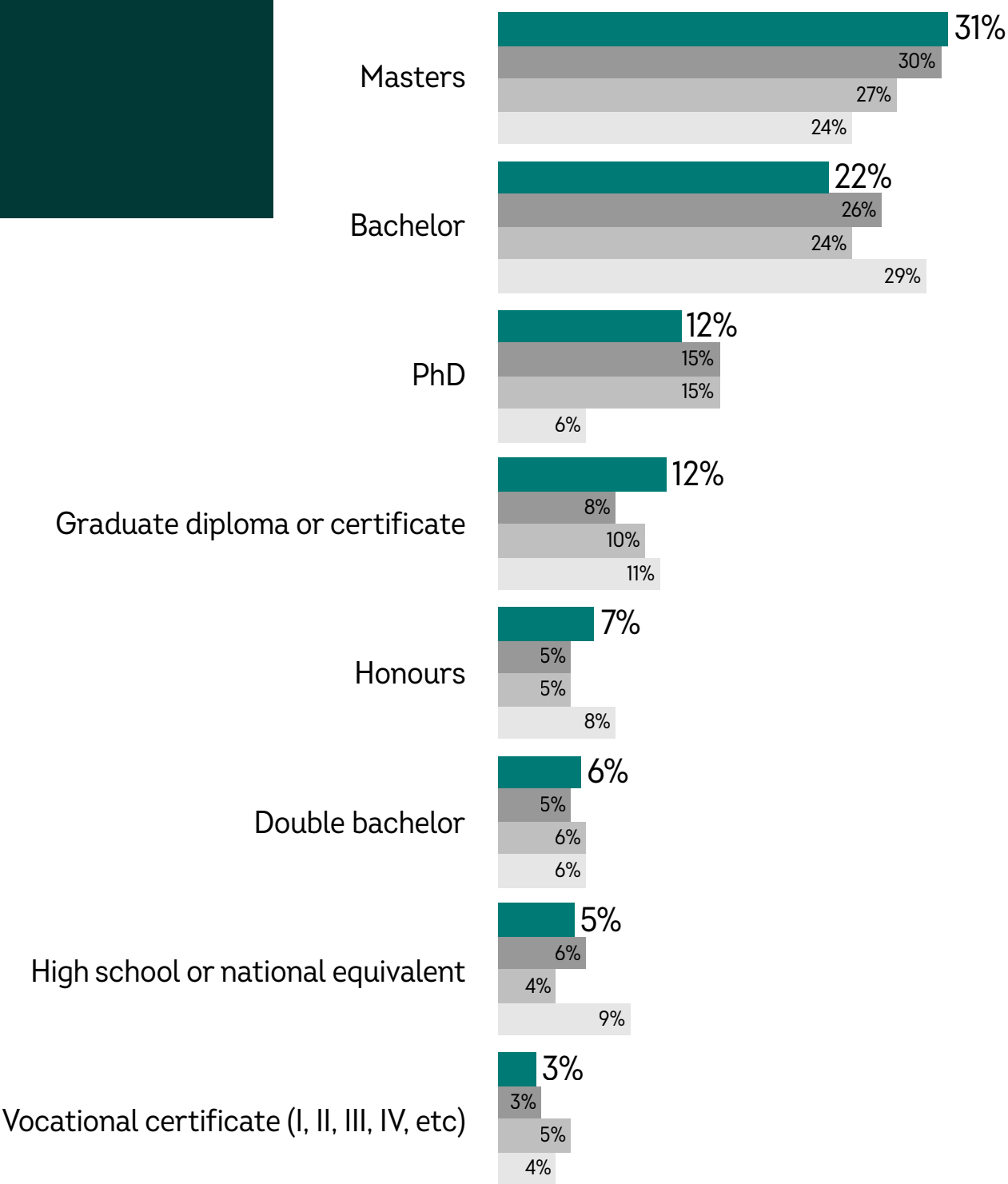
STATUS OF PREVIOUS STARTUP



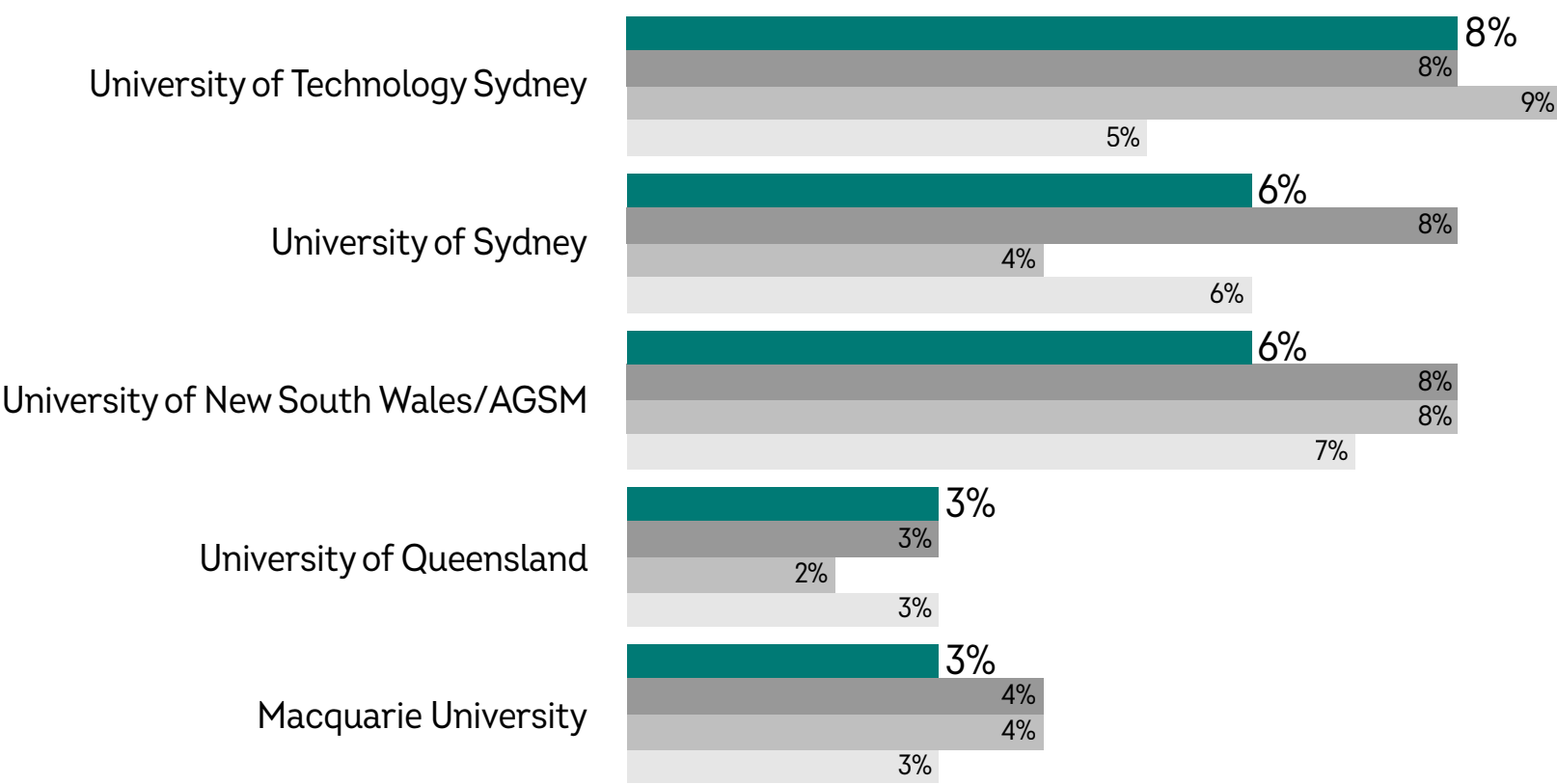
AVERAGE NUMBER OF PAST STARTUPS



LEVEL OF EDUCATION

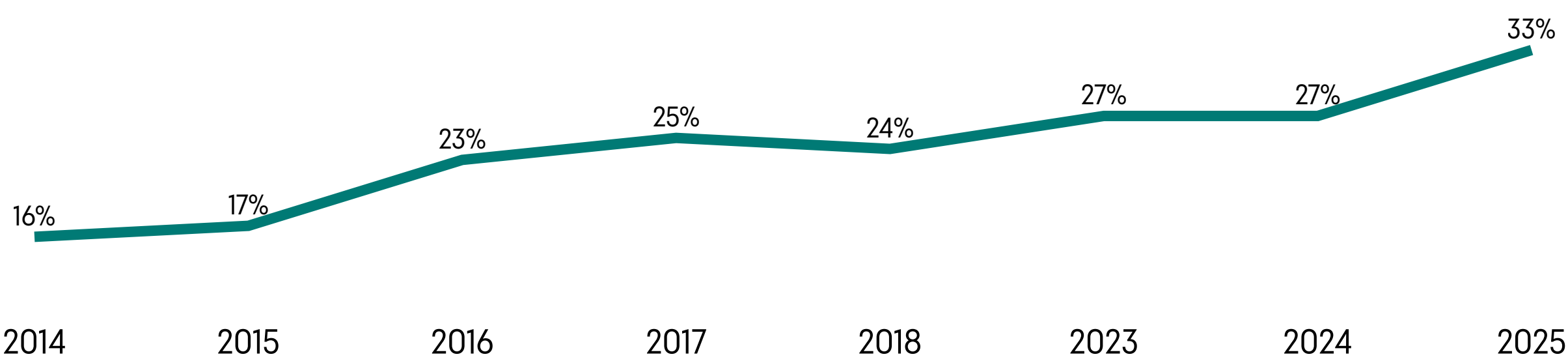


TOP INSTITUTES FOR HIGHEST LEVEL OF EDUCATION



GENDER REPRESENTATION

PROPORTION OF FOUNDERS IN STARTUP MUSTER WHO WERE WOMEN



PROPORTION OF FOUNDING TEAMS WHO WERE WOMEN



PROPORTION OF FULL TIME EMPLOYEES WHO WERE WOMEN



PROPORTION OF PART TIME EMPLOYEES WHO WERE WOMEN

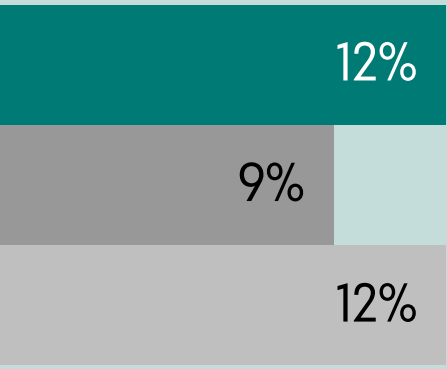


FOR STARTUP SUPPORTERS, PROPORTION OF ALL SUPPORTED STARTUPS WITH FEMALE OR NONBINARY FOUNDERS

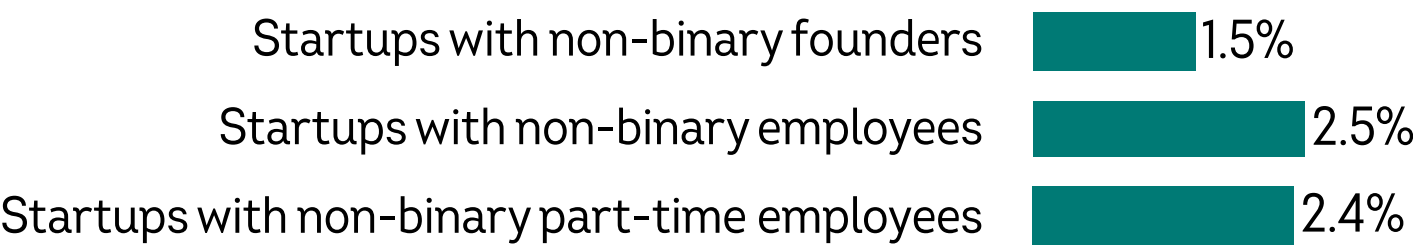


(Combination of demographics in question was for alignment with a research project)

FOR STARTUP SUPPORTERS, PROPORTION OF PROGRAMS CURRENTLY CONSIDERING DEMOGRAPHICS WHEN FILTERING APPLICATIONS

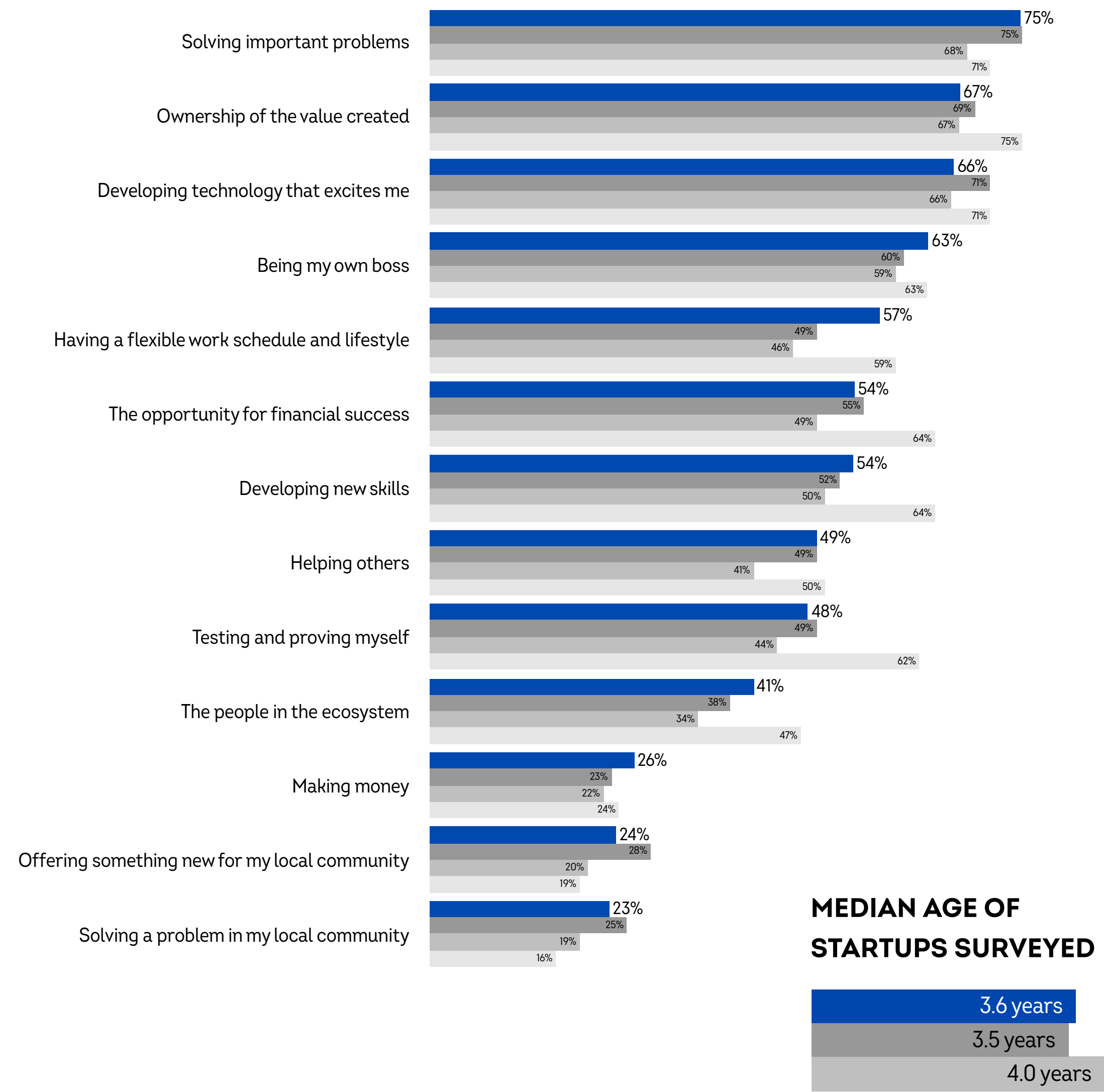


NON-BINARY REPRESENTATION

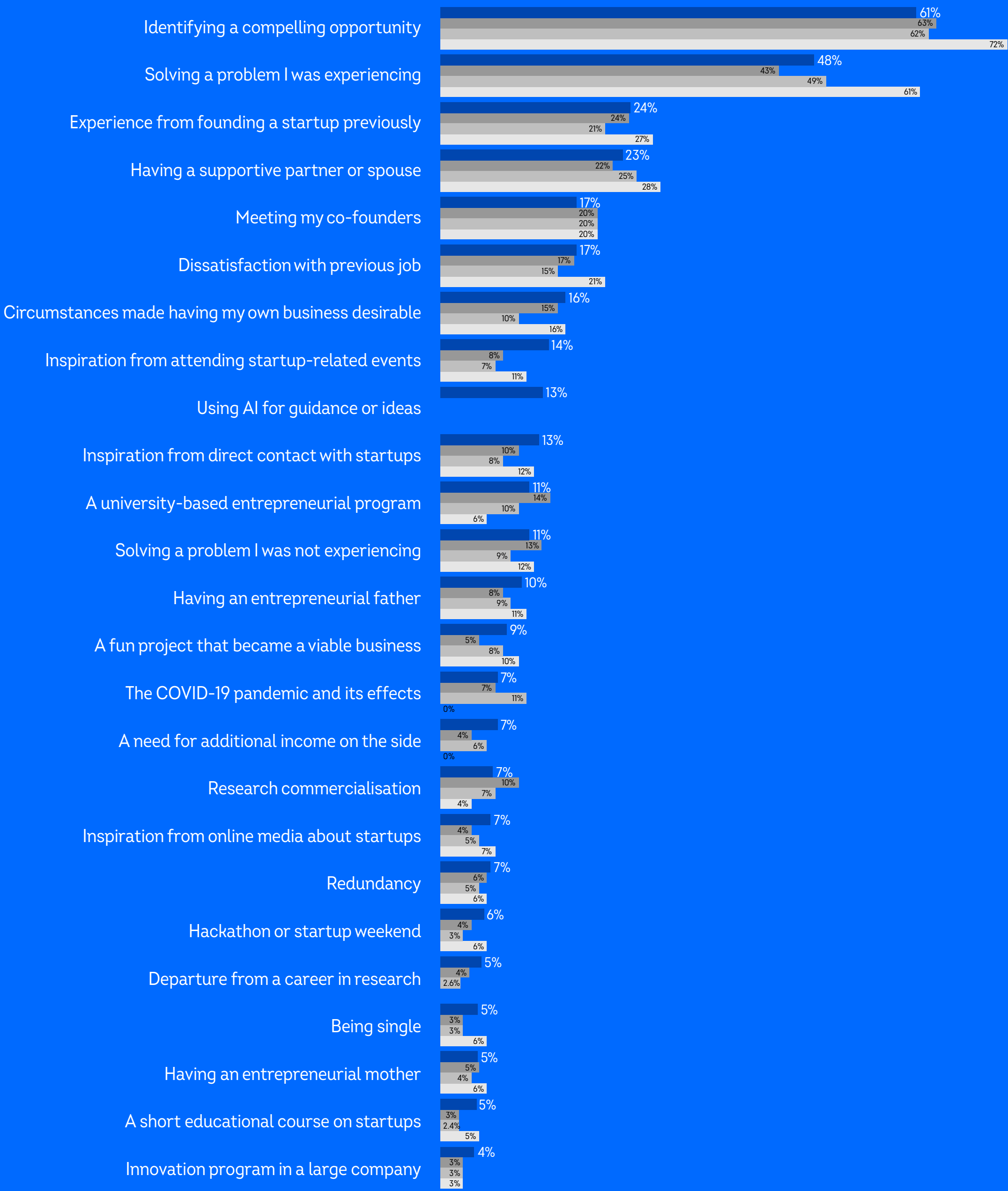


WHY ARE THEY STARTING?

WHAT FOUNDERS ENJOY ABOUT RUNNING A STARTUP

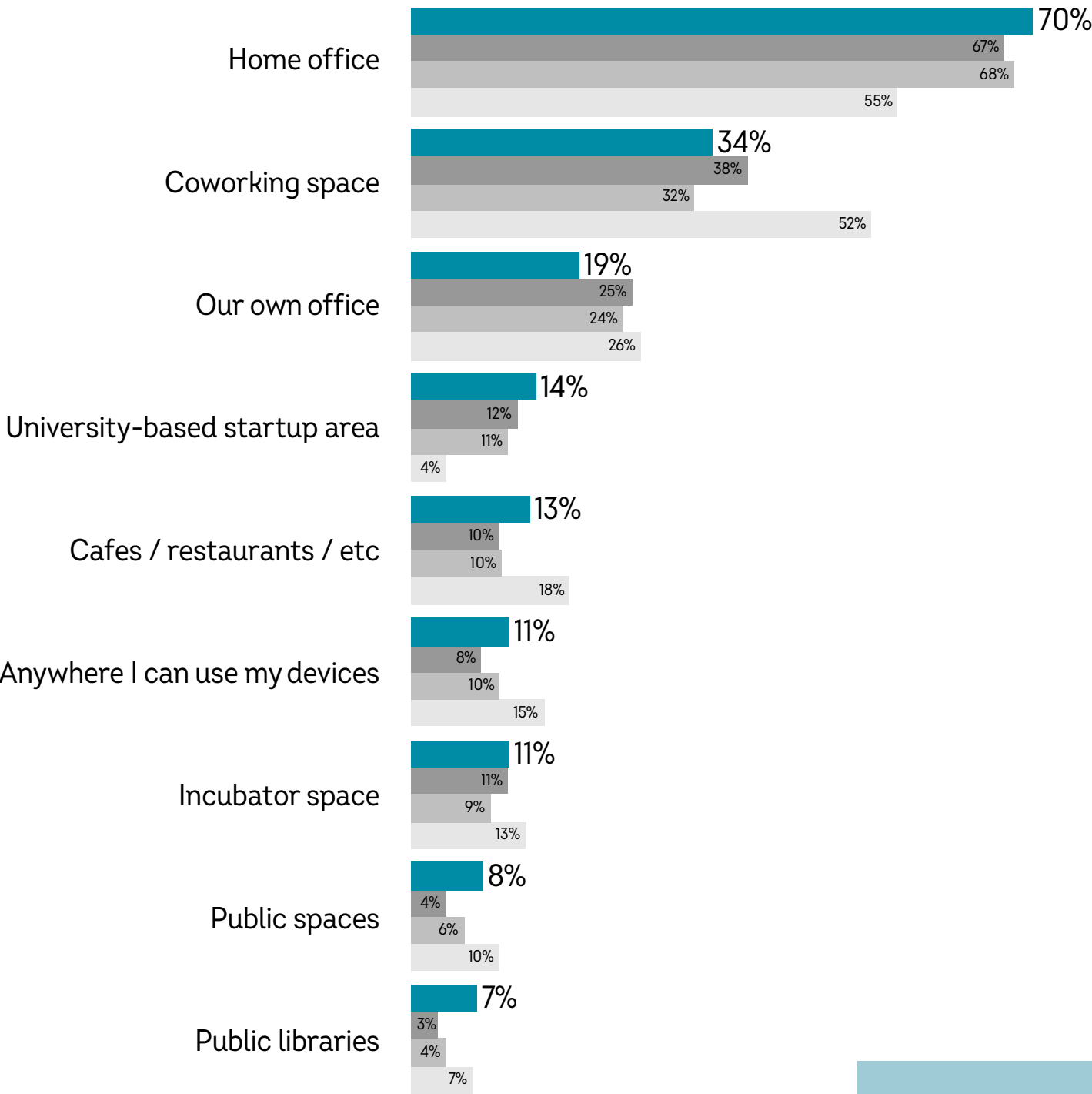


CRITICAL EVENTS IN THE FOUNDING OF STARTUPS

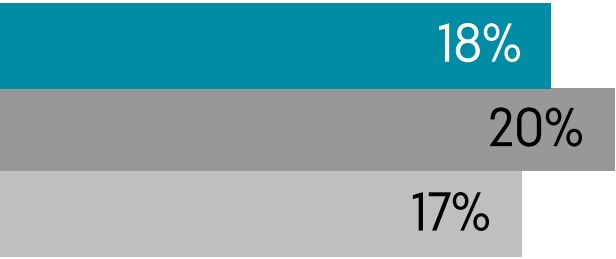


WHERE ARE THEY?

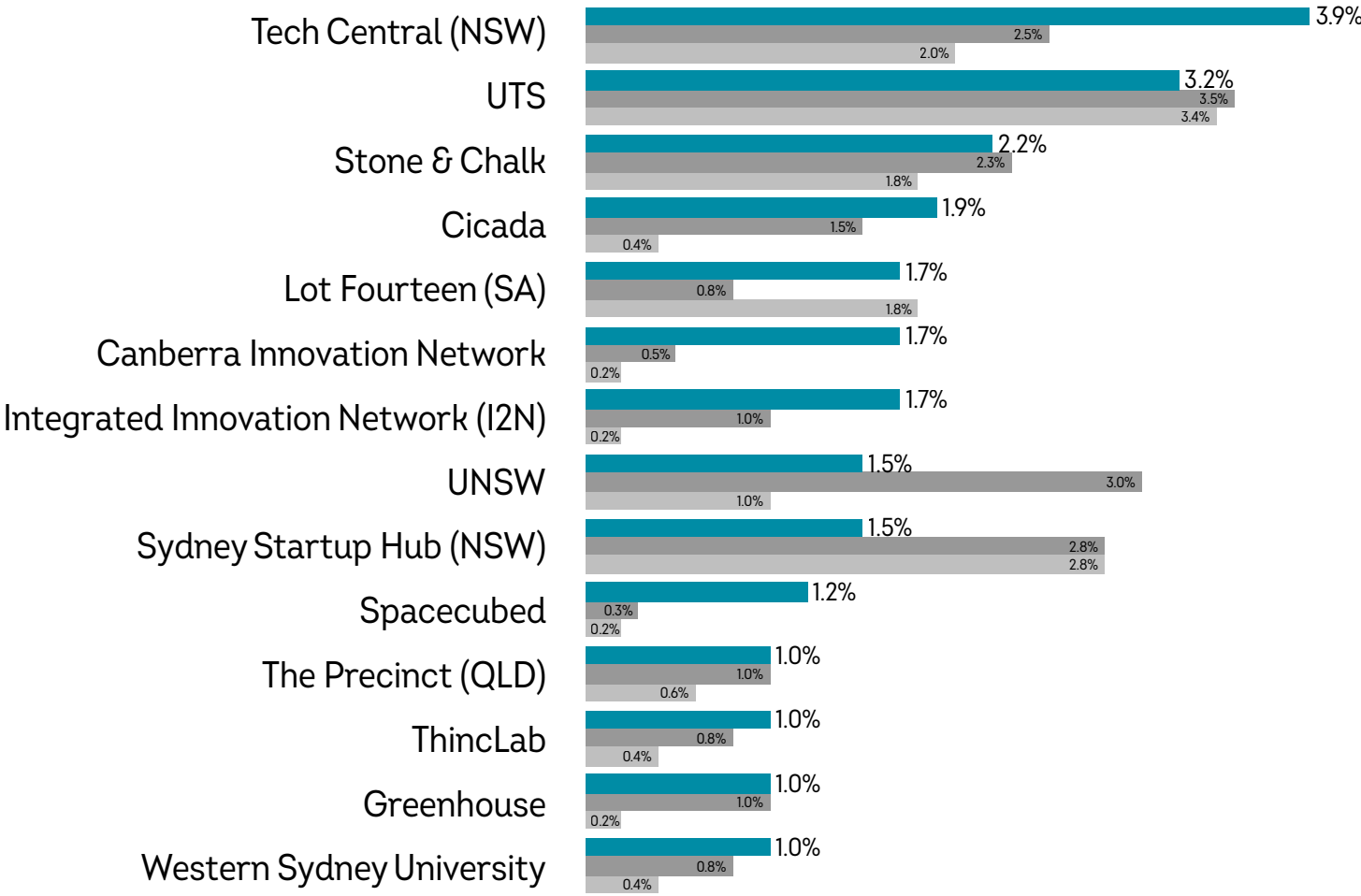
TOP LOCATIONS WORKED FROM



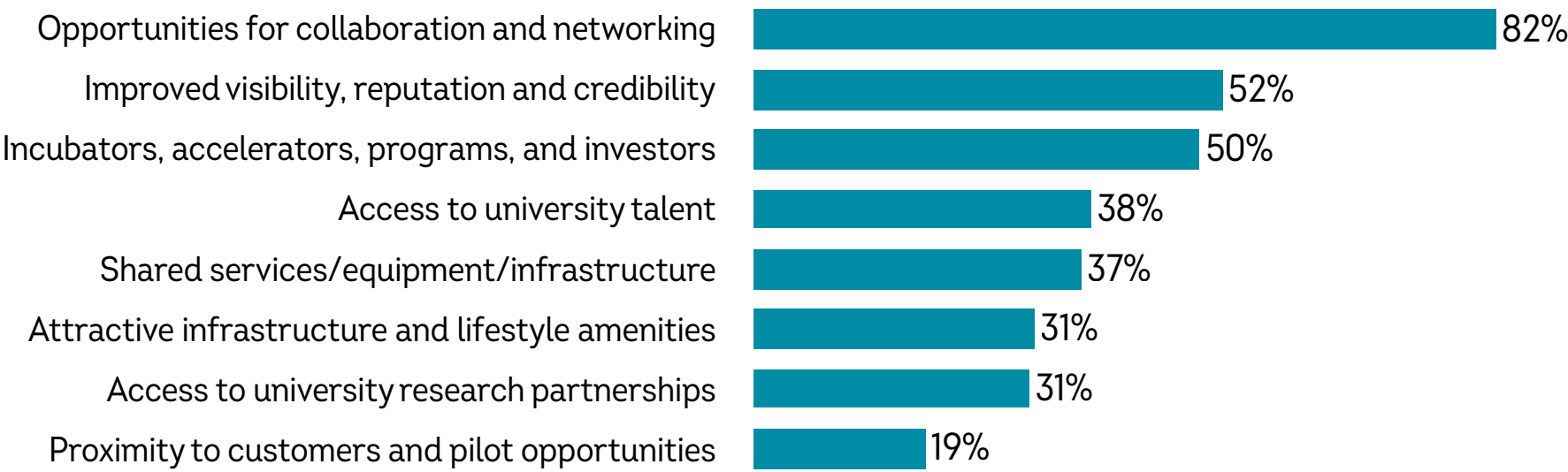
FOUNDERS WORKING FULL TIME FROM AN OFFICE OUTSIDE THEIR HOME



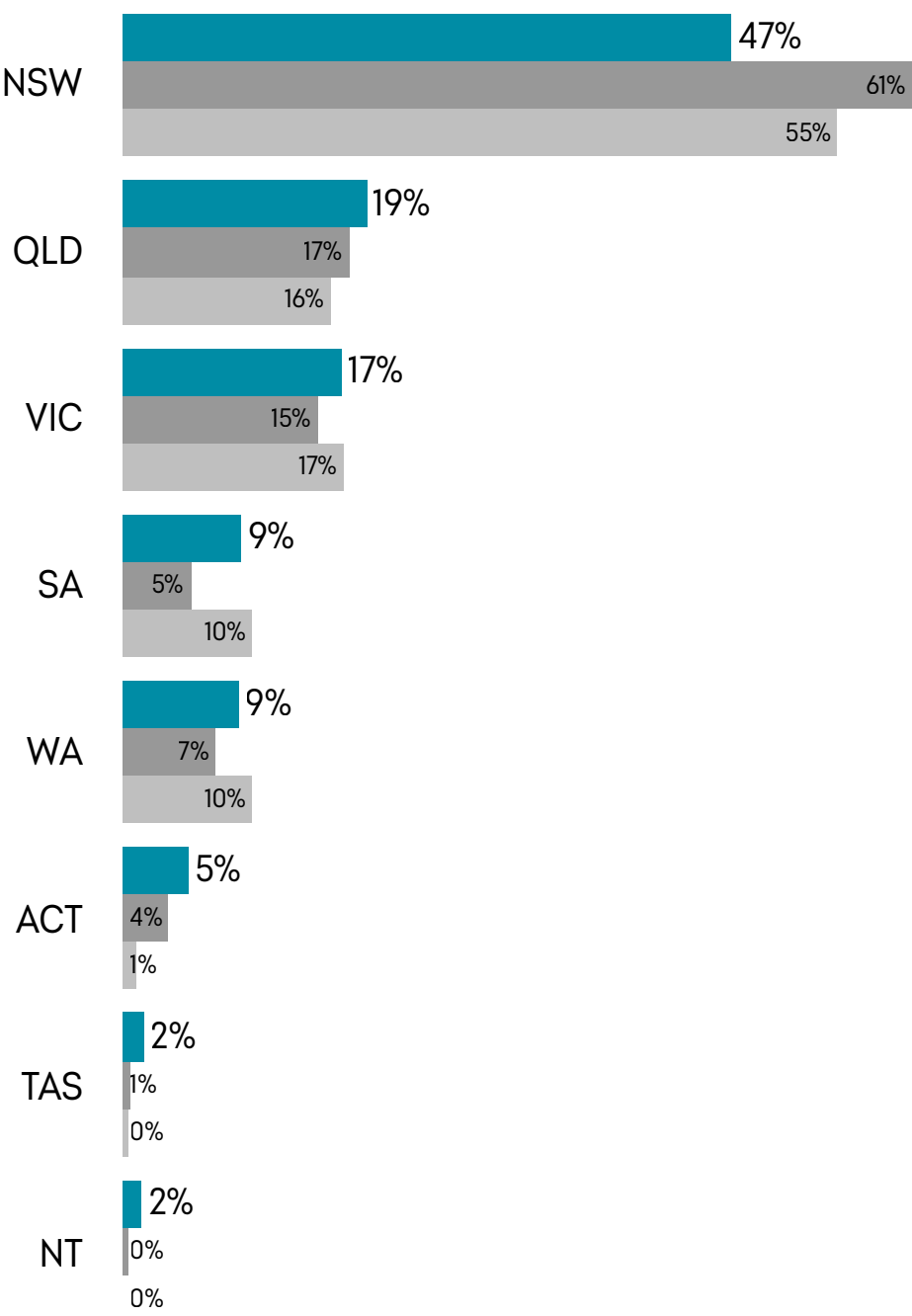
MOST NAMED INNOVATION PRECINCTS/CLUSTERS



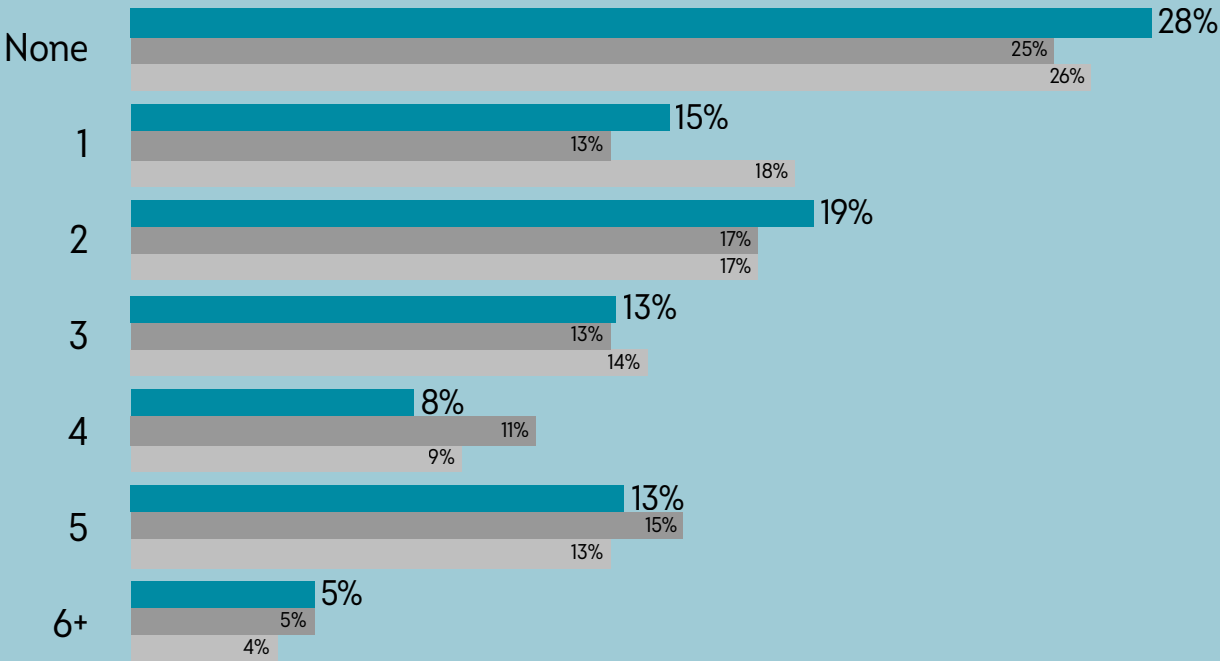
TOP PRECINCT/CLUSTER BENEFITS



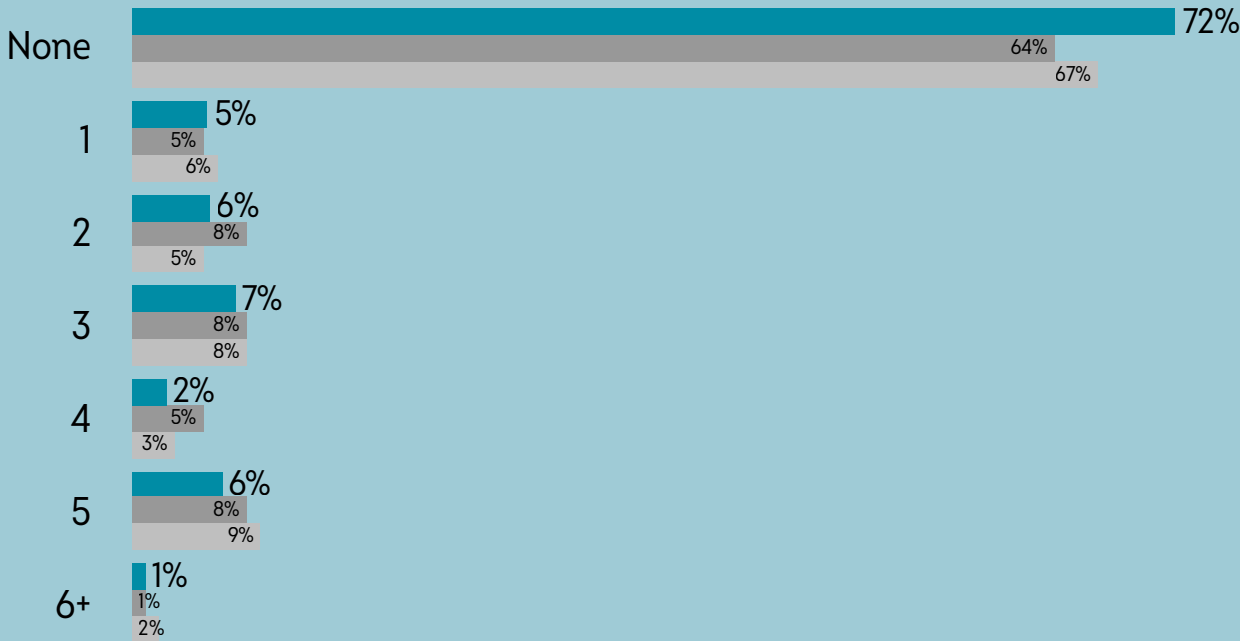
STATE



DAYS PER WEEK IN AN OFFICE: FOUNDERS



DAYS PER WEEK IN AN OFFICE: EMPLOYEES



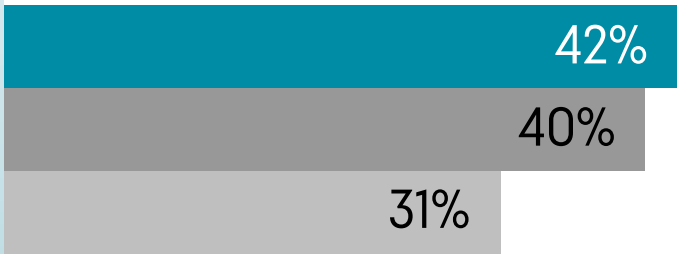
Note this location data reflects who participated in Startup Muster and provided addresses. This is not a population estimate.

Some startups had offices and home addresses in multiple states.

In 2025, Startup Muster employed survey coordinators in every state and territory with the same budget allocated to each.

WHERE ARE THEY?*(cont'd)*

FOUNDERS IDENTIFYING AS BEING PART OF AN INNOVATION PRECINCT OR CLUSTER



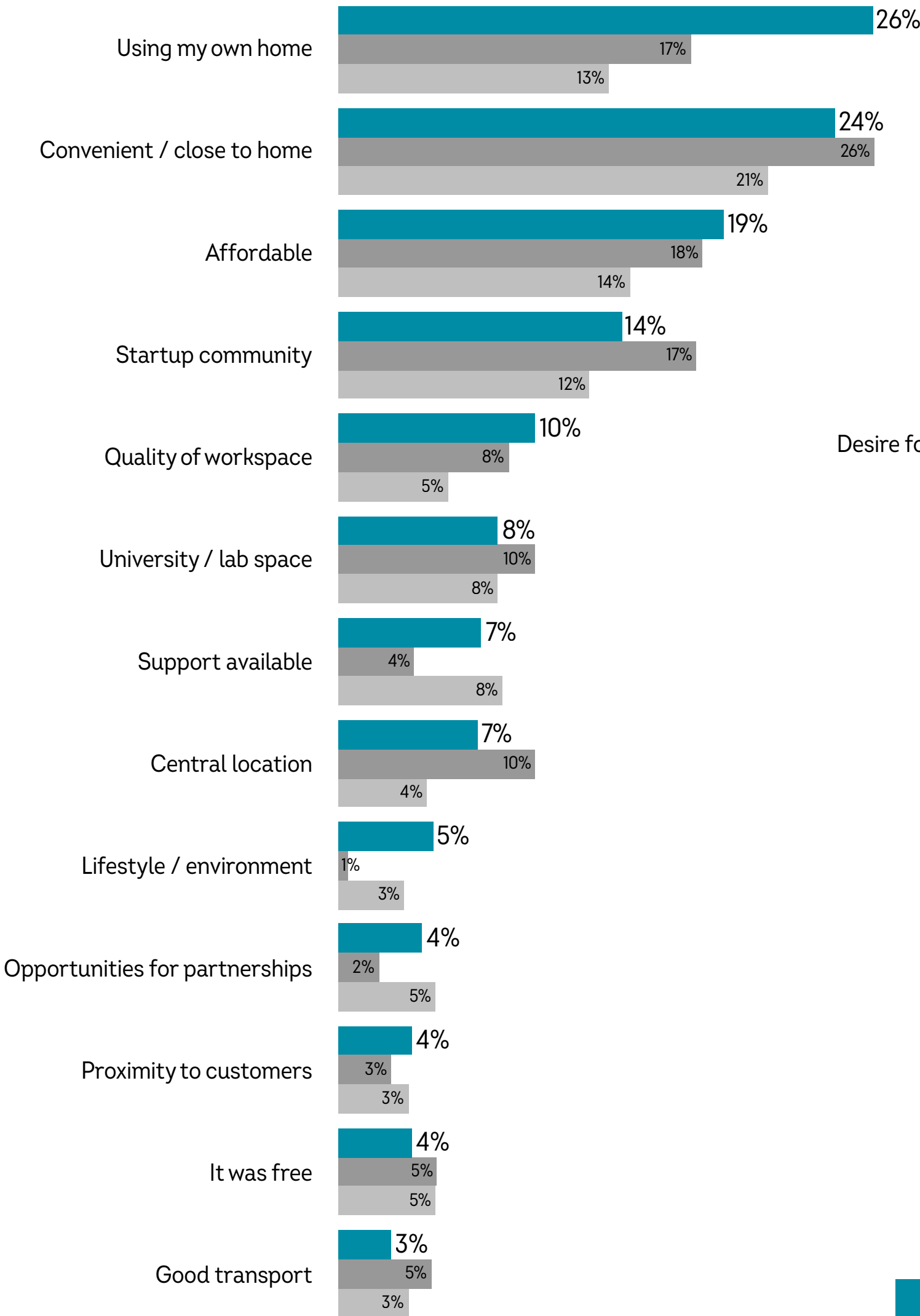
FOUNDERS THAT FELT ENGAGED IN THEIR LOCAL STARTUP ECOSYSTEM



MOST USED COWORKING SPACES

- 1. Stone & Chalk
- 2. UTS Startups
- 3. Fishburners
- 4. WeWork
- 5. Sydney Startup Hub
- 6. Spacecubed
- 7. ThincLab
- 8. The Precinct

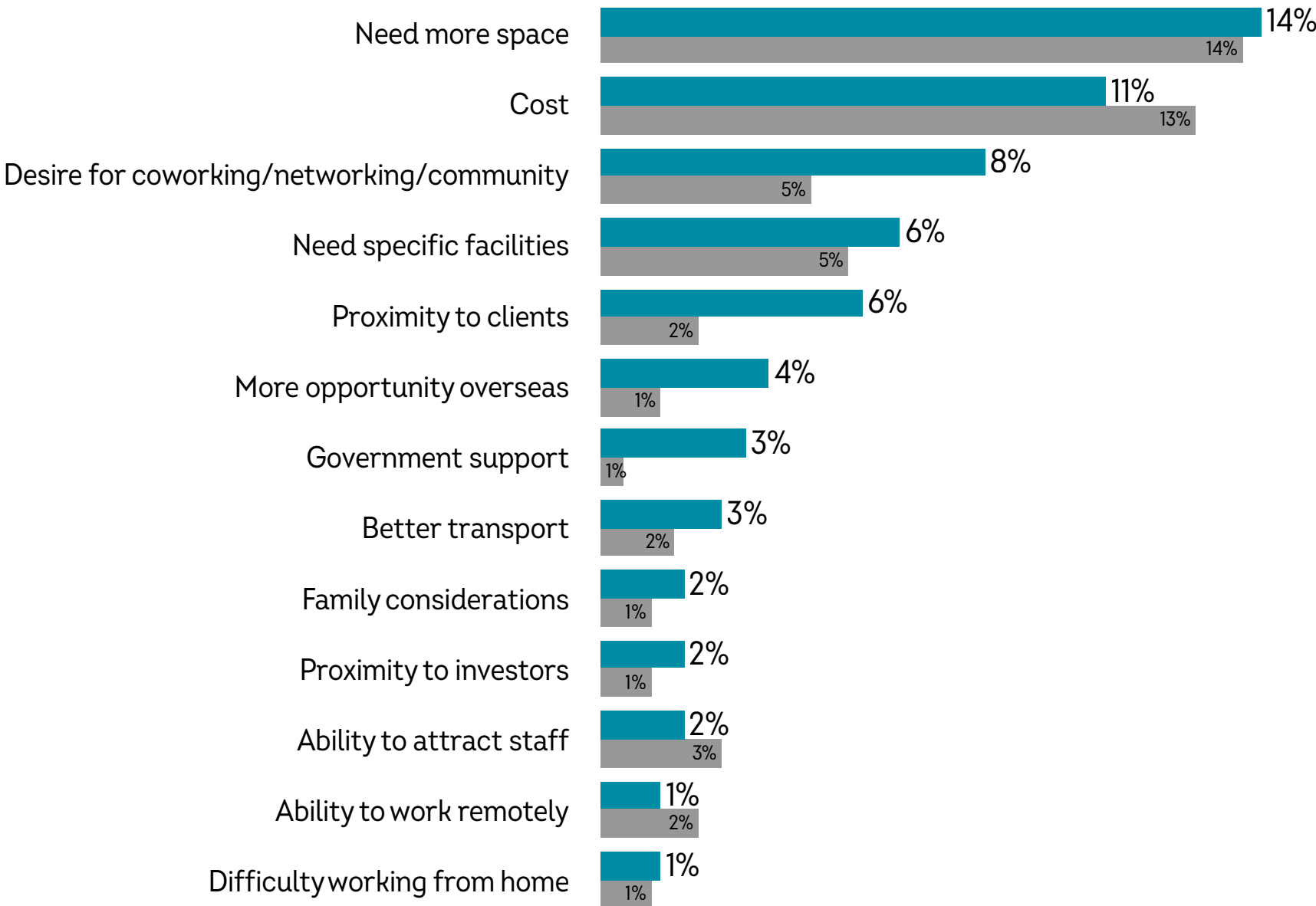
TOP REASONS FOR CHOOSING YOUR OFFICE LOCATION



STARTUPS CONSIDERING MOVING FROM THEIR CURRENT LOCATION



TOP REASONS FOR PLANNING TO CHANGE LOCATION

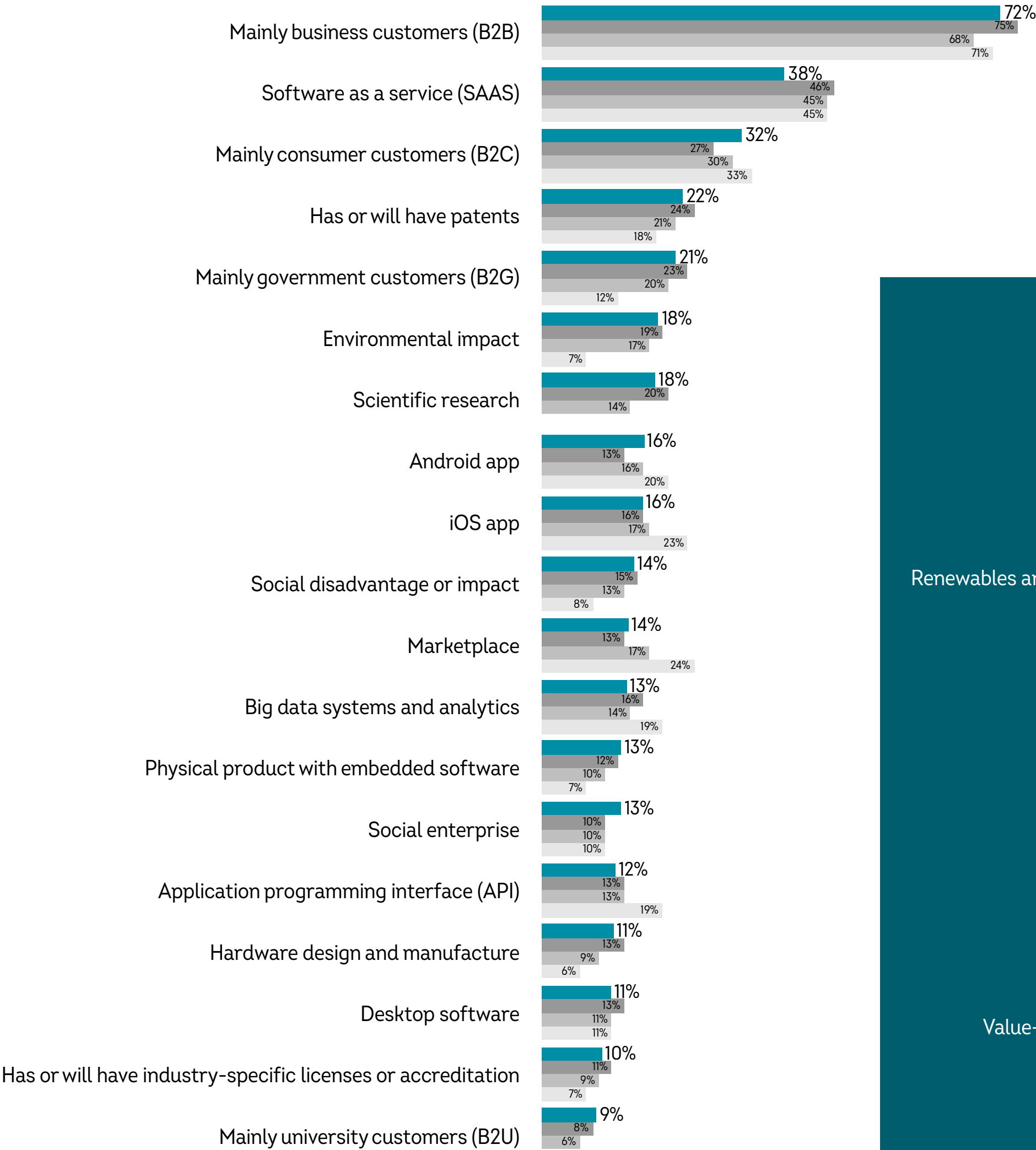


FOUNDERS WHO SAID THEIR HOME INTERNET QUALITY NEGATIVELY IMPACTED THEIR WORK SIGNIFICANTLY

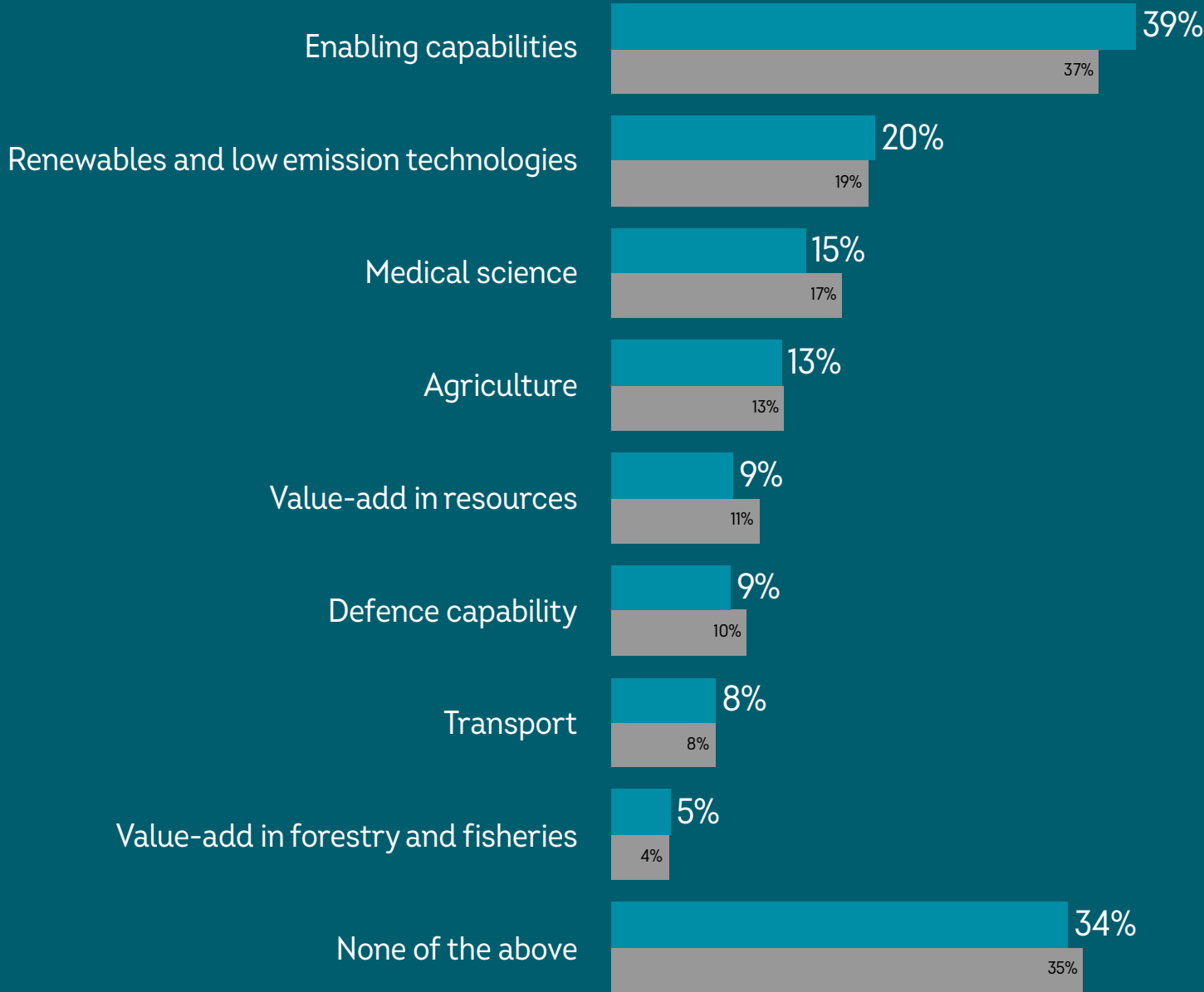


WHAT ARE THEY DOING?

