

Australian AI To Turn A Corner After 82 Per Cent Drop In Funding

Melbourne – 8 October 2020 - Despite recent reports that COVID-19 has the potential to triple the global value of artificial intelligence (AI), total Australian venture capital investment in AI companies fell by 82 per cent in the second quarter compared with the same period last year, down from \$22m to \$4m.

This contrasts with the 19% rise in total AI venture capital deals occurring internationally, up from \$US2.1bn to \$US2.6bn, over the same period. Andrew Lai, the newly appointed Managing Director of Boab AI, Australia's first AI investment program, remains undaunted by the recent fall in investment.

"Markets will fluctuate over time, but the productivity gains from AI are real and recent advances in AI technology have shown that we're only at the beginning of what's possible," Lai says.

Boab AI was launched in May this year with a \$1.5 million grant from Victorian Government investment organisation, LaunchVic, together with an additional \$8 million in investment funding from Artesian.

Directors of Boab AI include the high-profile Dr Catriona Wallace, Founder and CEO of Ethical AI Advisory, Rosyln Hames COO of Clear Dynamics as well as Tim Heasley and Matthew Clunies-Ross, both managing partners at Artesian.

With 40 existing AI company investments, Artesian has quietly become Australia's most prolific AI venture capital investor. Existing Artesian portfolio companies range from computer vision hardware devices detecting feral animals through to chat bots responding to customer queries.

Jeremy Colless, Chief Executive Officer of Artesian, believes that AI will play an important part of Australia's future in the region.

"We've invested heavily in verticals such as agtech and clean energy, however AI is interesting in that it has applications across all industries. If the Australian economy is to remain competitive, we need the local capability to create new AI driven innovations that help to generate economic advantage," says Colless.

With a recent CSIRO report predicting that Australia will need up to 161,000 more AI experts by 2030 to meet forecast demand, further investment into the sector is needed.

As a result, Boab AI has just launched a public call for artificial intelligence 'scaleup' companies to apply for its Boab AI investment program which offers \$300,000 in equity investment and a six-month package of services.

The investment program has been created specifically to address declining investment in early stage companies, with a recent study commissioned by LaunchVic indicating that 'seed' or 'angel' rounds accounted for only 3% of aggregate venture deals.

Lai believes that growing local AI success stories will involve a collaborative approach from the entire innovation ecosystem.

"As much as we're addressing the gap in funding for AI, we also need eligible companies to apply and then corporations and institutions to give them a chance to prove the efficacy of their product."

Boab AI's investment program is now open for applications at: <https://www.boab.ai>

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