EY FinTech Australia Census 2023 fast facts: Sector profile 2023

### Business base

- **End customers** (multiple response - excl. don’t know)
  - **Net B2C**: 48%
    - 42% Retail consumers
    - 16% Sophisticated investors
  - **Net B2B**: 86%
    - 53% SME and/or other startups
    - 48% Banks and other FSIs
    - 44% Corporate
    - 38% Other fintechs
    - 19% Government
    - 1% Retail investors

### Capital raised to date

- **Over $1m**: 83% 80%
- **Over $5m**: 55% 57%
- **Over $10m**: 46% 45%
- **Over $100m**: 13% 14%

### Post-revenue fintechs

- **57%**
  - 2016
  - 2017
  - 2018
  - 2019
  - 2020
  - 2021
  - 2022
  - 2023

### Biggest competitors

- **Incumbents**: 37% 2023, 32% 2022, 29% 2021, 46% 2020
- **Other fintechs in Australia with a similar offering**: 31% 2023, 39% 2022, 33% 2021, 22% 2020
- **Overseas fintechs with a similar offering**: 27% 2023, 23% 2022, 31% 2021, 17% 2020
- **Other**: 5% 2023, 6% 2022, 7% 2021, 15% 2020

### Types of fintech (multiple response)

- **Payments, wallets and supply chain**: 33% 2023, 38% 2022, 43% 2021, 30% 2020, 21% 2019
- **Lending**: 26% 2023, 25% 2022, 30% 2021, 29% 2020, 21% 2019
- **Data, analytics, information management**: 21% 2023, 19% 2022, 20% 2021, 22% 2020, 28% 2019
- **Business tools**: 19% 2023, 24% 2022, 22% 2021, 19% 2020, 20% 2019
- **Wealth and investment**: 19% 2023, 24% 2022, 17% 2021, 18% 2020, 31% 2019
- **Regtech**: 13% 2023, 10% 2022, 10% 2021, 15% 2020, 16% 2019
- **Digital or Crypto currencies and exchanges**: 11% 2023, 10% 2022, 6% 2021, 5% 2020, 8% 2019
- **Marketplace-style or peer-to-peer solution**: 11% 2023, 10% 2022, 15% 2021, 15% 2020, 15% 2019
- **Asset management and trading**: 10% 2023, 11% 2022, 10% 2021, 10% 2020, 13% 2019
- **Consumer data right**: 10% 2023, NA 2022, NA 2021, NA 2020, NA 2019

*Fintech types <10% not shown*
EY FinTech Australia Census 2023 fast facts and landscape

Age of company (excl. didn’t answer)

Female participation in the fintech workforce
Gender (workforce participation)
- Of employees are female: 32%
- Leadership positions held by females: 31%
- Have at least one female founder: 29%
- Have at least one female Advisory Board member: 24%

CALD participation in the fintech workforce
Average % of employees who are culturally and linguistically diverse
- 2019: 18%
- 2020: 22%
- 2021: 25%
- 2022: 28%
- 2023: 20%

Paying customers post-revenue

Location of revenue generation (excl. prefer not to say)

Factors of consideration for expansion
Top 5 factors of importance in determining a country of residence to grow business

Future outlook
Top 5 markets for potential expansion in the coming three years (excl. don’t know, no plans for expansion)

Post-revenue fintechs by age

Business revenue generated outside Australia:
- 50%
- Generate less than 10% of revenue outside Australia: 17%
- Generate 11%-50% of revenue outside Australia: 9%
- Generate more than 50% of revenue outside Australia: 23%

Generate more than 50% of revenue outside Australia: 91%

Generate 11%-50% of revenue outside Australia: 88%

Generate less than 10% of revenue outside Australia: 90%

Generate less than 10% of revenue outside Australia: 83%
Talent

- 43% (48% in 2022) Agree that there is a lack of experienced talent in Australia

Talent shortages (top 3)

1. Engineering/software (54%)
2. Sales (34%)
3. Product management (27%)

Challenges to attracting and retaining talent (top 3)

1. Rising employee salaries (63%)
2. Competition from big techs (47%)
3. Access to skilled domestic workers (40%)

Government support and the regulatory environment (% very effective for growing and promoting Australian fintech industry)

- 95% Make the research and development tax incentive more accessible to startups
- 93% Greater non-dilutive incentives like tax incentives, concessional loans or grants
- 93% Reduced taxes, such as payroll taxes, which apply when hiring employees

Success factors in raising capital (top 3)

- Clear benefits of our product or service (65%)
- Demonstrating the revenue trajectory/projection (54%)
- Uniqueness of our product/service/Prior experience raising capital for this business (42%)

Barriers faced in raising capital (top 3)

- Finding the right investors (57%)
- Macro-environmental factors (44%)
- Demonstrating the revenue trajectory/projection/unique product of service not well understood by investors (32%)

Funding sources (top 3)

1. Founder funded (57%)
2. Equity funded Angel investor (22%)
3. Family and friends (22%)

Measuring sustainability

- 25% Of Australian fintechs measure their own sustainability or carbon footprint

Capital requirements in the last 12 months

- 2020: 43% Less than expected, 41% Met expectations, 16% Exceeded expectations
- 2021: 18% Less than expected, 61% Met expectations, 21% Exceeded expectations
- 2022: 29% Less than expected, 54% Met expectations, 17% Exceeded expectations
- 2023: 41% Less than expected, 45% Met expectations, 14% Exceeded expectations

R&D tax incentive

- 85% Say having access to the R&D tax incentive improves growth and business sustainability

Additional government levers that would increase R&D investment

- 53% Improved clarity and guidance on eligibility of software R&D
- 49% Lower tax rates for income attributable to Australian IP
- 39% Tax support for collaboration with universities and publicly funded research organisations
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