THEMES THAT APPLY STRONGLY TO
STARTUP PRODUCTS/SERVICES

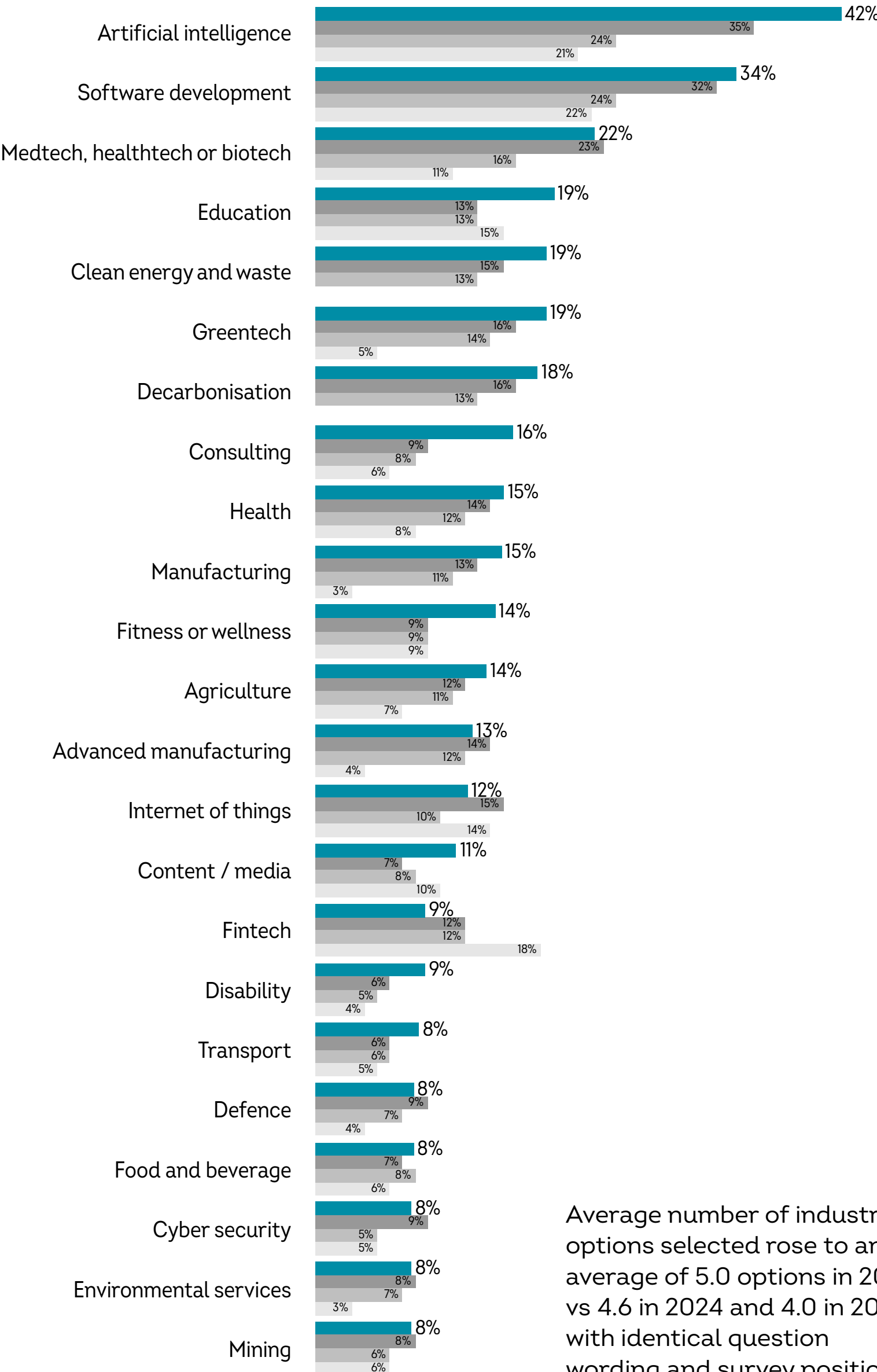


NATIONAL
RECONSTRUCTION
FUND ALIGNMENT



AS CHOSEN BY THE STARTUPS

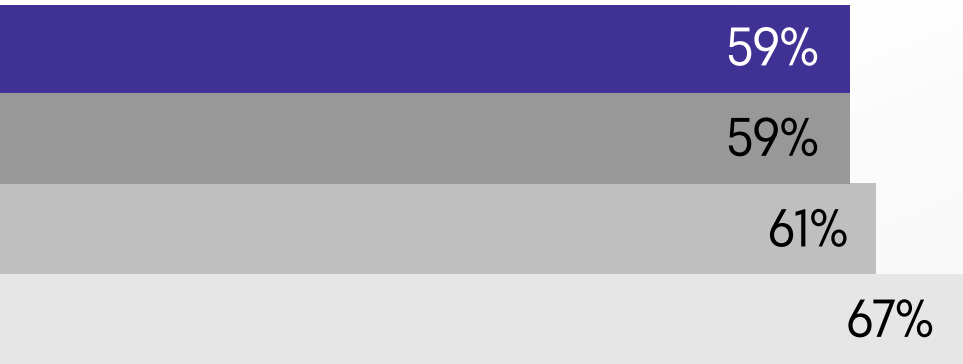
INDUSTRIES THAT APPLY STRONGLY TO
STARTUP PRODUCTS/SERVICES



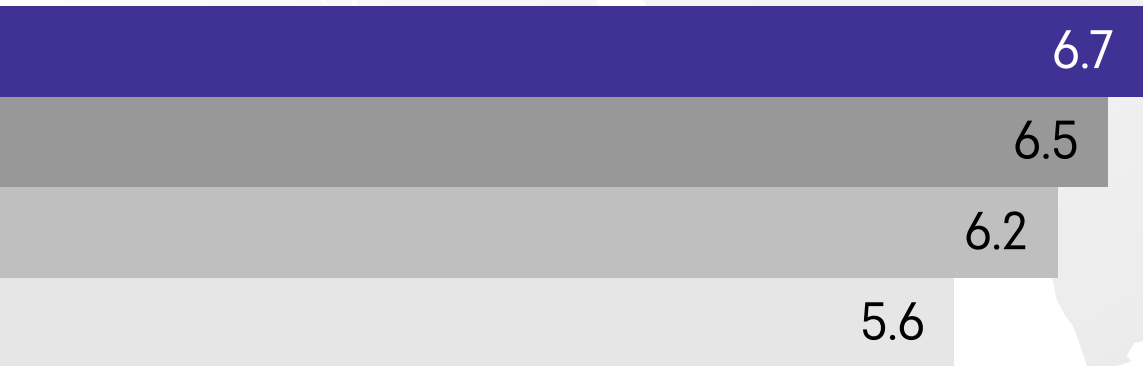
Average number of industry options selected rose to an average of 5.0 options in 2025 vs 4.6 in 2024 and 4.0 in 2023, with identical question wording and survey position.

CUSTOMERS

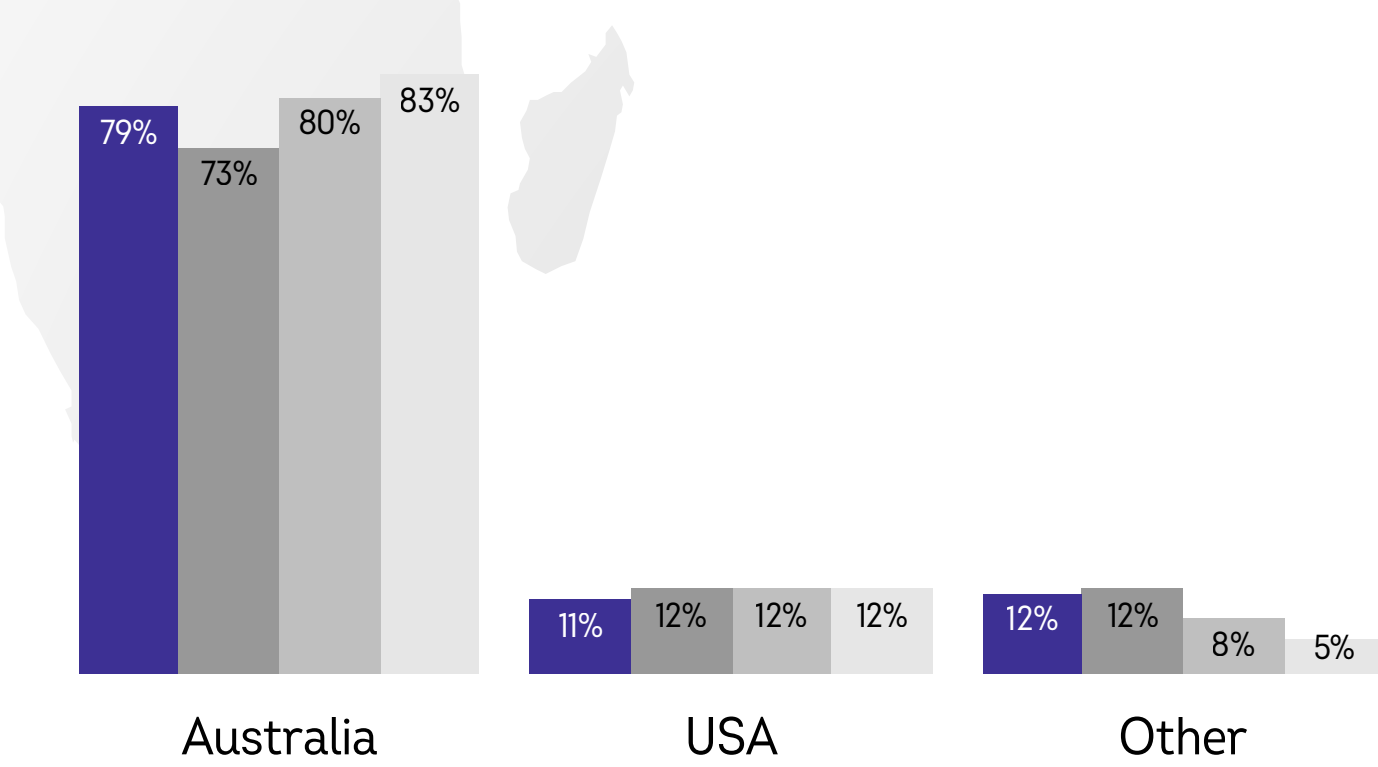
STARTUPS WITH REVENUE



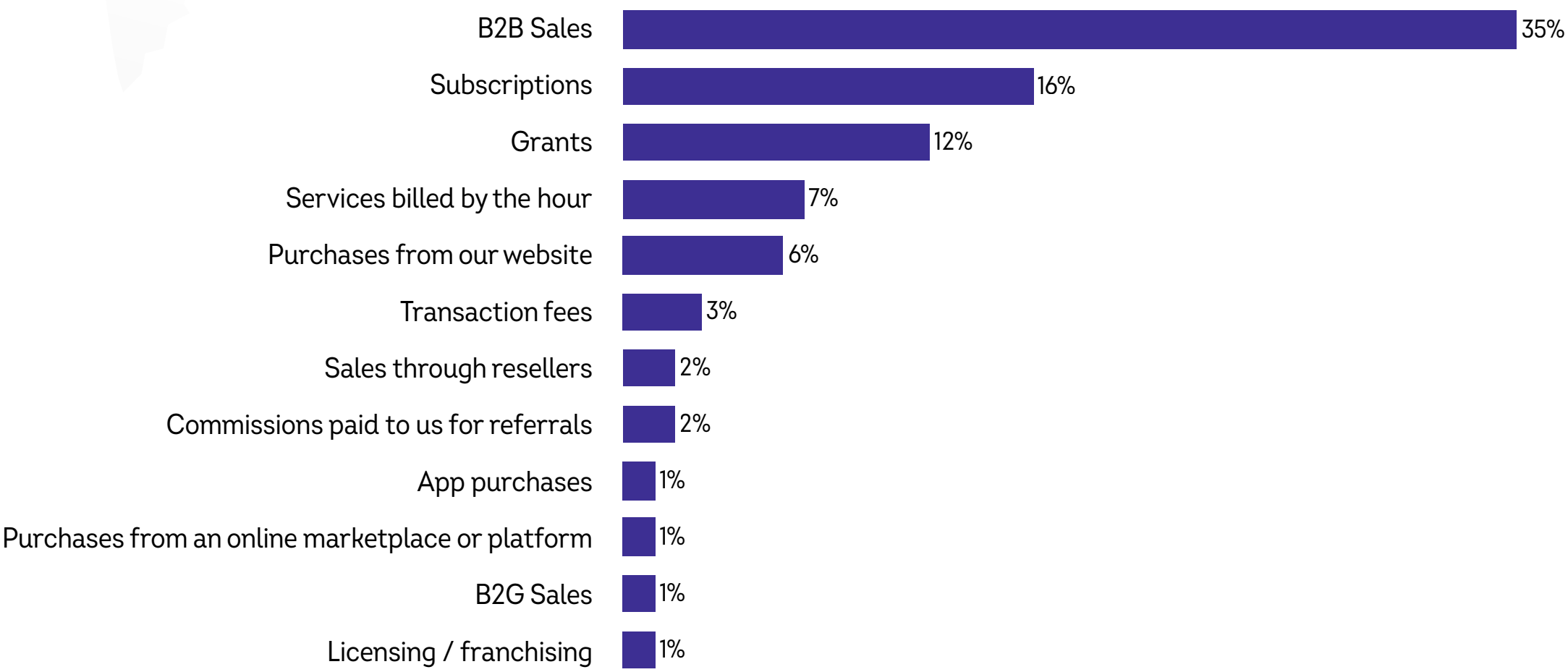
YEARS TO ADD \$10M IN ANNUAL REVENUE



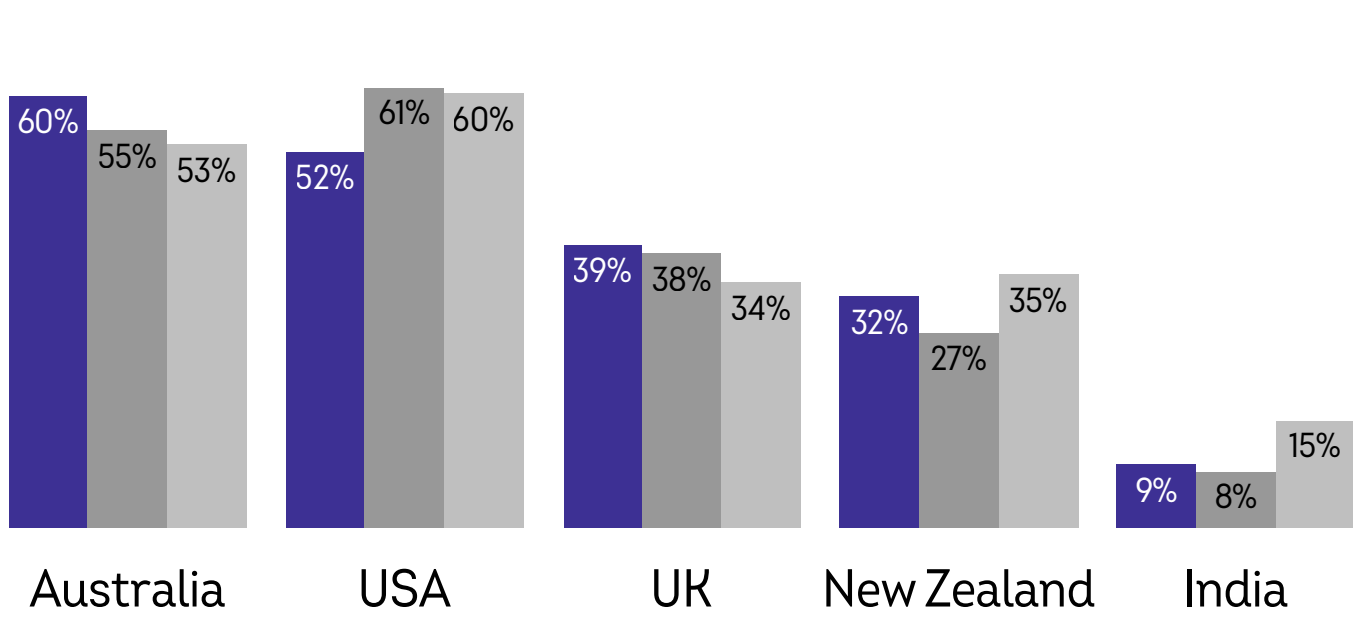
COUNTRIES WITH THE MAJORITY OF CUSTOMERS



LARGEST CURRENT OR EXPECTED REVENUE SOURCES

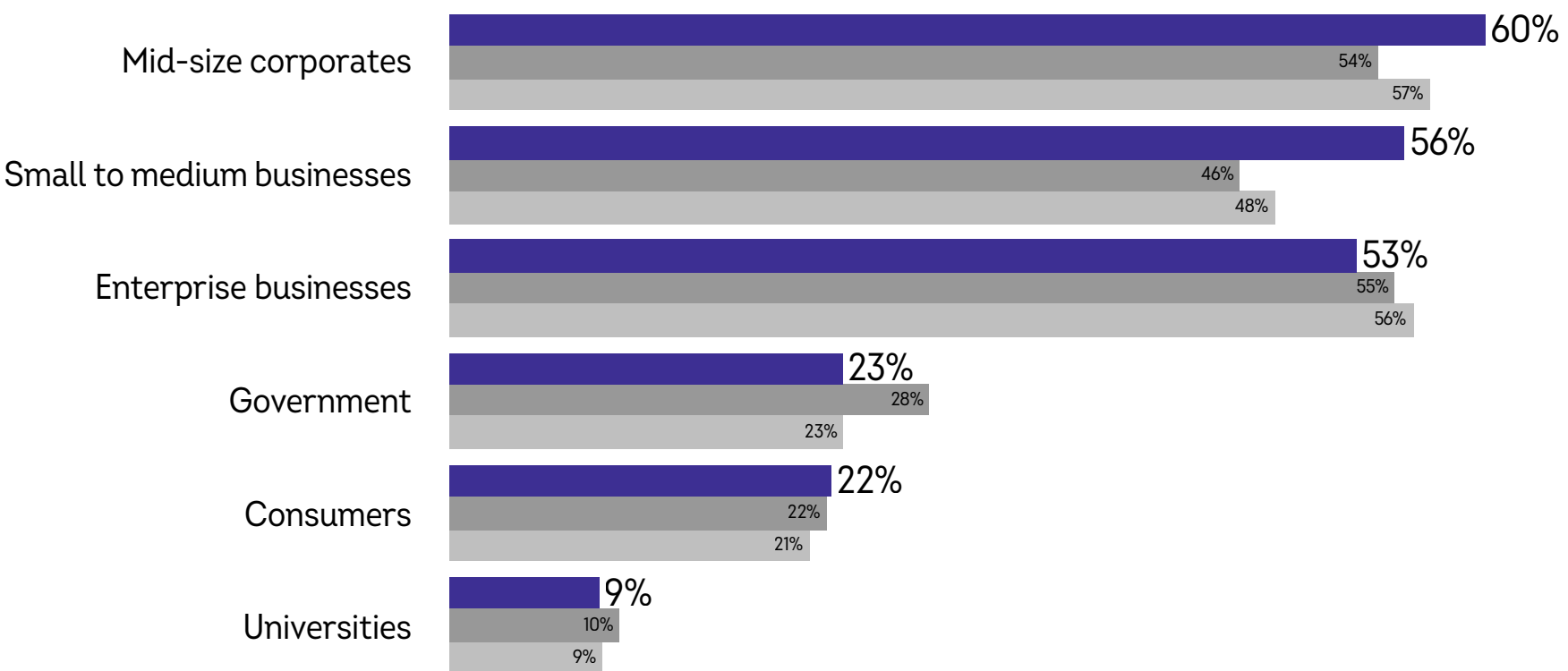


PLANNED GEOGRAPHIES FOR EXPANSION



CUSTOMERS *(cont'd)*

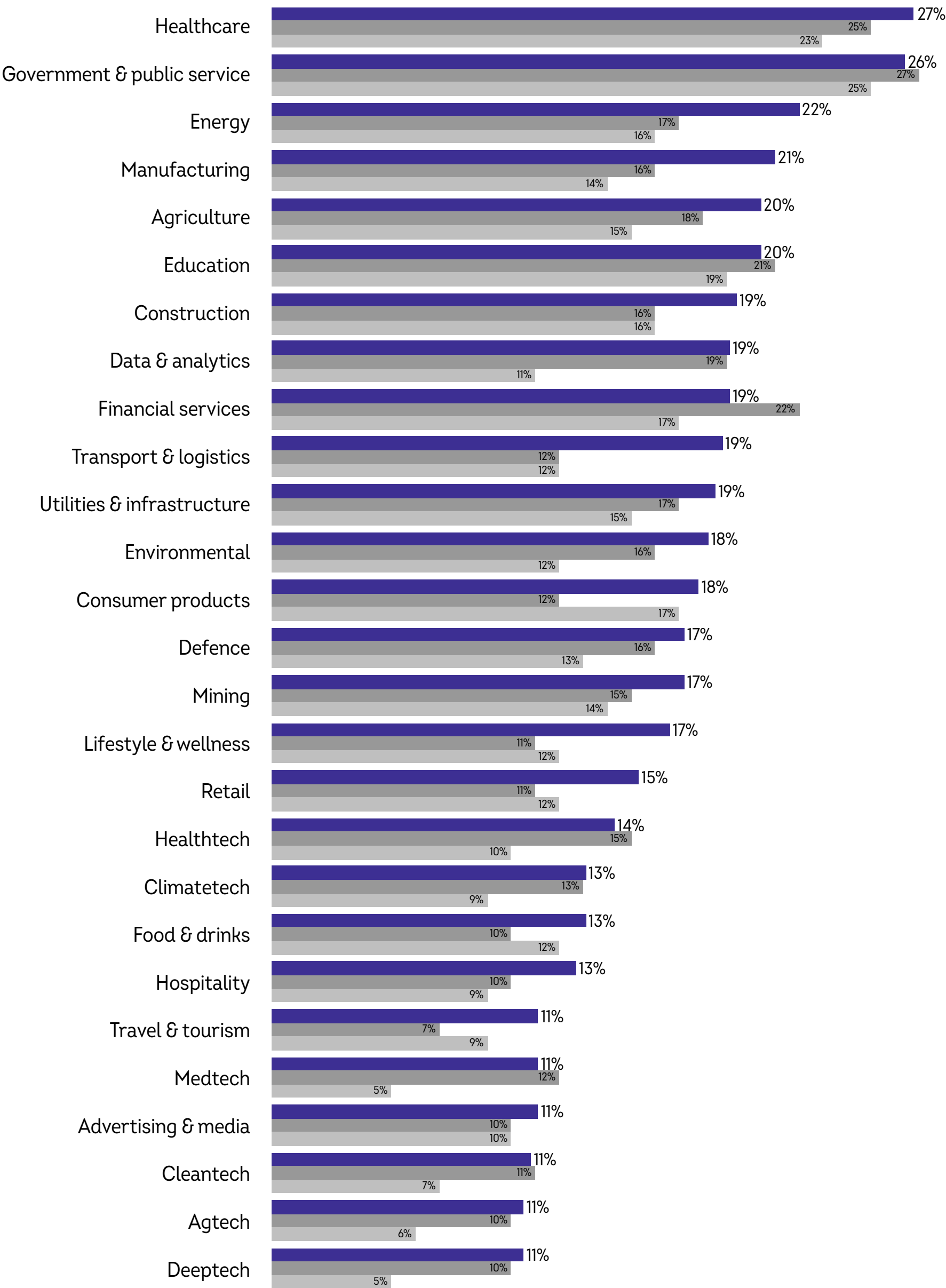
TARGET CUSTOMER TYPES FOR STARTUPS WITH BUSINESS CUSTOMERS



TARGET LEVELS OF GOVERNMENT FOR STARTUPS WITH GOVERNMENT CUSTOMERS

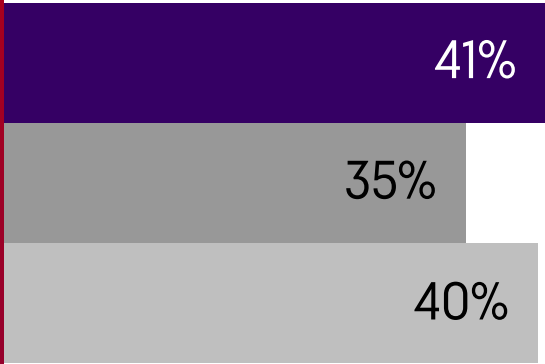


TARGET CUSTOMER INDUSTRIES FOR STARTUPS WITH BUSINESS CUSTOMERS

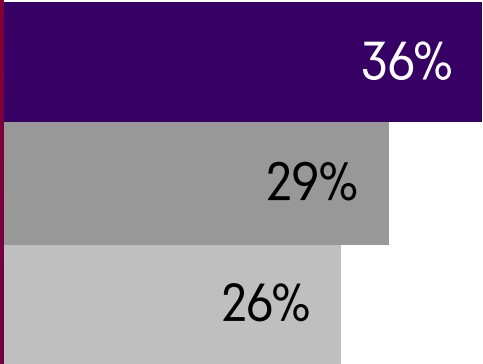


MARKETING

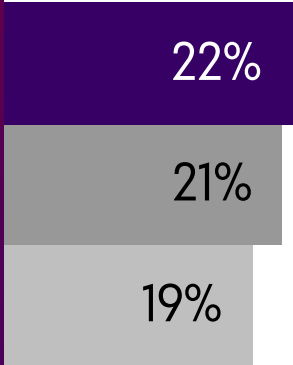
STARTUPS THAT NEED HELP WITH MARKETING IN NEXT SIX MONTHS



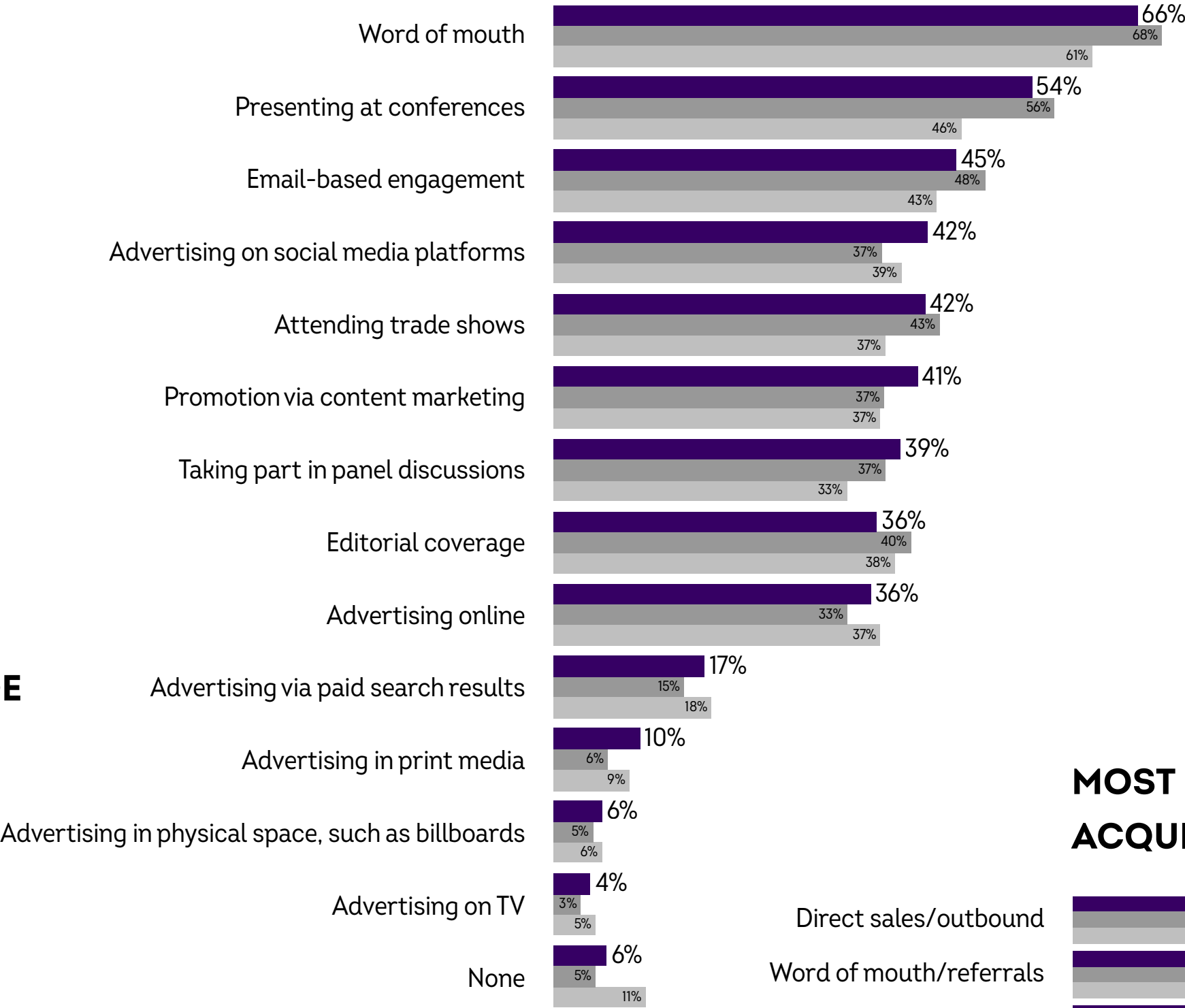
STARTUPS THAT LISTED MARKETING AS A CURRENT PRIMARY CHALLENGE



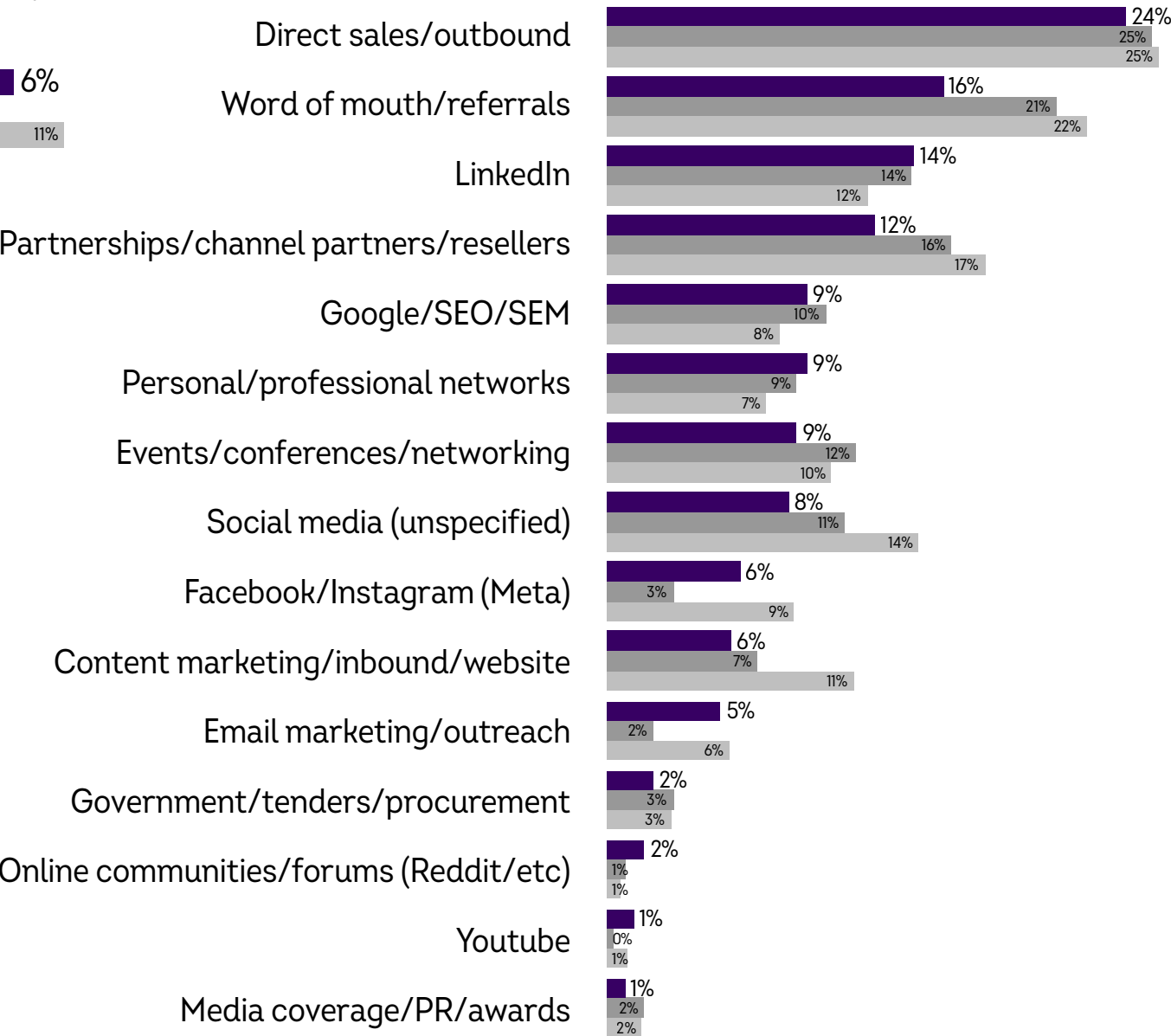
STARTUPS THAT USED OUTSOURCED MARKETING SERVICES IN THE LAST 12 MONTHS



TYPES OF PROMOTION PLANNED IN THE NEXT SIX MONTHS



MOST EFFECTIVE CUSTOMER ACQUISITION CHANNELS



GEOFF MAIN
Founder, Head Berry and CMO for Hire
Passionberry Marketing

This year’s Startup Muster data points to a clear pattern: while 47% of founders report having marketing skills in their team, access to embedded, strategic and operational go-to-market capability remains limited - particularly at earlier stages.

Marketing ranks at or near the top of the skills founders wish they had in-house, and 41% say they’ll need some form of marketing help in the next six months. Yet only 25% report outsourcing marketing in the past year. Coupled with founding teams averaging 2.1 people and full-time employees averaging 4.2, marketing often becomes a shared activity rather than a clearly owned function - and, in practice, that gap tends to compound as companies grow.

The likely downstream effect is familiar to anyone who has worked with early-stage teams: slower traction, inconsistent experimentation, and channel testing without the strategic foundations - customer profiles, positioning, measurement - that help those channels work.

The top-reported acquisition channels - word of mouth, conferences, email, social - reflect early-stage reality: low-cost, fast-feedback, human-centred ways to learn from customers and validate assumptions. These channels matter early on, but they only scale when supported by marketing foundations (like positioning), and enough expert resourcing to run them consistently and learn from what’s working.

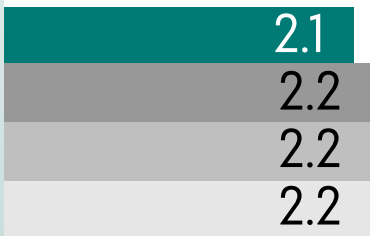
The AI section of the report adds another layer. Founders and teams are using AI across tasks typically handled by junior staff - content creation, customer discovery, social output, and early conversion and retention. This provides a great early boost, but can’t replace the higher level thinking needed to build a repeatable and scalable system.

Startup Muster’s mentorship data shows founders primarily benefit from advice and networks - these are valuable, but mainly advisory. Far fewer report receiving structured support in sales or marketing. This aligns with what founders often tell us: they’ve had plenty of advice, but not enough hands-on help to turn strategy into execution and execution into learning.

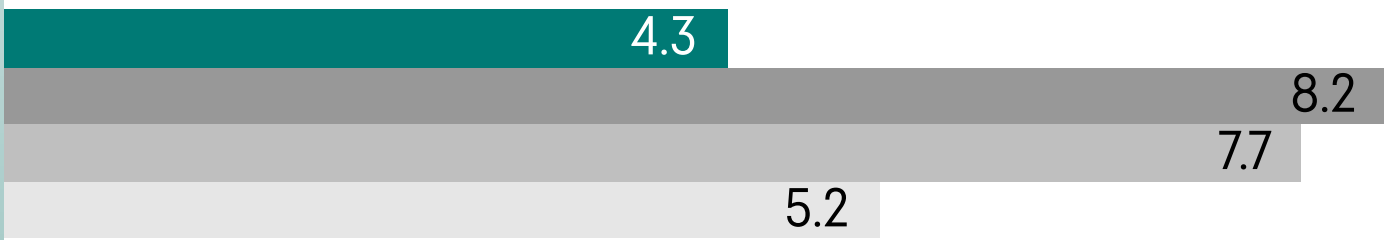
It’s a solvable problem, and the data gives us the visibility we need as an ecosystem to address it.

TEAMS

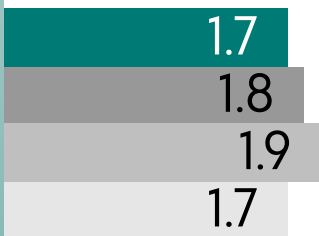
AVERAGE SIZE OF FOUNDING TEAM



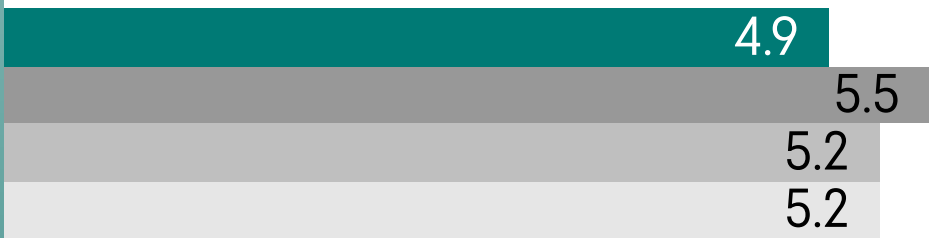
AVERAGE FULL-TIME EMPLOYEES TODAY



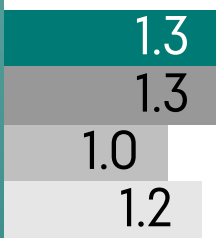
AVERAGE PART-TIME EMPLOYEES TODAY



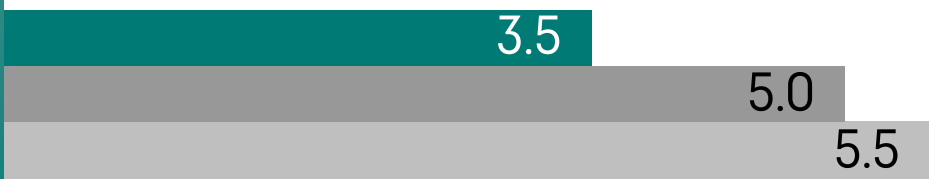
AVERAGE NUMBER OF OUTSOURCED WORKERS IN PAST 12 MONTHS



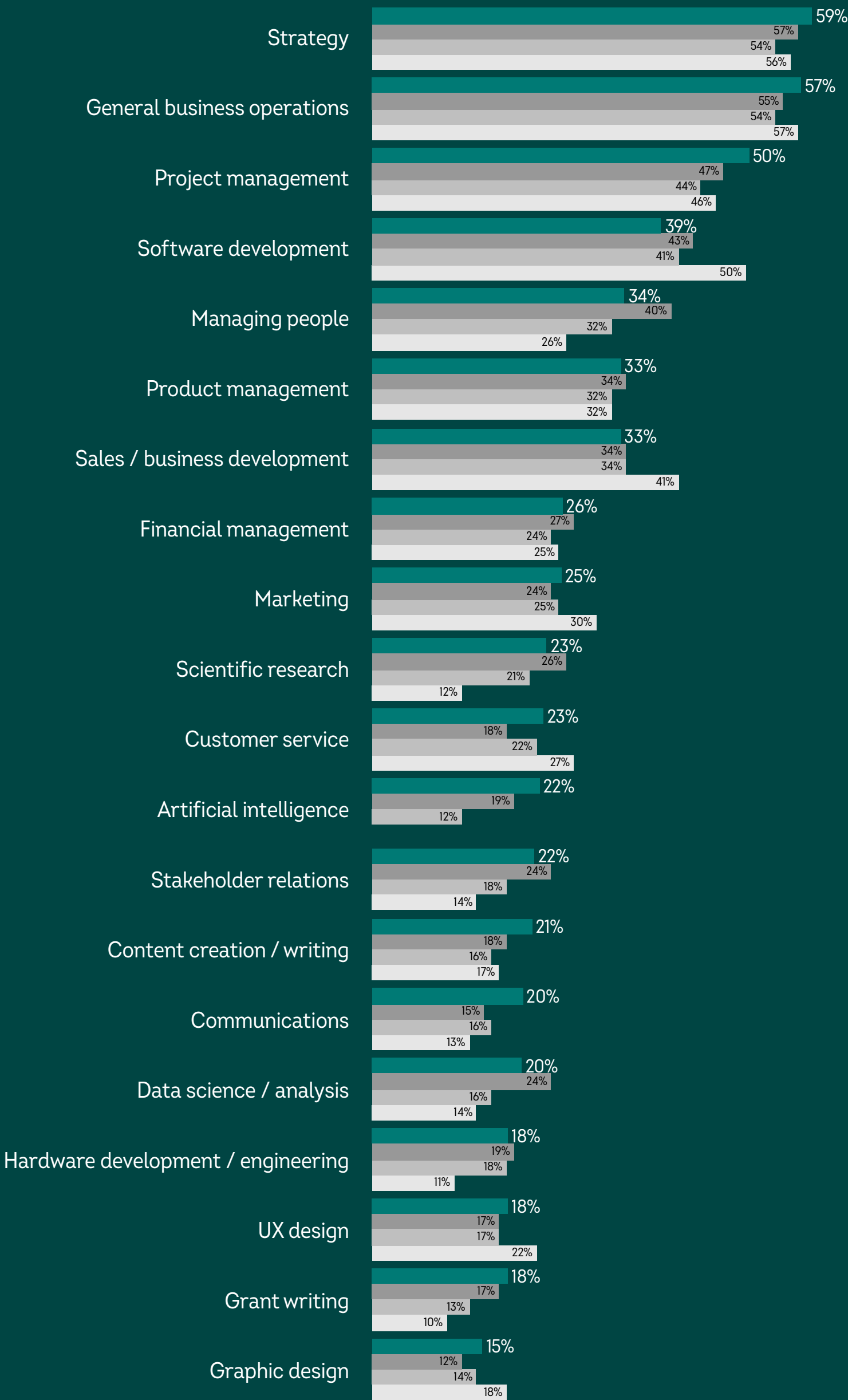
AVERAGE NUMBER OF INTERNS IN PAST 12 MONTHS



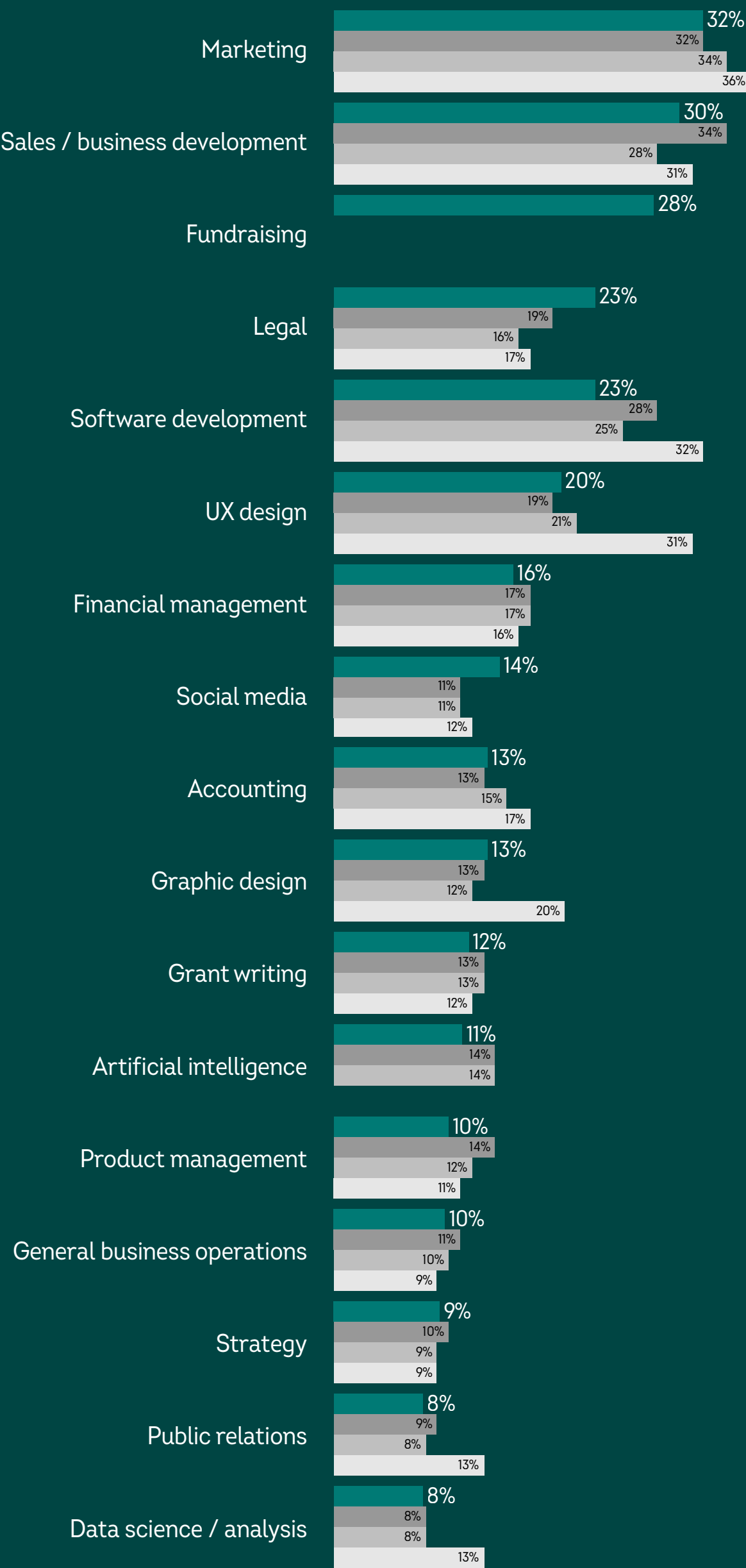
NUMBER OF PLANNED HIRES IN NEXT 12 MONTHS



SKILLS IN FOUNDING TEAM

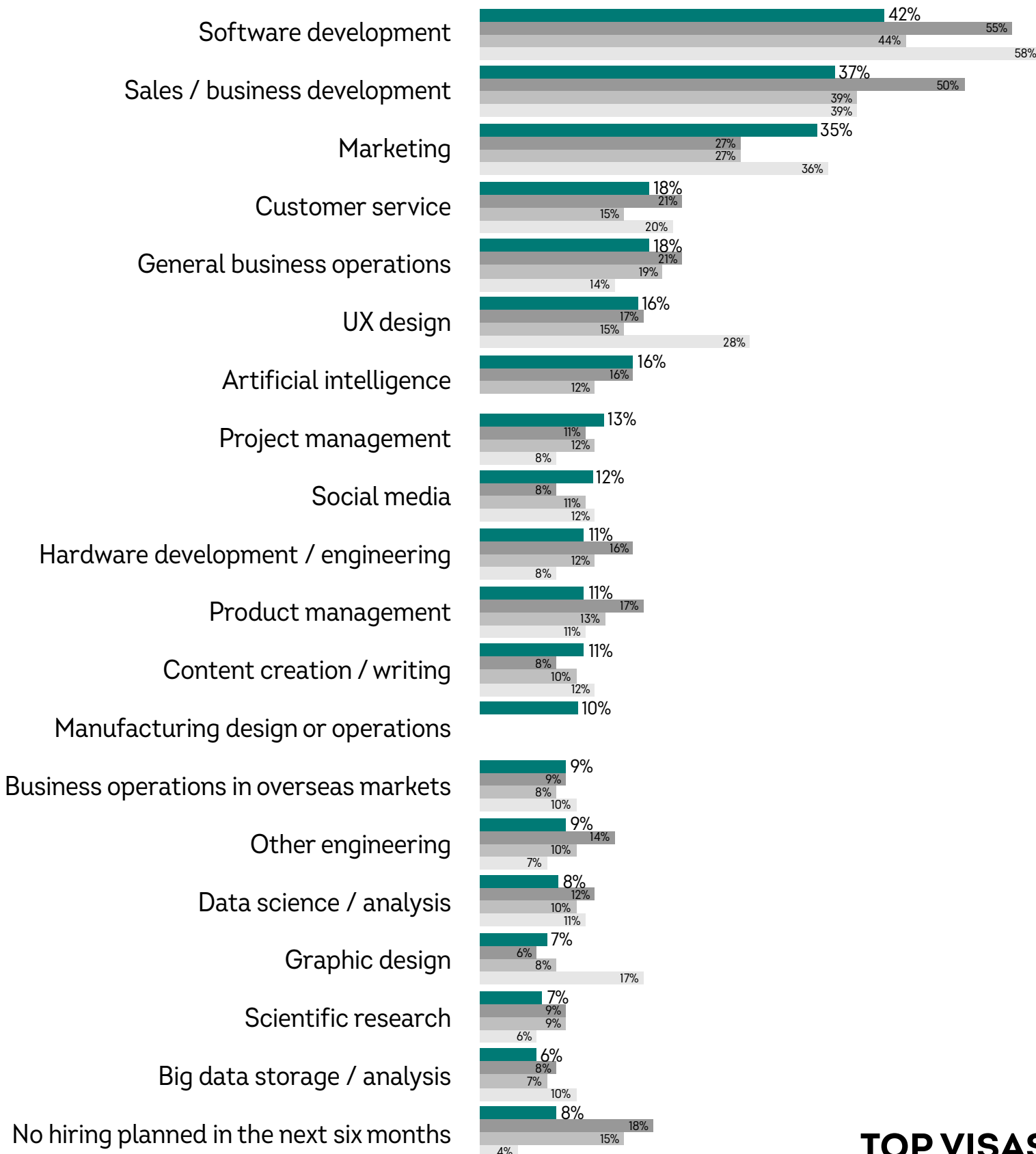


SKILLS THEY WISH WERE IN FOUNDING TEAM

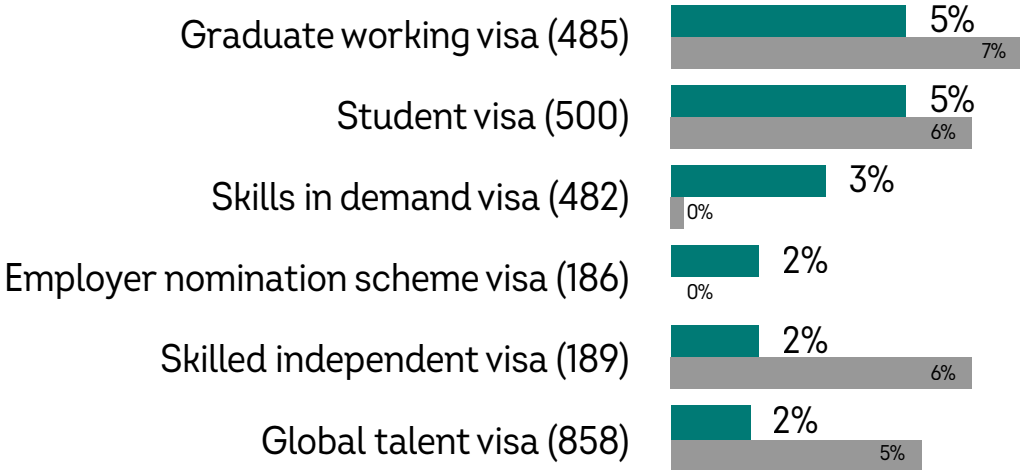
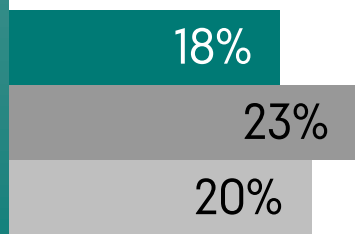


