

Australia poised for start-up boom, Google study finds

April 23 2013



The Sydney harbour is pictured on March 22, 2013. Tech start-ups could be worth Aus\$109 billion (US\$111 billion) to the Australian economy by 2033—on a par with retail or education—and create half a million jobs, a report for Google found Tuesday.

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The PricewaterhouseCoopers (PwC) study "The Startup Economy" said that by global comparisons there is "no better time to be an entrepreneur in Australia", with some 1,500 tech start-ups and support for the industry expanding rapidly.

Were growth to accelerate to a rate of 5,600 new start-ups by 2023, PwC said the sector could account for 1.1 percent of gross domestic product, from 0.1 percent currently.

Ten years later, in 2033, that figure would be 4.0 percent, according to the PwC projections. If achieved, it would mean 540,000 [new jobs](#).

The report called for Australia to flaunt its technological successes, which include the invention of WiFi Internet technology and bionic [Cochlear](#) hearing technology.

It also boasts several global success stories in the start-up sector, including investor firm Computershare and software developer Atlassian, among whose clients are Boeing, NASA, Sony, HSBC and [American Express](#).

But [Google](#) Australia, which commissioned the study, said tapping the sector's potential would require hard work, including increasing the success rates for start-ups and boosting [computer science education](#).

Some 1,100 of today's 1,500 start-ups are expected to fail by the end of 2013 and numbers of domestic computer science graduates have fallen two-thirds in the past decade.

"In the short-term it's estimated we'll need to have 2,000 more tech entrepreneurs drawn from the existing workforce each year," said Alan Noble, engineering director at Google Australia.

"My hope for the long-term is that success will breed success."



The Google stand is pictured during CES on the Hill in Washington, DC, on April 16, 2013. Google Australia said tapping the tech sector's potential would require hard work, including increasing the success rates for start-ups and boosting computer science education.

The report said greater [government funding](#) for early-stage projects would be needed, with current levels at one-tenth that of the United States and one-twentieth that of Israel.

The government could also play a major role as purchaser of tech start-up services, with spending in the sector last year totalling Aus\$41 billion.

Industries such as finance, manufacturing, mining and healthcare all had significant scope for tech start-ups, with few firms yet targeting those

sectors, the [report](#) said.

"A strong homegrown tech sector is vital to future Australian jobs and wealth," Noble said.

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Citation: Australia poised for start-up boom, Google study finds (2013, April 23) retrieved 24 April 2024 from <https://phys.org/news/2013-04-australia-poised-start-up-boom-google.html>

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