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— **Opinion**

# Why we should celebrate the unsung heroes of the Aussie tech scene

Successful start-up exits deliver rich returns to investors and create wealth for founders and some employees, and hopefully get recycled back into the sector.

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Australia has not always had a great start-up record. However, the tide is turning, and the number of start-ups has dramatically grown in the past few years and continues to do so.

In Victoria, where I am chairman of start-up agency LaunchVic, the number of start-ups operating has jumped from around 1000 in 2016 to more than 3400 today, and the number of jobs the sector is employing is well over 55,000.



Envato co-founders Cyan and Collis Ta'eed built a company that was ultimately acquired for \$375 million. **Nakita Pollock**

This combination of founders being prepared to start and expand companies, combined with access to venture capital in Australia, has meant we have seen several companies succeed, and ultimately achieve an exit.

Venture exits mark an important milestone in the start-up journey, but one that we don't celebrate anywhere near enough, given how critical they are to recycling capital and talent back into the long-term growth of the ecosystem.

Successful exits deliver investment returns to investors and create wealth for founders and employees (with stock or options) who have worked hard to build the company to this point.

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However, the most important beneficiaries are the next generation of start-ups, and our economy. This is because exits create a virtuous cycle, with capital and skilled talent being released back into the ecosystem, spurring its continued growth.

Take Aconex – the company I co-founded with Rob Phillpot. Since our exit in 2018 [<https://www.afr.com/technology/oracles-16b-acquisition-of-australian-startup-aconex-15-years-in-the-making-20181016-h16pic>], a dozen of its former executives have founded or worked at up-and-coming start-ups such as EstimateOne, Prospection, DisplaySweet, Shilo People and MessageMedia.

Additionally, hundreds of former Aconex employees have been released into the ecosystem, deploying their skills into the growth of dozens of technology companies.

Many of us also continue to be active investors in the early-stage start-up community. And the Aconex exit has given us the opportunity to go again, with some of the Aconex band back together in our new start-up, Firmable [<https://www.afr.com/link/follow-20180101-p5efx5>].

## Successful deals, no glory

Given the important role exits play, it's a wonder more people haven't heard of companies like MessageMedia, which exited for \$1.7 billion; A Cloud Guru, which exited in 2021 for almost \$2 billion; [<https://www.afr.com/technology/melbourne-tech-firm-snapped-up-for-1-7b-20210609-p57znz>] Afterpay, which exited for \$39 billion; [<https://www.afr.com/companies/financial-services/afterpay-shareholders-show-massive-support-for-acquisition-by-square-20211214-p59had>] Payapps, which exited under the radar for \$600 million; and just recently, Envato, which was acquired for \$375 million [<https://www.afr.com/link/follow-20180101-p5foll>].

We know many US entrepreneurs who have become household names (think Mark Zuckerberg, Elon Musk or Steve Jobs) but how many Australians can name our local heroes – people such as Sam Kroonenburg from A Cloud Guru [<https://www.afr.com/link/follow-20180101-p57xdp>], or Lincoln Easton and Geoff Tarrant from Payapps.

We are about to see the benefits of the largest secondary exit in Australian venture history, with the partial sale of Canva stock releasing a huge wave of capital back into the sector [<https://www.afr.com/technology/canva-millionaires-made-share-sale-to-hit-3-6bn-first-1-6bn-done-20240405-p5fhmm>], along with a new batch of potential entrepreneurs with the means to take the risk on a start-up.

Importantly for up-and-coming start-ups, we must discuss and celebrate the different ways an exit can be achieved. Of course, IPOs are one way, but a successful exit can also be in the form of an acquisition or merger, or a partial exit through a secondary sale along the journey.

Venture exits matter for Australia. They release capital and talent back into our technology and venture ecosystem. It is time we learnt from them and celebrated the skilled people behind them, who are creating so many tangible benefits for the economy.



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