TEAMS *(cont'd)*

SKILLS FOUNDERS PLAN TO HIRE IN THE NEXT SIX MONTHS

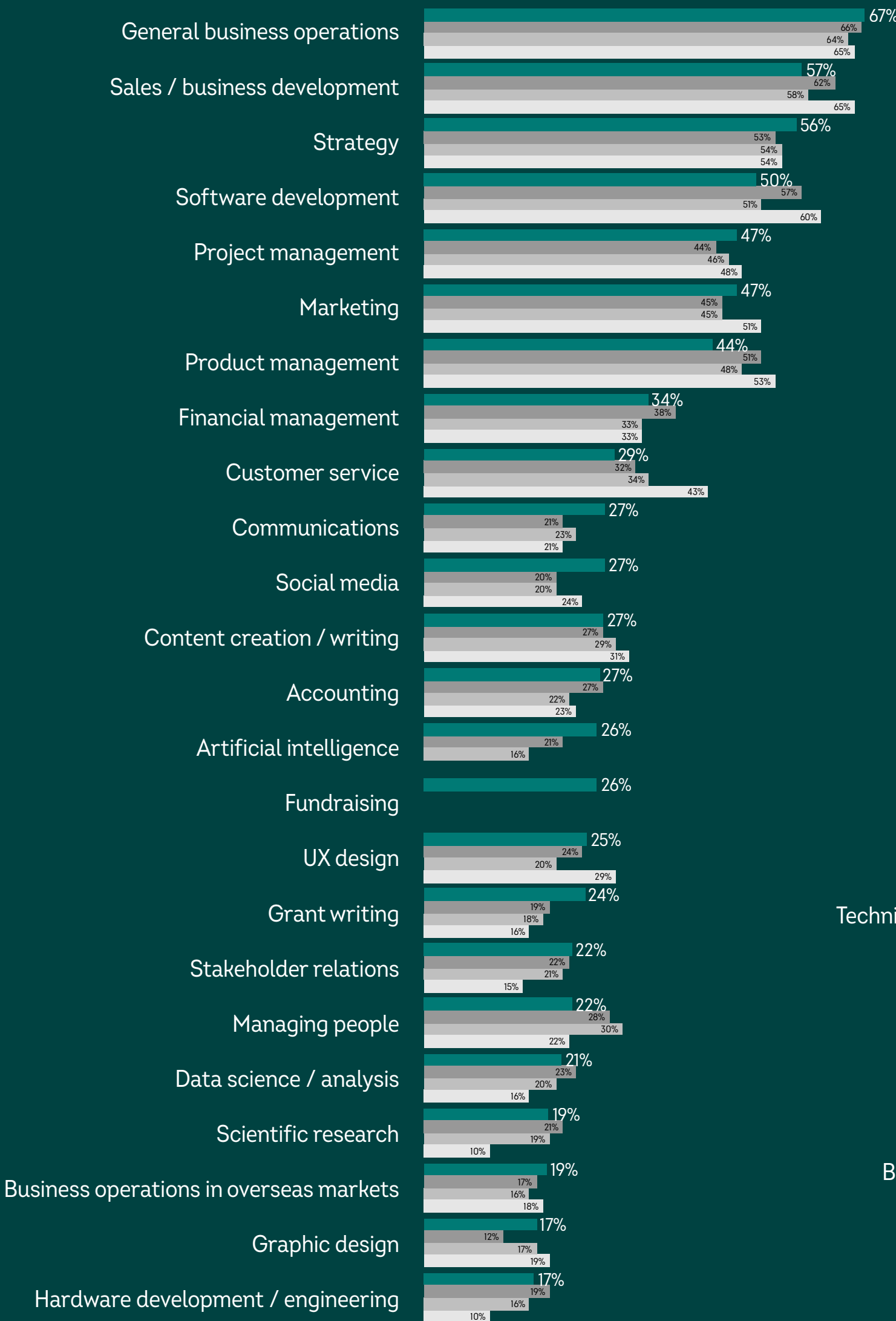


STARTUPS WITH AN EMPLOYEE ON A VISA



TOP VISAS

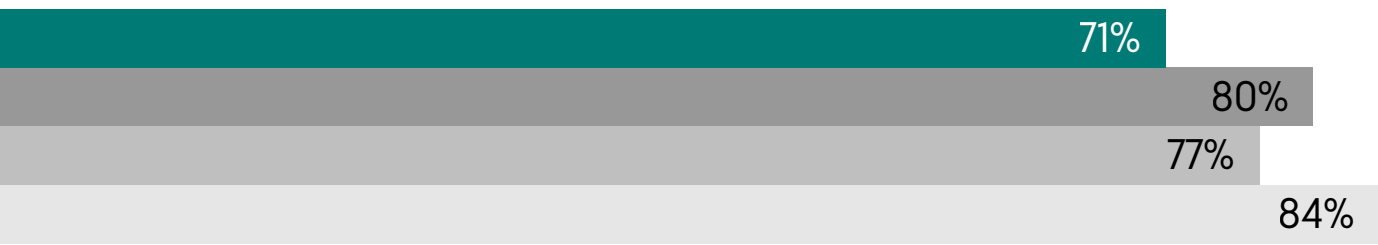
CURRENT TEAM SKILLS



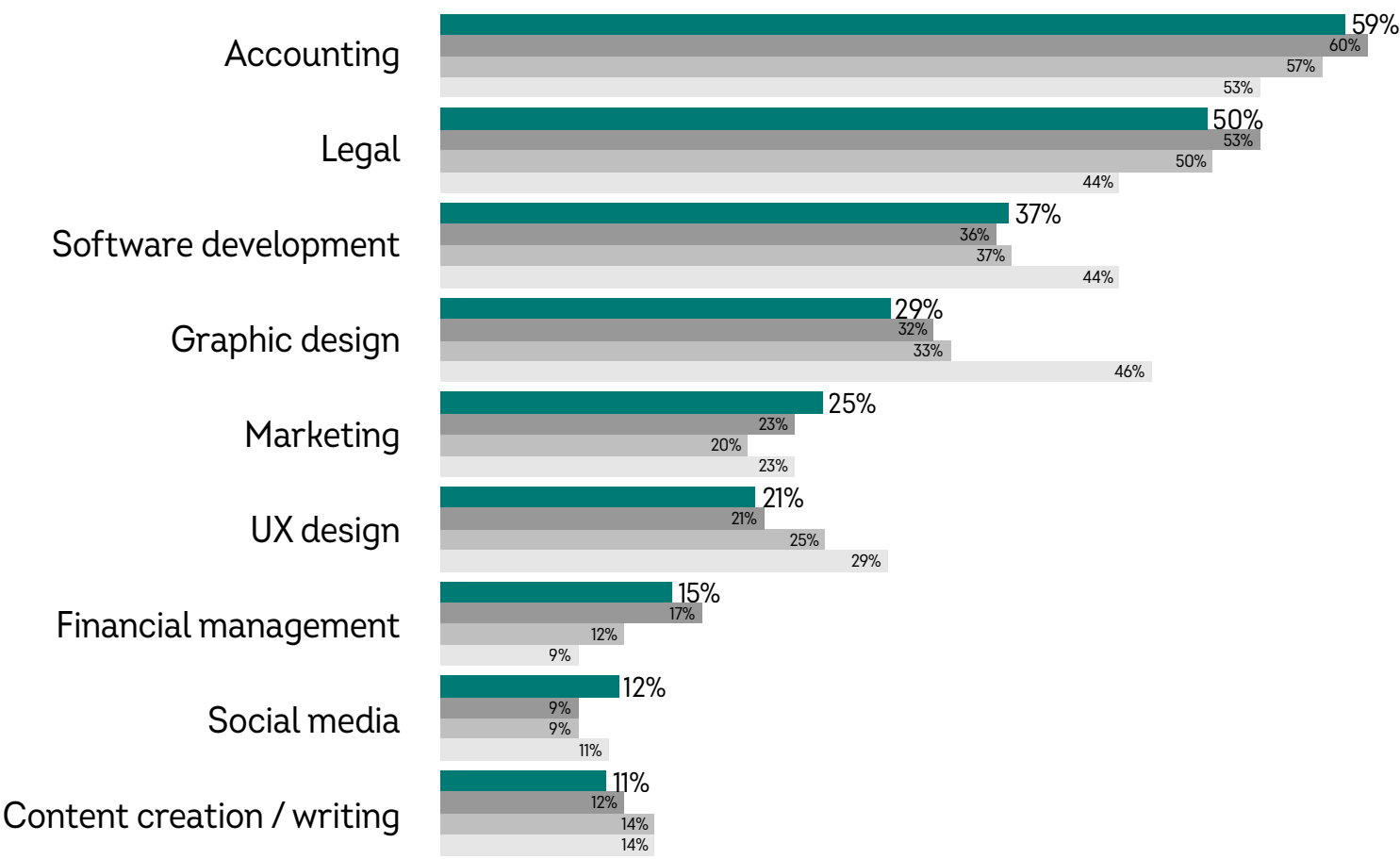
STARTUPS THAT HAD DIFFICULTY HIRING IN THE LAST YEAR



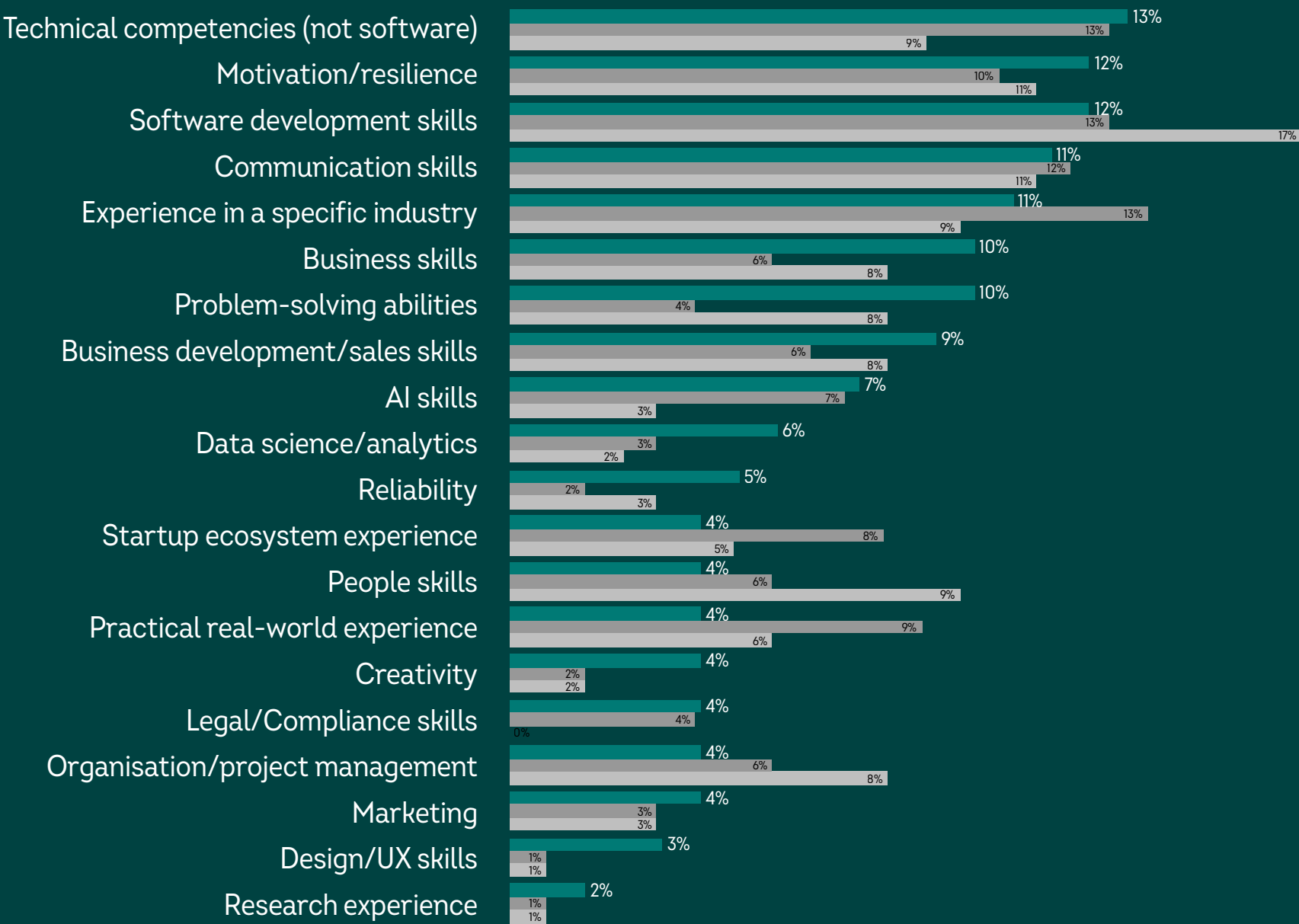
STARTUPS OUTSOURCING WORK IN LAST 12 MO



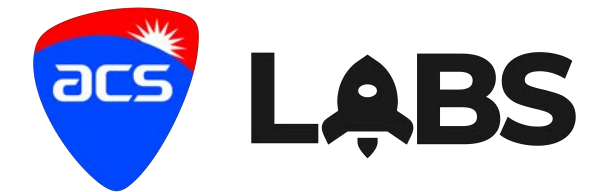
TASKS BEING OUTSOURCED



SKILLS JOB CANDIDATES WERE MISSING



TEAMS INSIGHT



The Skills and Teams findings in Startup Muster 2025 line up closely with what we see every day in ACS Labs. The data reinforces that early-stage building is less about perfect formal capability and more about adaptability, resilience and learning at pace.

In the Who is launching section of the report, we see that founders are highly educated, and more than half are building startups related to their area of study. When you look at Why are they starting results, the critical events that trigger a startup are not academic at all. Founders most often start because they are solving a problem they personally experienced, spotting a compelling opportunity, or wanting ownership of the value they create. This is consistent with the founders we work with at ACS Labs. They are pulled in by lived problems, not abstract business plans.

The deeper skills story shows up in the Teams section. In Skills in Founding Team, founders report strong capabilities in strategy, general business operations, project management, managing people, software development, and product management.

These are the muscles that keep a startup moving when everything is still fluid. At the same time, Skills They Wish Were in Founding Team highlights the persistent gaps. Marketing, sales, business development, fundraising, financial management and AI capability remain the top missing skills, and they echo later in the report.

Later in the report in the Mentorship section, the top areas where founders want more support are fundraising, business growth and scaling, strategy, and sales. The Challenges of customer acquisition and marketing, funding, and resourcing remain the primary issues founders face today. The pattern is clear. Founders arrive with strong domain and technical experience, but the commercialisation skills that drive growth and investment are still underbuilt.

The interesting shift between 2024 and 2025 is in how founders are filling these gaps. In Teams, the proportion of startups outsourcing work has fallen from 80 percent to 71 percent. Several categories that were previously outsourced, such as accounting, legal, financial management and graphic design, show small but noticeable declines. At first glance this might look like capability moving in house, but the surrounding data suggests something more complex.

The report shows Startups That Had Difficulty Hiring in the Last Year has eased slightly, but not enough to explain a wholesale replacement of outsourcing with new hires. In the Funding section, average runway has shortened, and a clear majority of startups still report needing funding to continue operating. In the Challenges, financial pressure, time constraints, and personal responsibilities remain significant hindrances when starting. Put this together and this looks less like founders feeling resourced, and more like founders becoming cautious. They may be doing more themselves, delaying non-essential work, using AI to take on tasks that used to require contractors, or relying on lighter touch support to preserve cash.

This is consistent with what we see at ACS Labs. Rather than engaging multiple external providers, founders are increasingly becoming autonomous in some areas leveraging AI or using the ecosystem as an extension of their team. They draw on mentors, peers, domain experts, investor conversations, and community knowledge to build literacy in marketing, sales, product, finance and legal, while keeping costs controlled. It does not mean the need for these skills has reduced. It means the way founders access them is changing under economic and funding pressure.

The human side brings the picture together. In Challenges, founders name financial dependents, lack of confidence, limited community and uncertainty about where to start as real barriers. Skills in this context are not just technical competencies. They are a combination of experience, commercial judgement, emotional resilience, and access to supportive environments. Strengthening Australia's entrepreneurship pipeline means strengthening those environments, including places like ACS Labs, where founders can build, learn, iterate, and grow before they are ready to hire or outsource at scale.

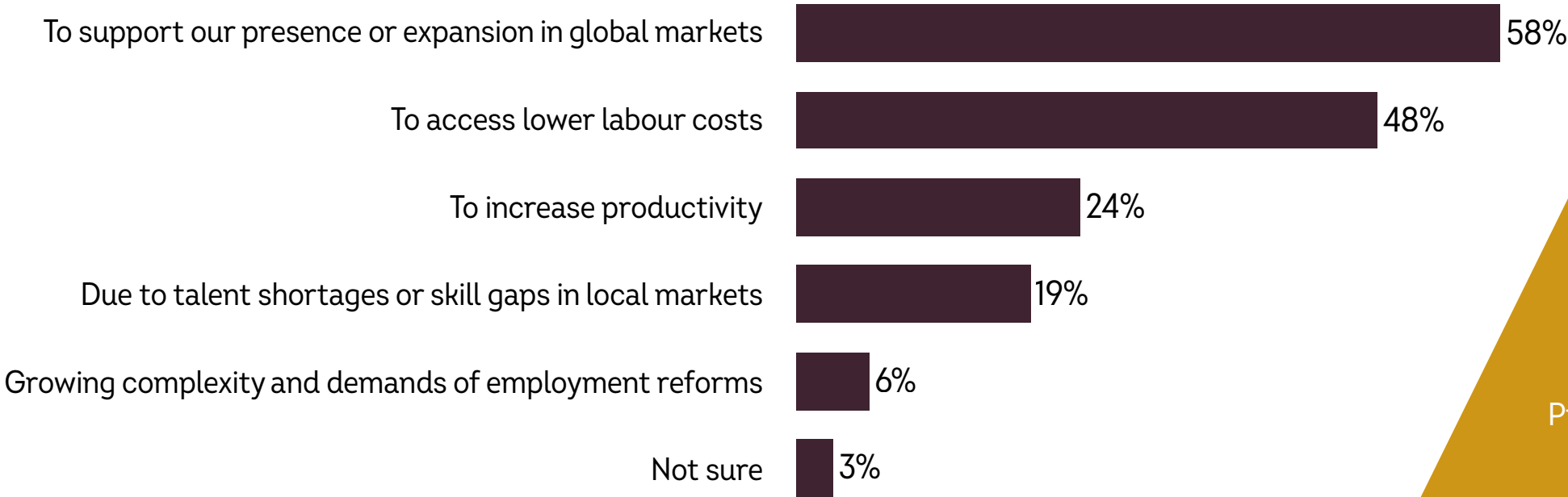
PAULINE FETAUI
Director, [ACS Labs](#)

GLOBAL EXPANSION

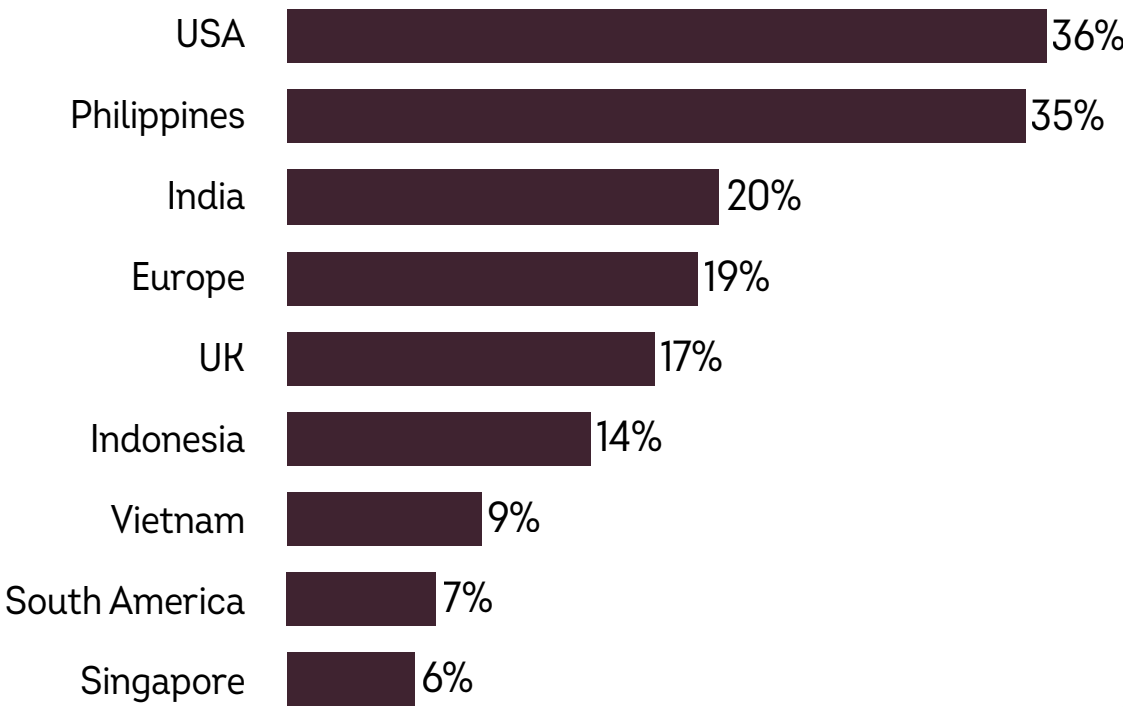
STARTUPS PLANNING TO HIRE OVERSEAS IN THE NEXT 12 MONTHS



REASONS FOR HIRING OVERSEAS



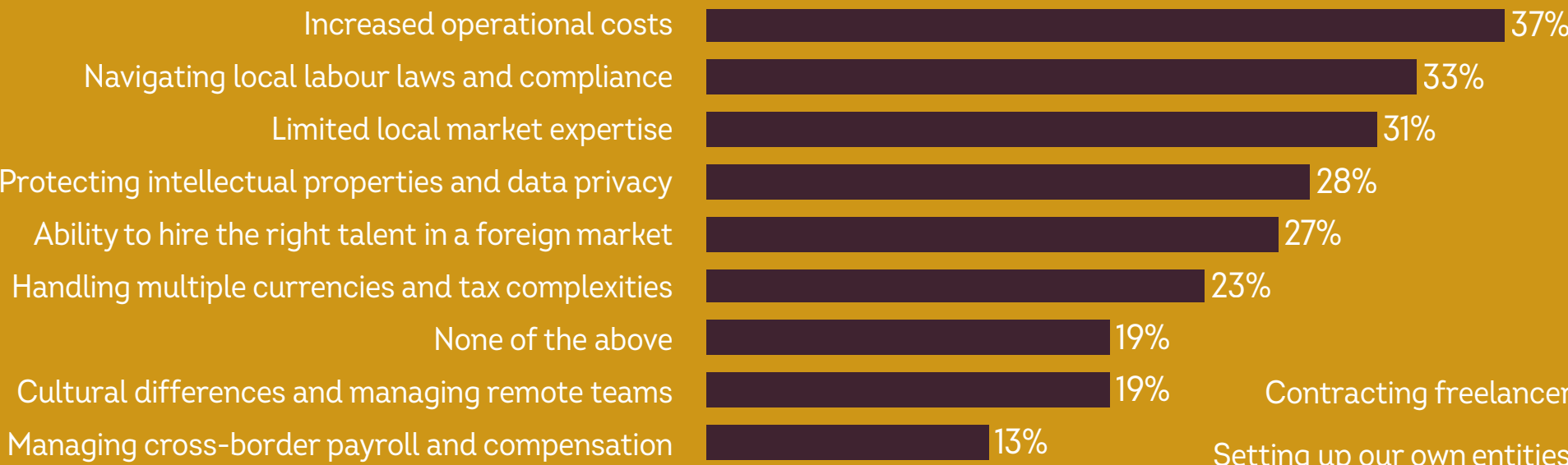
TOP LOCATIONS TO HIRE FROM



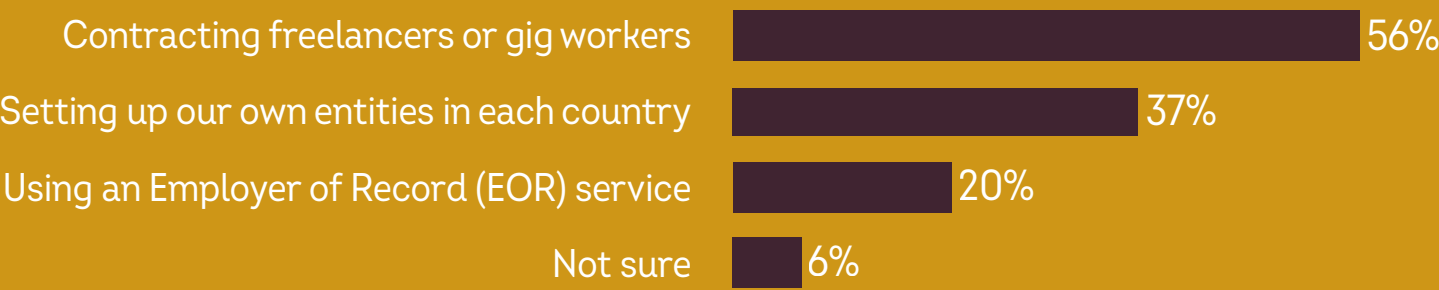
TOP CONCERNS ABOUT GLOBAL HIRING AND COMPLIANCE



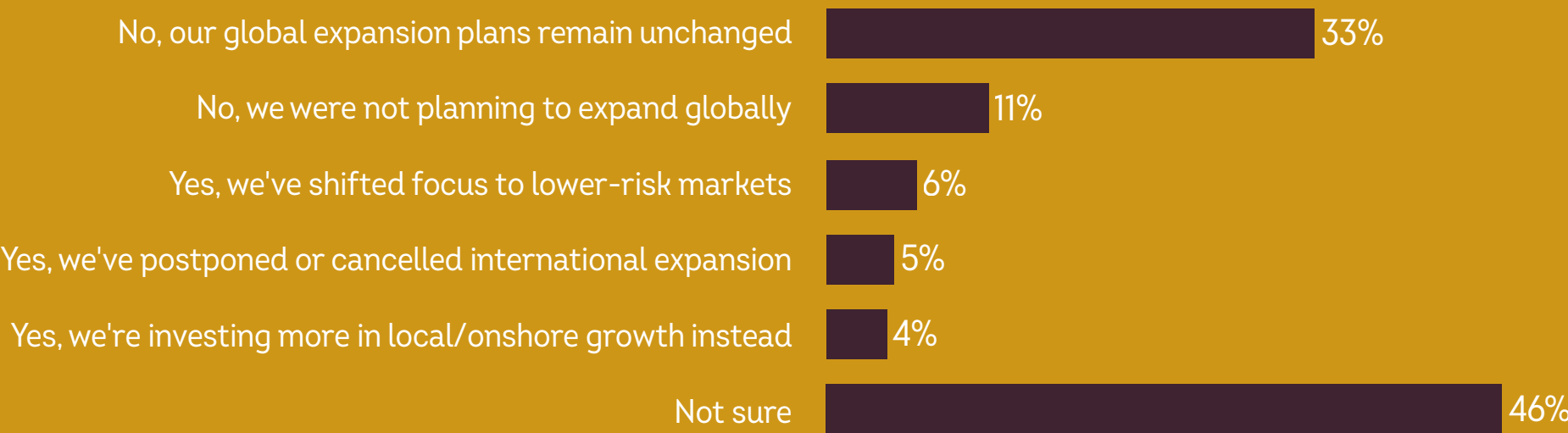
KEY CHALLENGES WHEN EXPANDING INTO INTERNATIONAL MARKETS



CURRENT OR PLANNED METHOD OF EMPLOYING OVERSEAS



HAVE RECENT TARIFF WARS/TENSIONS AFFECTED YOUR EXPANSION PLANS COMPARED TO LAST YEAR?



TOP SYSTEMS TO MANAGE AND PAY YOUR WORKFORCE

- 1. Xero Payroll
- 2. Employment Hero
- 3. MYOB
- 4. Rippling

EXPANSION INSIGHT



1. Australian Startups Are Going Global Earlier Than Ever

The survey results make one thing clear: global expansion isn't a "scale-up problem" anymore. Early-stage Australian startups are building international teams almost as soon as they find product-market fit. In fact, nearly half plan to hire overseas in the next 12 months, driven by a desire to reach new markets, access specialised skills, and stay competitive.

Two distinct hiring patterns emerge. Teams are placing commercial roles in the USA, UK, and Europe to stay close to customers, while leveraging talent-rich regions like the Philippines, India, Vietnam, and Indonesia for engineering, operations, and support. This mirrors a trend we see every day at Rippling: founders are designing global teams with intention: balancing proximity to their next big market with operational leverage and cost efficiency.

This shift signals a maturing ecosystem. Australian startups are no longer waiting to "go global later". Global is becoming the default.

2. The Biggest Barriers to Global Hiring Are Operational, Not Strategic

Ambition isn't the roadblock, complexity is. While founders are confident about global opportunities, the survey shows the real friction comes from operations, compliance, and people management.

Startups called out their top challenges:

- Navigating foreign labour laws (58%)
- Managing payroll, tax, and multi-currency compensation (43-44%)
- Finding talent that fits their culture remotely
- Handling visas, onboarding, and remote management

These are not simple administrative tasks - they're mission-critical responsibilities that carry real financial and legal risk. At Rippling, we work with startups who often underestimate the jump from hiring domestically to managing teams across several countries. What starts as a single overseas contractor can quickly become a maze of local regulations, payroll systems, and data scattered across multiple tools.

Even the way startups employ overseas talent reflects this fragmentation.

- 37 percent rely on freelancers
- 37 percent set up their own entities
- 20 percent use Employer of Record services

Each pathway works, but each introduces its own operational workload. Without the right systems, complexity compounds quickly.

3. The Tools Startups Use Today Aren't Built for the Teams They'll Have Tomorrow

One of the most striking insights from the survey is the technology gap. The top systems used to manage and pay global workforces (Xero Payroll, Employment Hero, MYOB) were built for local operations, not international ones. As startups expand into multiple countries, these disconnected tools leave teams juggling compliance requirements, manual processes, and inconsistent data across HR, payroll, finance, and IT.

This is exactly the inflection point where Rippling often enters the picture. When founders hit that moment of "we're global now, but our systems aren't," they start looking for a single, scalable platform that keeps their employee data, payroll, onboarding, and compliance in sync across every country.

The Startup Muster data reinforces a truth we see across thousands of customers: startups that prepare their operational foundation early are the ones who scale globally with confidence. Global expansion will always be complex, but with the right infrastructure, it doesn't have to be chaotic

CHI FUKUDA

Marketing Lead, APAC, [Rippling](#)

EMPLOYEE SHARES

STARTUPS WITH EMPLOYEES WITH EQUITY OR OPTION PLANS (ESOP)



AVERAGE NUMBER OF EMPLOYEES (CURRENT AND PAST) WITH EQUITY OR ESOPS



AVERAGE ESOP VESTING PERIOD



PROPORTION OF FOUNDERS WITH ESOPS WHO HAVE A PROCESS IN PLACE FOR ISSUING ESOP IN COMPLIANCE WITH TAX AND SECURITIES LAWS



PROPORTION OF FOUNDERS WITH ESOPS WHO REGULARLY UPDATE THE EXERCISE PRICE OF ESOP OPTIONS TO COMPLY WITH TAX LAWS



FOUNDERS WHO THINK ESOP REGULATIONS NEED IMPROVEMENT



STUART DULLARD
Partner, Ashurst Sydney
Head of the VC and High Growth Team
[Ashurst](#)

Employee Share Ownership Plans (ESOPs) are crucial to attracting and retaining the best talent. When ESOPs work properly, they motivate and reward staff and, most importantly, get staff to think and act like owners of the business. In the US, there is now a generation of staff which worked at the famous unicorns where their ESOP payouts at exit provided a life-changing payout. This has led to hundreds of new companies forming and thousands of angel investments.

In Australia, complicated tax and securities laws mean that it is essential to carefully structure and administer ESOPs properly. When an ESOP does not comply with the relevant tax concessions (or is not administered correctly), staff can face material unfunded tax bills (running into the hundreds of thousands per employee in some cases). Where the ESOP is not structured correctly it can impede an exit process – delaying the process and leaving the buyer with demotivated staff.

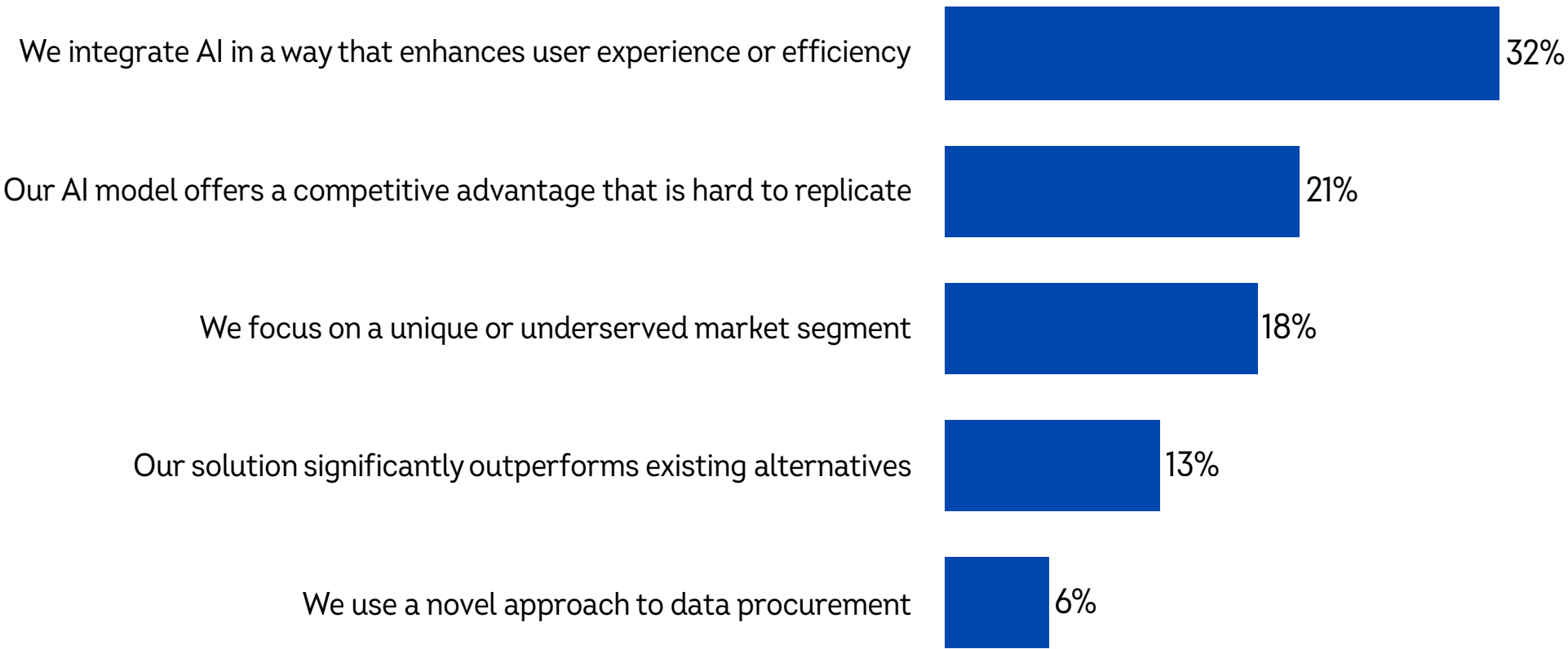
The key takeaway for Founders and tech companies is that careful planning and expert advice is essential and pays dividends over the long term. The stats show this – the vast majority of startups have ESOPs in place (which is great) but less than half of the companies have a process for administering ESOPs in a compliant manner and only half of those that do have a process in place actually complies with the tax laws.

At Ashurst we leverage our 31 offices in 19 countries with a specialty for technology companies. In a complex area like ESOPs, good advice makes a difference, and the earlier the better.

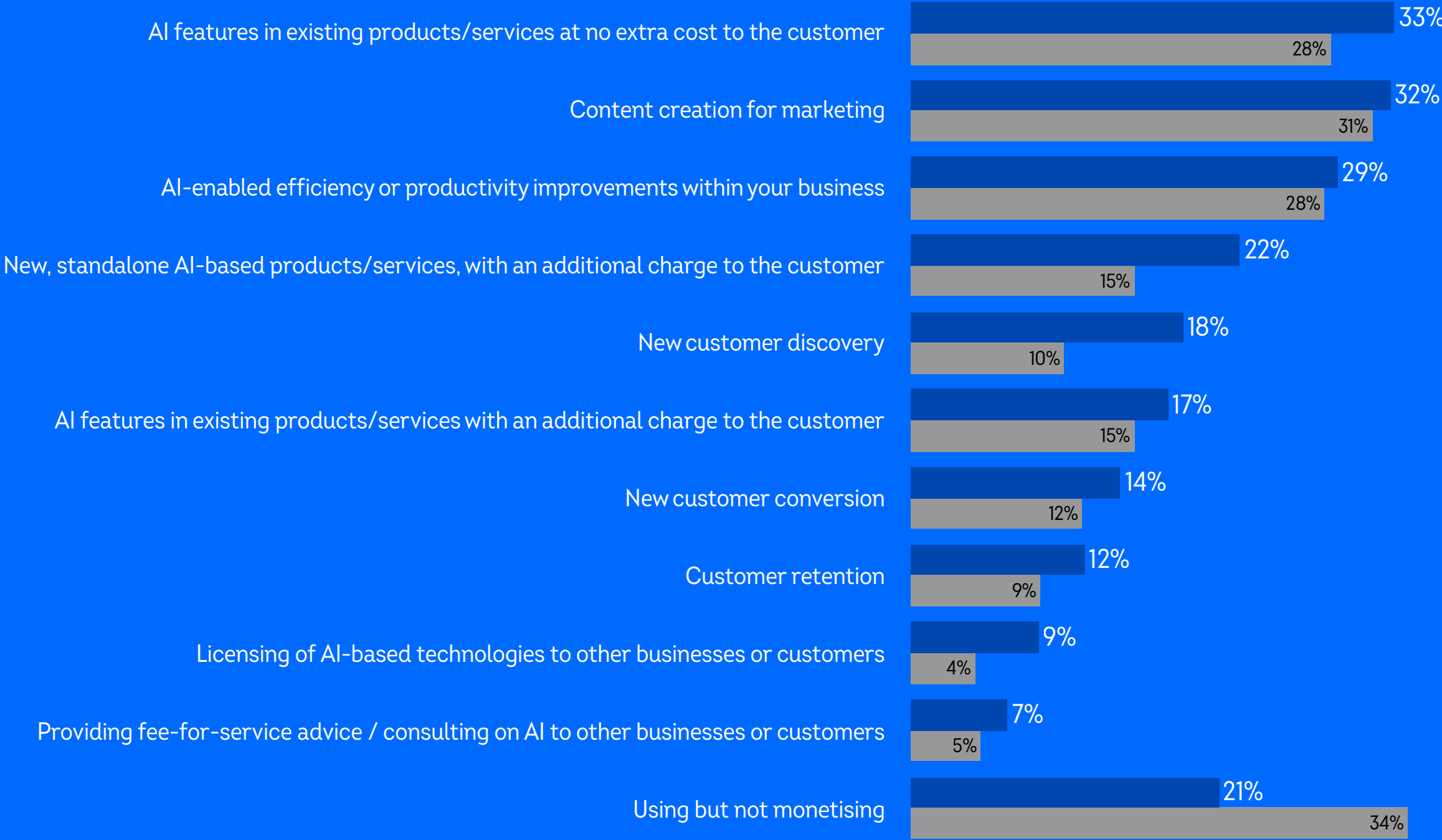
ARE YOU BUILDING AN AI PRODUCT OR SERVICE?



HOW AI SOLUTIONS ARE DIFFERENTIATING STARTUPS



HOW ARE STARTUPS MONETISING AI



AI INSIGHT



The release of the Startup Muster 2025 Report is a timely opportunity to reflect on AI adoption and development in Australia’s startup community. The data shows that while 51% of surveyed startups identify as AI-focused, there are still gaps in awareness of AI governance.

The National AI Centre (NAIC) is the Australian Government’s lead body supporting industry to unlock the economic benefits of AI. NAIC provides tailored guidance and direct engagement to help small and medium businesses, not-for-profits, social enterprises and First Nations businesses adopt AI responsibly.

Our Guidance for AI Adoption, published in October 2025, sets out six essential practices to embed safety, transparency and ethical conduct in AI development and deployment. For startups, this guidance provides a clear pathway to integrate responsible practices from the outset. This approach reduces future compliance burdens and builds trust with customers and investors.

This report follows the launch of the Australian Government’s National AI Plan. The plan provides a strategic foundation for Australian AI startups to grow and compete globally. It focuses on strengthening AI capability, fostering innovation, attracting investment and ensuring responsible deployment across sectors. NAIC will play a leading role in delivering these commitments and supporting industry to unlock the economic benefits of AI.

Startup Muster’s findings highlight strong AI adoption but also reveal gaps in governance and safety awareness. This creates an opportunity for NAIC to lead through targeted education and engagement initiatives to support capability uplift across the sector.

Congratulations to Startup Muster on this report.

LEE HICKIN
Executive Director, NAIC



eXplainable AI (XAI) is more than a technical milestone in Algorithmic Law, it is the catalyst for a new generation of legal innovation. In a field defined by precedent, evidence, and trust, XAI empowers businesses to move beyond conventional legal tech and build systems that show their work. This shift transforms AI from a black box into a transparent partner (aka the glass box), capable of revealing how insights are formed, why certain pathways are taken, and where the underlying data originates. For JurisTechne, this is not just compliance, it is competitive advantage.

Academia fuels this movement with rigorous research in interpretability, fairness, and responsible machine intelligence. You can take that knowledge and convert it into momentum. We iterate, then deploy, then push boundaries. When these forces join, the result is a powerful ecosystem where scientific depth meets entrepreneurial speed. Together, we’re creating models that don’t merely generate content, they illuminate the logic behind them.

Building the world’s first traceable and transparent XAI model for legal research and data analytics is an audacious goal, but it’s exactly the kind of challenge that defines breakthrough companies. It requires provenance tracking that maps insights back to legislation and case law, explanation layers that make reasoning visible, and ethical auditing frameworks that keep systems accountable as they scale.

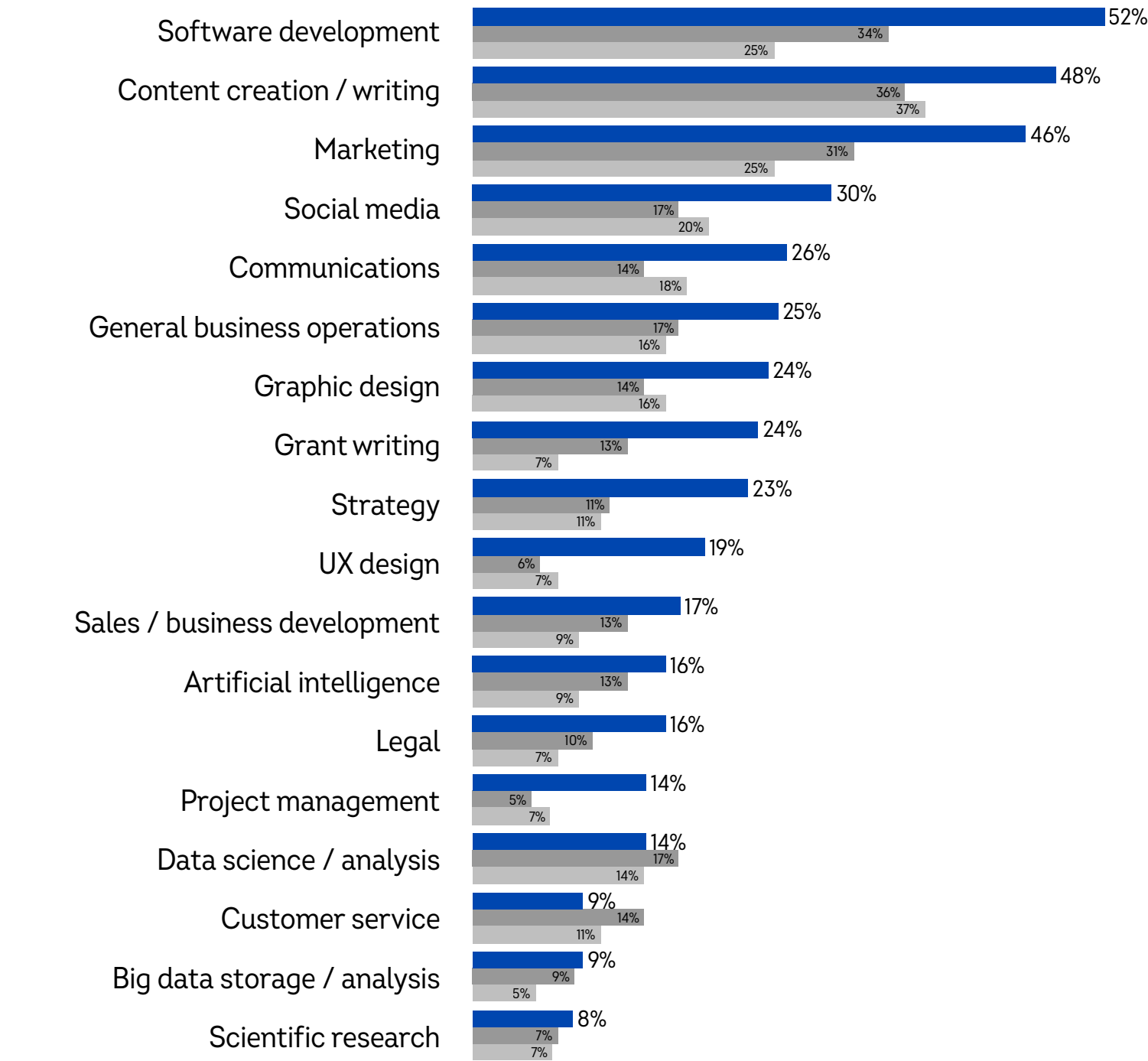
For JurisTechne, this represents an unprecedented opportunity: to shape a future where legal AI is trusted not because it is powerful, but because it is understandable. This is how category-defining companies are born, by making the invisible, visible.

MONA CHIHA
CEO, [JurisTechne](#)

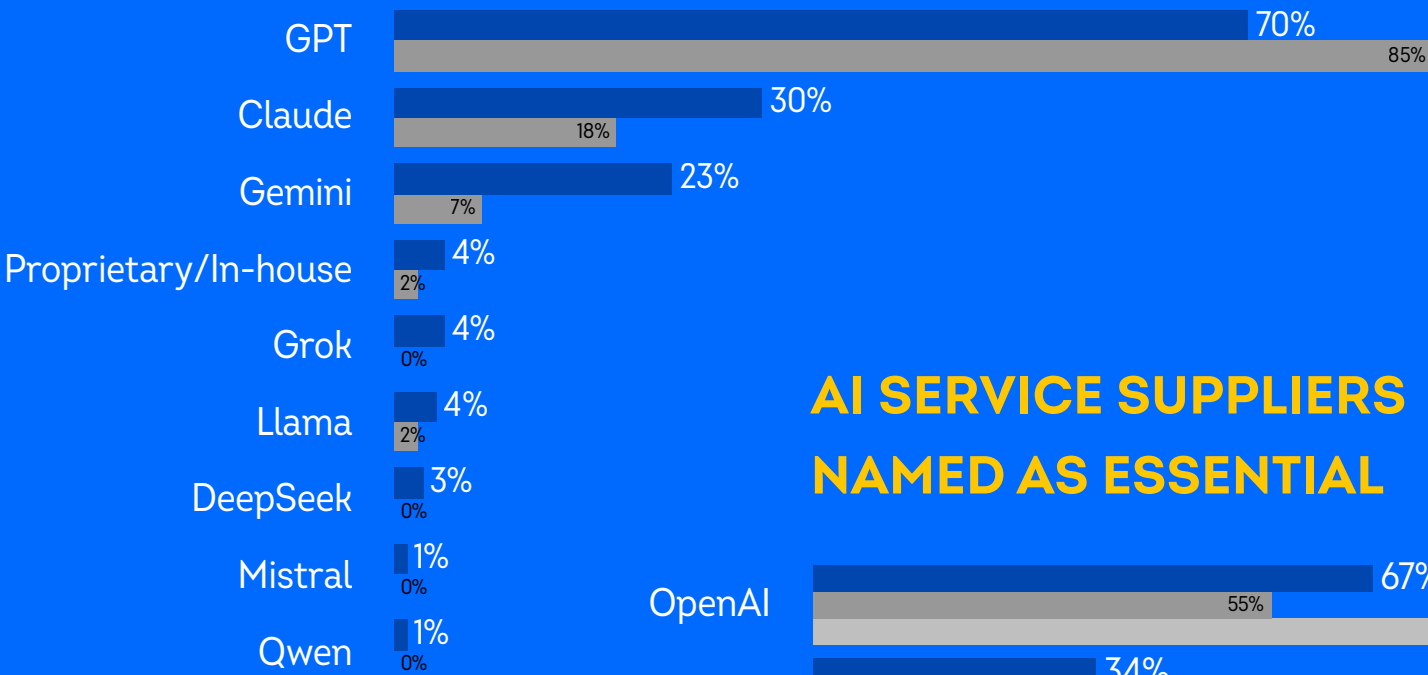
STARTUPS USING AI FOR KEY FUNCTIONS



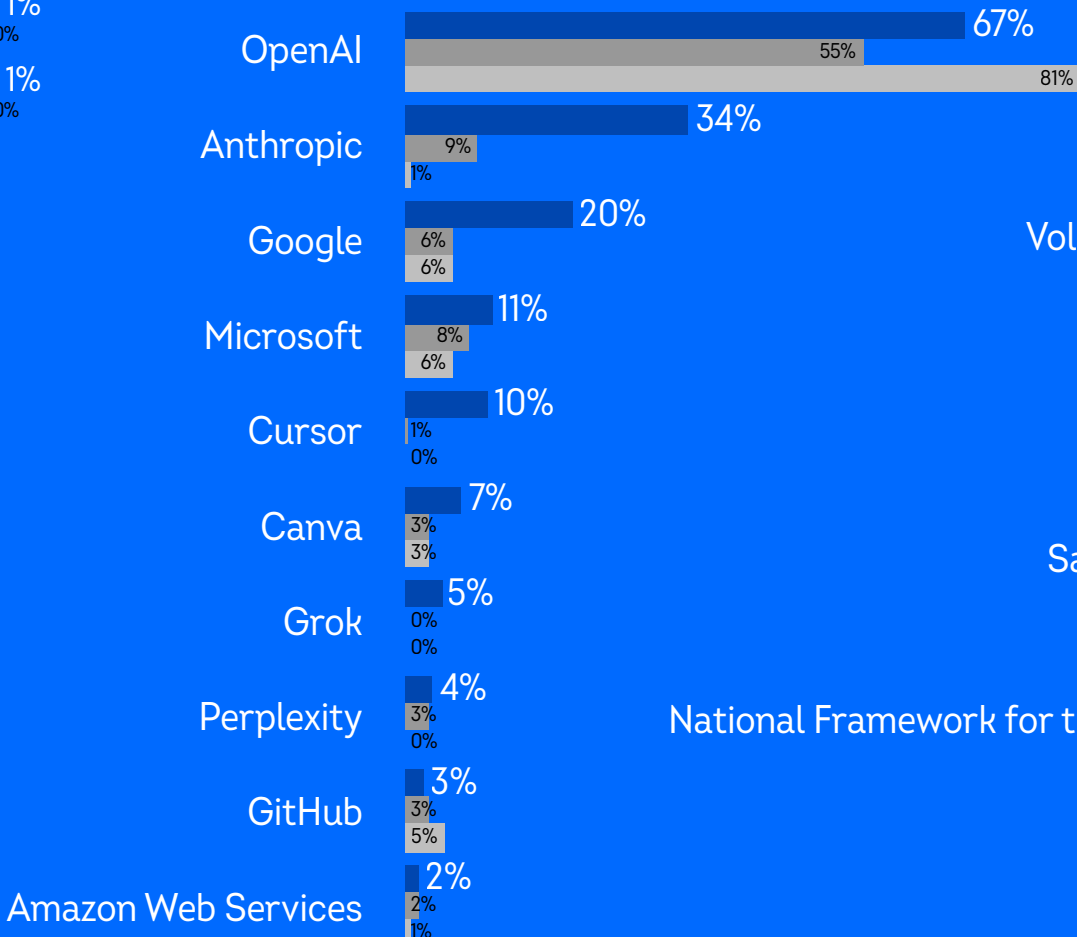
JOB FUNCTIONS PERFORMED OR SUBSTANTIALLY ASSISTED BY AI



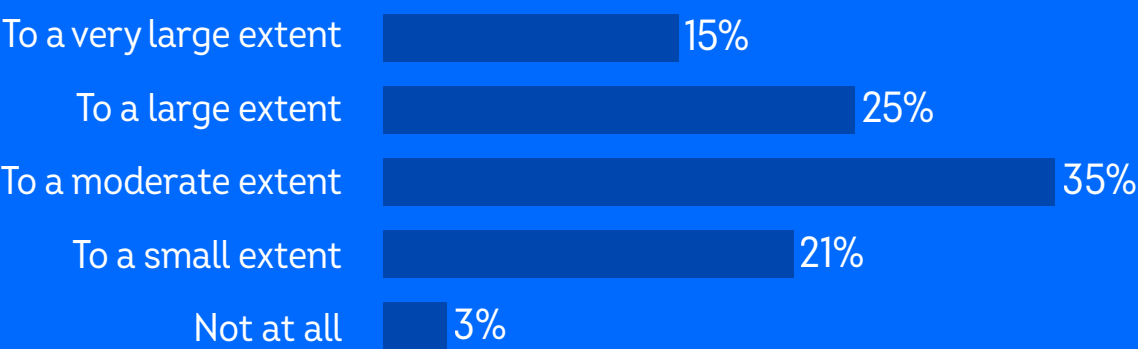
LARGE LANGUAGE MODEL FAMILIES CRITICAL FOR THE DELIVERY OF YOUR PRODUCT OR SERVICE



