

Dunedin City Council  
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Dunedin 9058

## STARTUP DUNEDIN SUBMISSION ON DRAFT 9 YEAR PLAN 2025-2034

Tēnā koutou,

I am writing on behalf of Startup Dunedin, a not-for-profit that exists to support anyone who aspires to start up in Dunedin to succeed or fail faster. I want to start by acknowledging and thanking the Dunedin City Council for their support over the last 5 years. In particular, to the councilors who have had conversations, made connections and attended startup events, sharing their experience and networks.

Dunedin City Council remains truly unique in its long term investment in innovation through entrepreneurship and capability development. This is indicative in Startup Dunedin being recognised as a leader nationally and **the winner of Entrepreneurial region of the year by Global Entrepreneurship Network in 2024**. It's also clear in the increase in demand from our community that we see at Startup Dunedin.

### **Demand is increasing**

Demand for startup services and tools has **increased significantly** over the last 5 years, growing more than 4x since 2020:

- In 2019/2020, 47 startups accessed Startup Dunedin programmes and services.
- In 2023/24 that number was 198 (up by 321%).

**This is unprecedented demand and showcases the incredible entrepreneurs and supporters we have in our city.** There is now often a 4+ week wait time to meet with a team member, we can't deliver all the capability workshops requested by the community, and the high growth support services are severely limited.

Dunedin is at a precipice for establishing itself as the most attractive place in the country to start up - with a vibrant tertiary sector, a great lifestyle and the ease of starting up and building a business. We need Startup Dunedin for foundational support and, for early companies, to provide connection into national infrastructure and funding - to help them innovate better and faster. If we choose not to invest in this pathway, we believe economic progress may stagnate.

The key contributors to the economy and growth - Healthcare, Education and Professional, Scientific and Technical Services - are areas where we need to maintain a pipeline in our city. Companies like Sahha (HealthTech) who have raised millions and built an international team, exist because of early Startup Dunedin services, mentor hours and office space while they were building their first startup. Scannable (SaaS) also got its start in the Dunedin community, building their first fledgling product, before raising a total \$9 million and growing to a team of 15 employees. Each success story is the result of so many touch points across the Dunedin community: connections not easily made without the knowledge and network of Startup Dunedin.

### Our track record of delivery

We've had a strong track record of delivering above and beyond the services we've been contacted to provide. See below our deliverables over the last 3 years - showing very clear growth in demand and delivery. Note **we've increased our output to meet this demand despite no increase in core funding over the last 5 years** - we've become leaner and more agile to focus on serving our community needs.

	21/22	22/23	23/24
<b>Startup education and capability sessions</b>	121	116	198
<b>High growth incubator</b>	8	8	11

Table 1. Deliverables by Startup Dunedin 2021 - 2024

### Highlights

We are incredibly proud of what we've seen and supported in the Dunedin startup ecosystem over the last few years:

- We ran a massively oversubscribed \$15,000 micro funding round, offering small amounts of funding to promising early stage businesses, having an immediate impact for a diverse range of entrepreneurs solving problems in their communities. Our model is now being replicated around the country by others.
- Dunedin was spotlighted in an international feature film about startup ecosystems, "Outside the Valley".
- We've established great relationships to support applications into the DCC Hapori Māori Fund and Pasifika Development Fund.
- We've hosted workshops in 3 languages for our former refugee community, with support from the Red Cross.
- We've expanded our brand on the University and Polytechnic campuses to connect students to industry and internships through JobDun and see them stay in Dunedin to build businesses.

### **Our progress is at risk**

The funding environment is hard for everyone. There's so much more we could do, but we cannot continue to meet demand nor maintain this momentum at the current level of investment. We are at risk of losing Dunedin's hard earned national recognition, and hurting the promising founders and businesses we see in our community.

If there are no changes to the investment in Startup Dunedin's services, we would see:

- **Wait time of more than 6+ weeks to get a meeting with Startup Dunedin to be connected to the right resources, tools or next steps.** We know from our own experience and those from the national Startup Aotearoa community that the drop-off dramatically increases the longer someone has to wait to get a meeting.
- **Minimal community workshops, with the team unable to service current demand.** This means community members will feel excluded from startup, innovation, business, and university networks — and therefore increasing the likelihood their enterprises will fail.
- **No representation at national events to promote Dunedin's ecosystem or connections beyond the region.** This means Dunedin will be further isolated from support, advice and funding opportunities.
- **No access to growth opportunities, startup coaching or incubator for founders.** This will increase the risk that businesses will fail, or move out of Dunedin to be closer to opportunities and support, reversing the city's recent economic growth. Reduced visibility of success in Dunedin will discourage others from seeing starting a business as a viable option for them.
- **Reduction in connecting students to industry and showcasing career pathways with startups.** This means reduced career opportunities for Dunedin students, reducing the perceived value of our University and Polytechnic, and increasing the number of students who leave Dunedin after finishing study.

We believe these negative effects can be avoided with further investment in Startup Dunedin's services. We've presented 3 options below.

#### **Option A - maintaining status quo**

To continue at the current reduced delivery would require a minimum additional commitment of \$65,000 per year for Startup Dunedin.

#### **Option B - Meeting Demand**

Investing in the current needs of the city would require a minimum additional commitment of \$100,000 per year for Startup Dunedin. This would allow our city to:

- Maintain high growth services and advocacy
- Continue high-growth startup cohort programme with bespoke coaching

- Maintain support for early-stage, SMEs and side-hustles across the city with reduced wait times
- Build capability available within the community through workshops i.e. MSD, Red Cross, Senior Entrepreneurs
- Offer 1 annual round of microfunding to directly remove barriers for early stage businesses and projects
- Increase in connecting students to industry and showcasing career pathways with startups.

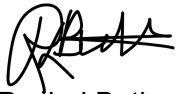
### **Option C: Going for growth**

If the innovation sector is an area we want to prioritise as a city, we have an opportunity to supercharge and prioritise better outcomes for all. Investing in a higher level of services would support economic growth and also better serve our diverse communities. Additional support of \$130,000 per year would enable:

- All of Option B
- More events that attract and build on high growth startups and specific industries e.g. EdTech, HealthTech, Deep Tech.
- Reinstate high-growth startup cohort programme to full capacity and national recognition
- Establish an “entrepreneur-in-residence” programme
- Increase support for early-stage, SMEs and side-hustles
- Make pop-ups available around the community to increase capability
- Offer 2 annual rounds of microfunding to directly remove barriers for early stage businesses and projects
- Run a full calendar of events for all startups, including national showcase

We would welcome a chance to present to you in more detail on the options available for investing in innovation and growth in our communities through Startup Dunedin. We also want to thank you once again for your support to date - Dunedin is a uniquely positive position, largely due to the foresight and longer-term view of our core stakeholders: the University of Otago, Otago Polytechnic and the Dunedin City Council.

Ngā mihi nui, thank you for your consideration.

A handwritten signature in black ink, appearing to read "Rachel Butler".

Rachel Butler - on behalf of the Startup Dunedin Trust  
GM Startup Dunedin