



**BLACK TIE  
HOLDINGS**

# **The Future of Funding & Innovation Report 2026–27**

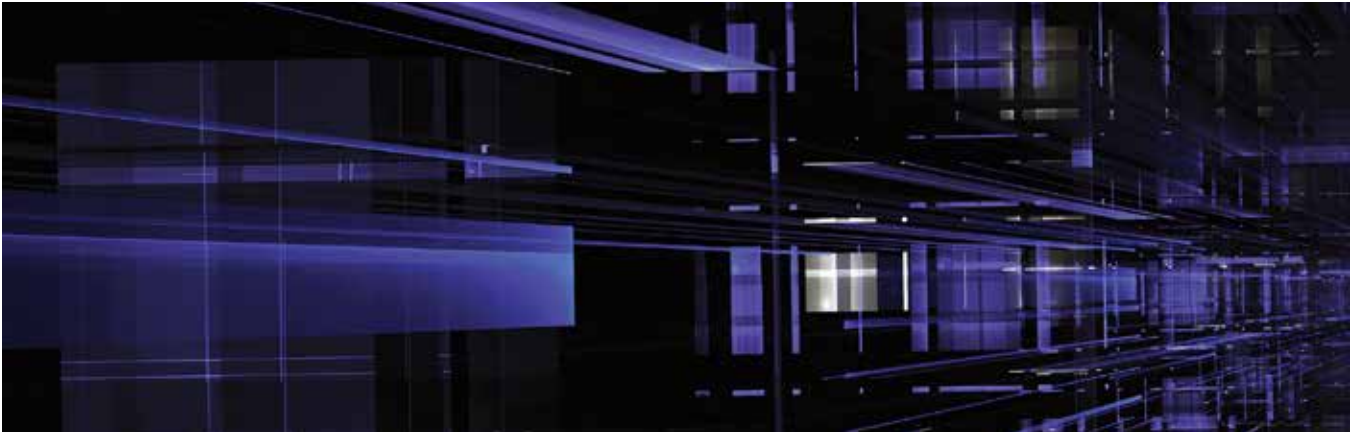
**Canvassing the views of Australia's investment community on:**

- Challenges and opportunities shaping investment and innovation
- The increasing appetite for local investment in cutting-edge technology
- More strategic investment to drive Australia's innovation agenda
- Fast-tracking our funding and innovation landscape for the future
- Advice to the Australian investment community in 2026 and beyond



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## Note to industry

### Welcome to The Future of Funding & Innovation Report 2026-27

Australia's investment landscape is evolving rapidly, presenting significant growth potential for investors and businesses. At a time when Australia's national innovation levels have lagged globally for many years, this is extremely good news. Yet there is still work to do to truly elevate the innovation agenda.

The wider financial ecosystem in Australia has historically been conservative and slow to adapt; particularly when embracing risk and supporting innovation-led businesses. Although there are strong signals of progressive change in the future of funding and innovation, local investors and innovators continue to encounter barriers across government policy, funding pathways, and financial institutions.

Against this complex backdrop, we're proud to launch our inaugural report, The Future of Funding & Innovation Report 2026-27. As its title suggests, we aim to canvass the outlook of funding and innovation across Australia in 2026 and beyond. Our research draws upon the survey responses of Australian investors as well as insights by businesses wanting to raise funds. It highlights key challenges, opportunities, and recommendations for innovation-led investment, both now and in the future.

At a high level, our data suggests that while investor appetite for innovation-led assets in high growth sectors is increasing, the wider ecosystem has not kept pace. The outcome is a disconnect between higher demand for future-focused opportunities and limited pathways for businesses to innovate.

Australian investors and businesses are ready to scale and lead in emerging markets. Today's investors clearly view innovation and technology as the gateway to growth, scalability, and a competitive edge in an increasingly global market. In fact, a calculated risk-reward mindset is emerging, whereby investors are ready to take calculated risks in pursuit of higher returns. However, key barriers to funding remain.

External forces such as government regulation and lack of transparency and information, as well as financial barriers, are holding investors back. These barriers are also limiting a business's ability to raise funds. However, Australian investors remain hopeful about future returns on investment and are especially interested in getting ahead with emerging technologies and startups. This is a hugely encouraging message for both the business community and the future of Australian innovation.

In summary, Australian investors are highly optimistic about their future investment decisions and have a healthy risk appetite, with a strong interest in innovation-driven assets. However, to further amplify investor interest, it is critical to enhance the discovery of relevant, credible, and vetted investment opportunities. This is where digital marketplaces can dramatically improve the discoverability of high-quality opportunities: an outcome we see every day with our digital marketplace, BT Asset Hub.

Read on for more in-depth insights about the future of funding and innovation in Australia. We hope you find our report insightful and relevant for 2026 and beyond.



**Caroline Macdonald**

Founder & CEO,  
Black Tie Digital  
Sydney, Australia

## 5 key takeaways

With the rise of disruptive technology, as well as changing geopolitical dynamics and world order, the Australian investment landscape has shifted significantly in the last few years. In addition, despite growing interest in innovation-led, high-risk investments, our report shows that the broader business ecosystem in Australia is lagging on a global scale and struggling to innovate. Here are some of our key observations from our survey data and interviews with a wide range of business leaders.

### 1. Investors are opportunistic yet selective

Australian investors are both discerning and opportunistic in their investment approach. Our report found that **most respondents (almost 85%) currently invest in Australian-grown businesses or assets** – but only when opportunities align with their personal or financial objectives. Rather than constantly seeking new deals, Australian investors respond selectively to well-matched opportunities. This strategic approach reflects a focus on unlocking greater value, aligning investments with long-term goals, and driving future returns on investment decisions.