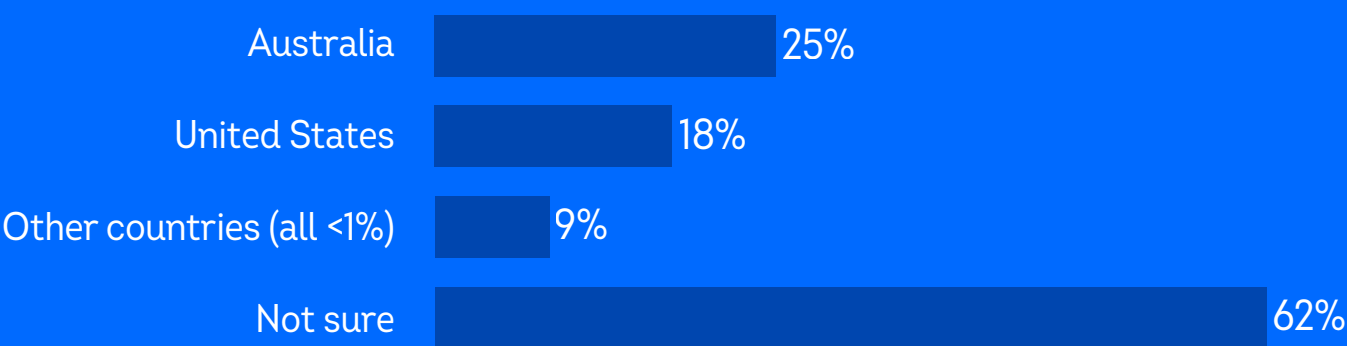
AI SERVICE SUPPLIERS NAMED AS ESSENTIAL



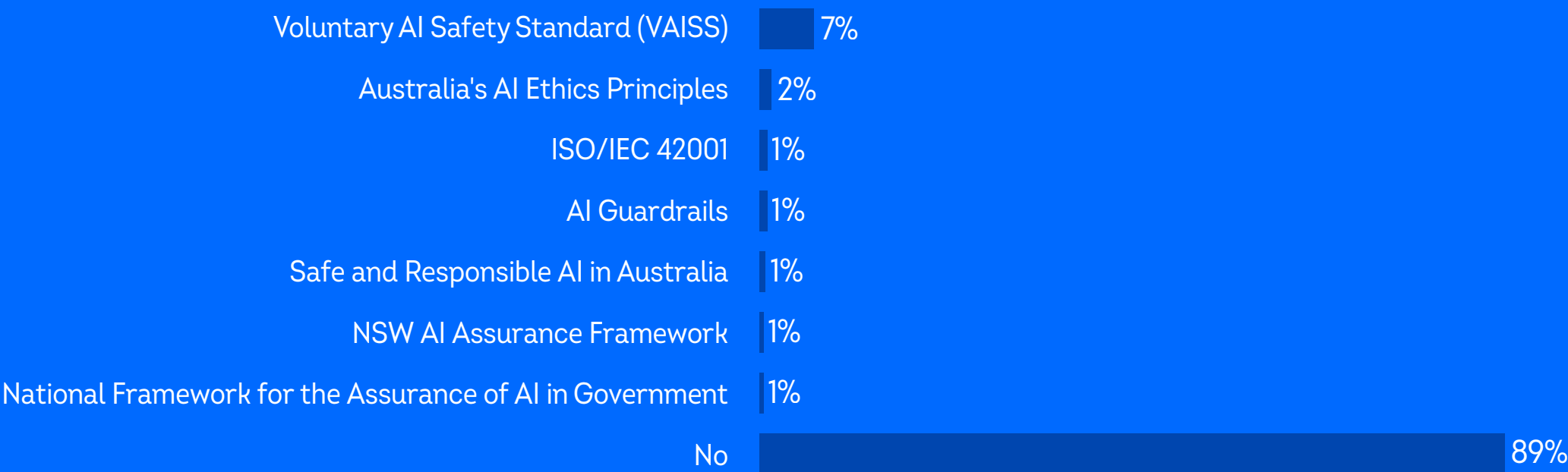
EXTENT TO WHICH FOUNDERS CONSIDER THEY HAVE THE SKILLS AND KNOWLEDGE TO USE AI TOOLS APPROPRIATELY



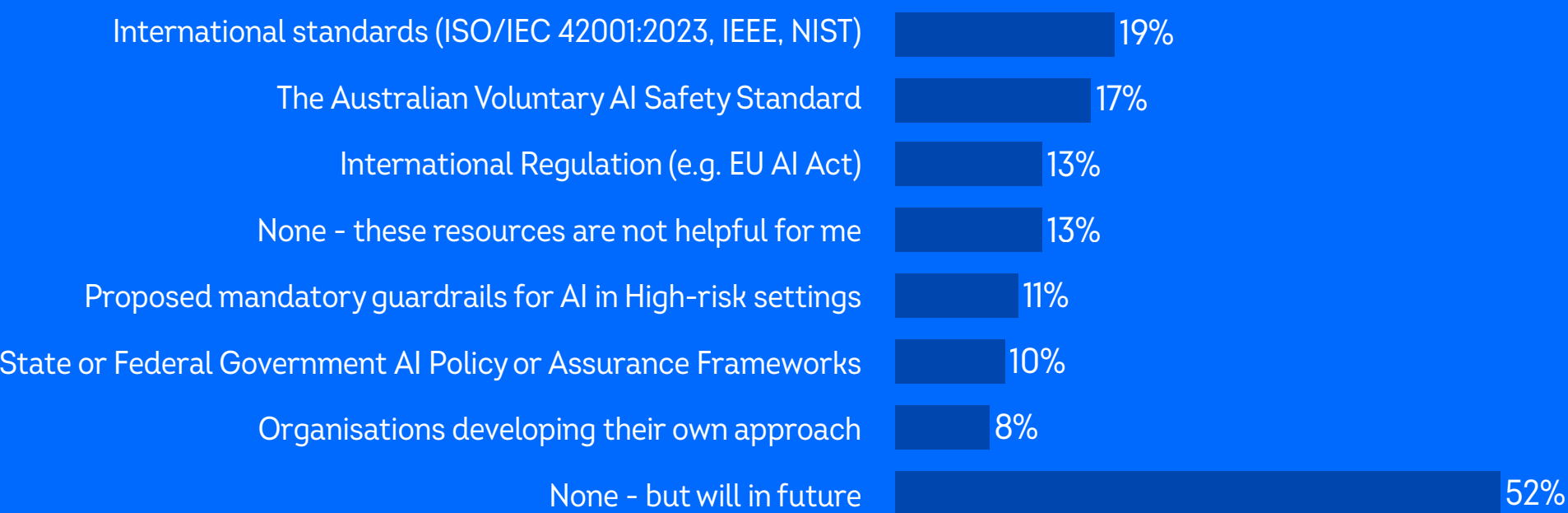
WHERE ARE YOUR LLMS HOSTED



CAN YOU NAME ANY VOLUNTARY AI SAFETY STANDARDS PUBLISHED BY AUSTRALIAN GOVERNMENT



AI GOVERNANCE AND RISK FRAMEWORKS CONSIDERED

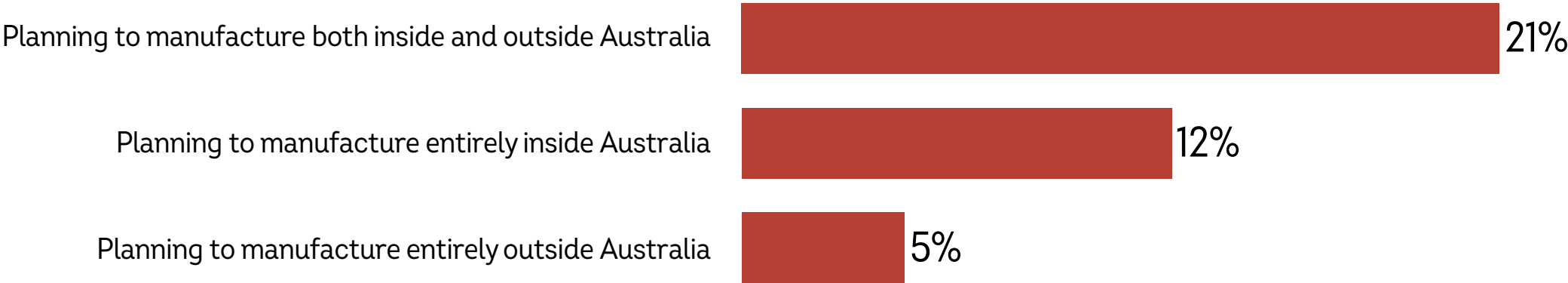


MANUFACTURING

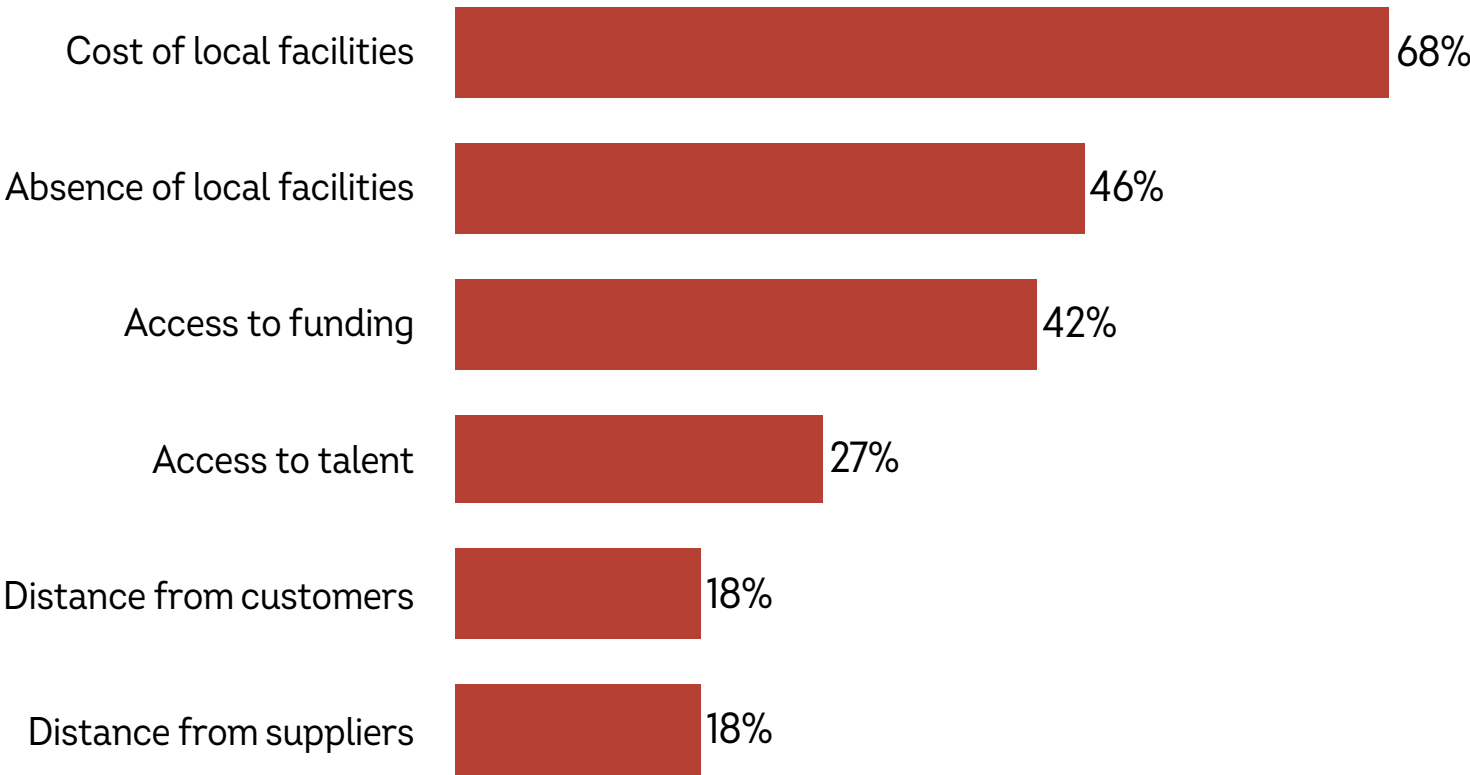
STARTUPS CURRENTLY OR PLANNING TO MANUFACTURE OR ASSEMBLE PRODUCTS

37%

IS YOUR ORGANISATION PLANNING TO MANUFACTURE OR ASSEMBLE PRODUCTS IN FUTURE IN AUSTRALIA (OR CONTINUE DOING SO)



WHAT PREVENTS YOU FROM MANUFACTURING IN AUSTRALIA?



ROY GREEN AM
Emeritus Professor, [UTS](#)

The data collected here for the first time on startups planning to manufacture products in Australia is fascinating, and quite heartening.

Over a third of startups already carry out manufacturing or are planning to do so. Many are 'born global' in the sense that they manufacture abroad as well as in Australia, with 5 per cent exclusively manufacturing outside Australia.

For those not manufacturing, the cost or absence of local facilities is the major factor preventing them from doing so. In other words, reading into the data, they lack access to local innovation ecosystems with low-cost maker spaces, capital equipment, incubator facilities and interactions with a dedicated talent pool.

This once again reinforces the need for public policy to build and promote a network of place-based innovation ecosystems around the country as part of the Future Made in Australia agenda.

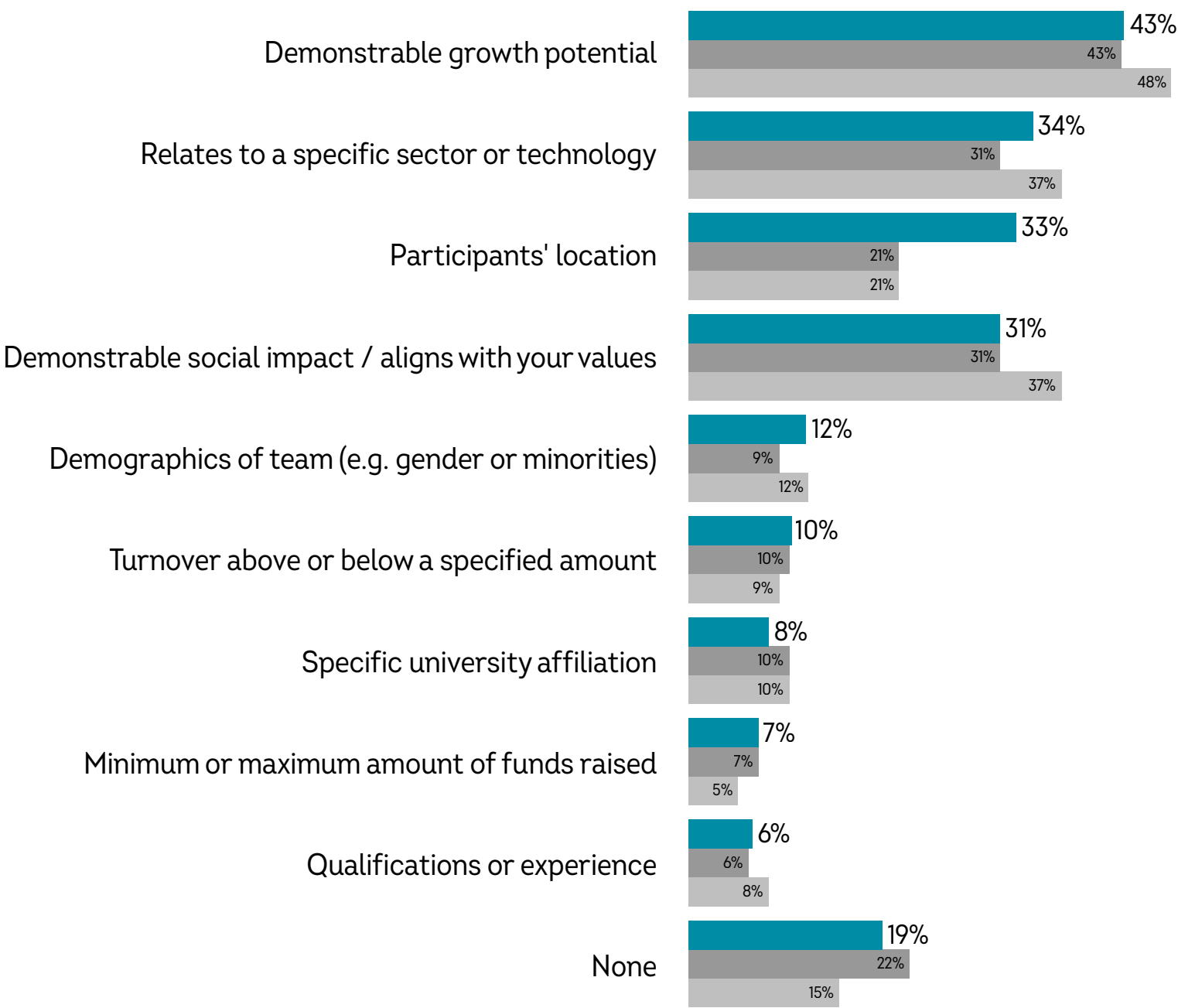
The list of organisations contributing to this result is too long for this section, but includes the Advanced Robotics for Manufacturing (ARM) Hub, Tonsley Innovation Precinct, UTS Tech Lab, Advanced Manufacturing Readiness Facility (AMRF), Parkville Biomedical Precinct, Swinburne Digital Manufacturing Hub, Additive Manufacturing CRC (AMCRC), Advanced Manufacturing Growth Centre (AMGC), Newcastle Future Industries Facility, Lansdown Eco-Industrial Precinct and of course the many sites of CSIRO quietly doing transformative work.

SUPPORTED BY

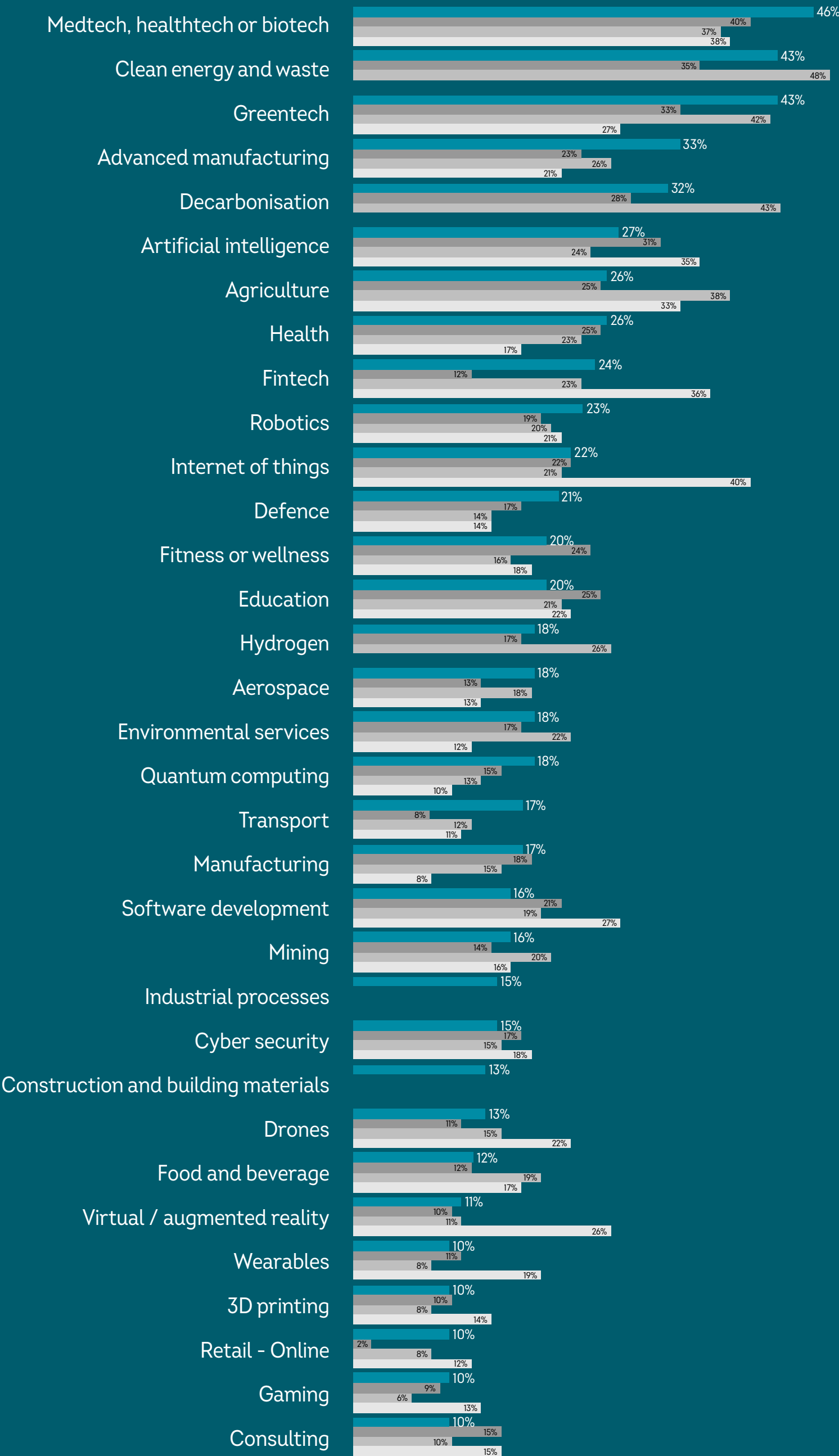
STARTUP SUPPORTERS WITH A FOCUS ON SPECIFIC INDUSTRIES



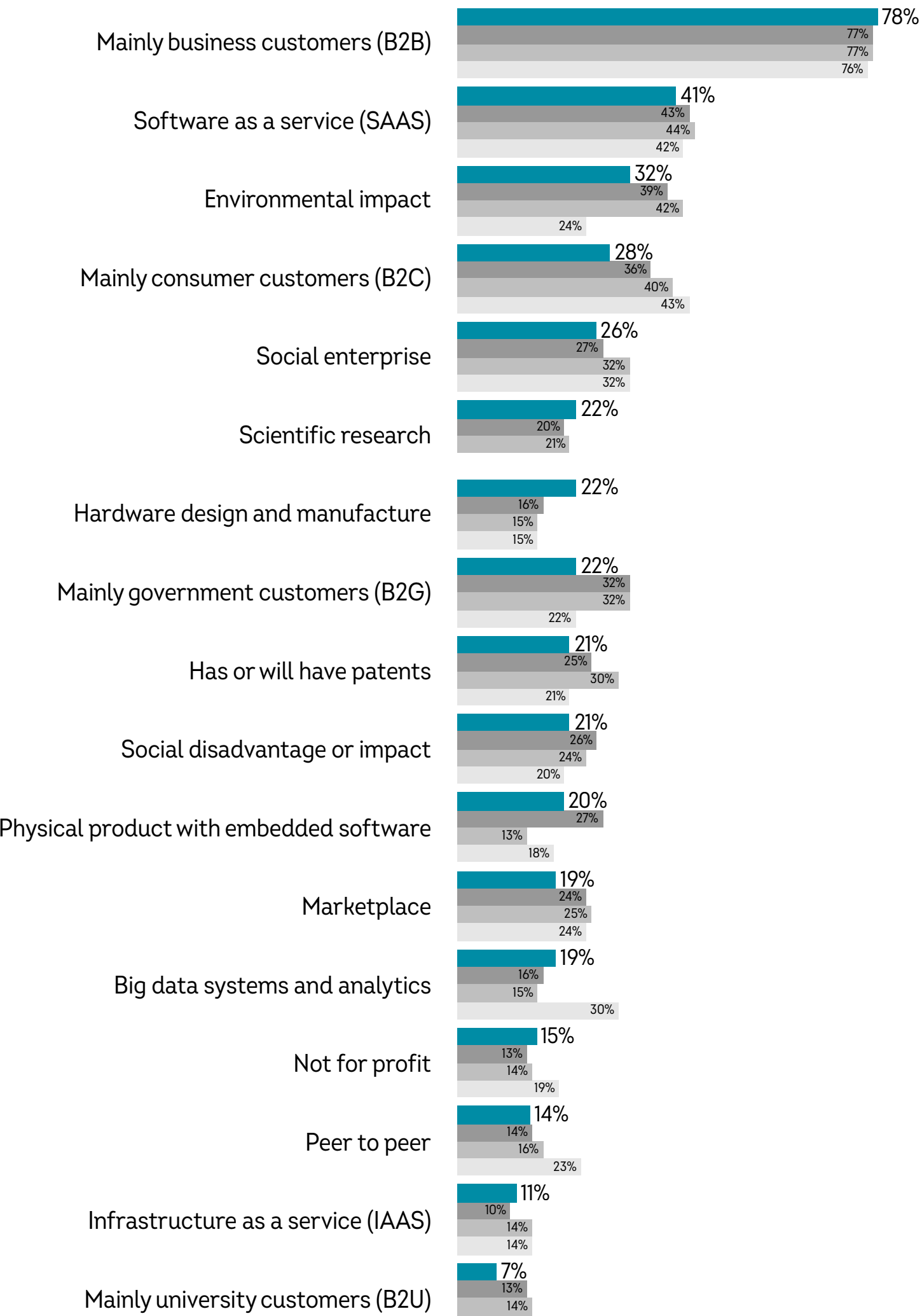
STARTUP SUPPORT ENTRANCE CRITERIA



TOP TARGET INDUSTRIES FOR STARTUP SUPPORTERS

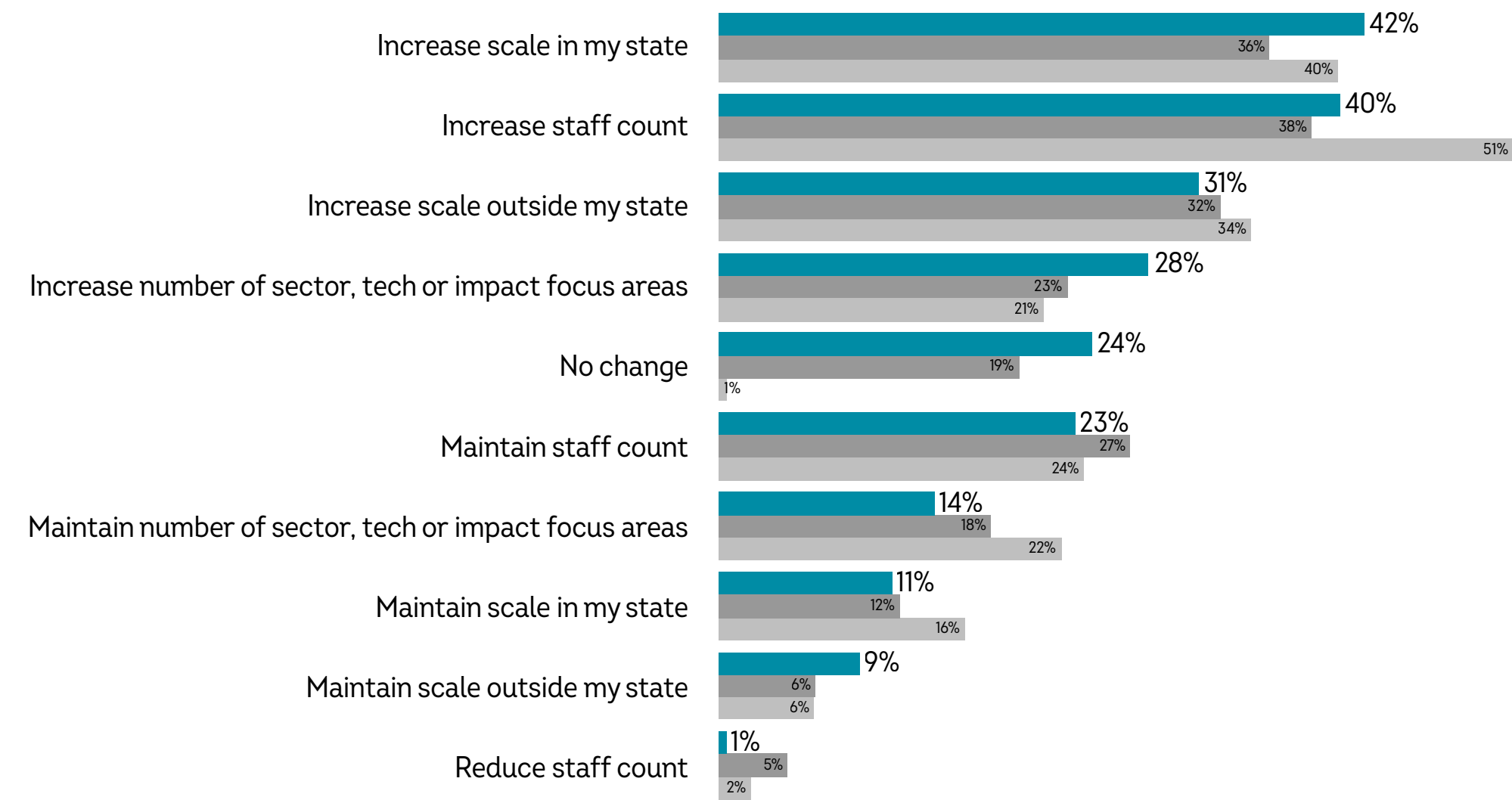


TOP TARGET THEMES FOR STARTUP SUPPORTERS

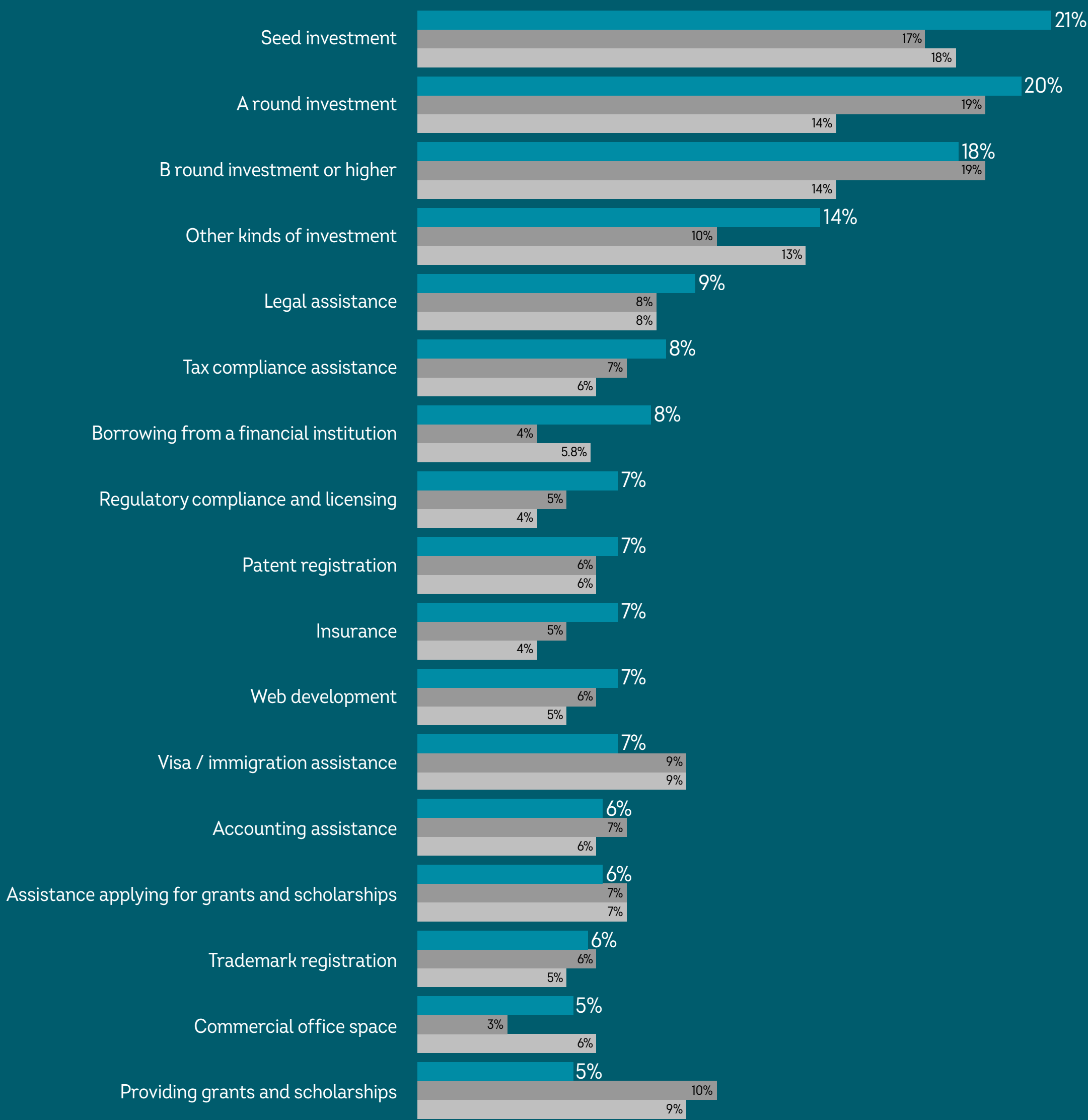


SUPPORTED BY *(cont'd)*

HOW SUPPORTERS EXPECT THEIR PROGRAMS TO CHANGE IN THE NEXT 24 MONTHS



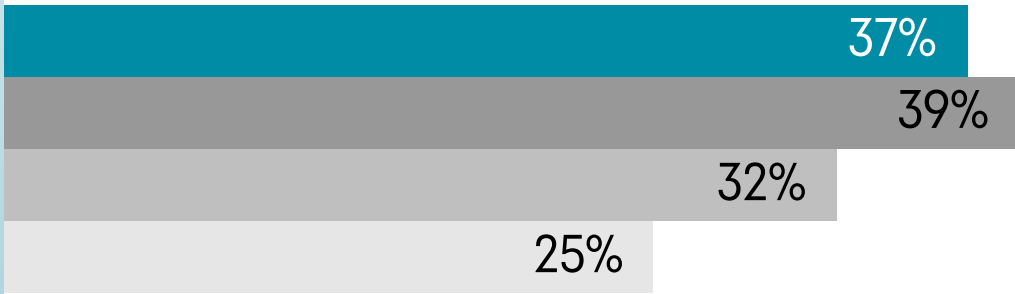
TOP REQUESTS SUPPORTERS RECEIVED BUT COULDN'T HELP WITH



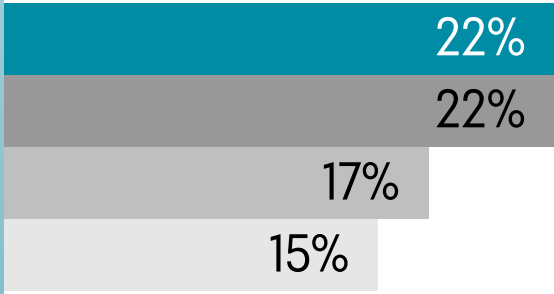
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ACCELERATORS/INCUBATORS/COWORKING

STARTUPS THAT REPORT BENEFITTING FROM AN ACCELERATOR OR INCUBATOR



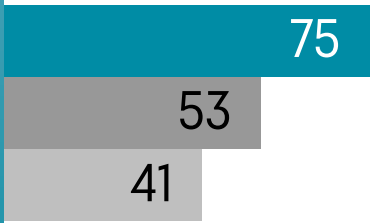
STARTUPS THAT ARE CURRENTLY IN AN ACCELERATOR OR INCUBATOR



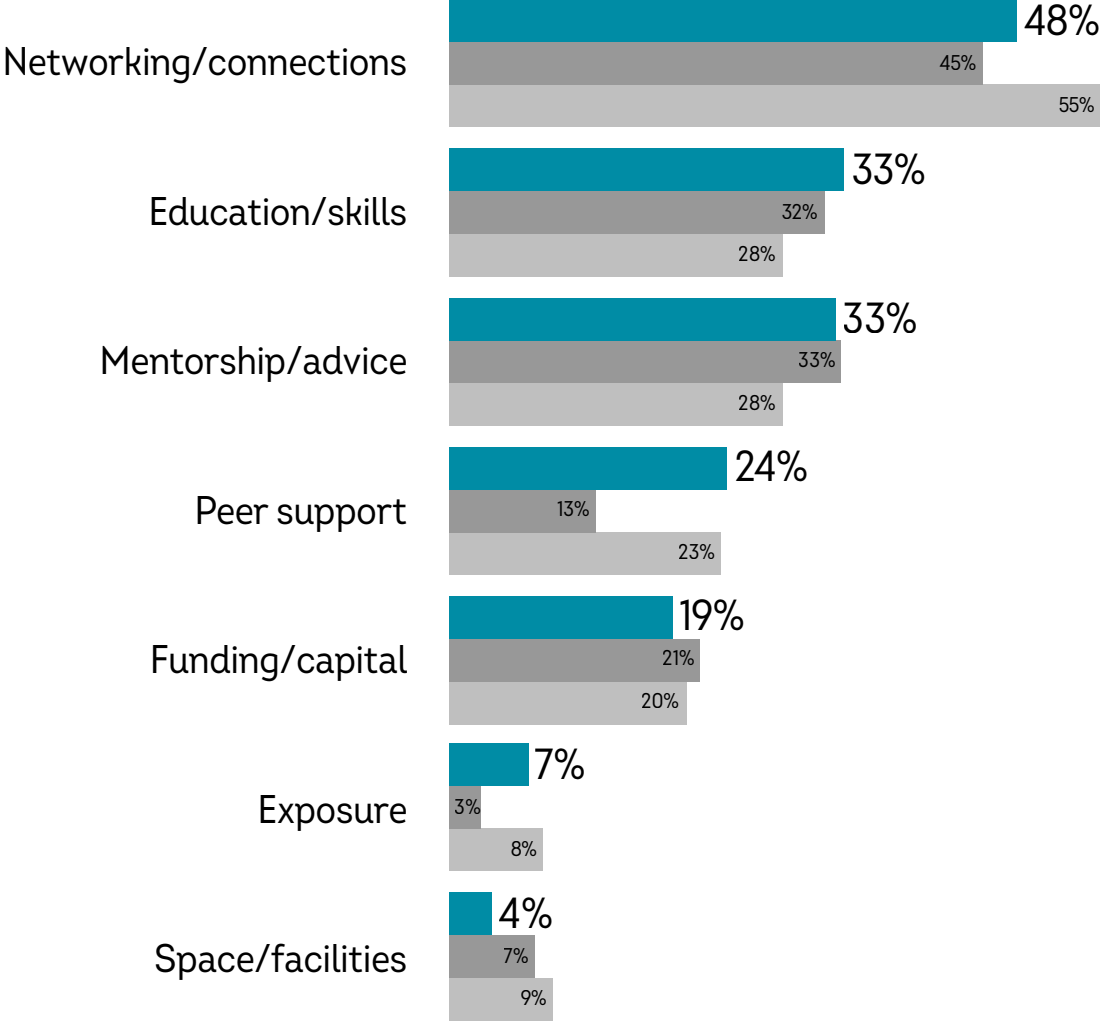
AVERAGE NUMBER OF APPLICATIONS TO ACCELERATORS OR INCUBATORS IN LAST 12 MO



AVERAGE NUMBER OF STARTUPS SUPPORTED BY ACCELERATORS OR INCUBATORS IN LAST 12 MO



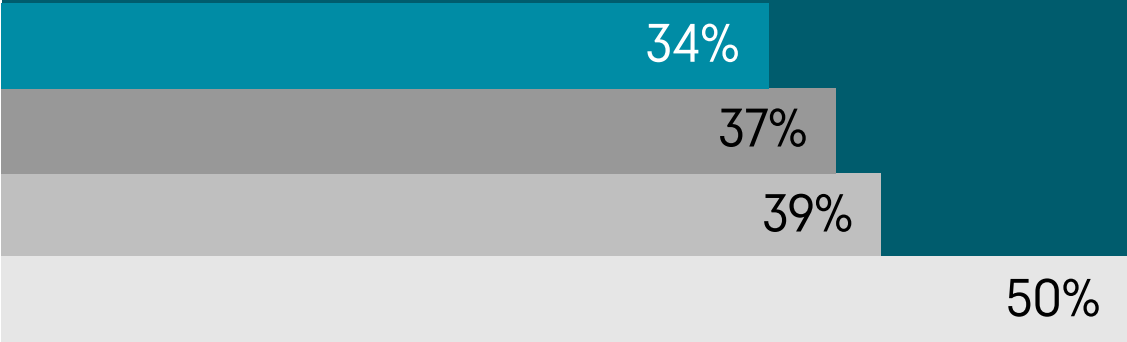
BENEFITS OF ACCELERATORS/ INCUBATORS



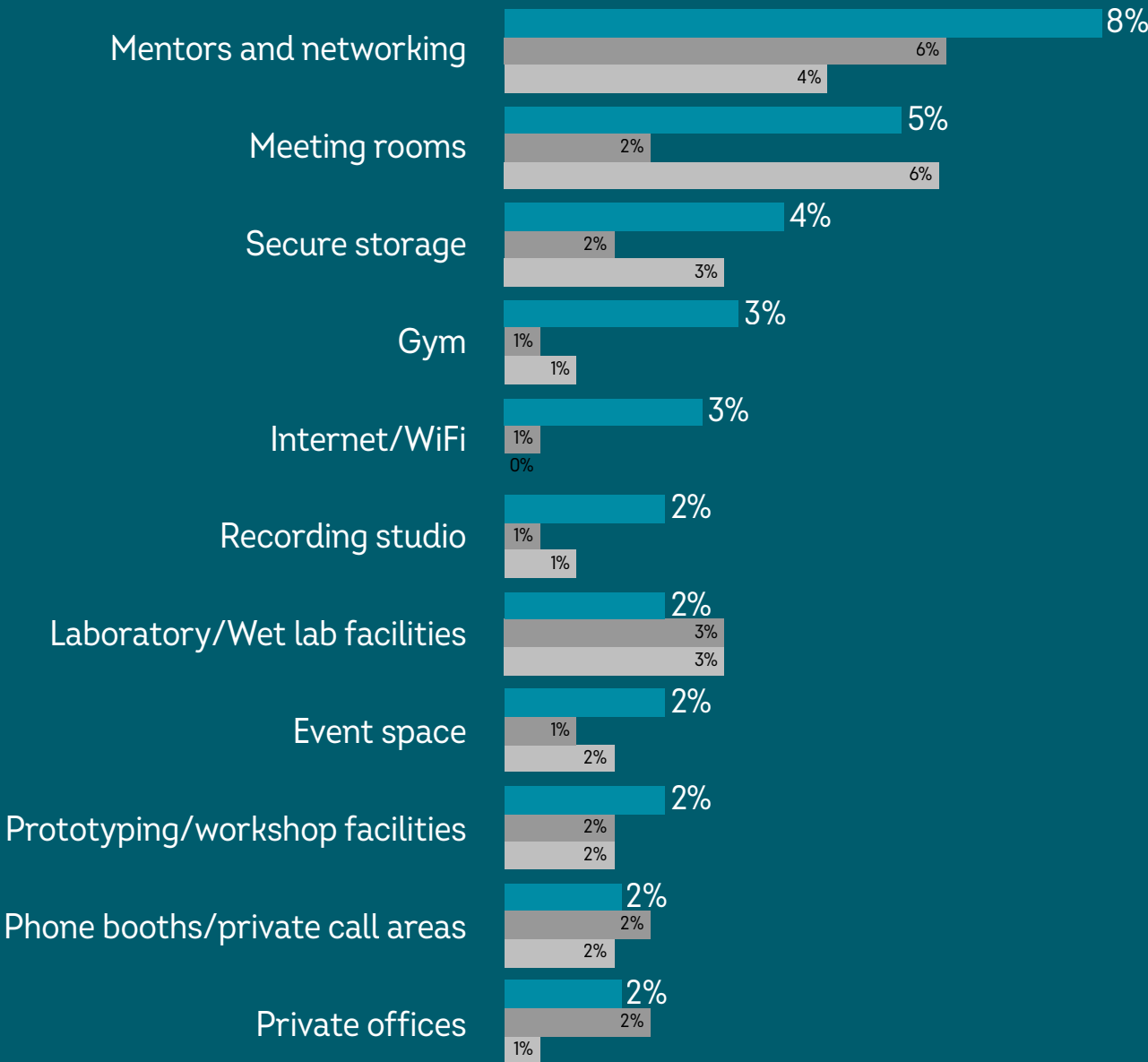
AUSTRALIA'S MOST RECOMMENDED ACCELERATORS/INCUBATORS

- 1st. I2N - University of Newcastle
- 2nd (equal). LaunchPad - WSU
- 2nd (equal). EnergyLab
- 2nd (equal). UNSW Founders
- 3rd. CSIRO On/RISE/Gap Blitz
- 4th. Startmate

STARTUPS THAT REPORT BENEFITTING FROM A COWORKING SPACE



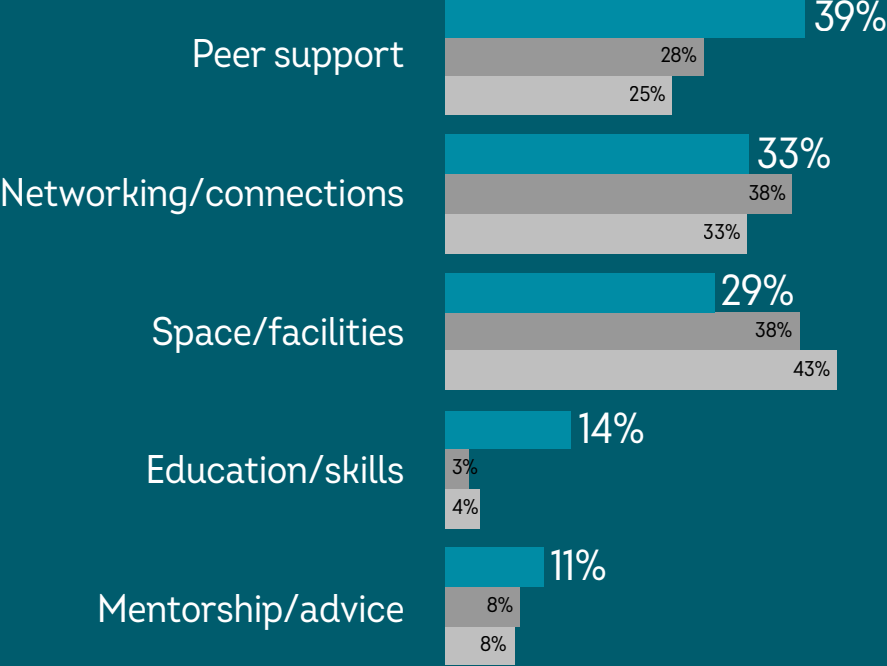
THINGS MISSING FROM COWORKING SPACES



AUSTRALIA'S MOST RECOMMENDED COWORKING LOCATIONS

- 1st. Stone & Chalk
- 2nd. UTS Startups
- 3rd (equal). Spacecubed
- 3rd (equal). Fishburners
- 4th (equal). WeWork
- 4th (equal). ThincLab
- 5th. Greenhouse
- 6th (equal). The Precinct
- 6th (equal). CBRIN

BENEFITS OF COWORKING



INCUBATOR INSIGHT



The 2025 Startup Muster Report confirms what I see every day: Founders thrive when they're close to the right people. More and more, founders are part of incubators, accelerators and innovation precincts because being around other ambitious people accelerates learning, sharpens capability, and builds momentum you just can't get alone. The data backs what startup supporters have known for years - proximity matters. When founders can bump into other founders, mentors, investors and operators in the same building, the quality and speed of decisions improves.

Peer-to-peer learning has become one of the most valuable tools a founder can have. Founders want real stories, shared experiences, and practical guidance. In a world where speed defines advantage, compressing months of trial and error into days through a trusted peer network is powerful. It's not just about networking - it's about structured, honest conversations about what actually worked, what failed, and what you'd do differently next time. That kind of lived experience is now as important as capital, and in many cases, a prerequisite to using capital well.

Coworking and incubator spaces are central to this. Over one in three startups report direct benefits, showing these environments still matter - even as the ecosystem evolves faster than many traditional models can keep up. For the second year running Stone & Chalk is proud to be named Australia's most recommended coworking location. On the ground we see founders asking for deeper community, structured learning, and stronger support for scaling and raising capital. They're also asking for help with the hard things: navigating regulation, accessing talent, understanding AI, and building the internal systems that allow them to scale beyond the founding team.

The report also underlines a shift in what value looks like for founders. It's no longer enough for startup support organisations to offer a desk and occasional events. The next generation of support is about coordinated introductions to customers and investors, access to domain experts, practical help with governance and capital raising, and curated programs that meet founders where they are - whether they're at idea stage, post-revenue, or preparing to go global. Wellbeing and resilience are emerging as real issues too, founders want communities where they can talk honestly about burnout, pressure and uncertainty, not just metrics and milestones.

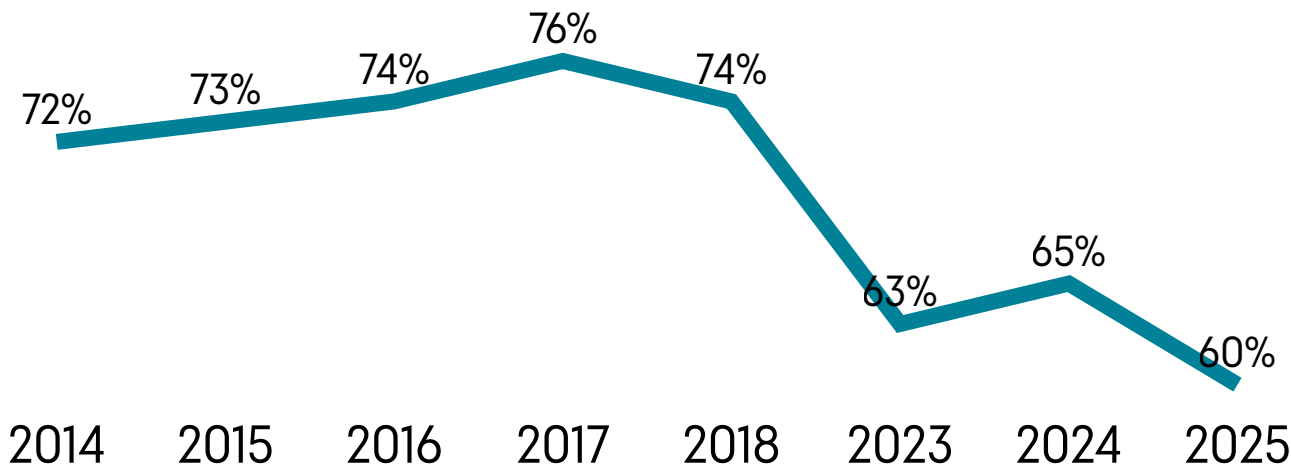
Over the last 10 years at Stone & Chalk we have to build a founder-first, community-driven environment. We've supported over 1,500 startups, helped raise more than \$4 billion, and facilitated thousands of founder-to-founder connections. With precincts growing - especially Sydney's Tech Central Innovation Hub - the opportunity is clear: to build a connected, high velocity village of founders, corporates, investors, and peers, tackling the world's biggest challenges together. If we get this right, the next Startup Muster won't just report on more startups, it will report on more successful, resilient, globally competitive companies that grew up inside strong, connected communities.

