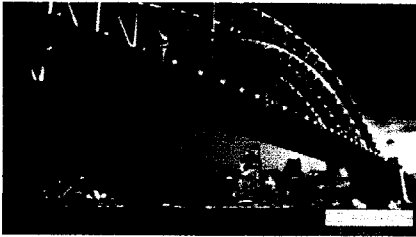


LET'S LAUNCH IN...

Sydney offers sun, sea and enthusiasm

By Jonathan Moules Author alerts



Sydney, renowned for sun, sea and a can-do attitude, feels like a natural home for founders, yet its distance from other tech centres means it is sometimes overlooked. The main artery for the technology start-up crowd is Harris Street, running from Pirrama Park, close to Google's Australian headquarters, to the University of Technology, Sydney.

The case for: Sydney is Australia's most cosmopolitan city, its financial capital and has the largest number of regional headquarters for multinational corporations.

Last year, the professional services firm PwC calculated that two-thirds of Australia's 1,500 technology companies are in Sydney.

The weather is also more reliably sunny than in arch rival Melbourne.

The case against: As with so many start-up hotspots, the cost of living is higher relative to other Australian cities. Venture capital can also be hard to access because of the lack of local firms. The trend in Australia has been to rely on friends and family for finance instead.

Local heroes: Fishburners is the biggest and most successful co-working space in the city. However, there are more than 30 other similar office sites locally, including HUB Sydney and ATP Innovations.

Freelancer.com is the world's biggest online freelancing marketplace by number of users and projects posted, connecting more than 11m skilled professionals to jobs. The company went public in November 2013 and is listed on the Australian Securities Exchange.

ImageBrief is an online marketplace that connects image buyers with photographers. Launched in Sydney in 2011, it has bases in London and South Africa and lists New York as its headquarters. It has raised \$2.2m in equity funding to date, most recently adding \$700,000 from Melbourne-based Square Peg Capital.

Show me the money: Australia has a lower rate of venture capital investment to start-ups than just about every other developed nation, but it had the third largest number of technology deals globally in 2013, according to the website Internet DealBook. Businesses tend to get funded through family, friends and wealthy individuals rather than through VC firms.

The Australian government lends a hand. Commercialisation Australia, an assistance programme, has supported more than 500 companies with grants in excess of A\$200m, for instance.

Big businesses also provide equity funding support to early-stage ventures. Westpac Banking Corporation's venture-capital fund was recently part of an A\$8.5m funding round, backing Sydney-based peer-to-peer lender SocietyOne.

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How easy is it to get to? Sydney is well served by public transport. Its international airport is 20 minutes from the city centre and has several nonstop direct flights to the world's major hubs.

What do the locals say?

Benjamin Chong, a partner at Sydney-based venture capital firm Right Click Capital and co-director of the Founder Institute in Sydney, says: "There is a growing start-up community with a high amount of activity and enthusiasm. This will be buoyed by upcoming exits, which will provide more fuel for the local ecosystem."

Jeremy Liddle, director of the Enterprise Network for Young Australians, adds: "We rank very high on ease of doing business and entrepreneurship; however very low on innovation."

Have you started a business in Sydney? Join the debate: <http://on.fb.me/1hVF9Vt>

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