CHRIS KIRK
CEO, [Stone & Chalk Group](#)

SUPPORTED BY (cont'd)

EVENTS

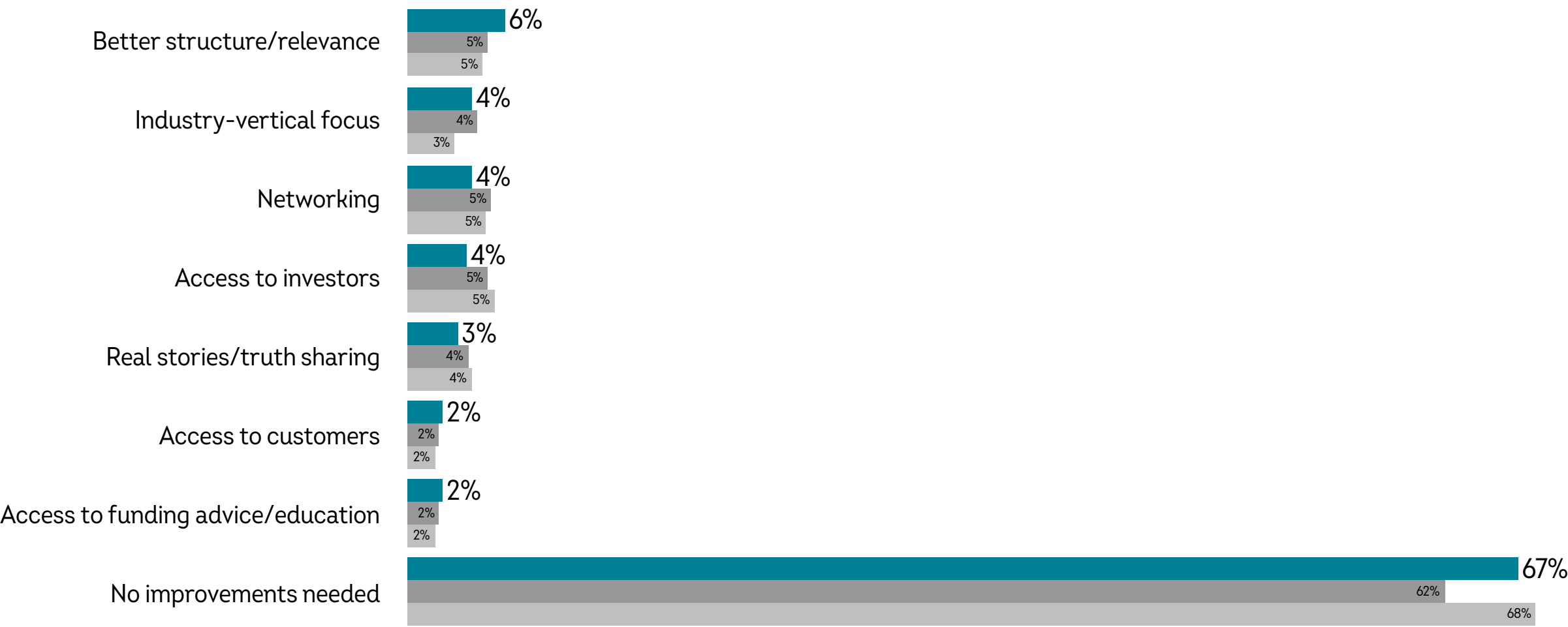
PROPORTION OF FOUNDERS ATTENDING AT
LEAST ONE EVENT PER MONTH



AUSTRALIA'S MOST RECOMMENDED ANNUAL FESTIVALS

- 1st. **_SOUTHSTART**
- 2nd. Tropical Innovation Festival
- 3rd. South by Southwest Sydney
- 4th. Sunrise
- 5th. West Tech Fest
- 6th. EvokeAg
- 7th (equal). Forward Fest
- 7th (equal). Spark Festival
- 7th (equal). Something Tech
- 7th (equal). Digital Health Festival
- 8th. Tech23
- 9th (equal). Intersekt
- 9th (equal). Climate Salad
- 10th. Something Fest

WHAT FOUNDERS WANT TO
SEE IN STARTUP EVENTS



MENTORSHIP

TOP BENEFITS OF
MENTORSHIP



AREAS WHERE MORE
MENTORSHIP IS NEEDED



FOUNDERS THAT THOUGHT THEY
HAD ADEQUATE MENTORSHIP



FUNDING

STARTUPS THAT NEED FUNDING TO CONTINUE



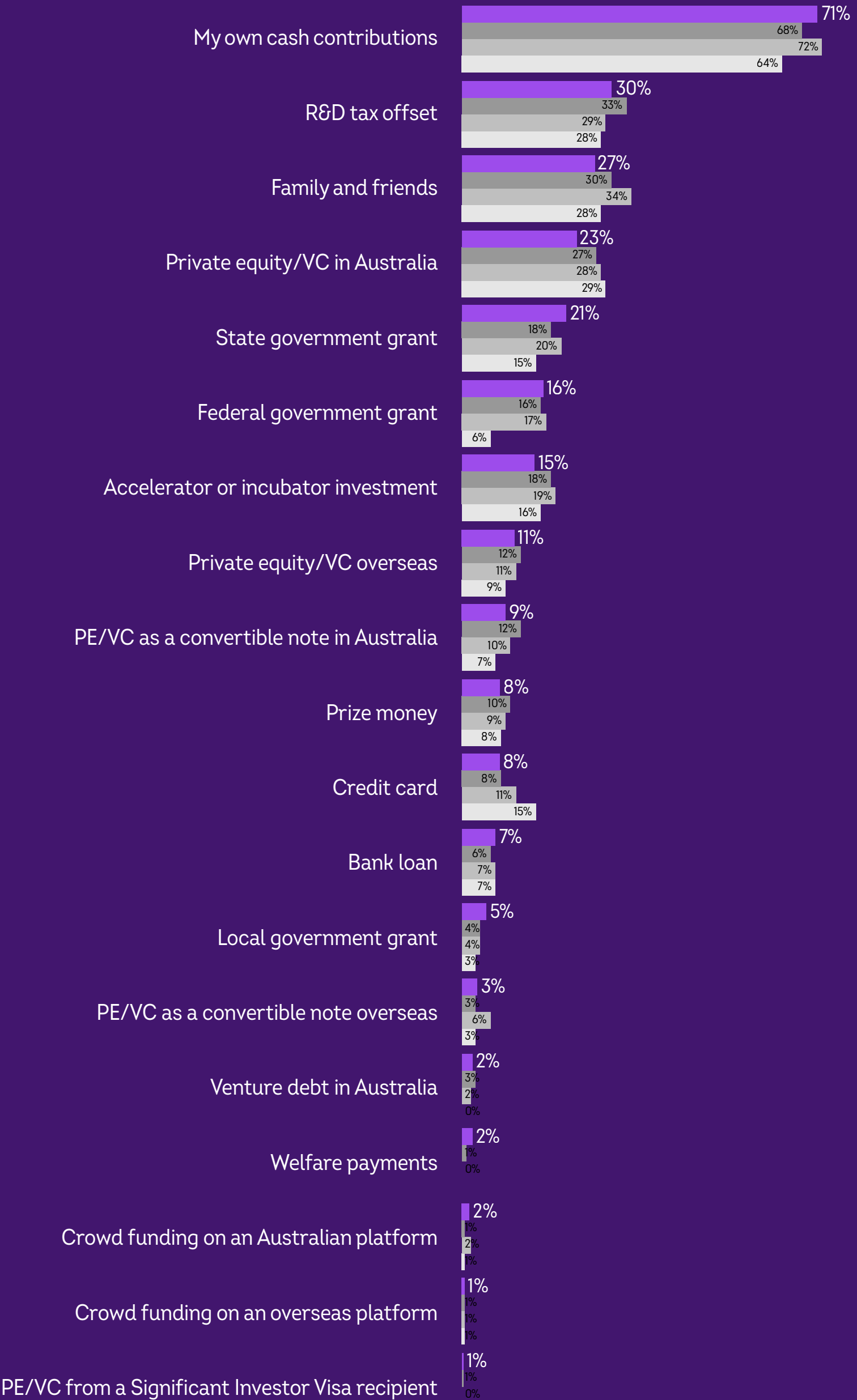
RUNWAY IN MONTHS FOR THOSE STARTUPS



STARTUPS CURRENTLY TRYING TO RAISE FUNDING

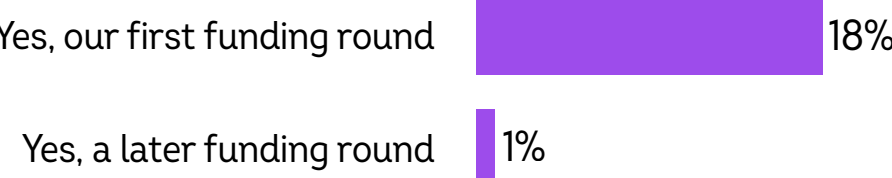


FUNDING SOURCES IN USE

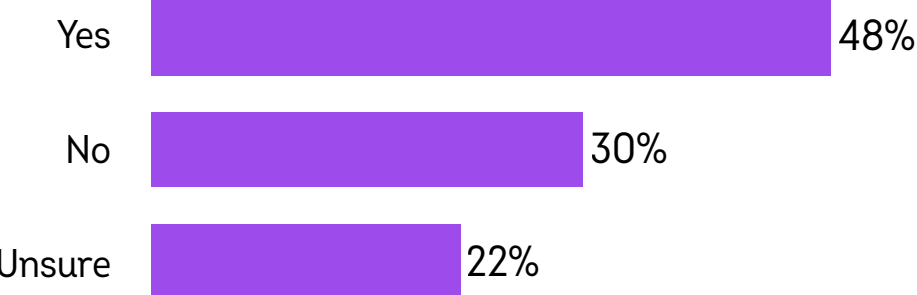


EARLY STAGE VENTURE CAPITAL LIMITED PARTNERSHIPS (ESVCLPs)

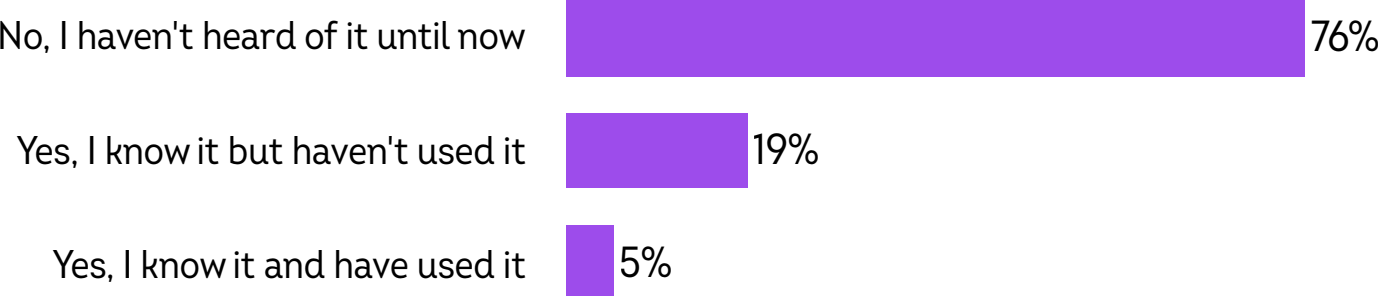
FOR FUNDED STARTUPS: HAS FUNDING BEEN OBTAINED FROM AN ESVCLP?



FOR STARTUPS WITH ESVCLP FUNDING, DID IT HELP SECURE FURTHER FUNDING?



ARE FOUNDERS AWARE OF GOVERNMENT'S ESVCLP LIST?



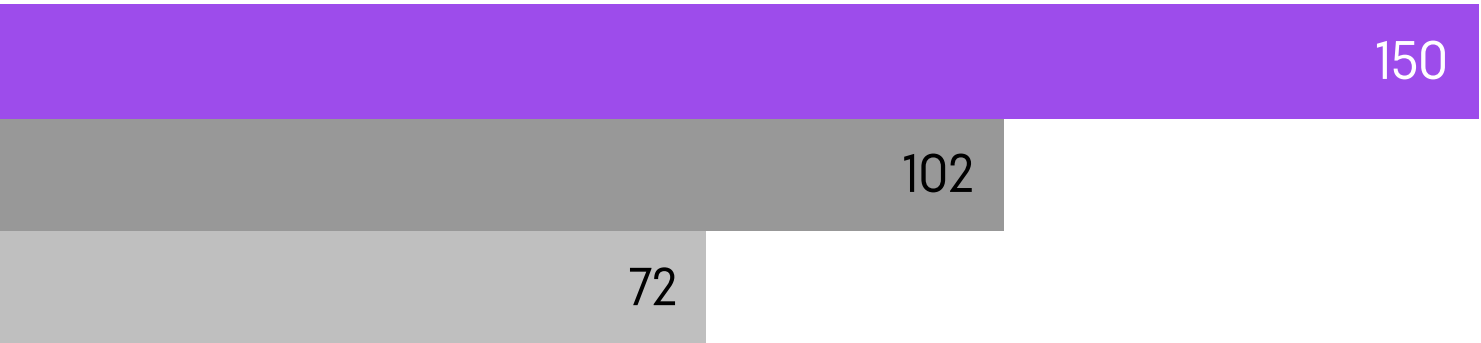
View the ESVCLP list [here](#).

FUNDING

HOURS SPENT ON SUCCESSFUL FUNDRAISING



NUMBER OF INVESTORS SPOKEN TO



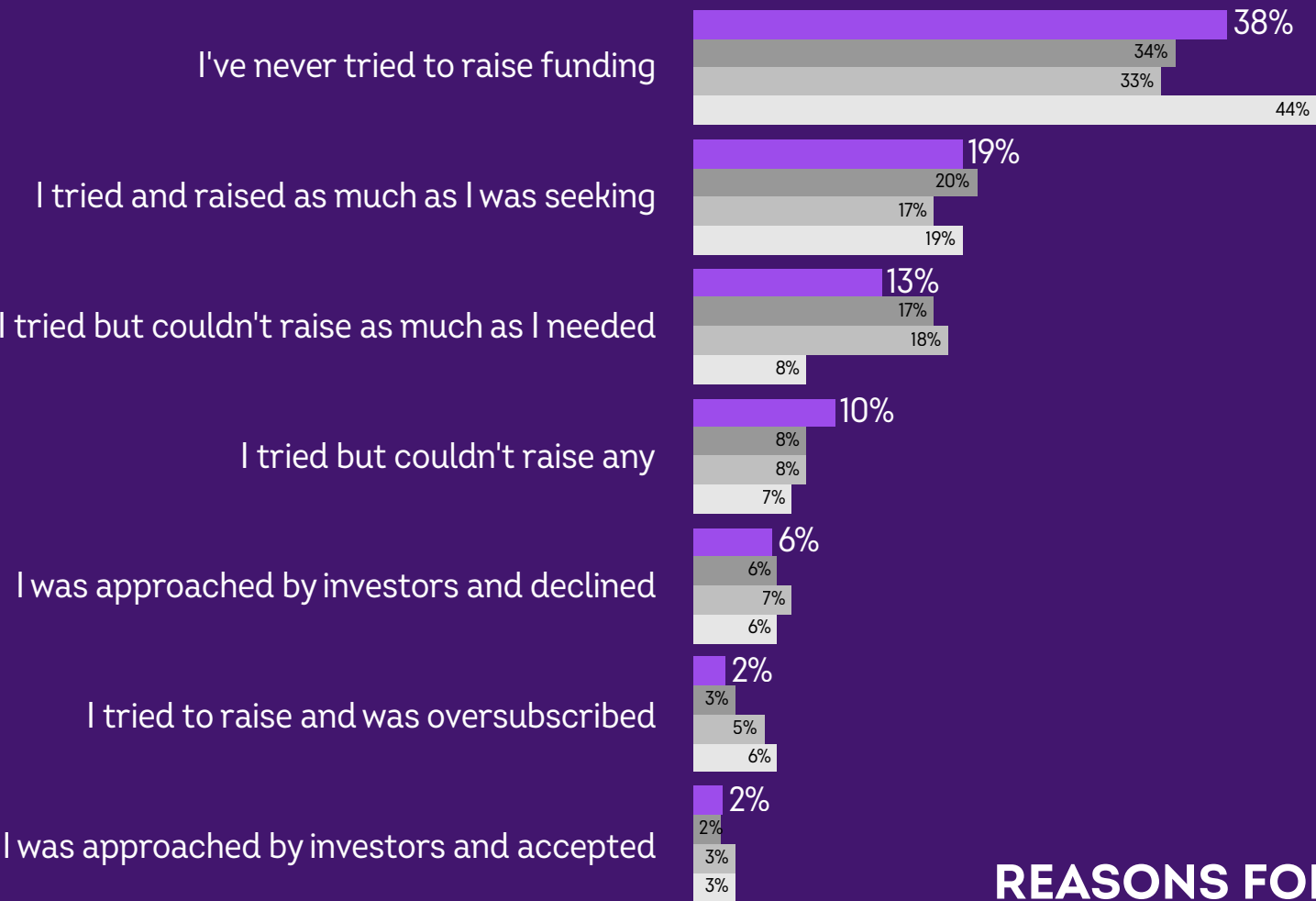
WOULD STARTUPS WITH VC FUNDING RAISE AGAIN?



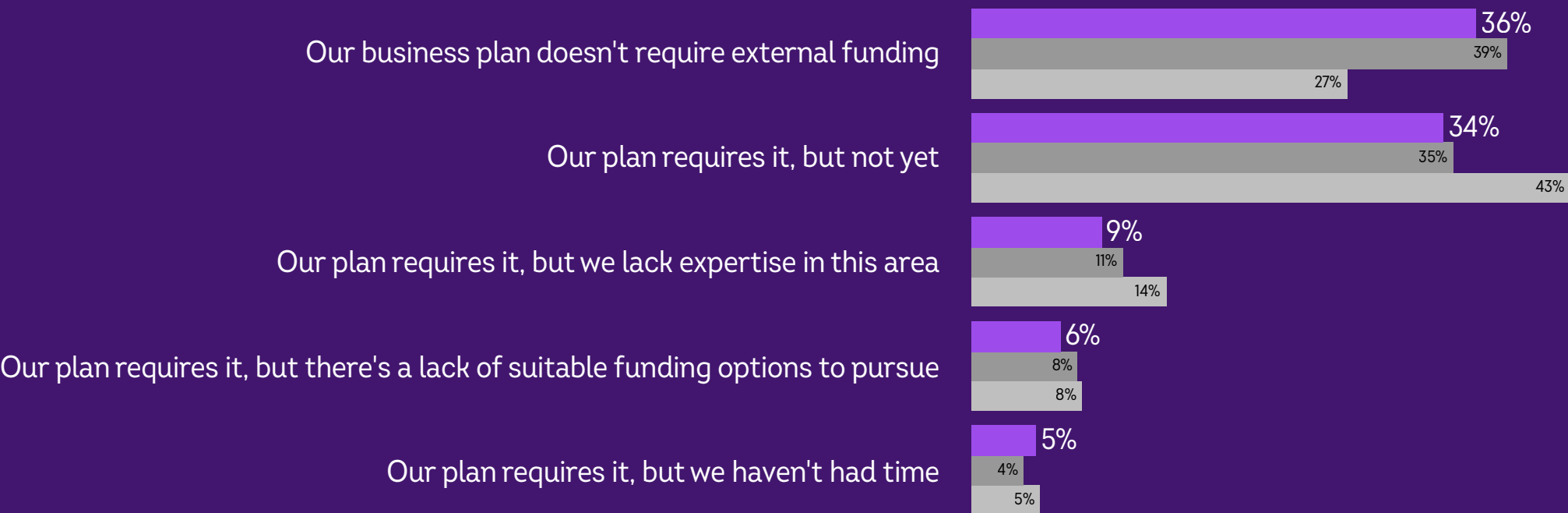
DO STARTUPS WITH FUNDING HAVE INVESTORS WHO ARE ALSO CURRENT OR PLANNED CUSTOMERS?



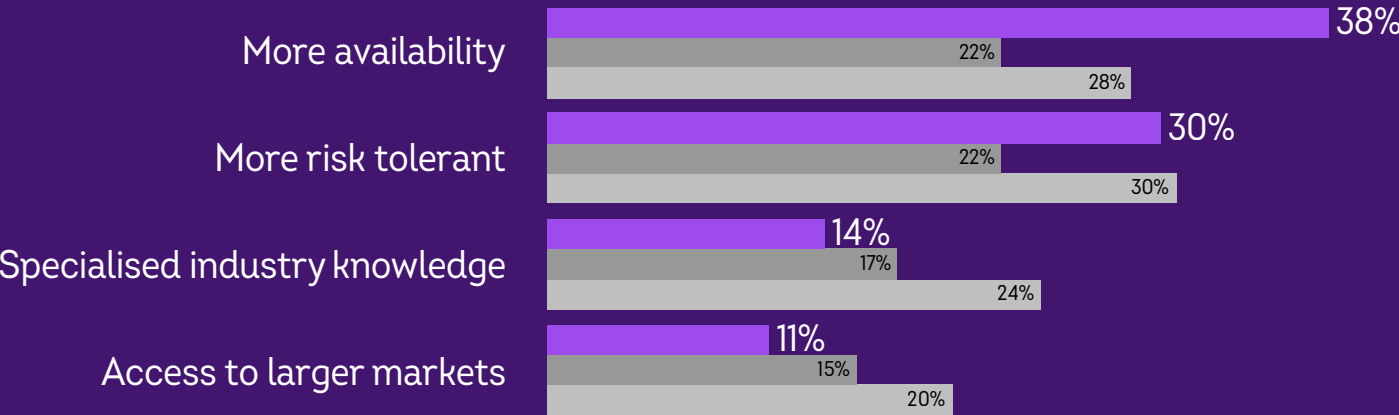
FUNDRAISING EXPERIENCE



REASONS FOR NOT ATTEMPTING TO RAISE FUNDING

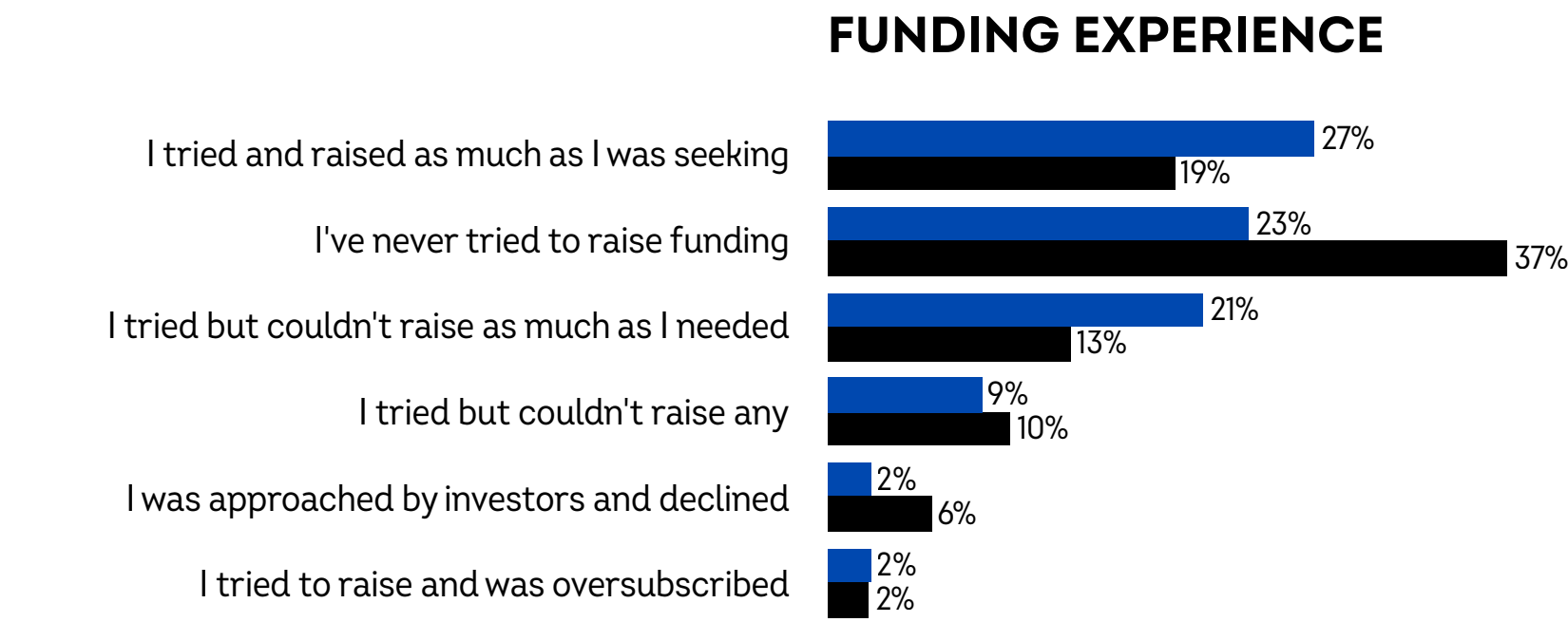
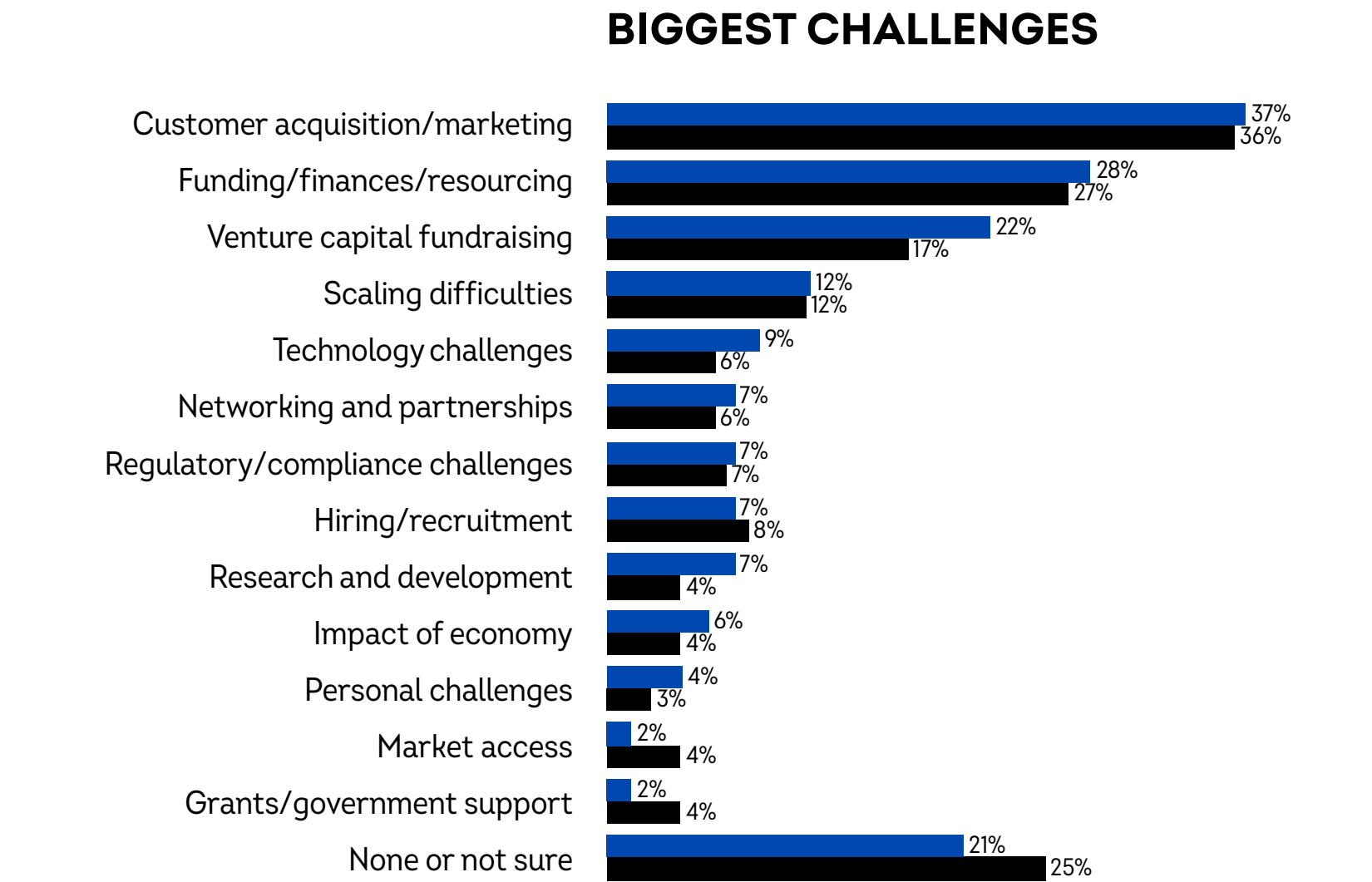


REASONS FOR USING OVERSEAS INVESTORS

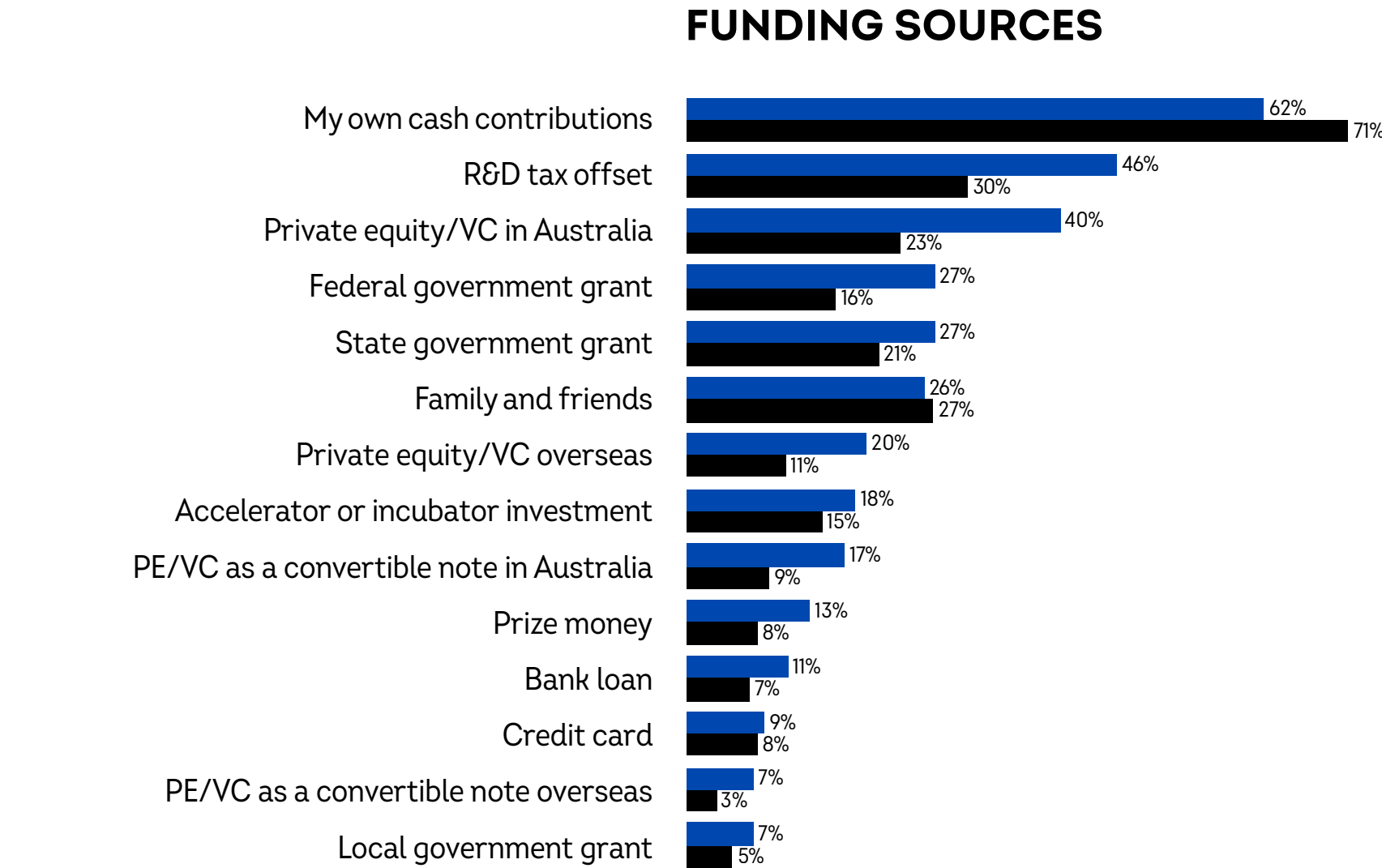
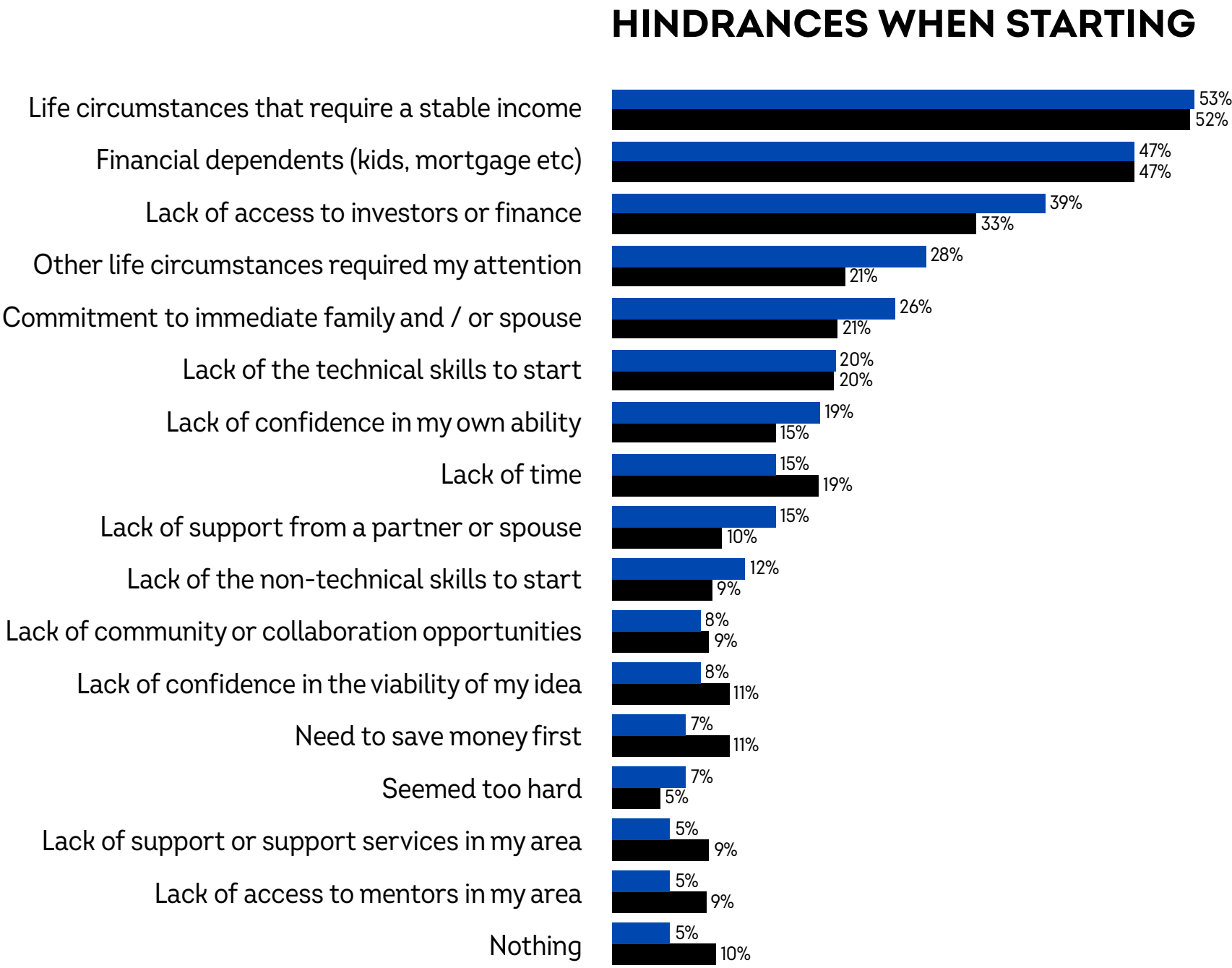


DEEP TECH COMPARISON

PROPORTION OF STARTUPS THAT ARE DEEP TECH



2025 (deep tech) ■ 2025 (all)



Participants were considered to be deep tech if they were started as a result of a research commercialisation process, or selected “scientific research” as a theme that applied strongly to their product or service, followed by manual review. 91 matching deep tech startups were identified.

PROPORTION OF FOUNDERS WITH PHDS



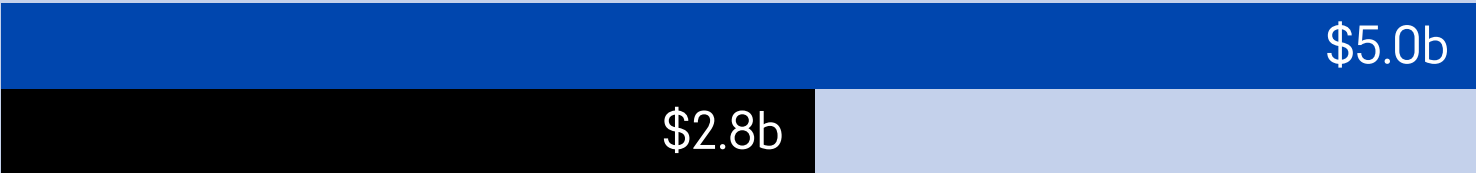
CURRENT FULL TIME EMPLOYEES



NUMBER OF NEW HIRES PLANNED IN NEXT YEAR



MEDIAN EXPECTED ADDRESSABLE MARKET



EXPECTED YEARS TO ADD \$10M IN ANNUAL REV



NEED EXTERNAL FUNDING TO CONTINUE OPERATING



MEDIAN SIZE OF NEXT FUNDING ROUND



DEEP TECH INSIGHT

BIGGER, HARDER & NECESSARY: DEEP TECH IS AUSTRALIA'S NEXT FRONTIER



Deep tech is the engine of the next wave of industrial, environmental and geopolitical transformation. Around the world, governments and investors are turning toward breakthroughs in biology, advanced manufacturing, space, energy, and AI because these are the technologies that solve the hardest problems and deliver the deepest strategic advantage. The data in this year's Startup Muster paints a picture of the formation stage, deep tech sector already exhibiting the distinct signature of globally relevant ambition.

While this sample captures early-stage ventures, Australia's deep tech sector includes established success stories like Morse Micro, Q-CTRL, v2food and others reaching commercial scale – proof that the pathway exists when capital and capability align.

This year's deep tech sample captures companies that are at the beginning of their commercial journey. The financing data tells this story clearly: 62% of deep tech companies remain self-funded, and those seeking capital are targeting a median next round of \$1.3 million. Compared with the broader dataset, which shows a median next round of just \$0.5 million, deep tech companies are raising more than twice the capital even at these early stages.

It reflects that deep tech doesn't progress through incremental, low-cost steps. Companies building pilot plants, demonstrating new energy systems, validating biotech pathways, or proving complex hardware simply cannot inch their way forward. They need capital to reach the next stage of proof.

This structural capital intensity also explains why 78% of deep tech startups report that they require funding to continue operating, compared with 67% of the full cohort. These ventures often face long engineering cycles, regulatory pathways, scientific uncertainty and the burden of physical infrastructure—all of which push them into a different gravitational field than software startups.

Even so, their timeline to reach \$10 million in annual revenue is only slightly longer than the ecosystem average, showing both their urgency and their disciplined commercial focus.

Deep tech accounted for 19% of this year's responding companies. This is slightly lower than last year's 22% and well behind international patterns. Global datasets, such as Carta's, show deep tech now representing a significantly larger share of funded startups in the US, now closer to 36% of funded companies. That divergence is not because Australia lacks opportunity. Rather, it reflects the global acceleration of sovereign technology, fuelled by geopolitics, defence investments, industrial policy, and a renewed belief in science-driven innovation. Australia's deep tech share will rise, not fall, in the coming years.

Founder ambition in the sector remains high. Deep tech founders posit a median addressable market of \$5 billion, larger than the \$2.8 billion median across the full dataset. This is consistent with the nature of deep tech: these companies aim at markets shaped by planetary-scale transitions—climate resilience, advanced manufacturing, food security, sovereign capability, and frontier computing. Their potential impact is correspondingly large.

The world needs more deep tech, and Australia has the opportunity to build it if we match the ambition of our founders with the capital, infrastructure and urgency of their work demands.

PHIL MORLE

Partner, [Main Sequence](#)

CLIMATE TECH COMPARISON

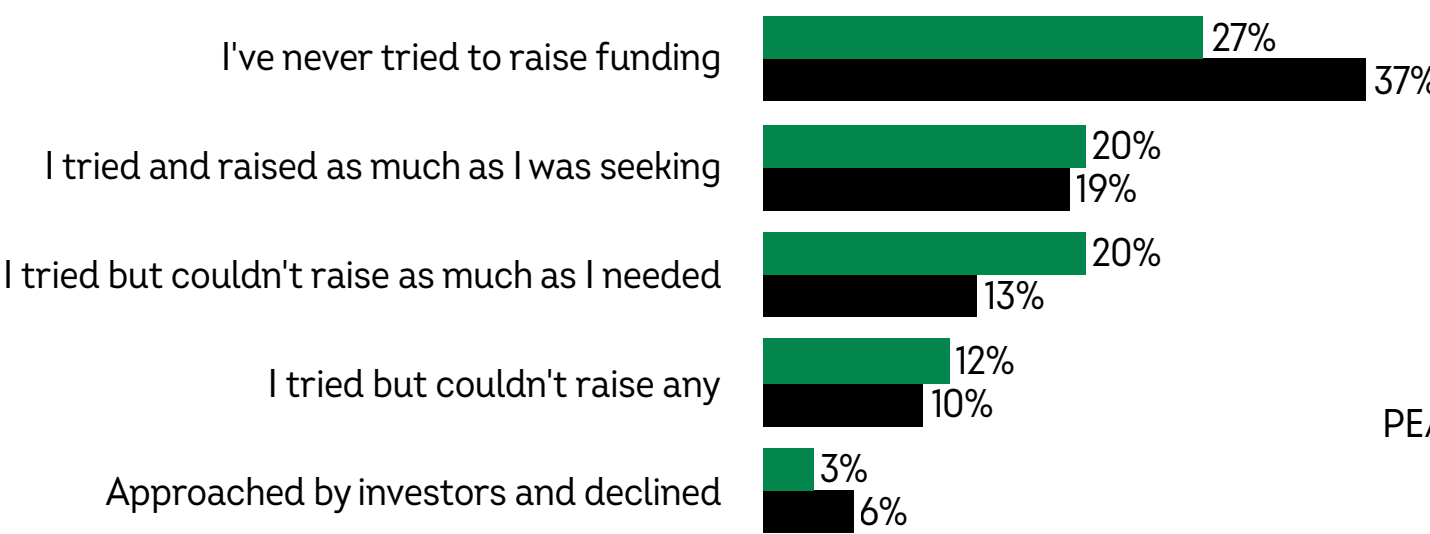
STARTUPS IN THE CLIMATE TECH SECTOR

23%

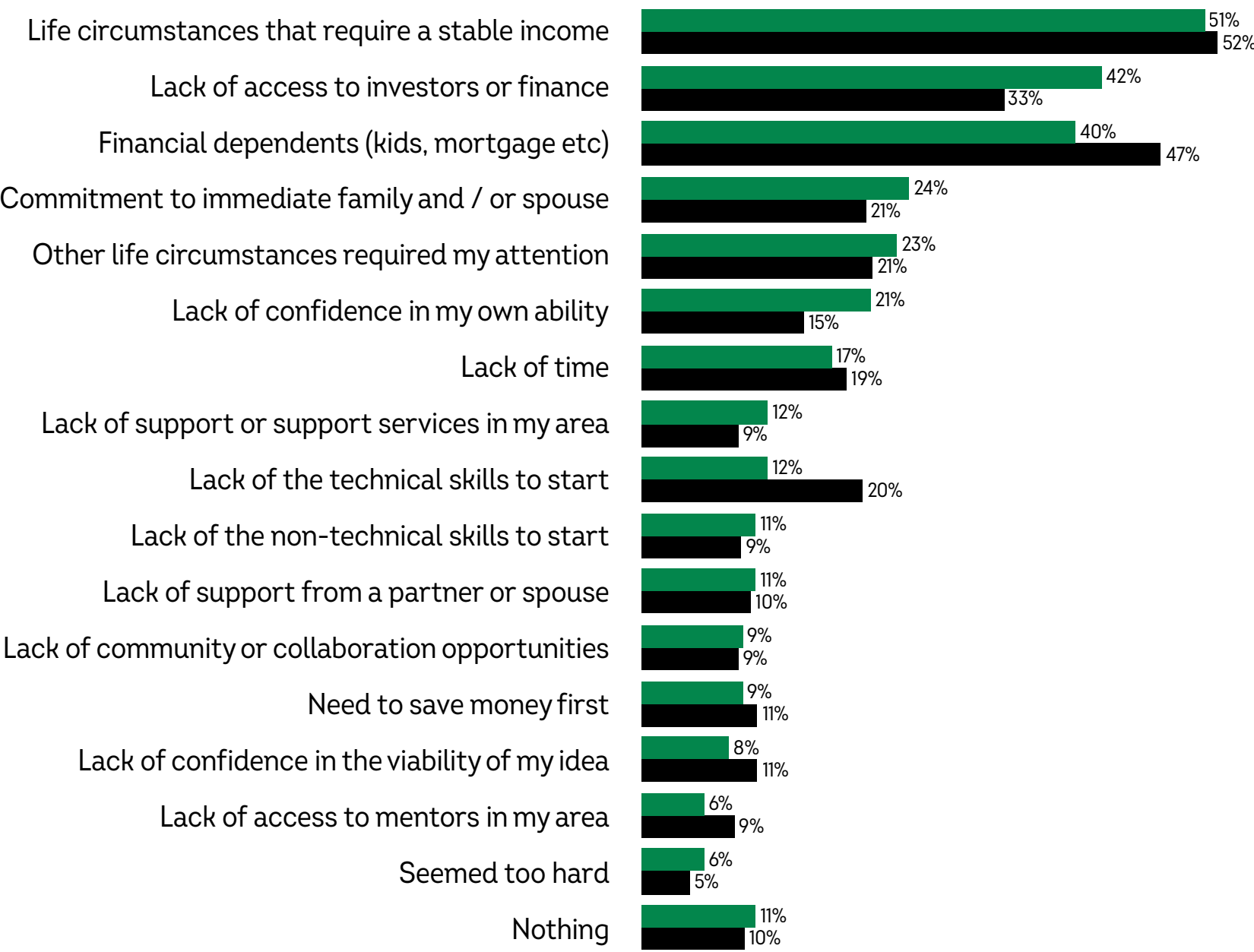
BIGGEST CHALLENGES



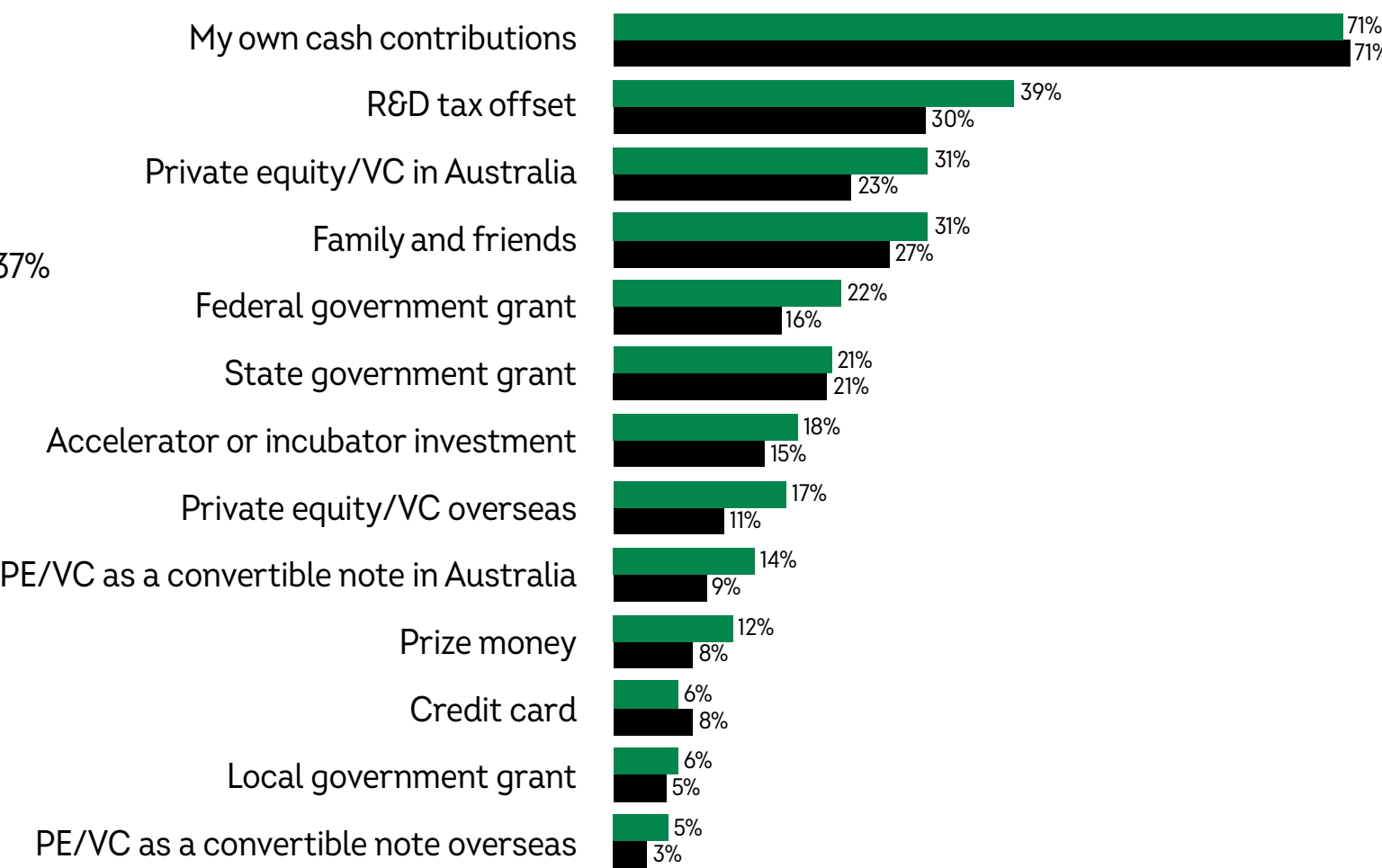
FUNDING EXPERIENCE



HINDRANCES WHEN STARTING



FUNDING SOURCES



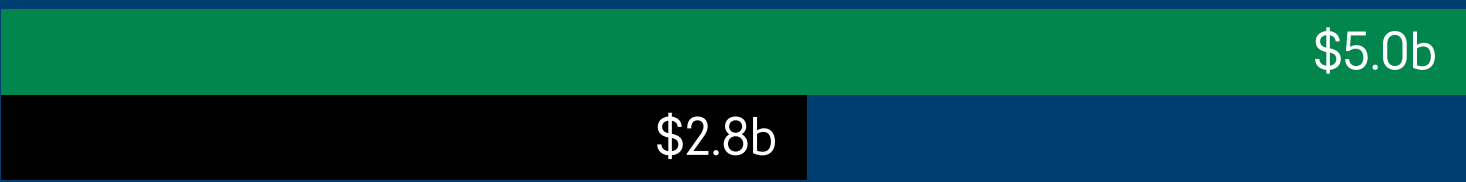
CURRENT FULL TIME EMPLOYEES



NUMBER OF NEW HIRES PLANNED IN NEXT YEAR



MEDIAN EXPECTED ADDRESSABLE MARKET



EXPECTED YEARS TO ADD \$10M IN ANNUAL REV



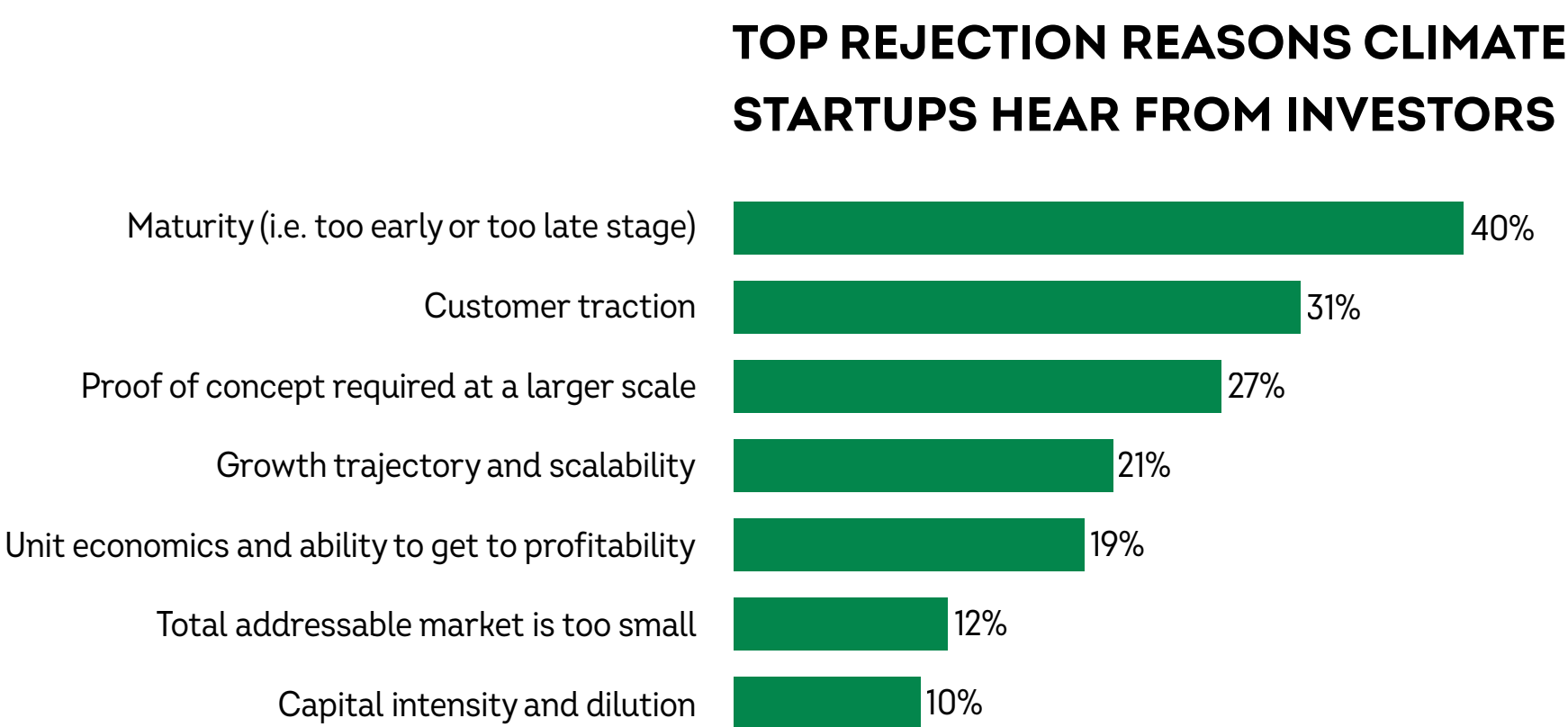
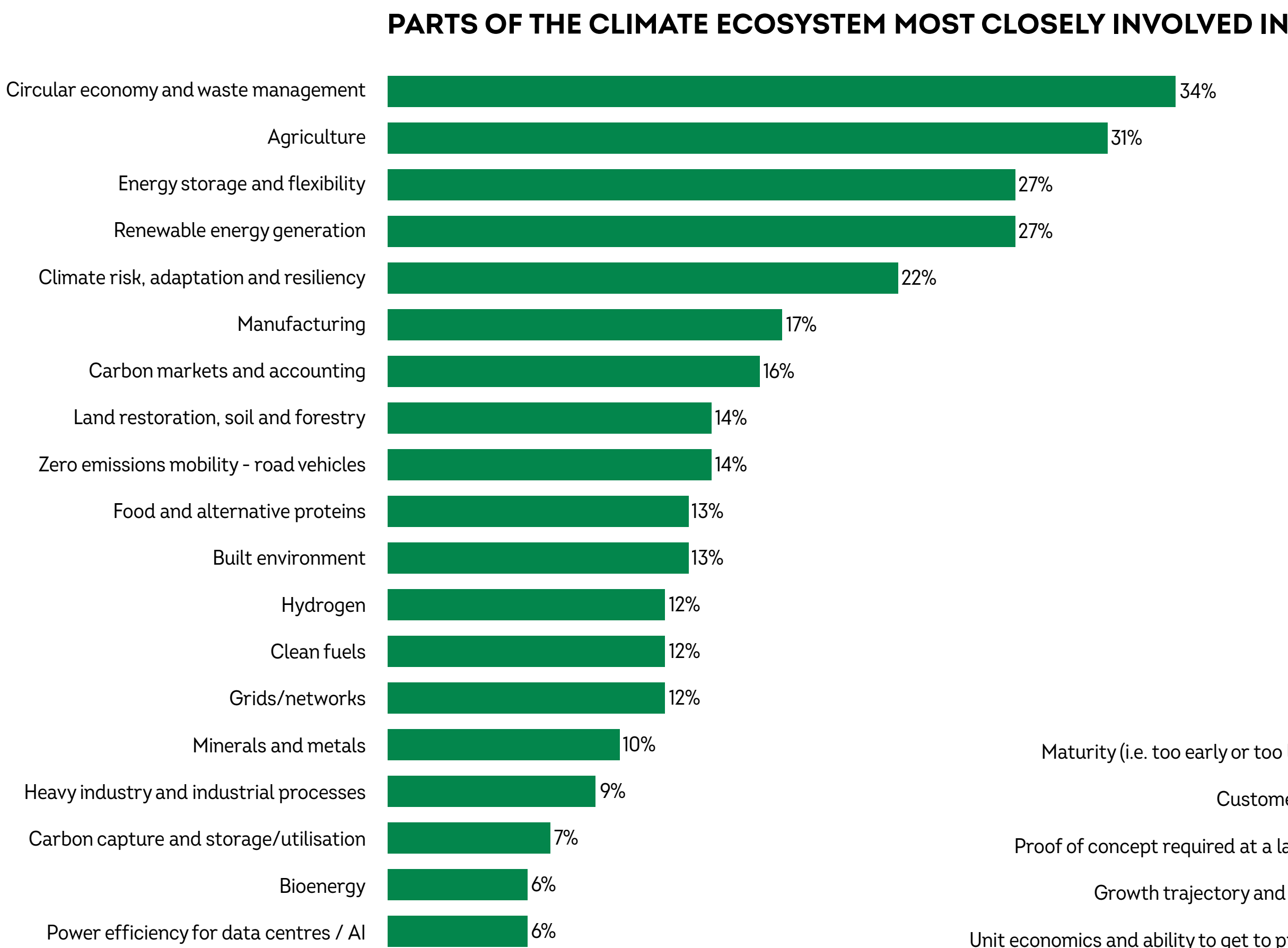
NEED EXTERNAL FUNDING TO CONTINUE OPERATING



MEDIAN SIZE OF NEXT FUNDING ROUND



CLIMATE TECH COMPARISON *(cont'd)*



CLIMATE TECH INSIGHT



Australian Government
Australian Renewable
Energy Agency

ARENA

Australia's climate tech startup ecosystem is experiencing a period of accelerated growth. Startup Muster reports that climate tech startups now make up almost one-fifth (19 per cent) of Australia's startup ecosystem, rising from 13 per cent in 2023 when the sector was first formally tracked.

This sharp rise signals a broader shift: founders are increasingly building physical products and hardware, with the number of hardware-focused startups doubling since 2018. Both new and developing companies are steering into complex, high-impact areas such as long-duration energy storage, ultra low-cost solar, renewable fuel production and low emissions materials including hydrogen, sustainable aviation fuel and green steel.

Critically, these high-impact areas intersect with ARENA's five strategic priorities aimed at accelerating Australia's energy transition. ARENA has proudly supported many of Australia's leading climate tech startups. With our growing sector expertise, ARENA aims to support climate tech startups to cross the 'valley of death' and accelerate commercialisation.

We've backed many of Australia's leading climate tech companies, founders and projects to access capital, networks and early customers, including Hysata, RayGen, 5B, SunDrive, MGA Thermal and Amber Electric, from early R&D to pilot-scale demonstrations and beyond.

ARENA also invests in the broader ecosystem, for example by supporting EnergyLab, Australia's leading clean-energy accelerator, and by hosting the annual Renewable Energy Showcase with Innovation Bay, creating opportunities for emerging startups to pitch to investors and scale their impact.

ARENA is committed to accelerating Australia's climate tech sector and is actively seeking new investment opportunities across all its priority areas. Through our flagship Advancing Renewables Program, targeted initiatives such as the FMA Innovation Fund and Battery Breakthrough Initiative, ARENA is backing innovation that can reshape energy-intensive industries and strengthen domestic supply chains.

While the future is bright, we recognise the structural barriers that Australian climate tech companies face. Compared with global peers, Australian founders contend with more risk-averse capital, capability gaps across technical and commercial roles and a customer base dominated by large, conservative incumbents. These challenges make early pilots harder to finance, scale and deploy.

This is a critical moment for Australia. A strong base of talented founders combined with world-class renewable resources and an industrial base eager for transformation give the country a unique platform to build globally competitive climate tech.

ARENA understands that non-dilutive grant funding remains essential for early-stage innovation, helping founders bridge technical risk, unlock private investment and win first customers. ARENA's mission remains unchanged: to fund high-impact, pre-commercial innovation and help accelerate Australia's pathway to net zero emissions.

RESEARCH COLLABORATION

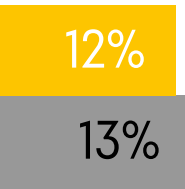
STARTUPS ENGAGED IN R&D IN THE LAST YEAR



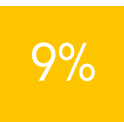
STARTUPS THAT HAVE COLLABORATED WITH UNIVERSITIES OR RESEARCH ORGANISATIONS



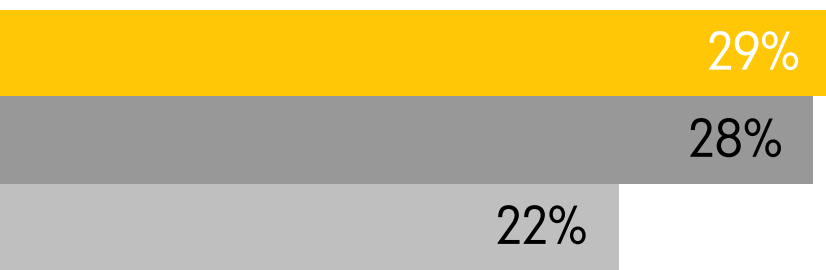
STARTUPS FORMED TO COMMERCIALISE RESEARCH



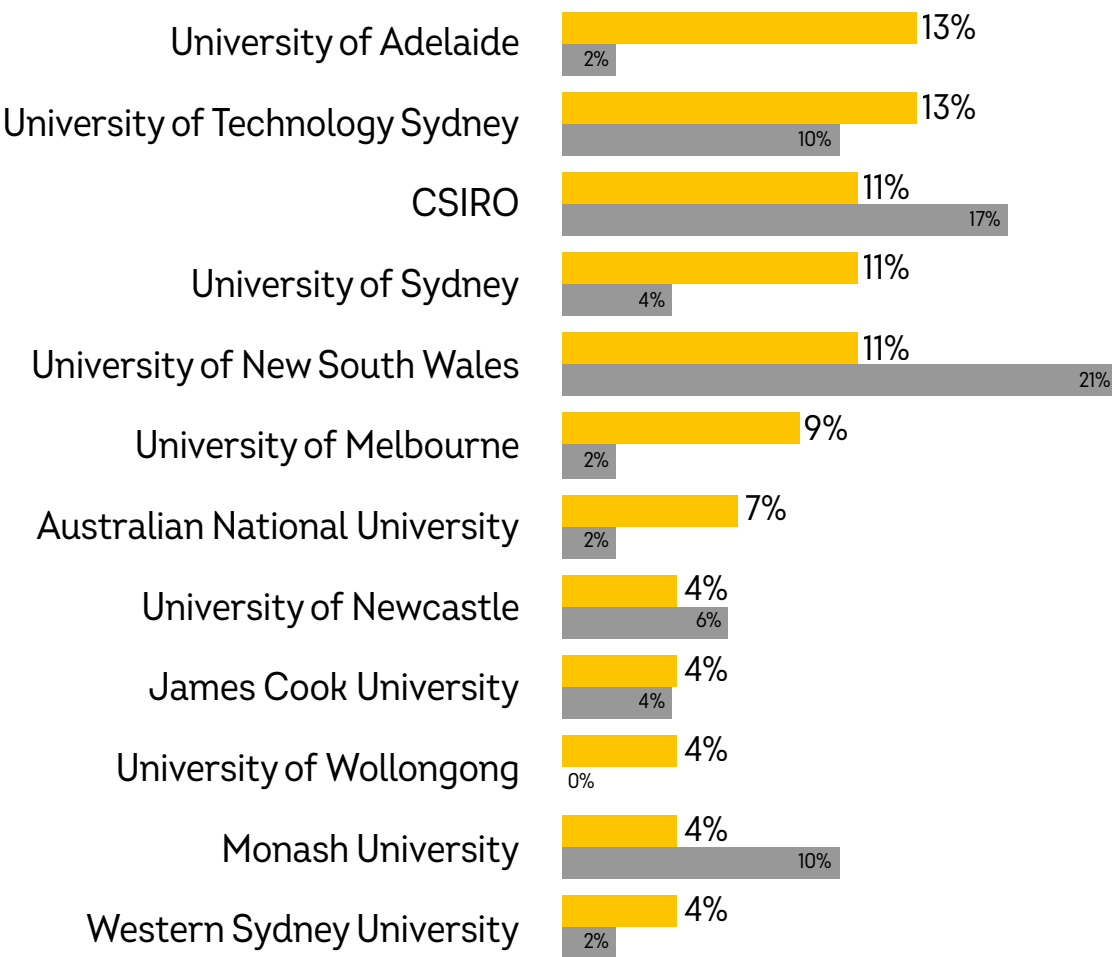
STARTUPS FORMED TO COMMERCIALISE RESEARCH FROM A PRIVATE ORGANISATION



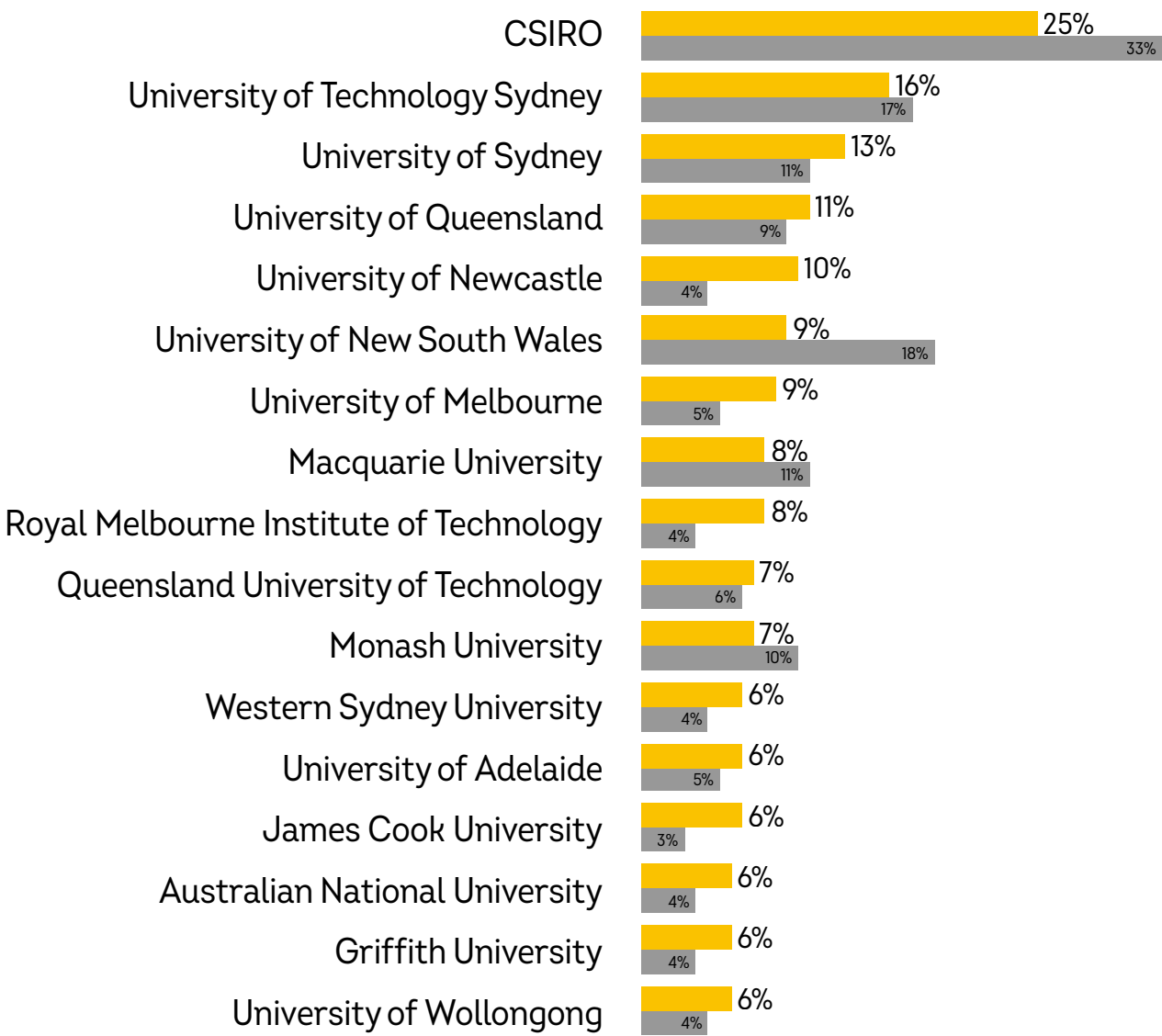
PROPORTION OF ACCELERATORS AND INCUBATORS RUN BY UNIVERSITIES



TOP ORGS INVOLVED IN COMMERCIALISATION



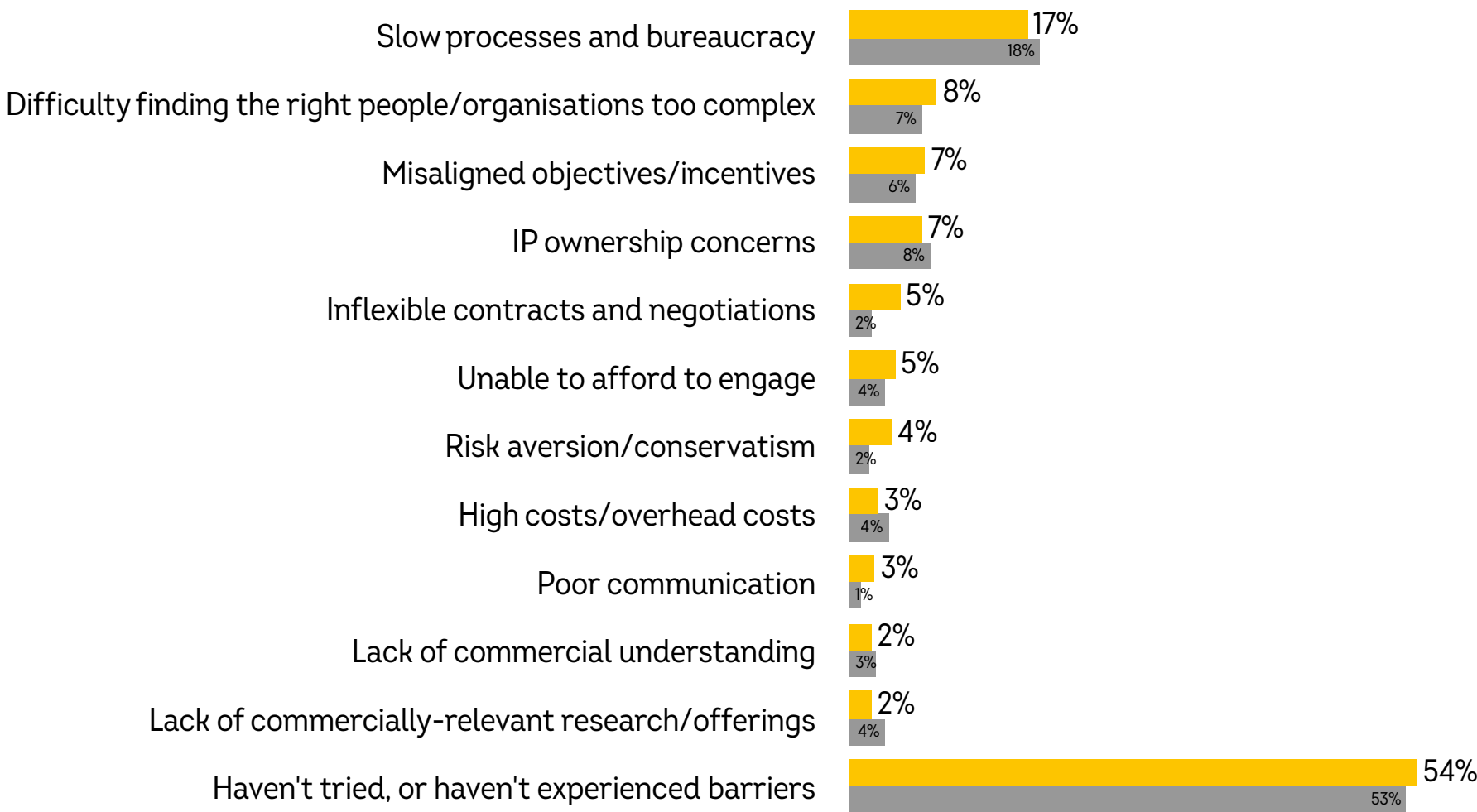
TOP ORGS INVOLVED IN COLLABORATIONS



TOP FORMS OF COLLABORATION



TOP BARRIERS TO COLLABORATION





It is so good to see the continuation of Startup Muster. This is the most widespread and democratic data collection activity related to entrepreneurship and innovation in Australia. Sure it takes time to complete but it is heartening to see so many questions answered by so many people, whether founders and supporters. Clearly the use of state-based ambassadors worked as there is more diversity in the responses (although Murray's influence across NSW is felt, c'mon Queenslanders!).

QUT supports Startup Muster because it helps us understand what founders need and what other startup supporters are doing to meet that need. The results will be discussed at the next meeting of the Australian Universities Entrepreneurship Alliance, a gathering of those who deliver extra-curricular entrepreneurship education across Australian universities.

More pertinently there are insights here for the QUT Entrepreneurship programming, tips for engagement strategies for those at the university and understandings to help frame policy and practice across the state. On that, the data tells us Tropical Innovation Festival (TIF) is the number 2 for the most recommended annual innovation festival behind SouthStart. TIF is unique and if this one piece of data ensures its longevity, then it has all been worth it!

Of course, I am also interested in the data about startup engagement with support services. That's what my team offers in the context of the university environment. Predominantly QUT Entrepreneurship works with QUT students, offering programs, events and mentoring to help bring entrepreneurial ideas to life and support the development of an entrepreneurial mindset across the population of 53,000 students. It's a big (and exciting) job!

One of the questions the team gets regularly is 'I have an idea but I need funding?'. Funding is a perennial issue for founders as Startup Muster reports, but for those at the idea stage it is not where we should start. Nascent founders need other education some of which may include - opportunity validation, customer understanding, product design, product-market fit, business modelling, customer acquisition, IP protection etc - before funding becomes the question.

What can be seen in the data, and stands out for me this year, is that many founders are outsourcing this learning to AI. Moreover, AI is being used to write software, for marketing, to write an array of communications and content and strategy. But AI is being used without some governance guardrails and safety standards. This tells me that we need some more critical education about how to use and manage AI. That can be challenging in a technologically accelerating environment with diverse environmental and ethical imperatives on and for business. But if we can't do this in a university, then there's a problem!

The relationship between startups and universities needs work and it is up to both parties to make the effort. That could be founders signing up to attend research or innovation events or universities reaching out to founders in their local ecosystem. It could include conversation with researchers about business/product/service challenges or the university showcasing IP. Participation in learning activities or engaging founders in the advice about the development of new learning. There are many ways to engage, and I hope the numbers of those who never engage with universities starts to decrease over time.

To ensure we continue to have the data needed for good practice then it is important we all continue to support Startup Muster. The team can't engage in this collection without our financial support. Ideally state and federal governments will also come to the party, particularly given they all use the data!

Startup Muster fills the vacuum of information about innovation and entrepreneurship across the country. It helps us understand the messy complexity of the startup world and ensure the relevance of university entrepreneurial support to ensure success.

RESEARCH LINK AUSTRALIA



Research Link Australia (RLA) provided by the Australian Research Data Commons (ARDC) is a national initiative allowing industry and government to discover research expertise and R&D outputs through a unified platform. We believe innovation is boosted when industry and business can leverage the research sector. In practice, industry and business finding the right research and development capabilities is a complex and fragmented task. The RLA platform aggregates and links data from multi-sources via national infrastructure, offering an open and searchable interface for all sectors.

The findings of this significant survey underscore some critical insights for us. There is a strong desire for innovation-driven partnerships, with 69% of responses engaged in R&D, yet the data clearly shows that operational friction, characterised by "slow processes and bureaucracy" and the "difficulty finding the right people," is hindering valuable collaboration. Regarding the 54% that haven't tried/experienced barriers, we believe this may indicate a challenge in awareness of or access to services. Responses to RLA's feedback questions suggest this might be the case.

We believe there is a role for robust digital infrastructure to aid in moving beyond the barriers indicated. As a result of these report findings and direct feedback to RLA occurring during the Startup Muster survey, we are planning a number of actions to enhance RLA. These include:

- Expanding our data coverage beyond academic research by collaborating with funders of industry R&D to increase the visibility of their activities.
- Improving the user experience of the RLA online platform.
- Partnering with other national services that support industry and research linkages to address these barriers and raise awareness.

Please contact us if you have any questions or feedback for Research Link Australia.

ROSIE HICKS

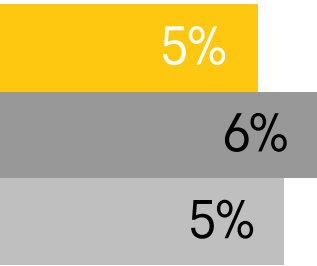
CEO, Australian Research Data Commons
contact@ardc.edu.au

INTERNATIONAL STUDENTS

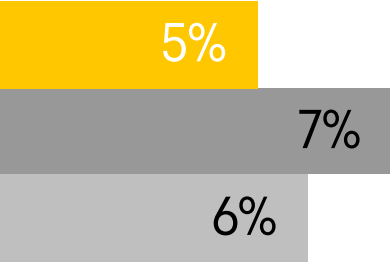
FOUNDERS OF AUSTRALIAN STARTUPS THAT ARRIVED AS ADULTS AND GRADUATED FROM A REGISTERED INSTITUTION FOR OVERSEAS STUDENTS (CRICOS)



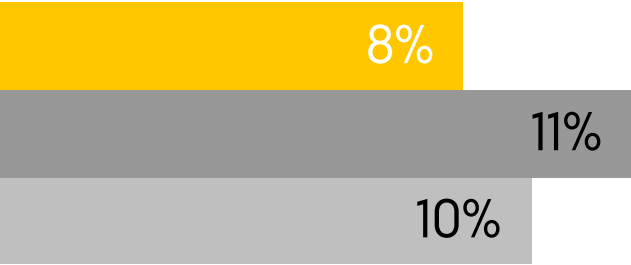
STARTUPS WITH EMPLOYEES ON INTERNATIONAL STUDENT VISAS (500)



STARTUPS WITH EMPLOYEES ON GRADUATE WORKING VISAS (485)



STARTUPS WITH EMPLOYEES ON EITHER/BOTH STUDENT VISAS (500/485)



DAVID CAMERLENGO
Executive Director Industry & Investment
Investment NSW

By creating jobs, fuelling innovation, and enriching communities, international education helps NSW thrive in a connected world.

International students are critical to the NSW innovation ecosystem - bringing new ideas, enriching research capability, and fostering startup participation. They underpin innovation precincts like Tech Central and support delivery of the NSW Innovation Blueprint to grow jobs, scale industries, and deliver the solutions of tomorrow.

A significant share of postgraduate research enrolments in NSW are international students, powering our research capabilities. As this report demonstrates, many international students go on to become entrepreneurs and researchers; strengthening NSW's talent pipeline and our global competitiveness.

REGIONAL COMPARISON

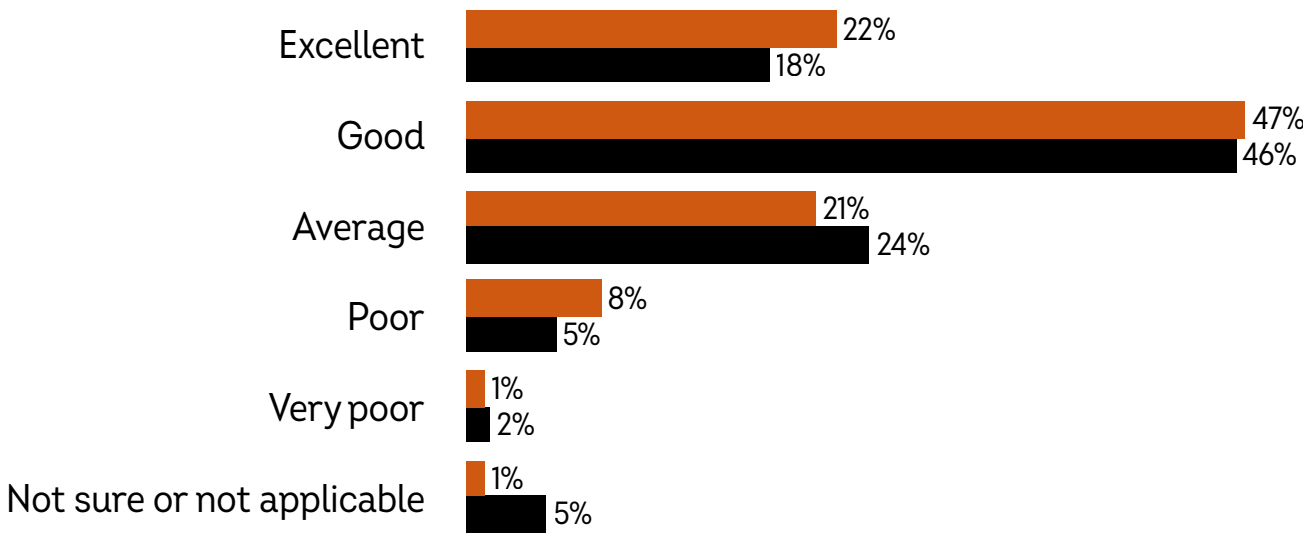
STARTUPS WITH PRIMARY OFFICE OUTSIDE METROPOLITAN AREAS

25%

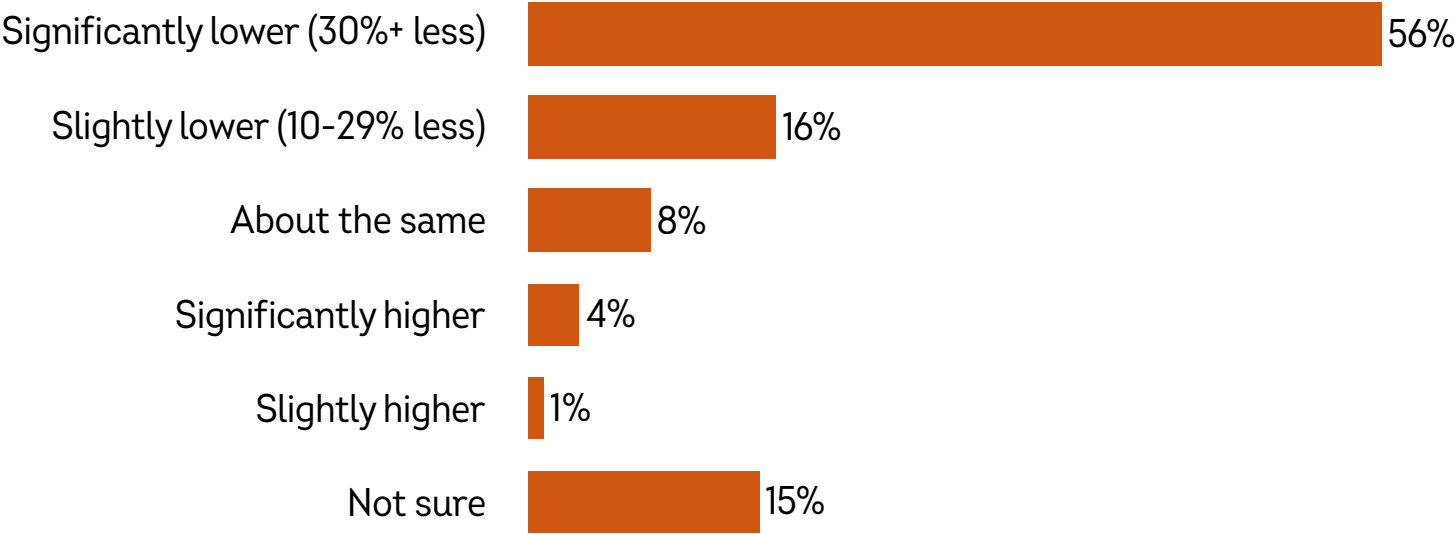
BIGGEST CHALLENGES



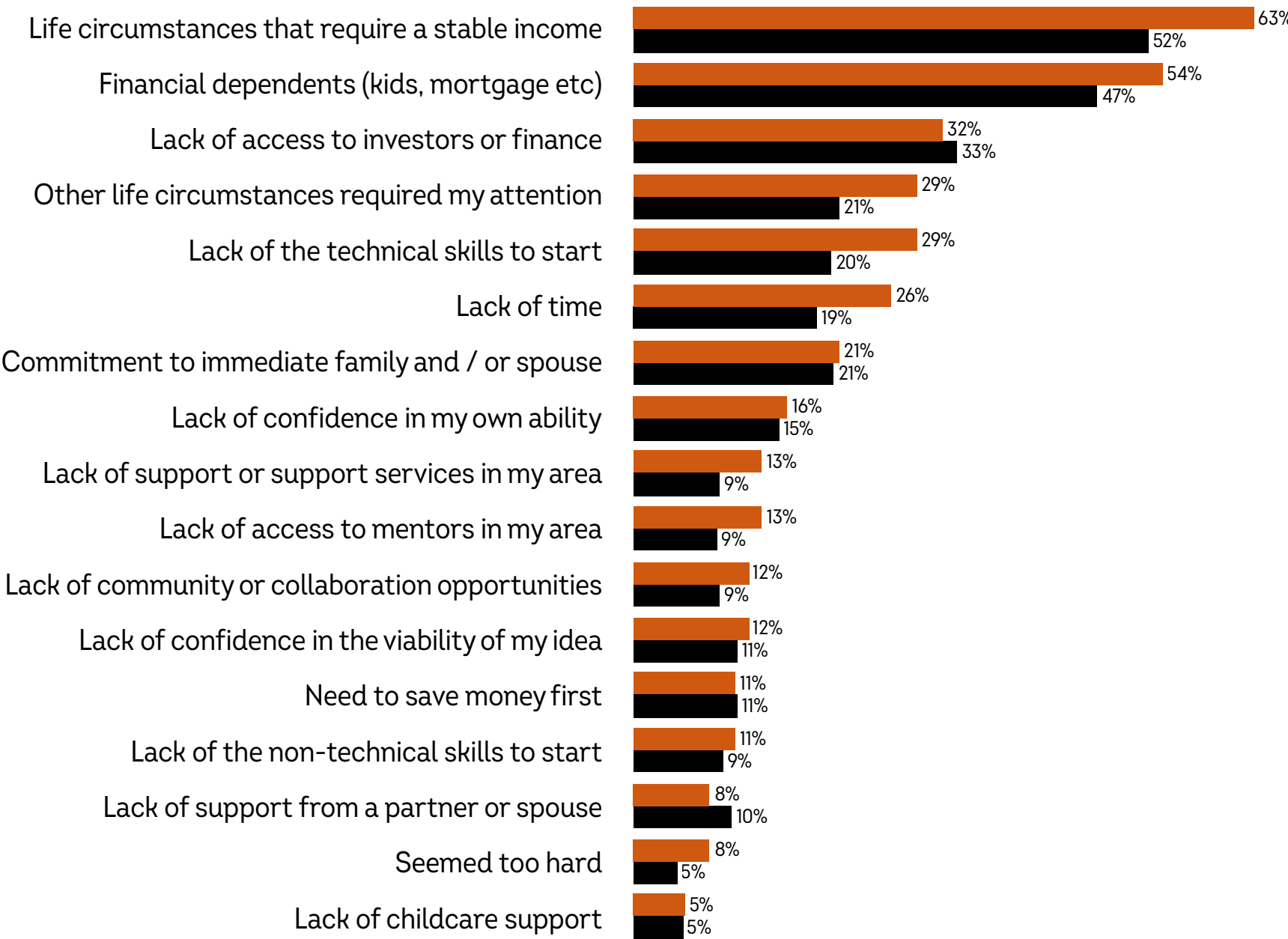
HOW WOULD YOU RATE YOUR WORK/LIFE BALANCE?



HOW DO YOUR OPERATING COSTS COMPARE TO WHAT YOU EXPECT IN A MAJOR CITY?



HINDRANCES WHEN STARTING



CURRENT FULL TIME EMPLOYEES



NUMBER OF NEW HIRES PLANNED IN NEXT YEAR



MEDIAN EXPECTED ADDRESSABLE MARKET



EXPECTED YEARS TO ADD \$10M IN ANNUAL REV



NEED EXTERNAL FUNDING TO CONTINUE OPERATING



MEDIAN SIZE OF NEXT FUNDING ROUND



REGIONAL INSIGHT

THE RESILIENCE AND OPPORTUNITY BEYOND THE METROPOLITAN CORE



Australia's regional startup ecosystems represent not just 25% of the nation's entrepreneurial activity, but a compelling counternarrative to metropolitan dominance. The 2025 Startup Muster data reveals that regional startups are achieving remarkable outcomes while navigating distinct challenges. Critically, deliberate ecosystem building is reshaping the geography of Australian innovation—a particularly important development as engagement with innovation precincts nationally has increased to 42%, up from 40% in 2024. This growth reflects not only established centres like Tech Central, but the distributed hubs like Spacecubed, I2N, CBRIN, Lot Fourteen and Cicada.

The cost advantage data is striking: 56% of regional founders report operating costs significantly lower than major cities, with an additional 16% noting slightly lower expenses. Regional startups also employ smaller teams on average (2.8 full-time staff compared to the national average of 6.9), which may reflect more capital-efficient operating models, earlier-stage ventures, or different sectoral focuses. This efficiency matters increasingly as startups nationwide report runway declining to 8.6 months in 2025, down from 10.7 months in 2023.

The hiring challenge remains perhaps the most critical differentiator. While regional and metropolitan startups plan identical new hire numbers (3.5), the pathway to achieving these goals diverges sharply. Nationally, 24% of startups now plan to hire overseas in the next 12 months, reflecting widespread talent constraints that regional founders feel acutely. Yet the data on work-life balance offers an intriguing competitive tool. Some 68% of regional founders rate their balance as excellent or good, compared to 63% nationally. When 23% of all Australian startups cite "quality of life" as their primary reason for staying in Australia (the number one factor), this regional advantage becomes strategically significant. With 26% of startups now focusing their impact efforts on regional and rural communities, there's growing recognition that these areas matter to Australia's innovation future.

Customer acquisition emerges as the primary regional challenge at 43%, significantly exceeding the national 36%. Regional startups must work harder to access dense customer networks concentrated in capital cities. The funding narrative is equally telling: regional startups seek median rounds of \$250,000 versus \$500,000 nationally. This substantial gap raises questions about whether regional founders are calibrating expectations based on perceived investor appetite, pursuing more capital-efficient models, or facing genuine constraints in accessing larger investment rounds.

What's particularly revealing is the emergence of distinct regional hubs over the past decade. Newcastle's trajectory tells a powerful story: rising from minimal visibility in earlier Startup Muster reports to 7th among federal electorates (3%) and 8th among local government areas nationally in 2025. I2N now appears among Australia's most recognised innovation hubs. Our comprehensive model combines coworking, cohort-based accelerator and incubation programmes, networking events, masterclasses, and mentoring—providing contextually relevant support that understands regional realities. Similarly, Cairns has established itself through the Tropical Innovation Festival (Australia's 2nd most recommended annual festival), while centres like Wollongong and the Gold Coast demonstrate that geography need not be destiny when infrastructure and intention align.

Remarkably, regional startups project median addressable markets of \$2.5 billion, nearly matching the national \$2.8 billion. Their ambition matches metropolitan founders. What differs is the surrounding infrastructure. Newcastle's rise demonstrates that university-led innovation networks can catalyse transformation when they create the density of resources that geography disperses, turning lifestyle advantages and cost efficiencies into genuine competitive differentiation.

SIOBHAN CURRAN
University of Newcastle

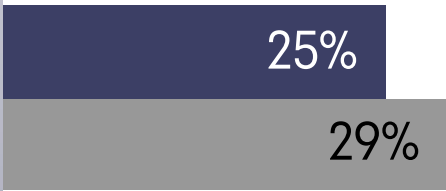


INTELLECTUAL PROPERTY

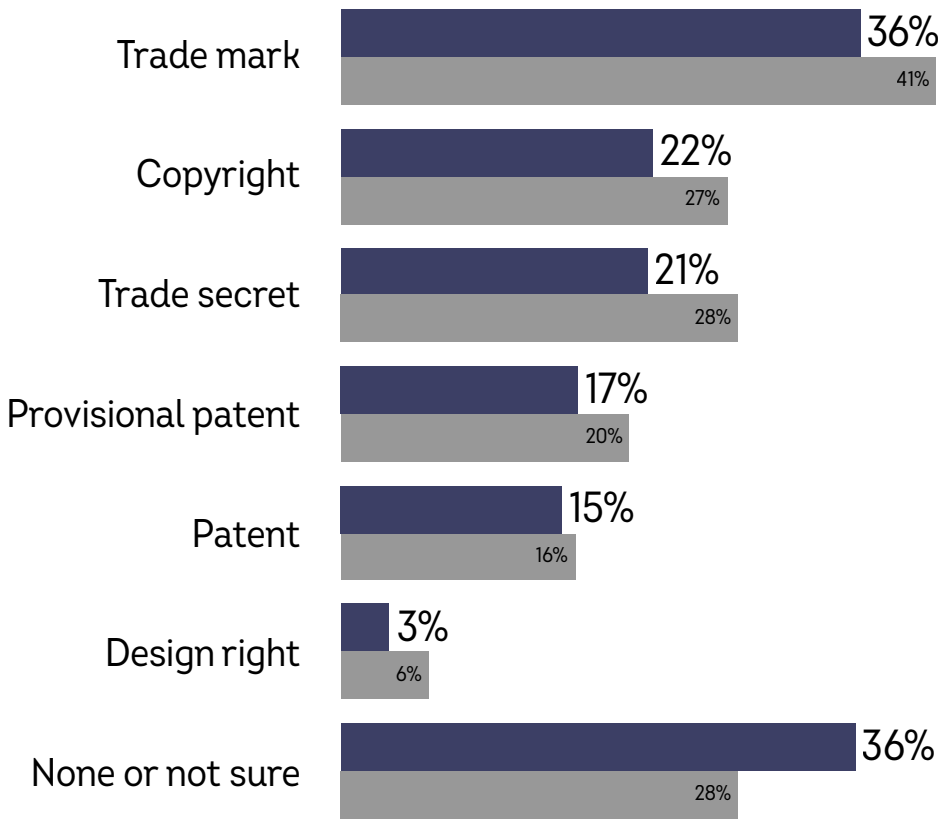
STARTUPS COMMERCIALISING SOMETHING PATENTABLE



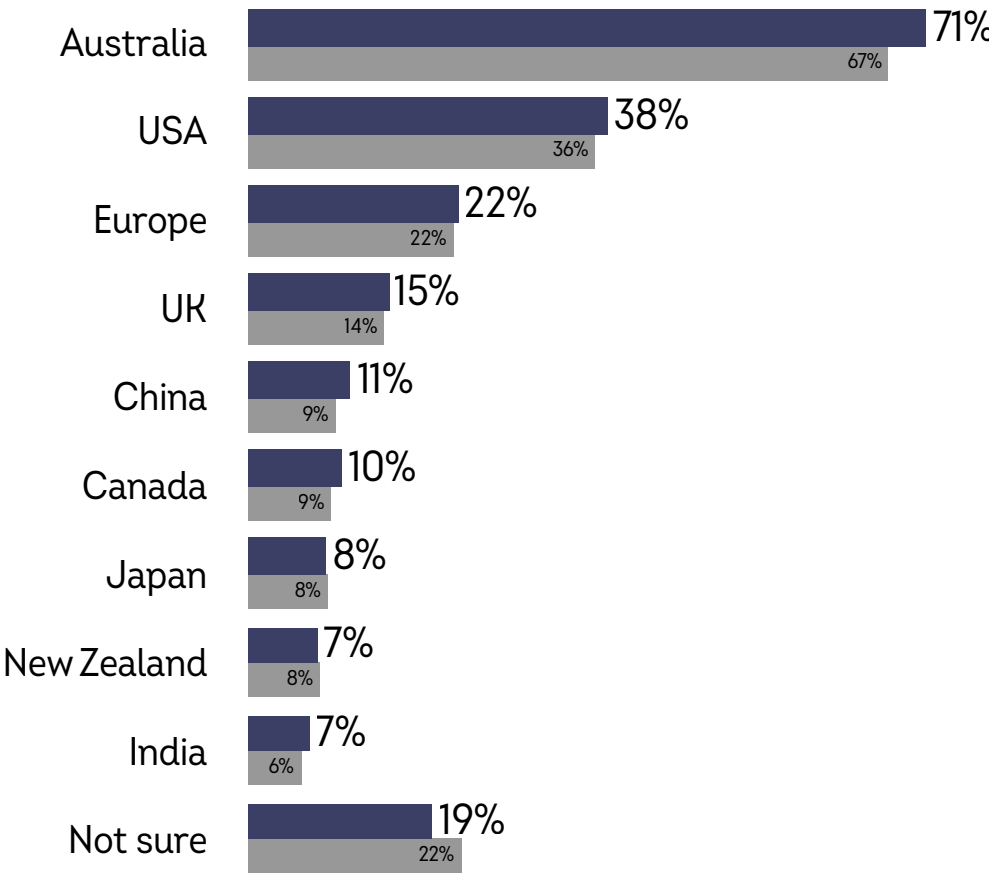
HAVE CONDUCTED A FREEDOM TO OPERATE SEARCH



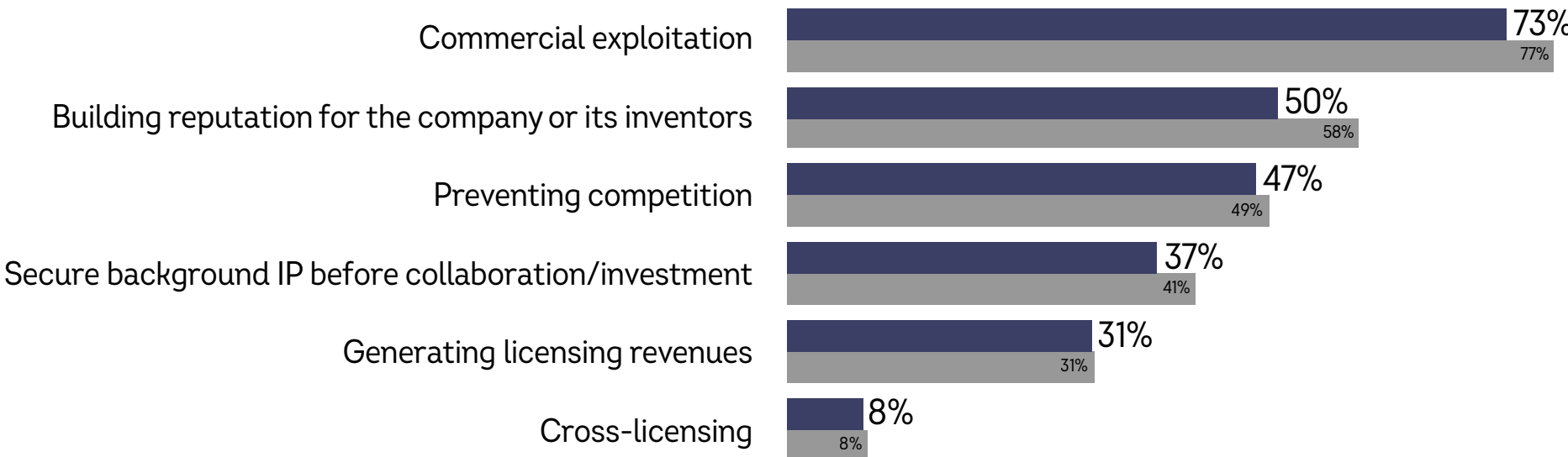
IP RIGHTS CURRENTLY HELD BY STARTUPS



TOP COUNTRIES WHERE KEY IP RIGHTS ARE HELD OR INTENDED TO BE HELD



REASONS THAT WERE IMPORTANT FOR OBTAINING PATENT RIGHTS



CHRIS BAXTER
Founder and Director
[Baxter IP](#)

Results continue to show a mixed understanding of IP with 36% of companies holding the most common form of registrable IP right - a trade mark, whilst the same percentage of companies indicate they hold no IP rights or are not sure.

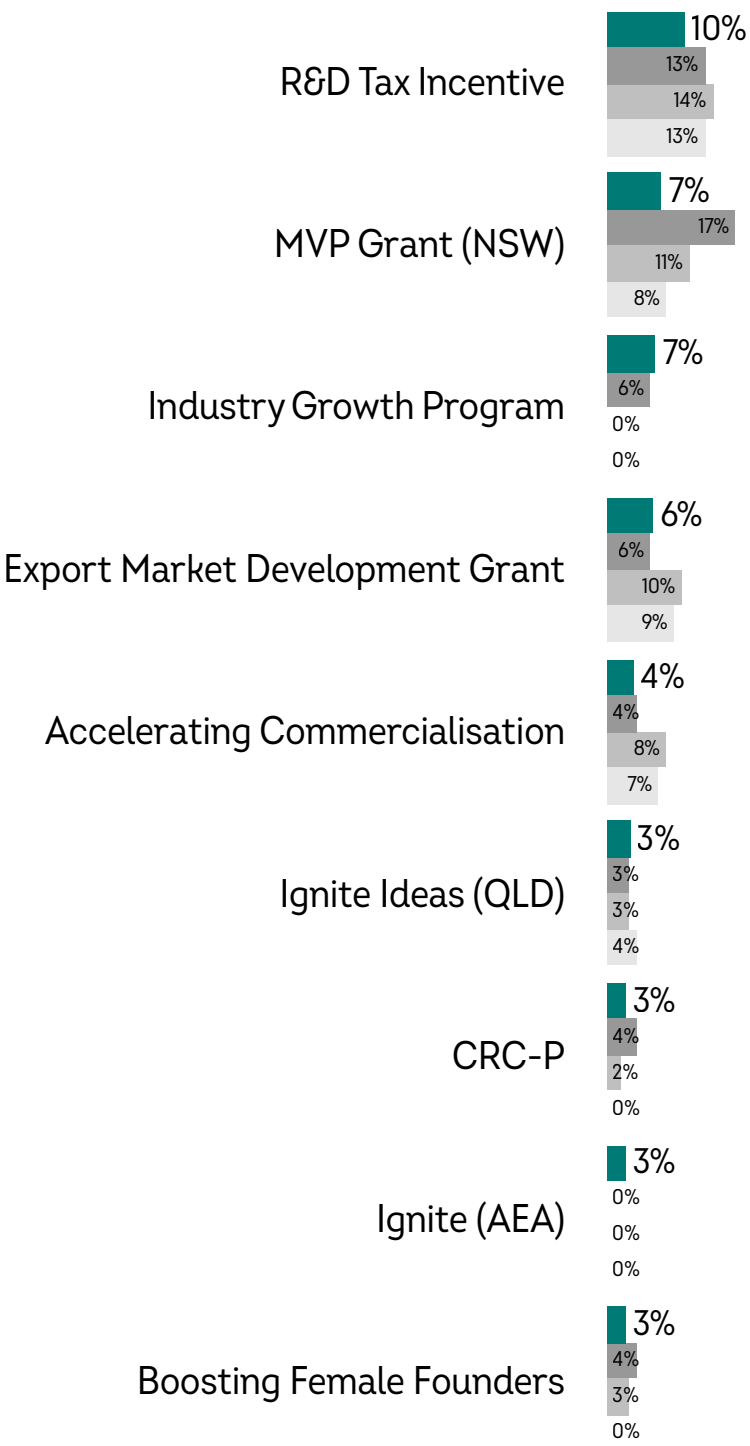
The desire for IP protection across most geographies has increased year-on-year, with the exception of in New Zealand and Japan, as indicated by the top countries where IP rights are held.

The decrease in commercialisation of patentable subject matter may accord with the rise in companies plugging-in available LLM technologies to contribute to key technical functionality rather than developing alternative new patentable software. At the same time IP Australia statistics show a huge increase in self-filed patent applications, the result of companies using AI to draft patents.

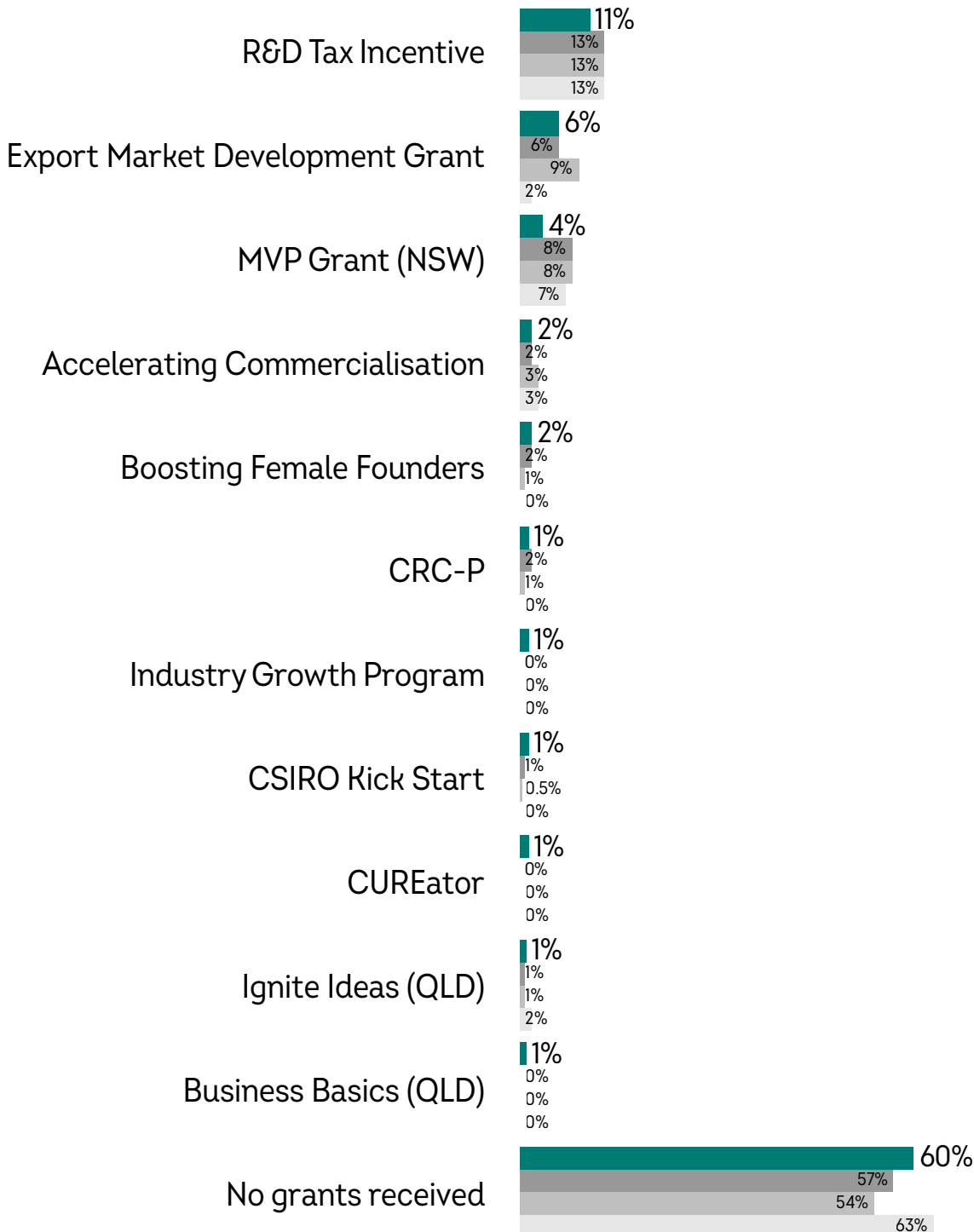
Generally speaking, the results indicate that startups do intend on commercially exploiting their patents - either for protection and/or licensing. The reputational advantage patents provide continues to remain an important factor in the desire to secure such assets.

GOVERNMENT

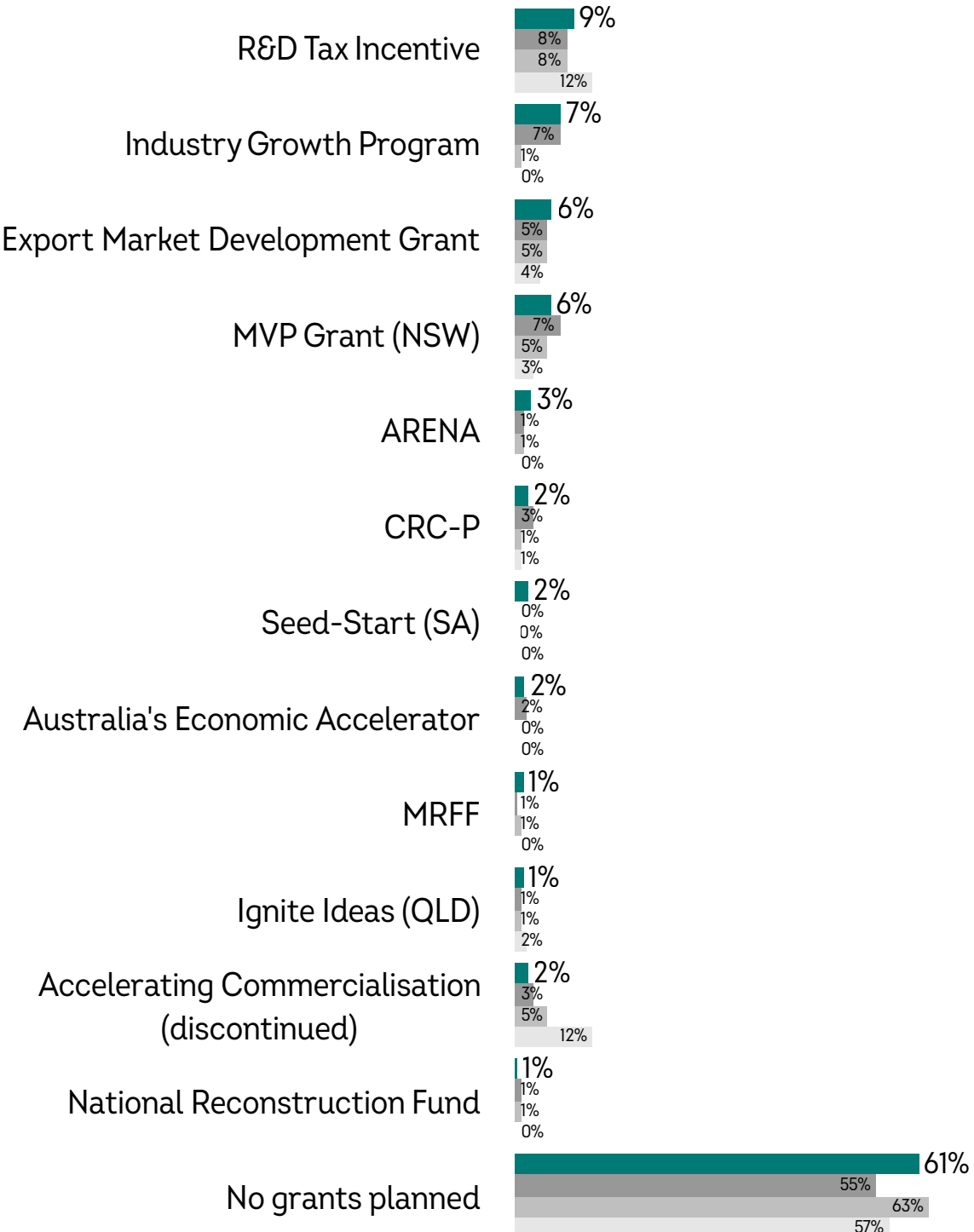
TOP GRANTS
APPLIED TO



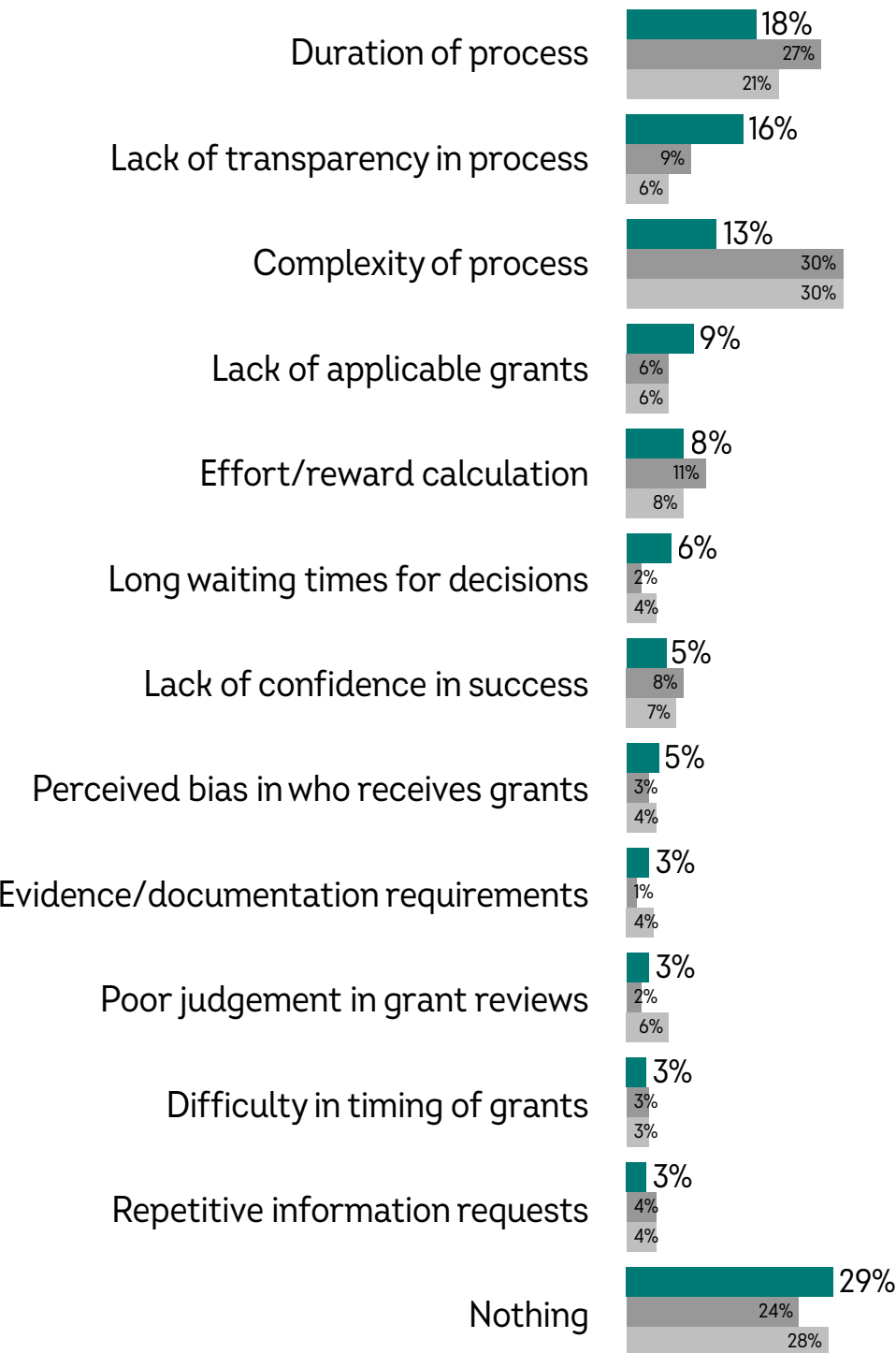
TOP GRANTS
SECURED



TOP GRANTS
PLANNED



TOP
DIFFICULTIES



FOUNDERS USING EXTERNAL CONSULTANTS FOR GRANTS



The R&D Tax Incentive remains the cornerstone of government support for Australian startups, but continuous work is needed to retain the "Incentive" part. Startups need certainty around the eligibility of their claims, which is harder today than ever with fast-changing technology and increasingly complex company/investor/team structures. Compliance actions can also be highly effective at discouraging busy new startups from considering the program.

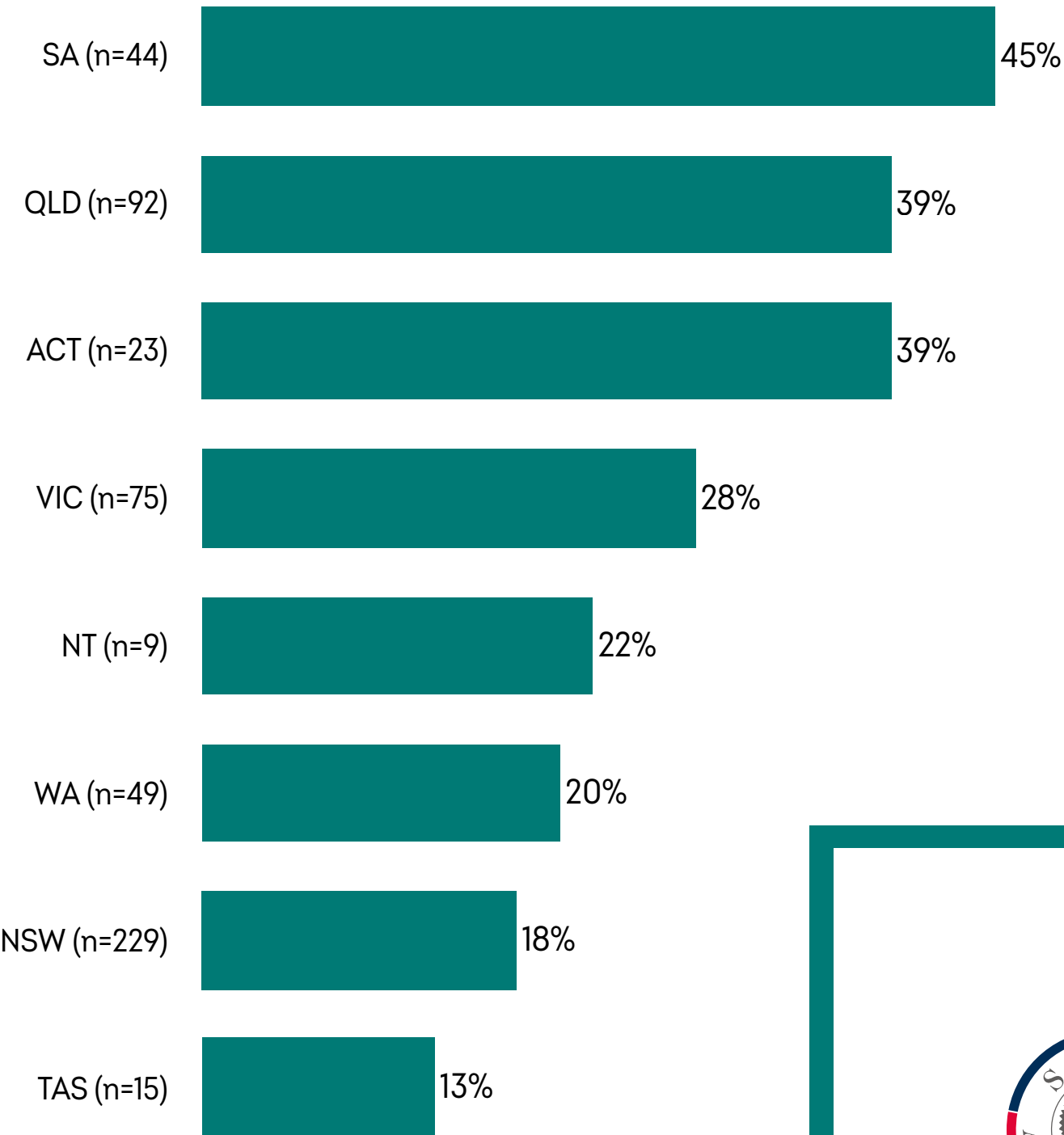
The Export Market Development Grants program has been scaled back considerably, which has left a gap for businesses looking to expand internationally. We're hopeful this will be reinvented in a meaningful way, because supporting export growth is critical for Australian startups competing on the global stage.

Our advice to founders is to stay on top of changes through a number of channels so they are not leaving anything on the table, and work with people that work frequently with these programs. Understanding their nuances - and the compliance expectations that come with them - can be a make-or-break difference on your journey.

AMIT SHAH

Director
[The Gild Group](#)

PROPORTION OF STARTUPS AND SUPPORTERS RATING THEIR STATE'S SUPPORT AS ABOVE AVERAGE



Government of South Australia

Department of State Development

South Australia takes a long-term, uniquely collaborative approach to supporting startups and scaleups pursuing global market opportunities.

This includes boosting research and development performance, accelerating business productivity and growth, backing industry-led innovation and building the capability and capacity of the State's innovation system

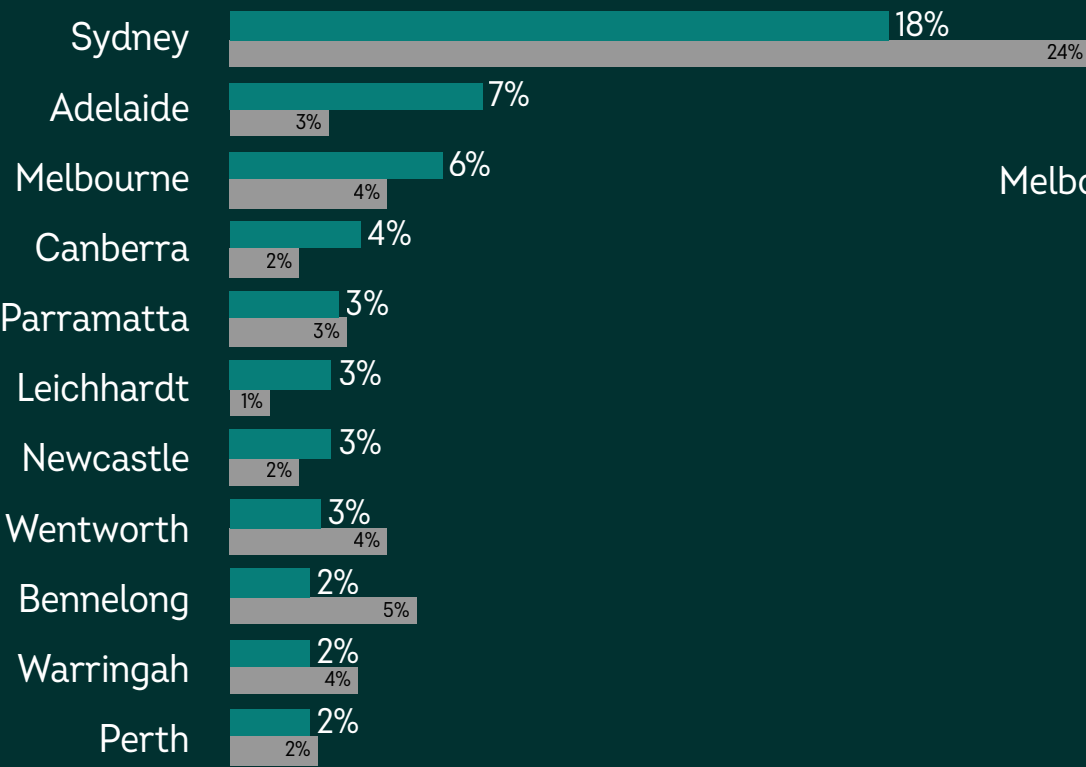
- DEPARTMENT OF STATE DEVELOPMENT, SA

[Learn more here](#)

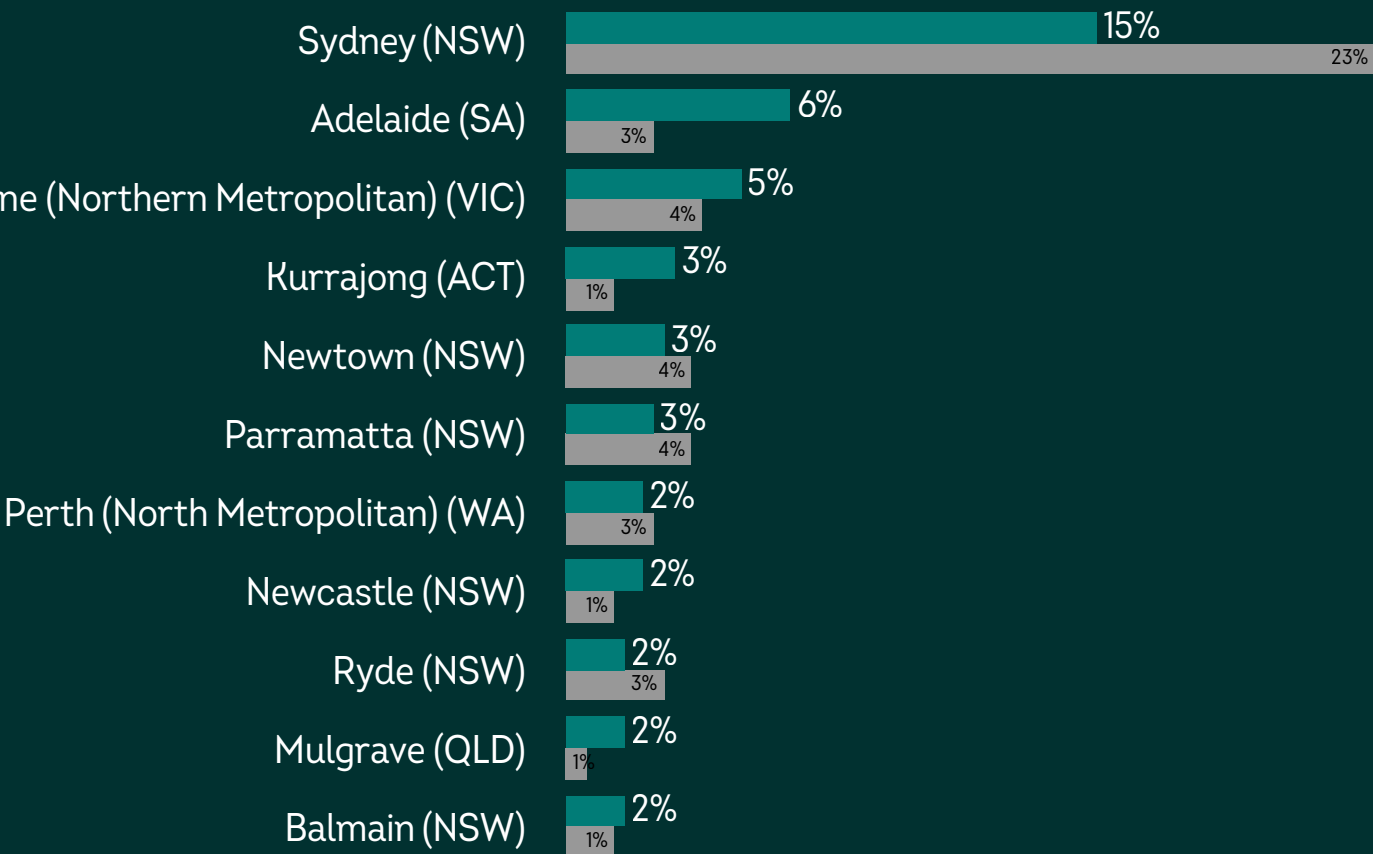
ELECTORATES FOR STARTUPS

THESE CHARTS REFLECT WHO TOOK PART IN STARTUP MUSTER, PRIMARY OFFICE ADDRESSES ONLY, AND AREN'T A POPULATION ESTIMATE.

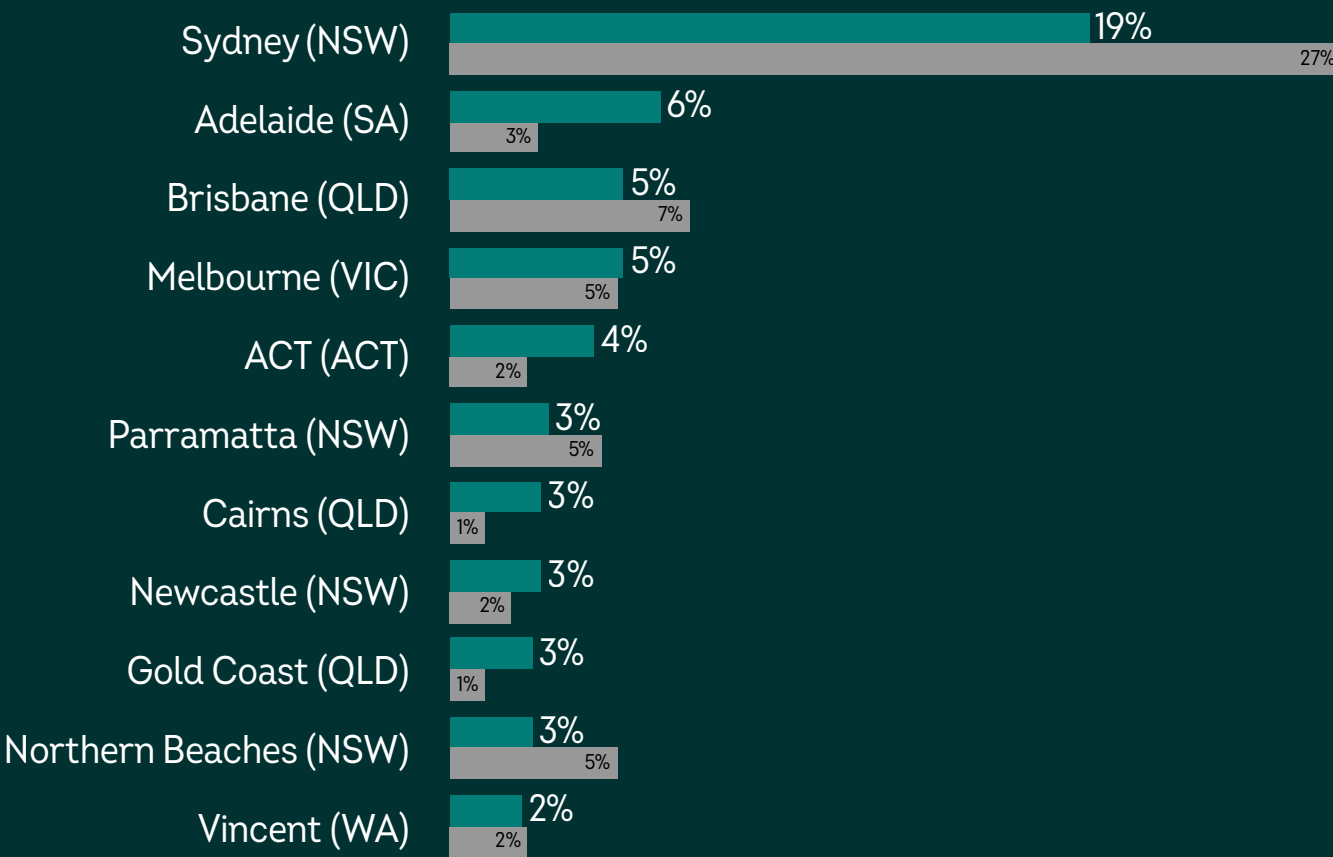
TOP FEDERAL ELECTORATES



TOP STATE ELECTORATE DIVISIONS

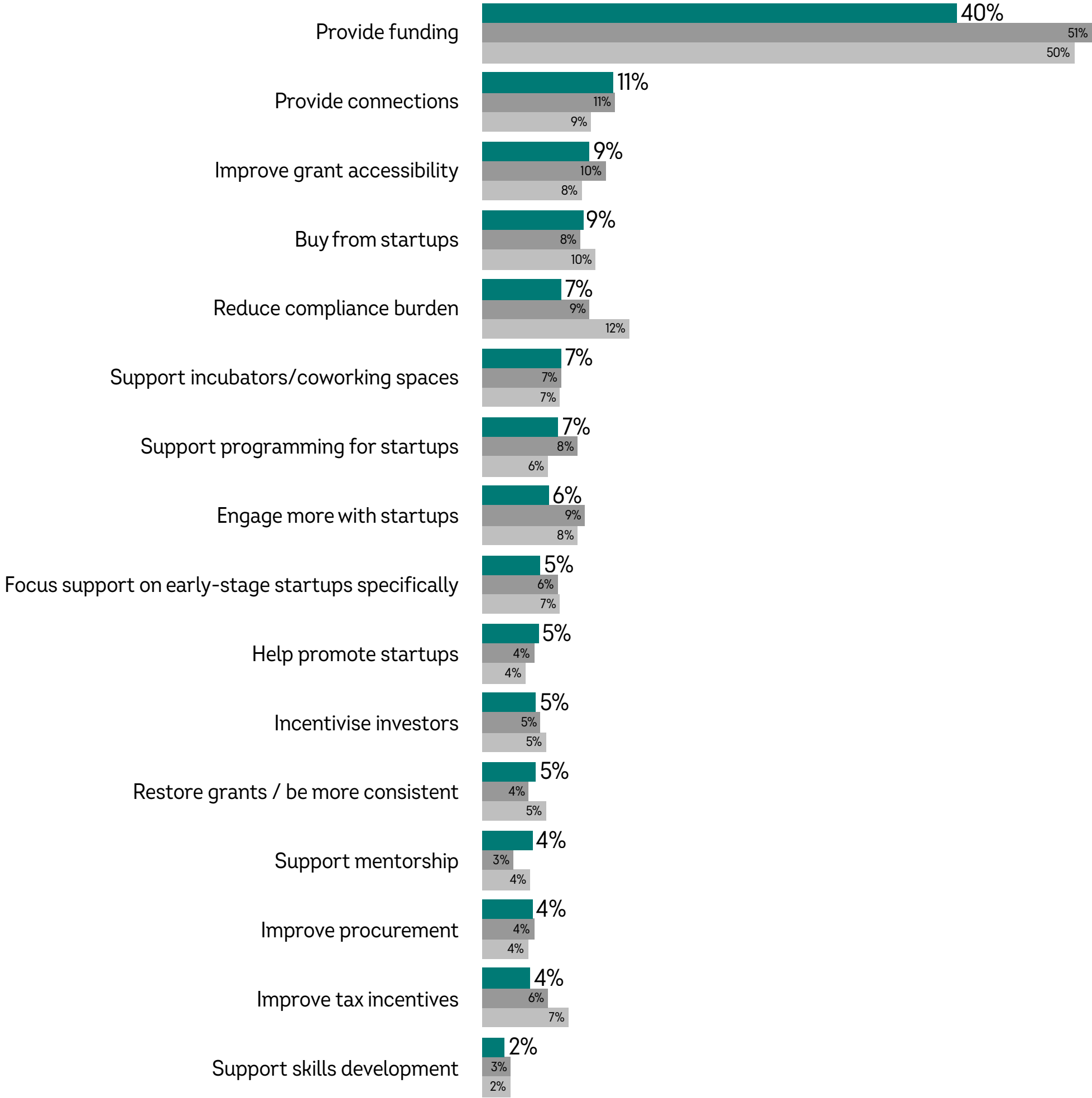


TOP LOCAL GOVERNMENT AREAS

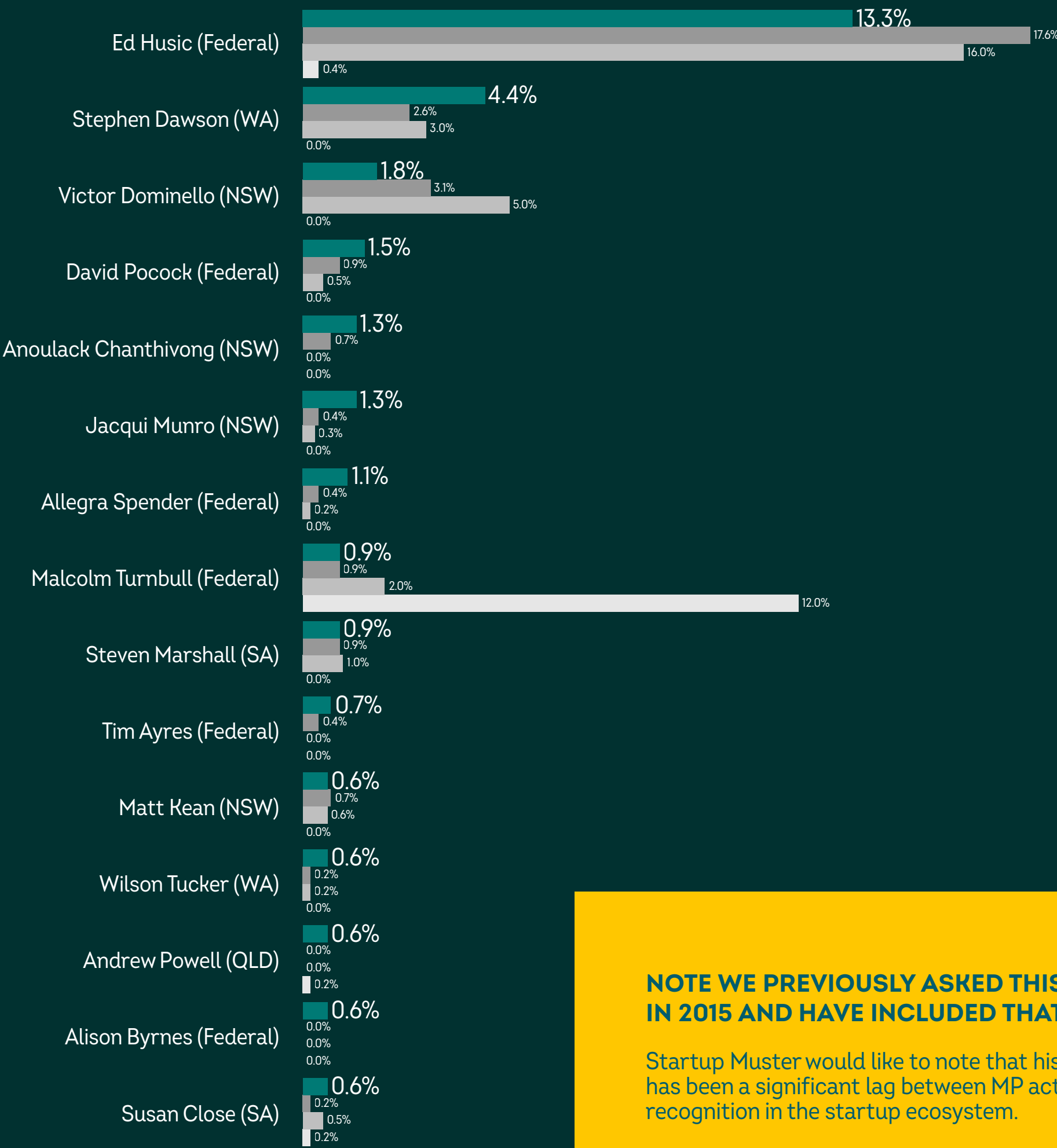


GOVERNMENT *(cont'd)*

TOP RECOMMENDATIONS TO GOVERNMENT



MEMBERS OF PARLIAMENT THAT WERE NAMED AS PARTICULARLY SUPPORTIVE OF THE AUSTRALIAN STARTUP ECOSYSTEM



NOTE WE PREVIOUSLY ASKED THIS QUESTION IN 2015 AND HAVE INCLUDED THAT DATA HERE.

Startup Muster would like to note that historically there has been a significant lag between MP activity and their recognition in the startup ecosystem.

GOVERNMENT INSIGHT

BRIDGING INNOVATORS AND DECISION MAKERS



Every year, Startup Muster reminds us why founders start companies: to solve meaningful problems and create better worlds. This same drive is why I entered politics and before it, the law.

Australian founders are brilliant at building products, but growth can be slowed by the complex processes and opaque decision-making of government.

I practised as a commercial litigator before moving into senior roles in Parliament, including in the Office of the Minister for Industry and Science, and in the Office of the Minister for Home Affairs and Cyber Security. I also was directly involved in one of the country's most successful re-election campaigns as part of the Prime Minister's 2025 federal labor election team.

Across these experiences, I observed a consistent pattern: startups move fast, government often doesn't, and timing, policy cycles, funding and relationships matter, particularly in this moment when technology is central to the national strategy.

The Australian government is focused on AI, productivity, jobs and skills, economic complexity, and technology-driven growth in a way it has never been before. It is hugely advantageous to innovative companies and startups to understand policy, regulatory levers, and government processes in order to scale faster and influence outcomes that shape the future of Australian tech.

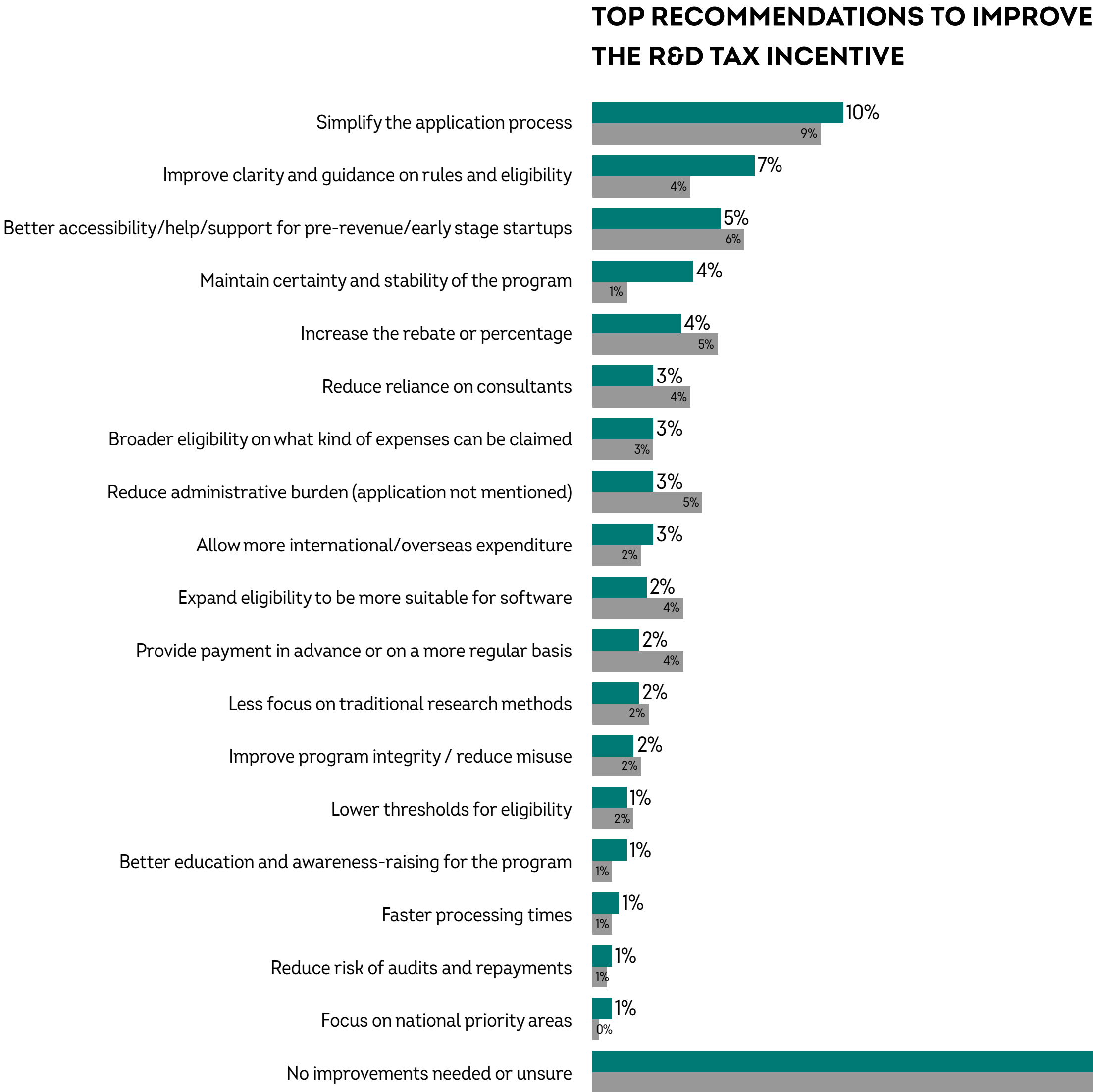
This year's Startup Muster findings echo this. Founders want clearer funding pathways, simpler grants, reduced compliance burdens, and more opportunities for government to buy from startups and Australians. These are not policy wish-lists; they are the fault lines that determine whether a startup grows, hires, or even survives.

Government should not be a blind spot. It can be one of the most powerful levers a company has if founders understand how to engage with it strategically. This is what I want to do now that I've left politics. I want to help bridge this gap.

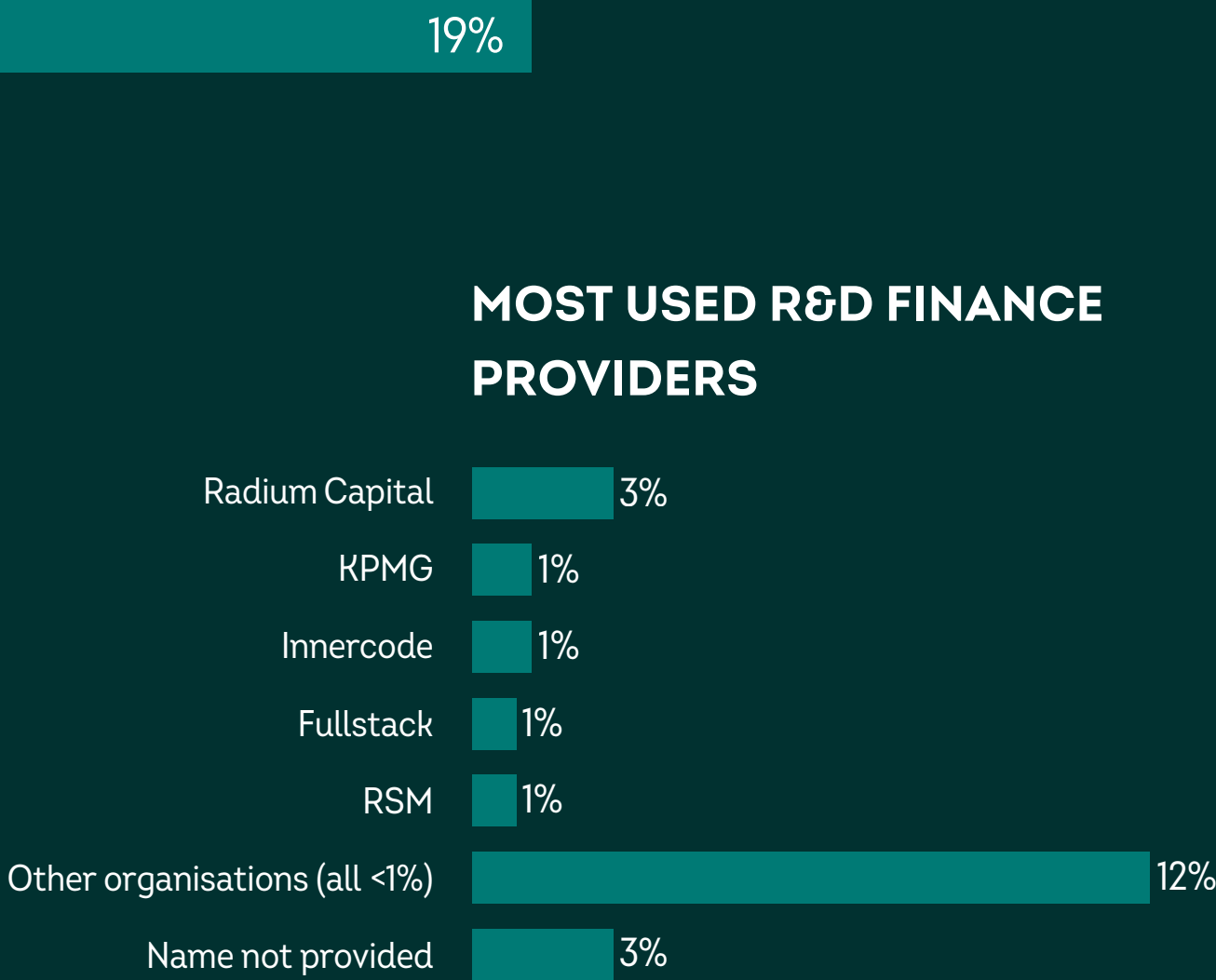
MIRIAM MAKKI

Founder, Sulta

GOVERNMENT *(cont'd)*



STARTUPS THAT HAVE USED AN R&D TAX FINANCE PROVIDER



Question asked was "Have you used an R&D Tax Incentive finance provider for your organisation, if so which one(s)?"



The 2025 Startup Muster survey findings provide a consistent message from Australian startups: government settings remain a critical factor shaping the pace and quality of Australian innovation. Across grant programs, procurement processes, and tax incentives, founders report long timelines, complexity, and uncertainty as the dominant barriers. These issues are structurally similar across jurisdictions and have been persistent over multiple Muster cycles.

Respondents nominate “provide funding”, “provide connections”, “improve grant accessibility”, “buy from startups”, and “reduce compliance burden” as the top actions governments could take. Notably, “support incubators/ coworking spaces” and “support programming for startups” remain in the top tier, directly confirming the value these ecosystem-level organisations create for founders, investors and other innovation system participants.

South Australia leads in the proportion of startups that consider their state’s support as above average. The ranking of the ACT as one of the top 3 jurisdictions with the highest proportion of startups rating state support as “above average” (39%, same as Queensland) aligns with the long-term investment the ACT Government and the higher education institutions in the ACT have been making into CBRIN as a key innovation ecosystem orchestrator.

At CBRIN we believe that governments have the mandate and responsibility to bring the key players together and support them to connect, promote and grow their respective innovation ecosystem. We are pleased to see the results confirm that Canberra is a great place for startups, ranking the Canberra electorates, both territory and federal among the top 5 and growing in popularity among respondents.

PETR ADÁMEK
CEO, CBRIN



Australian startups and SMEs are missing out on a significant opportunity: more than \$16 trillion (USD) in global government procurement is available each year, yet most are unaware of these opportunities and how to pursue them. According to the Australian Bureau of Statistics survey in 2019-2020, less than 3% of Australian companies export overseas.

The problem is not a lack of capacity or capability. The real barrier is visibility: most companies are focused domestically, as they do not know about these opportunities.

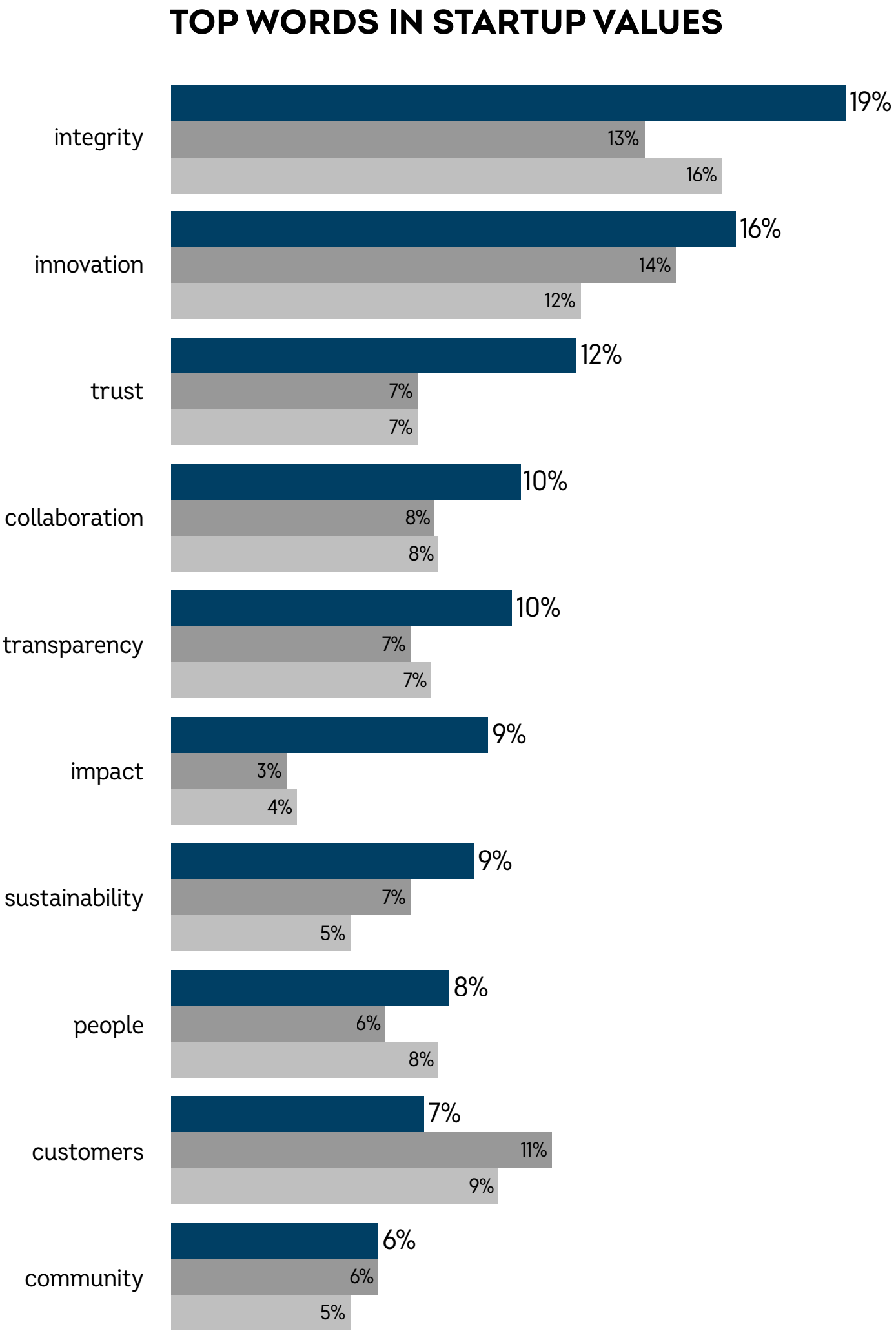
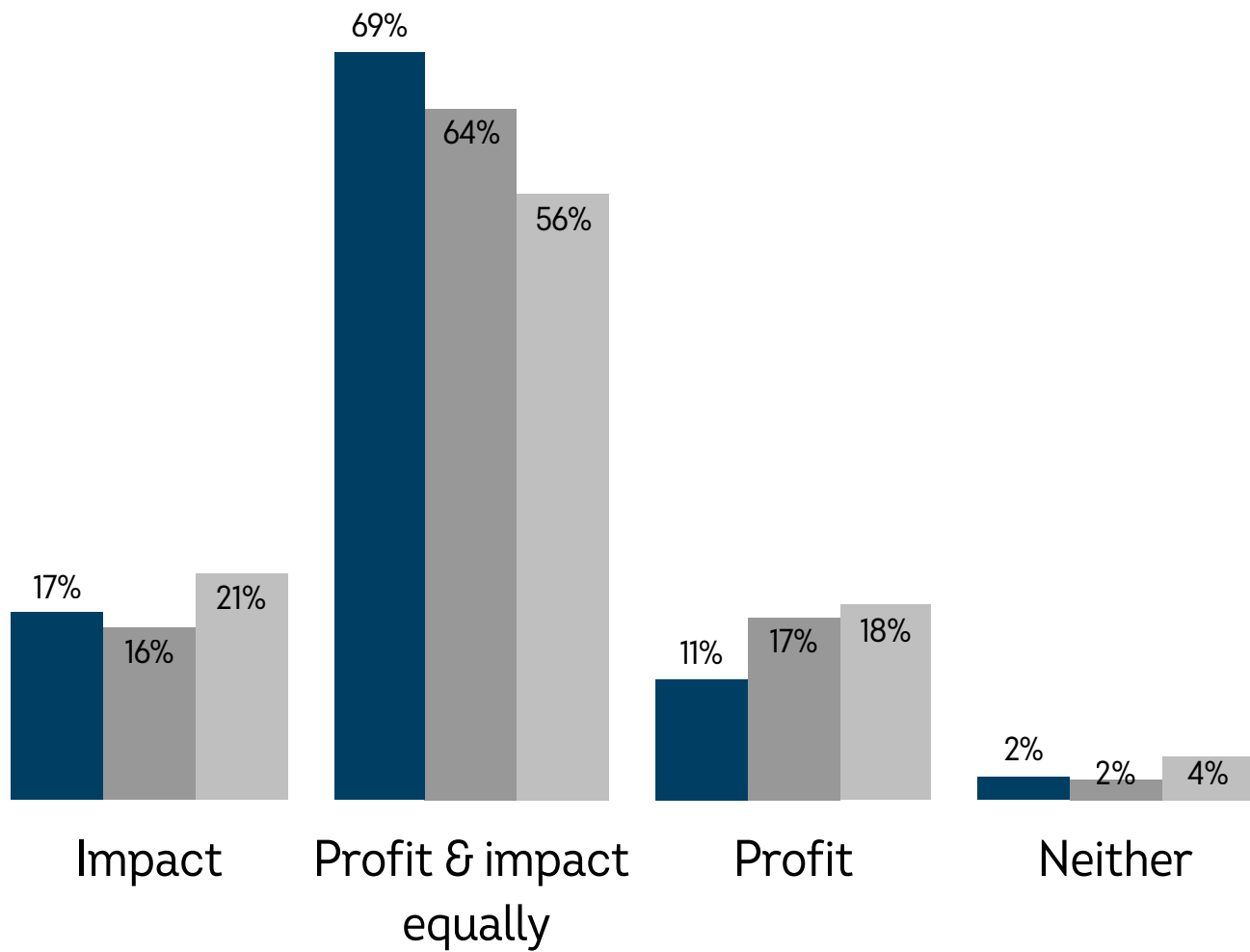
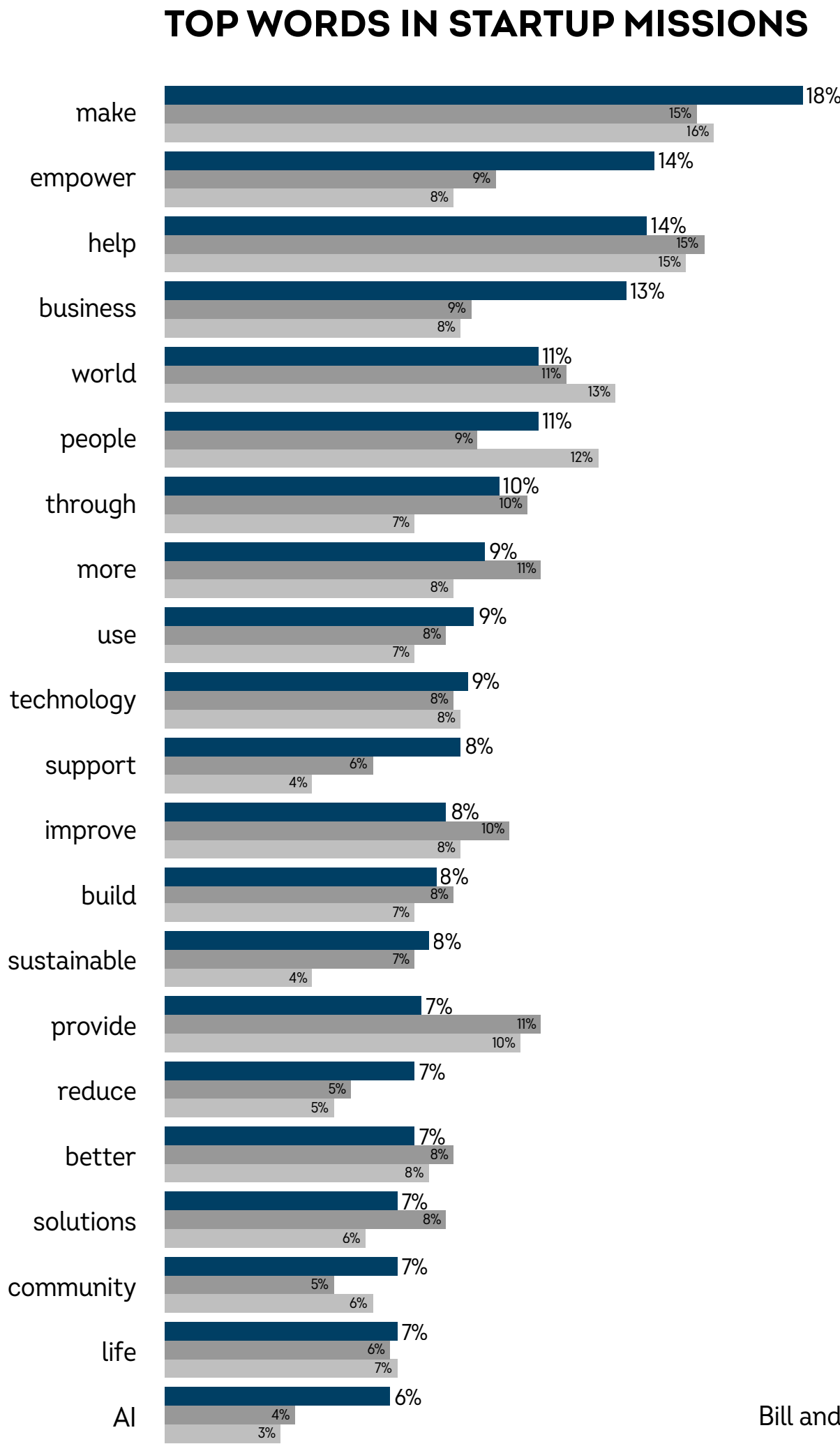
Australia consistently creates world-class innovations in defence tech, clean energy, medical research, AI, agritech, and advanced manufacturing. These innovations can become highly exportable but often struggle to sustain themselves in a small domestic market. Global procurement pathways - allied government programs, and multinational supply chains - provide the scale Australian innovators need. By matching these innovations with measurable overseas demand, Australia can generate export revenue, strengthen sovereign capability, and build durable global supply chains anchored in Australian expertise.

To unlock the significant opportunities available, startups need to be supported by a centralised database of international opportunities and guidance on eligibility, logistics, compliance and market entry. Startups can already find these opportunities themselves, but they are very fragmented in their location, discoverability and accessibility.

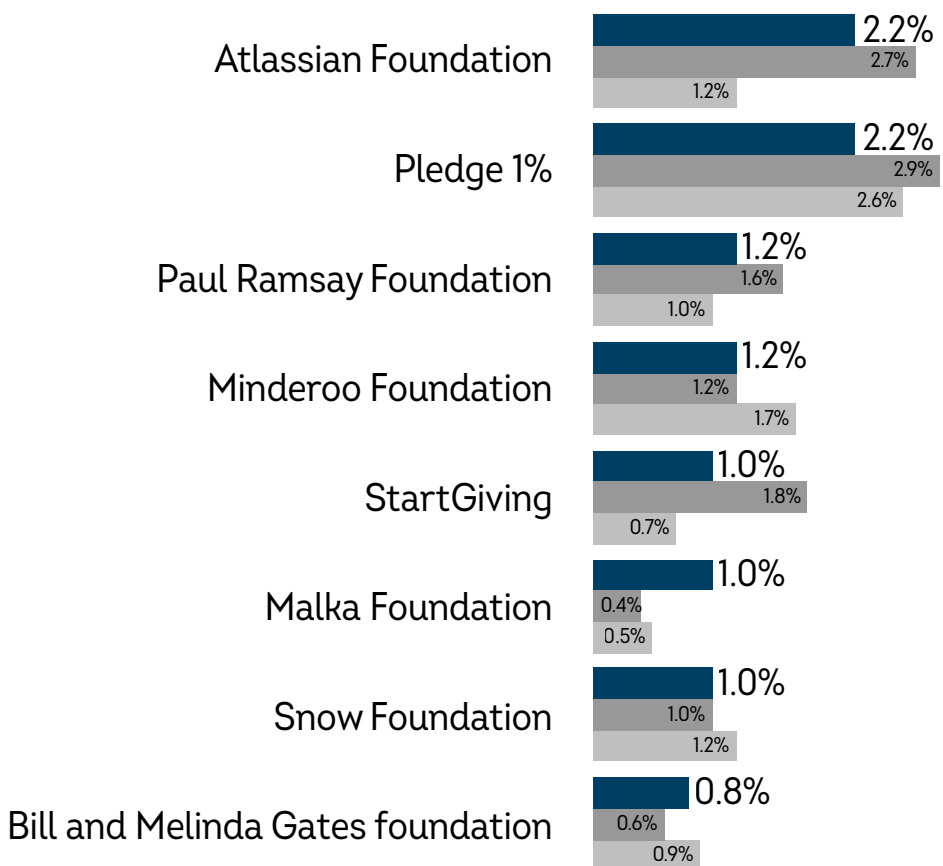
At PollenOne we believe in the companies doing this work and have made it our mission to make these opportunities visible and accessible to them. We want to ensure Australian startups can take clear and confident steps toward growing their businesses and competing globally.

BRIAN LIM
CEO, PollenOne

WHAT IS MOST IMPORTANT IN DECISIONS MADE IN STARTUPS

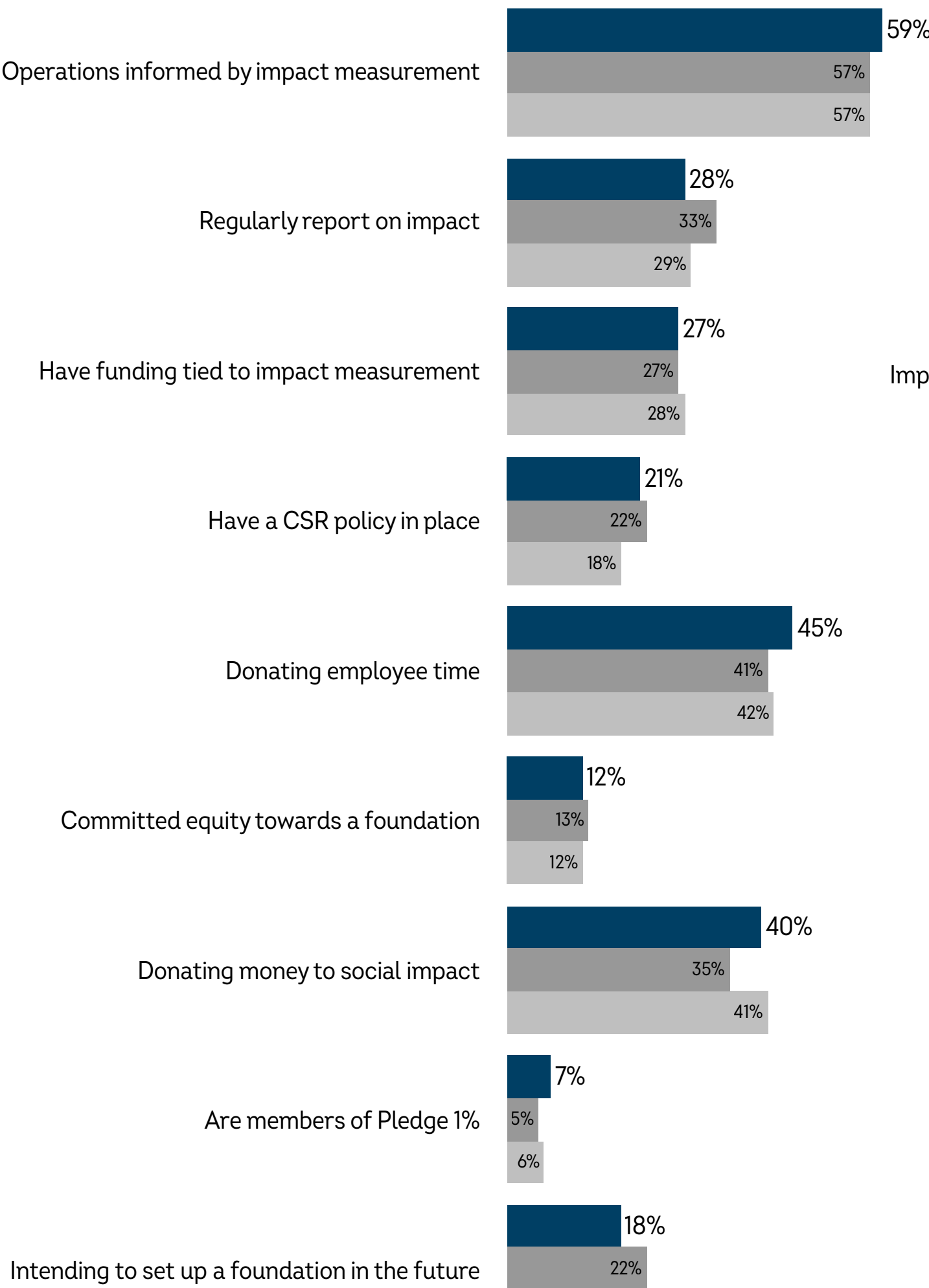


MOST COMMONLY KNOWN PHILANTHROPIC ORGANISATIONS WORKING IN AUSTRALIA'S STARTUP SECTOR

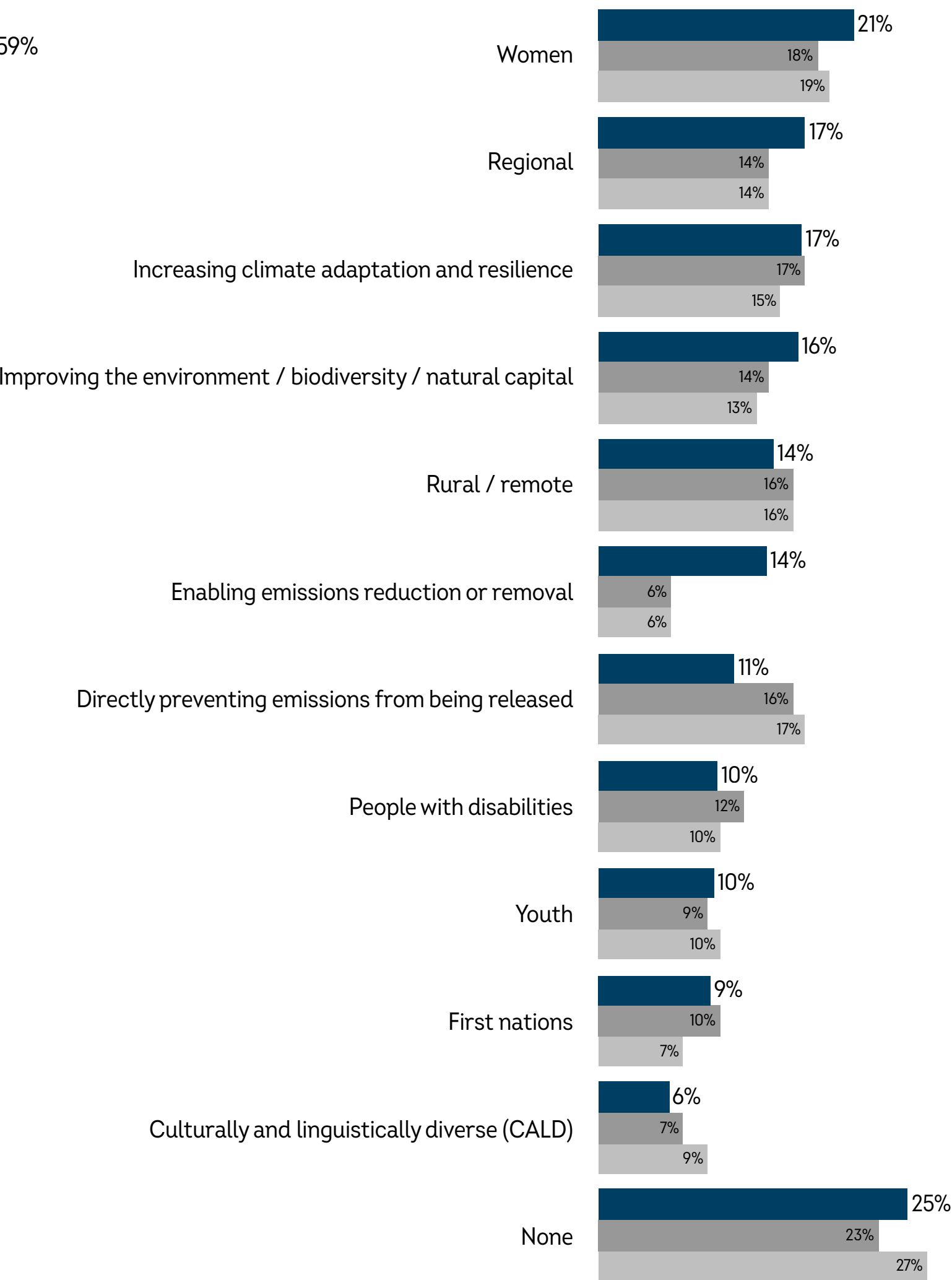


82% of participants could not name any organisation

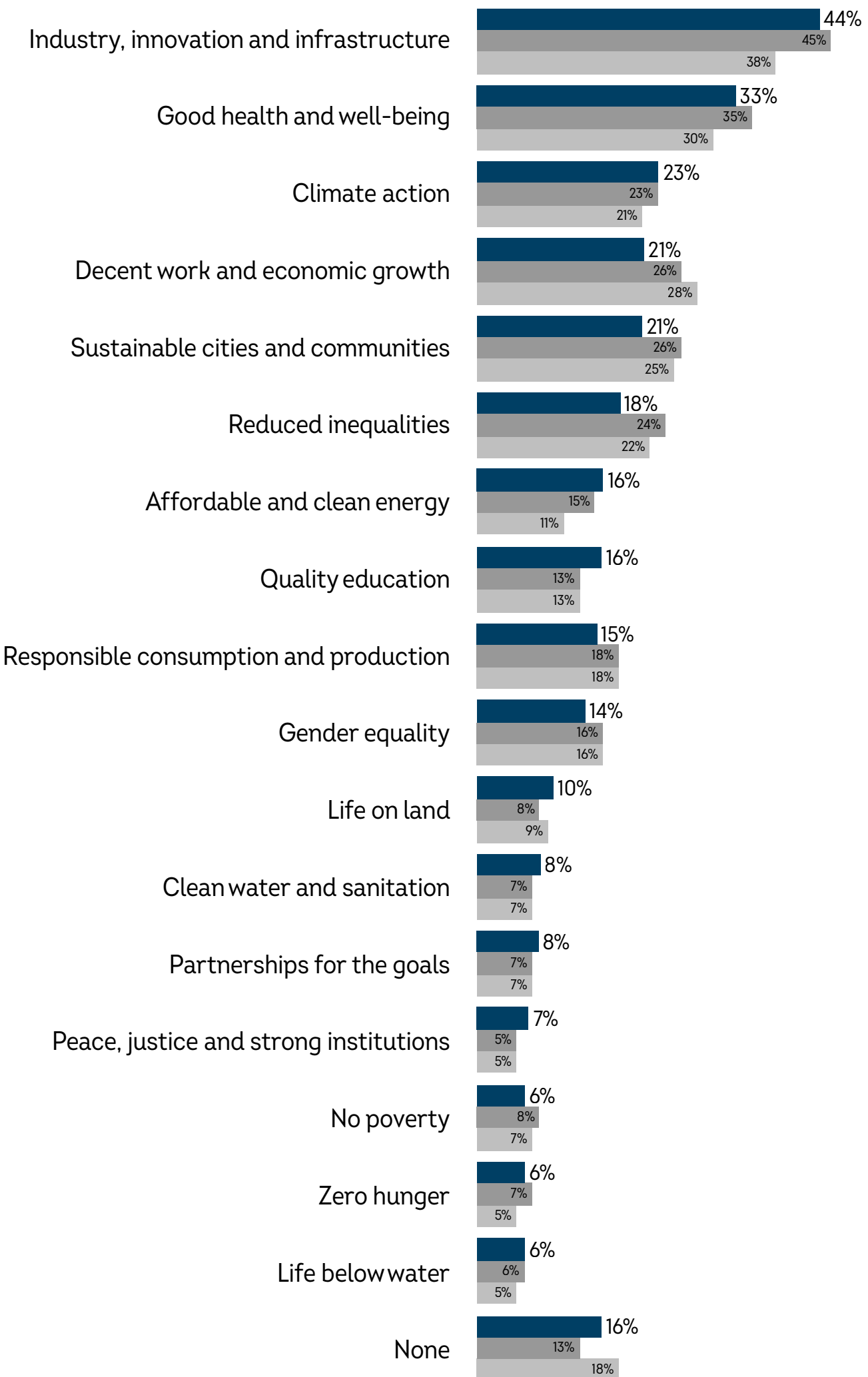
IMPACT AND PHILANTHROPY



TOP STARTUP IMPACT AREAS



TOP STARTUP SUSTAINABLE DEVELOPMENT GOALS



IMPACT INSIGHT

IMPACT IS AT THE HEART OF STARTUPS



Startup Muster research shows 69% of startup founders say profit and impact are equally important in their decision-making, with only 11% focused on profit alone. Nearly half of startups surveyed are donating employee time, two in five are contributing money, 12% have already committed equity to a foundation, and another 18% are planning to establish one.

While this data paints a positive picture, there is still work to do. Only 21% of surveyed startups have a CSR policy in place, and just 28% regularly report on their impact.

However, when presented with information about Pledge 1%, one in five respondents either signed up or requested more details, demonstrating an appetite for structured support to help generate corporate social impact. We hope this shows that Australian startups simply need clearer pathways to turn their good intentions into sustainable, scalable impact.

For its part, Pledge 1% helps make corporate impact more visible and accessible, helping more founders build companies that generate both profit and purpose.

Ready to start your impact journey? Pledge 1% of your organisation's time, product, profit and/or equity for social good, and we'll help with access to free resources, guidance and a global network of like-minded companies.

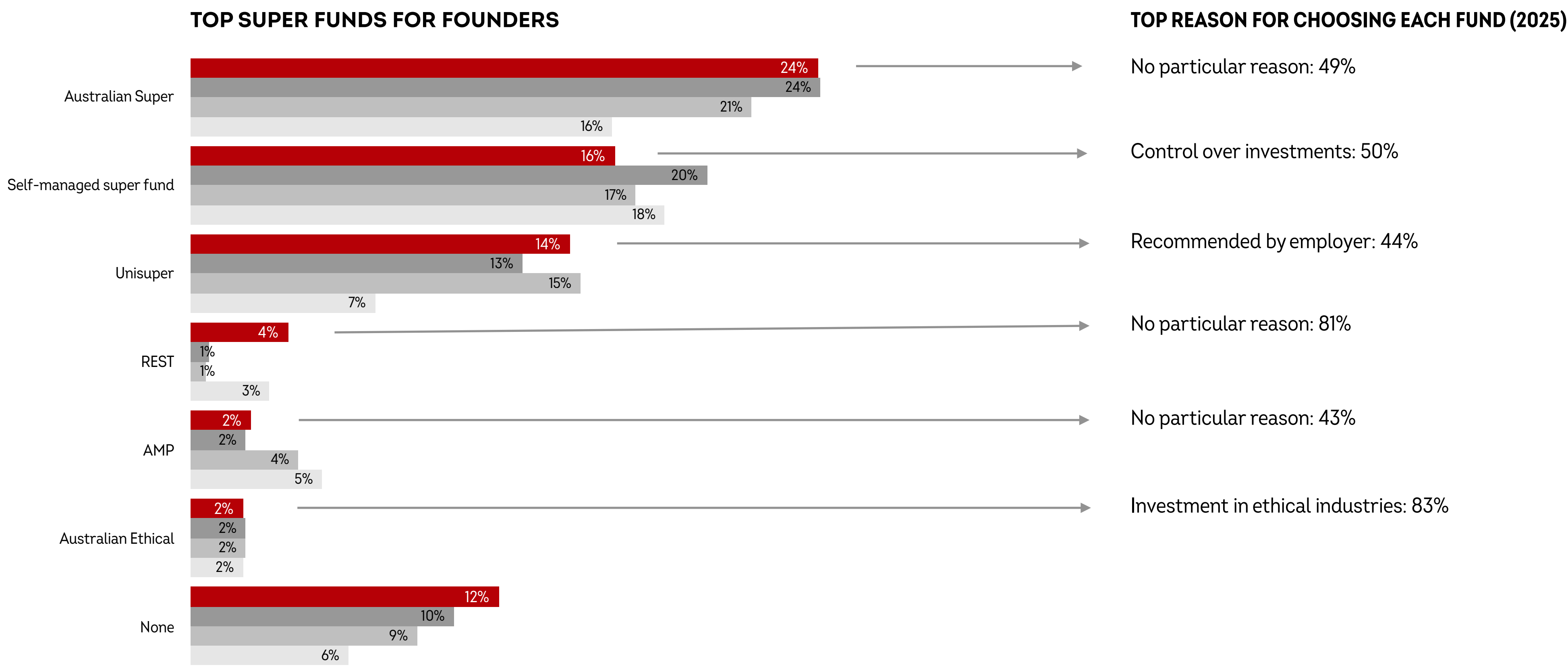
<https://www.pledge1percent.org/take-the-pledge/>

ANTONIA RUFFELL

Managing Director, Australia, [Pledge 1%](#)

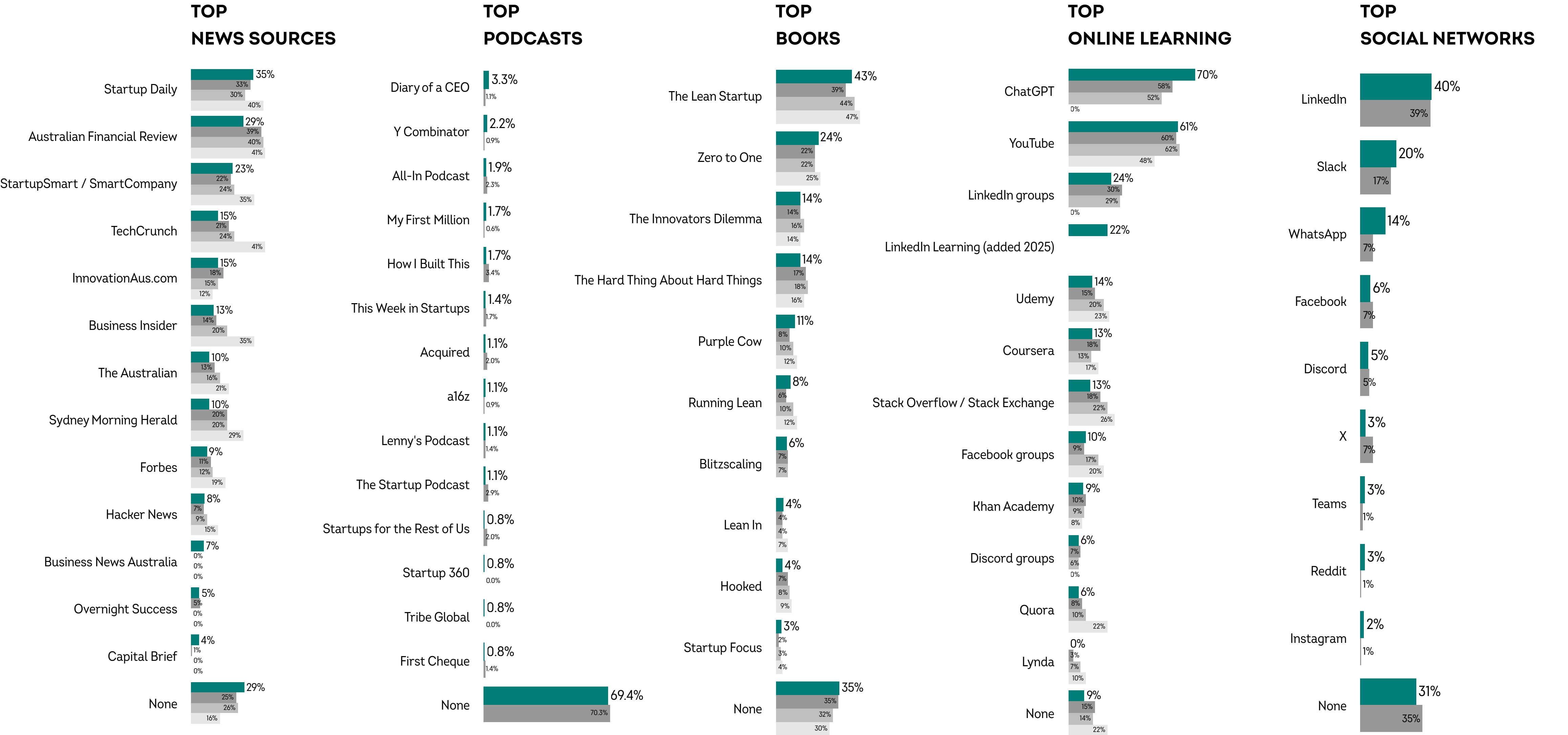
SUPER FUNDS

FOR FOUNDERS



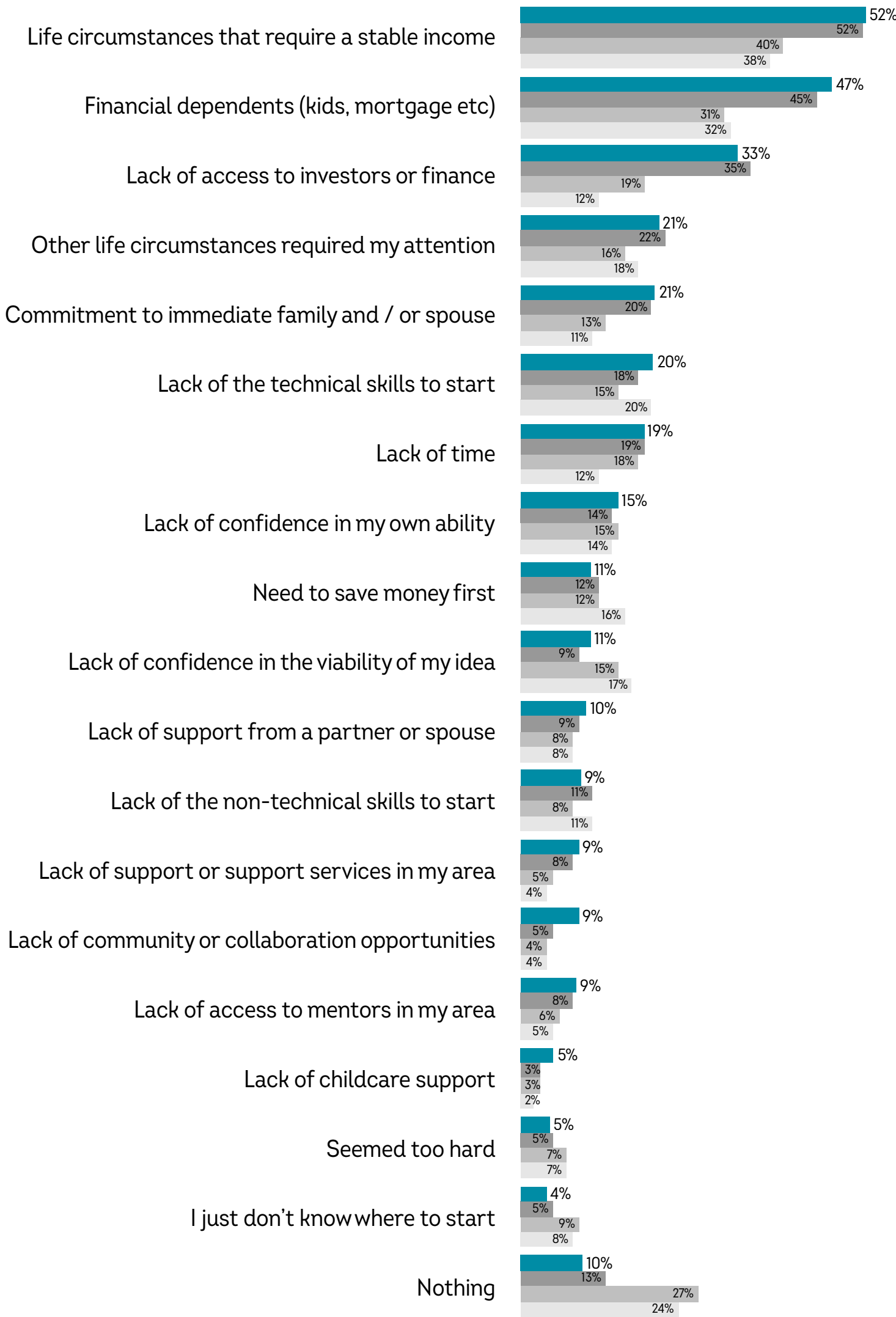
INFO SOURCES

FOR FOUNDERS

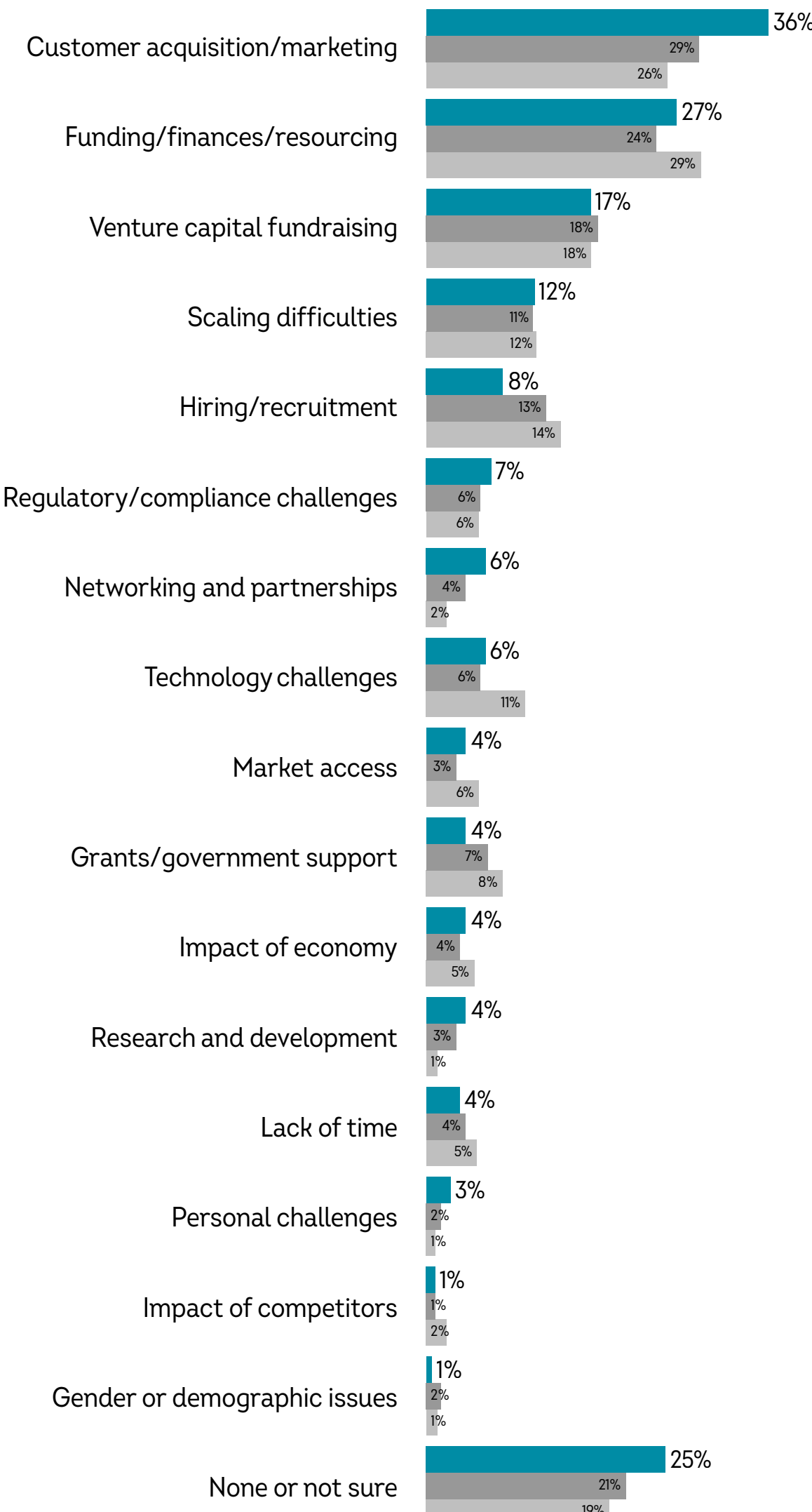


CHALLENGES

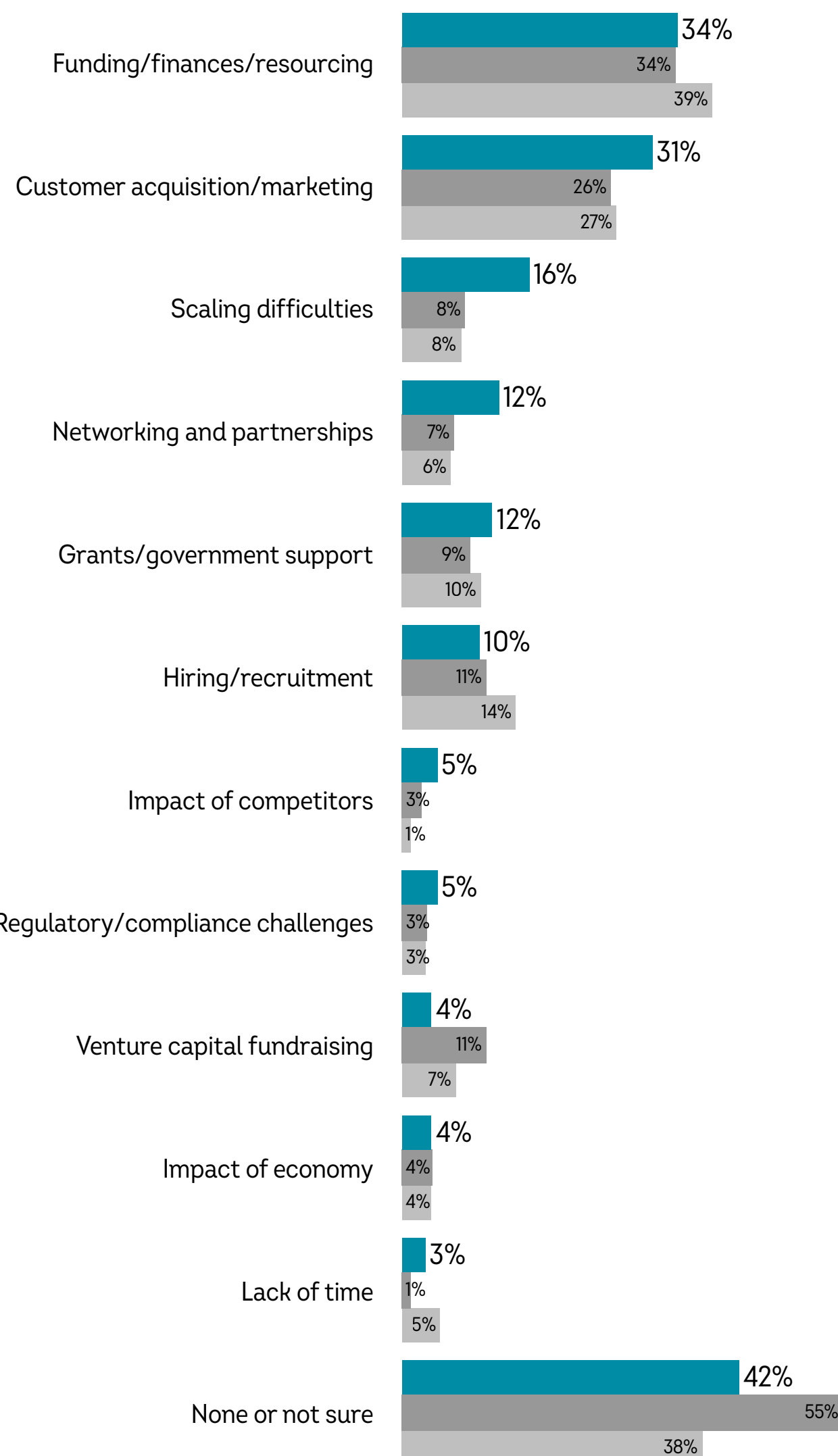
WHAT HINDERED FOUNDERS WHEN STARTING



PRIMARY CHALLENGE FACED BY FOUNDERS TODAY

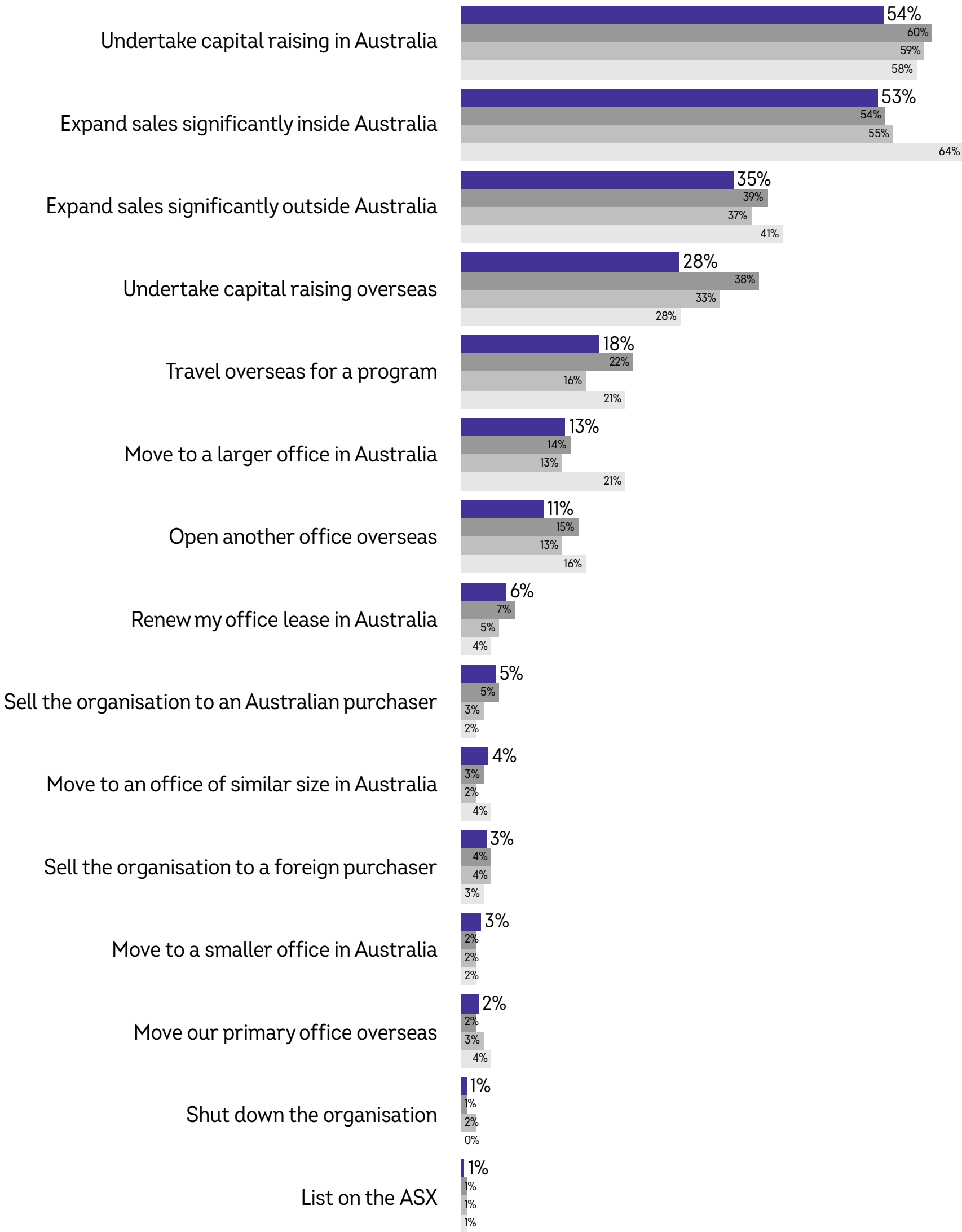


THE PRIMARY CHALLENGE FACED BY SUPPORTERS TODAY

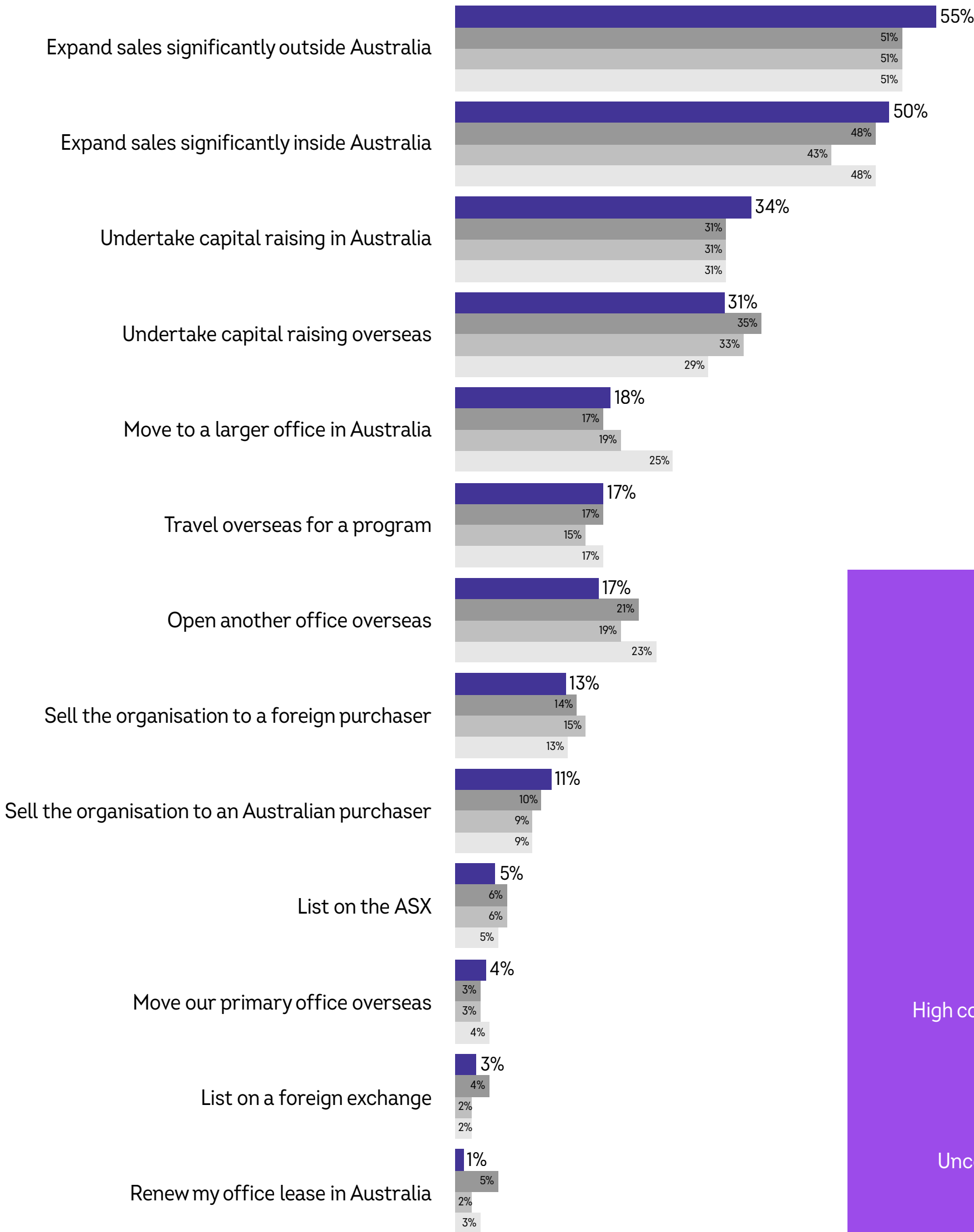


PLANS

NEXT 12 MONTHS



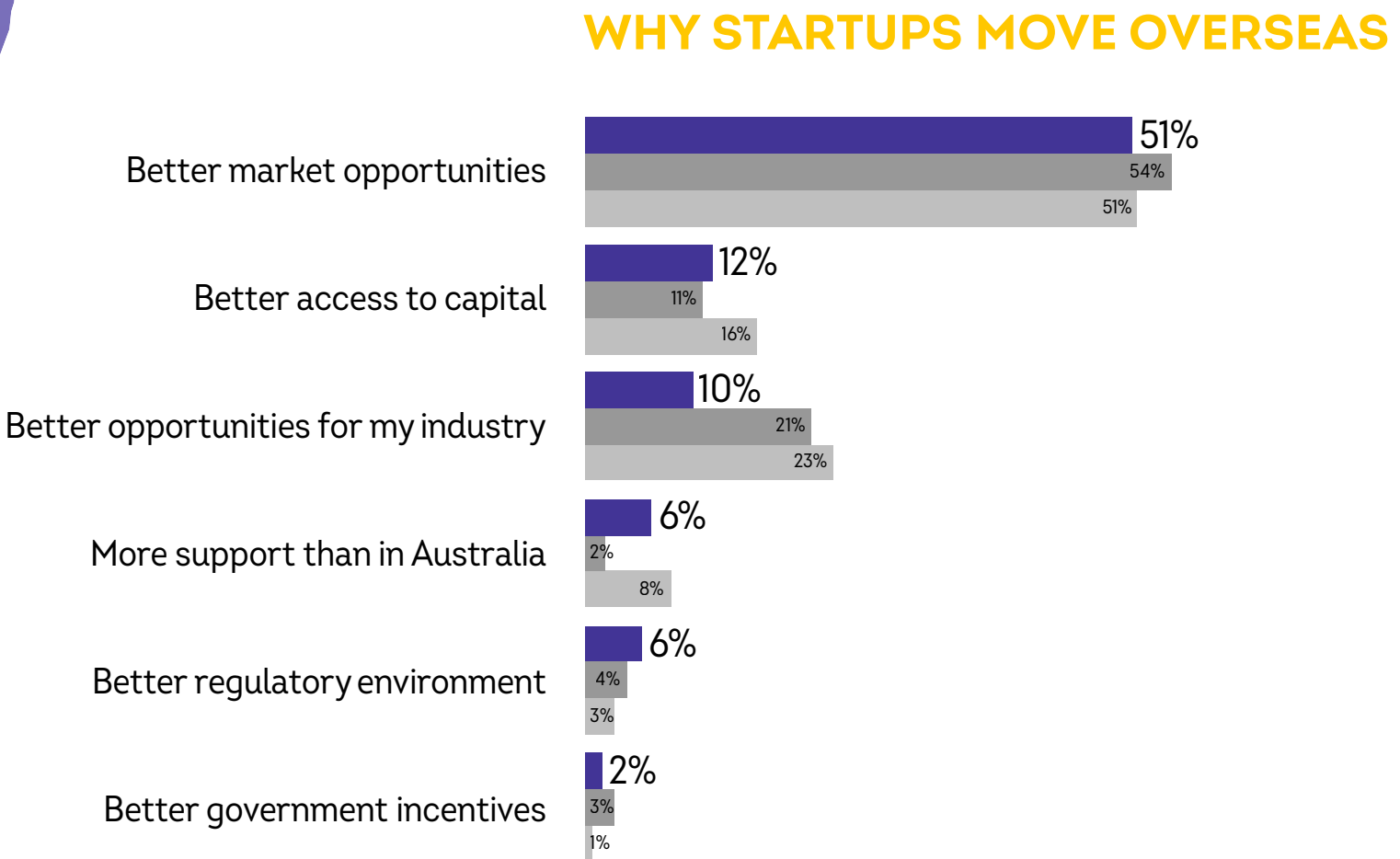
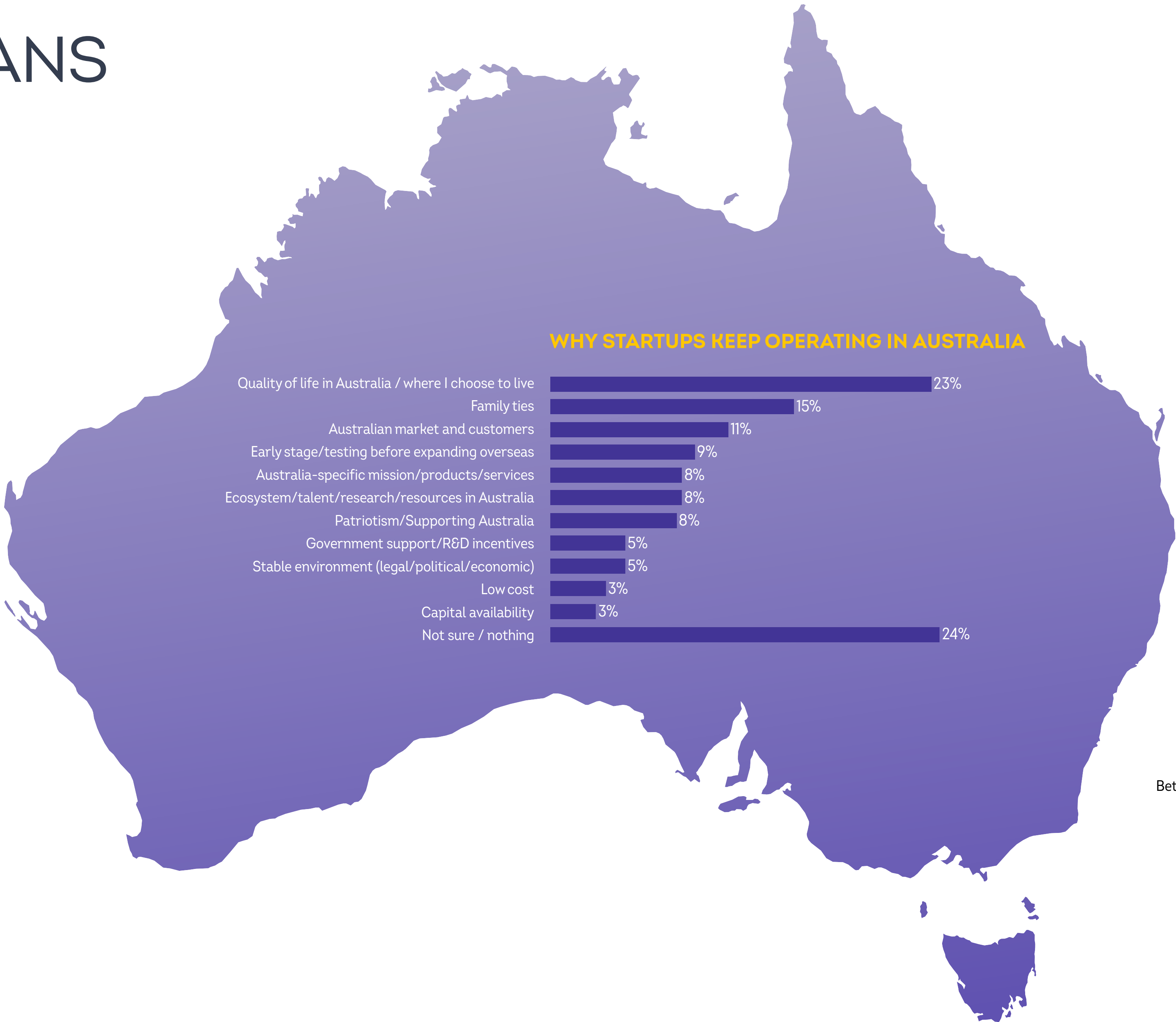
AFTER 12 MONTHS



REASONS FOR NOT
CONSIDERING A
FUTURE IPO



PLANS



VALLEY INSIGHT



I was able to spend an early part of my career in Silicon Valley before the tech scene existed here in Sydney. It opened my mind and it helped me build a model of the world. At that time if I worked in finance, I'd want to be in New York, London or Hong Kong. If I worked in fashion, maybe Milan and if I worked in movies I'd for sure want to be in Hollywood. So for me, Silicon Valley was where it was at, and I have based my company and family in Palo Alto for that reason.

Although there are now many tech centres around the world, Silicon Valley is still the home of our industry, and as much as cities want to build their own ecosystem, I think it's best to think about how our ecosystem can work with Silicon Valley.

For you, that means thinking about how your company and product can leverage the US market and technology ecosystem. Realise that the tech and related industry in California is approximately half of Australia's GDP across all industries. Tech is also spread across other cities, such as Austin, New York and just about every other city in the US.

What this means is that there is more flow of funds, ideas, projects, experiments and all things tech that is simply unparalleled anywhere in the world. Many US companies are also naturally innovative by default, meaning they will sign on for new and sometimes unproven projects in order to help themselves compete.

That doesn't mean we have to compete with that, we can choose to be part of it and ride that wave. Anyone who is serious about their career in technology should spend time there, even if it's just to attend a conference or two, visit some campuses and coffee shops and get a feel for it. It will change your perspective forever.

So think about how you can work WITH the global ecosystem we have and how you can be a part of that.

ROB CASTANEDA
Founder/CEO, [ServiceRocket](#)

GLOBAL INSIGHT



There is a world of opportunity, but we are lucky we started here. Australia represents the middle of markets, the perfect place to identify and hone product market fit in a place that has the talent, money and need for innovation.

My biggest tip for anyone expanding overseas is to know how to get in front of your customer and to build that channel to market step by step as if you're starting again. It's a steep re-learning curve.

For us in the government sector, we realised early in our expansion how lucky we were to start in Australia. We had access to the R&D tax incentive, the NSW MVP Grant (which was 25k at the time!) and importantly Australian governments had innovation budgets at a state level. This meant they were able to trial technology, critical to our development, and dare I say critical to their innovation too.

There is more the Australian government can do to help startups. They can build incentives for relatively small scale risks to occur, and to share that risk with entrepreneurs. The biggest uplift would be changing our culture to allow introductions and access. I didn't realise why America was so powerful in the startup sector until working within the cultural environment that was supportive of young people having a go at building their 'thing'.

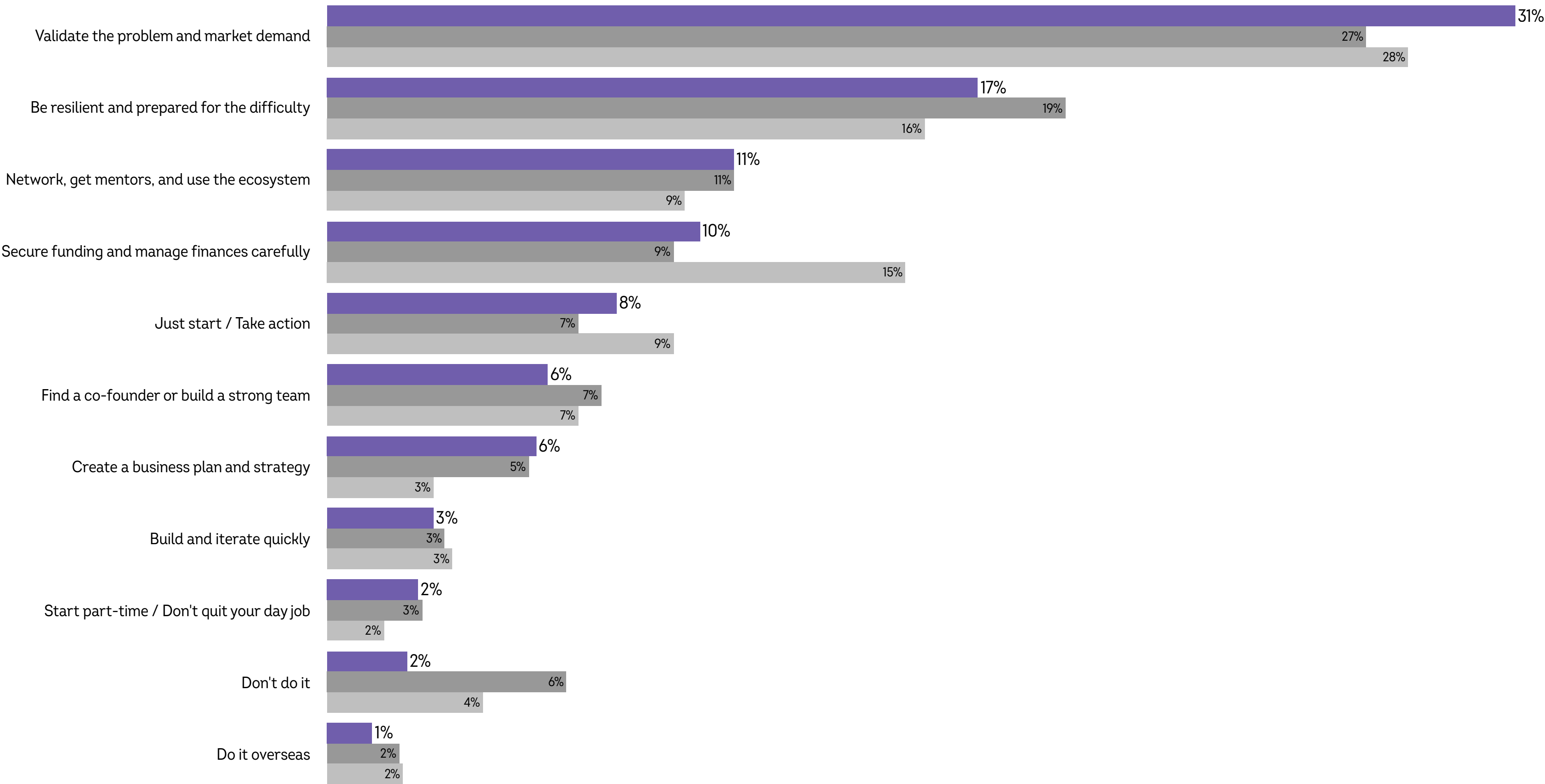
Despite all the headlines over bubbles and bust, there is a strong appetite for Aussie technology in the UK, US, and beyond, particularly those that focus on quality service with an amazing product.

ANGUS MCDONALD
Managing Director, [CompassIoT](#)

ADVICE

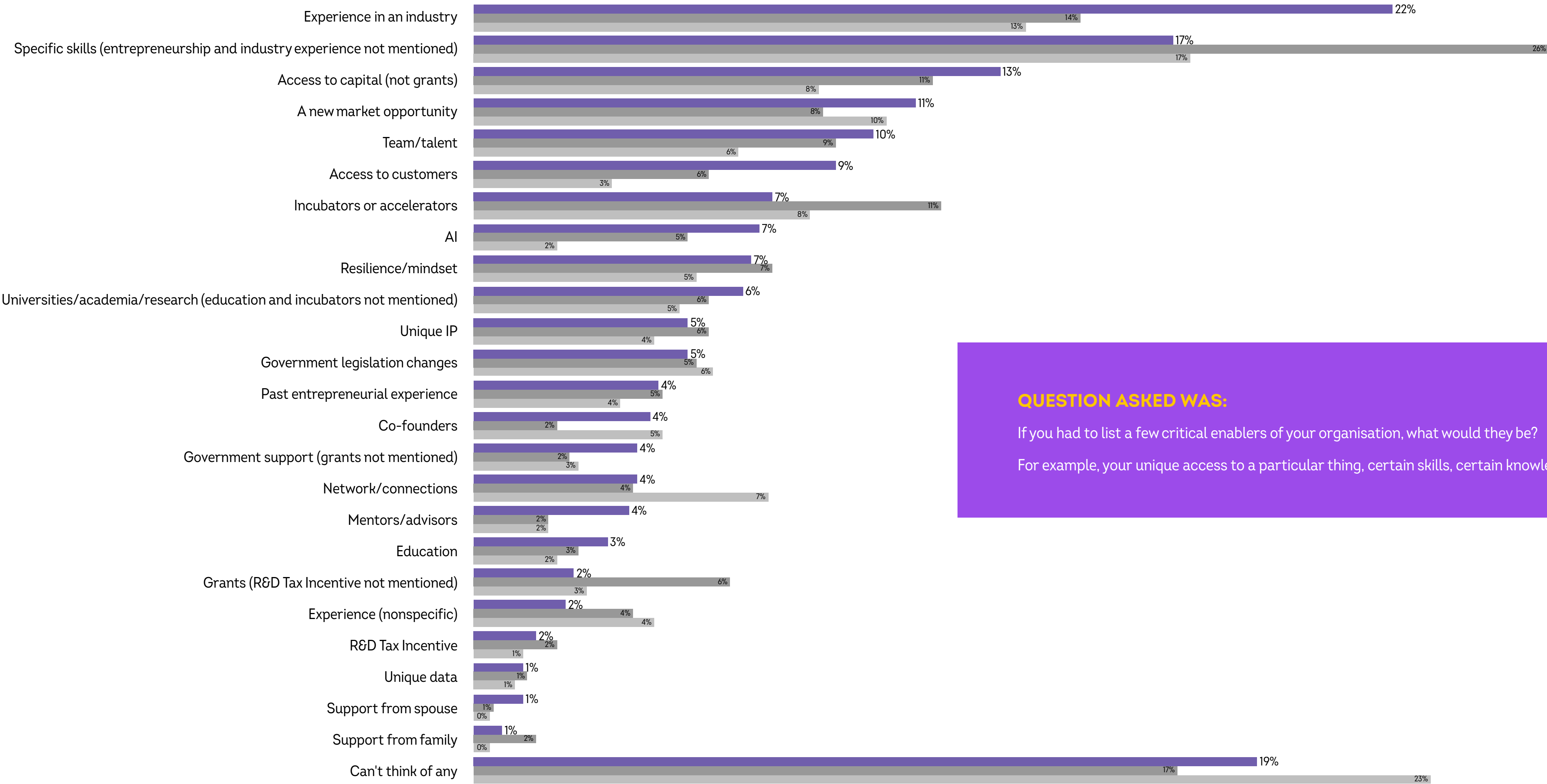
FROM FOUNDERS, FOR FOUNDERS

IF A FRIEND WANTED TO START A COMPANY, WHAT WOULD YOU TELL THEM TO DO?



ENABLERS

WHAT CRITICAL ENABLERS COULD FOUNDERS NAME?



QUESTION ASKED WAS:

If you had to list a few critical enablers of your organisation, what would they be?
For example, your unique access to a particular thing, certain skills, certain knowledge, legislation change, etc.

Industry.org.au

Connecting companies and capabilities for Australia

Launching in 2026, at a critical moment of need for Australia's economy, and technology-driven opportunity.

Industry.org.au is a volunteer and AI-driven not-for-profit that will be working to connect Australian companies to what they need, with a focus on creating retained benefit and capability for Australia.

Want to use your network for good?
Have data that will enable better connections?
Have something that companies need?

Join the effort at Industry.org.au



NEED A CUSTOM REPORT?

Startup Muster 2025 collected 337 data points on startups and supporters across Australia, has data dating back to 2013, and can generate industry and geography-specific reports on areas of interest.

NEED POLICY FEEDBACK?

In 2024 and 2025, 810 unique Startup Muster participants opted in as experts available to answer time-sensitive questions on startup policy issues or opportunities via SMS.

CONTACT US

info@startupmuster.com