### 2. There is strong investor appetite for innovation-driven assets

Another important finding is the clear and substantial investor appetite for innovation-rich investments and assets in Australia. **Most survey respondents (86%) expressed interest in investing in innovation-driven businesses or startups.** Technology, healthcare, and biotechnology emerged as the most attractive sectors to invest in. Evidently, Australian investors view innovation and technology as the gateway to growth, scalability, and a competitive edge.

### 3. A calculated risk-reward mindset is emerging

Australian investors demonstrate a healthy risk appetite. **Almost all respondents (90%) indicated a moderate-to-high risk tolerance**, reflecting a readiness to take calculated risks in pursuit of higher returns. Areas of interest include emerging technologies such as Artificial Intelligence (AI), biotechnology, clean energy, blockchain, and intensive research and development (R&D) companies. Our findings show that smart investors see risk tolerance not as recklessness, but as a strategic pathway to stronger outcomes.

### 4. Clear return expectations and time horizons are evident

Australian investors have clearly defined return expectations and relatively near-term time horizons. **Many survey respondents target returns within five years, typically aiming for 10-20%.** Opportunities offering returns below 5% are generally considered unattractive. These findings indicate a preference for investments that balance growth potential with a reasonable liquidity horizon.

### 5. Key barriers and motivators continue to shape investment decisions

Despite strong appetite for innovation-led investments, several constraints limit more active participation. **The most cited barrier for Australian investors is limited access to reliable and transparent information (26%).** Other constraints include high perceived risk; insufficient capital and funding; and restricted access to quality opportunities. Our findings also indicate that investment activity would likely increase with greater access to vetted opportunities; lower minimum investment thresholds; targeted tax incentives; and government-backed programs or co-investment initiatives.



# **The Outlook**

# The modern investor is highly selective and risk-ready

Modern investors are becoming increasingly savvy about investment decisions, even amid considerable funding challenges. They also are more selective and risk-ready. Australian investors today are continually scanning the market and deploying capital when a compelling, well-matched opportunity arises. They support home-grown innovation and assets but are also keen to look further afield if the right opportunities arise. Here is a more detailed insight into the modern-day investor in Australia.

## Australian investors are selective yet highly active

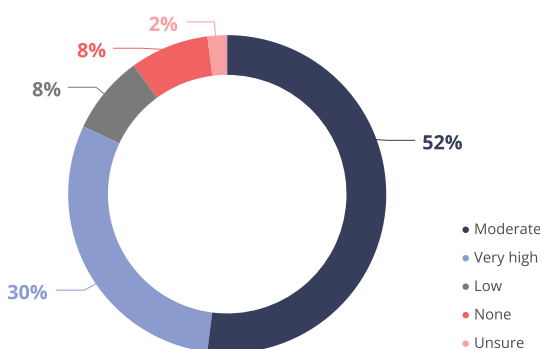
Our report's findings indicate strong support for home-grown enterprises and domestic growth opportunities across Australia. Notably, **85% of survey respondents report being moderately to highly active in investing in Australian home-grown businesses or assets.** This is a very positive sign for innovation-led growth on the ground.

Within Australia's active investor community, **more than half (52%) are selective investors.** These are people who invest when opportunities align with their personal and financial objectives, including risk tolerance, return expectations, sector interest, and long-term business strategy. This group tends to be proactive rather than reactive in their investment approach, enabling agility and adaptability to change.

A further **30% of Australian investors are highly active.** They proactively seek opportunities, conduct regular research, network with like-minded people, and scan the market for emerging prospects. Their funding and investment behaviour reflects greater urgency, stronger conviction, and a more deliberate capital allocation strategy.

Fewer than 10% of our respondents said that they rarely invest or do not invest at all, suggesting that Australia has a comparatively engaged and investment-ready community. But while expanding access to investment opportunities is high on the agenda, limited access to quality investment opportunities remains a key constraint.

**Figure 1:** As an individual investor, what is your appetite for investing in Australian businesses or assets?



## Investors are willing to take risks to remain agile

Willingness to take risks is the first step towards future-focused investments. To remain agile in today's highly competitive arena, investors must explore new and innovative models for funding and futureproofing. The savviest investors recognise that innovation-led investments are likely to pay off in the long run – but this requires bold vision, confident investment choices, and forward-looking strategies that ensure risk-readiness.

Modern investors are more willing to take calculated risks and invest more. **More than a quarter of respondents (27%) indicated they are willing to invest over \$100,000 in a single opportunity.** A slightly smaller proportion (23%) typically invests between \$20,000 and \$50,000 in new opportunities. These findings demonstrate meaningful capital deployment capacity within the cohort.

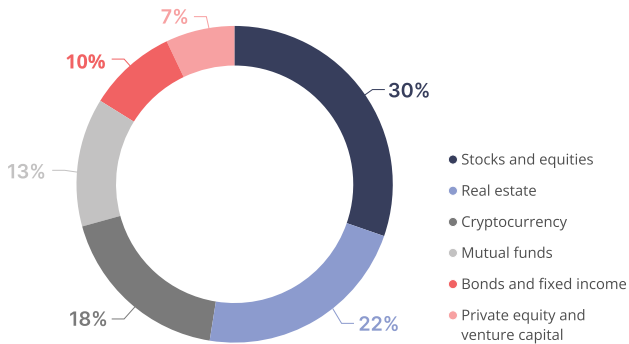
Further, demand for innovation-led opportunities is increasing, suggesting a more open mindset towards what to invest in, and how to invest. Of our surveyed respondents, **30% favour stocks** which is unsurprising, as equities and stocks are often perceived to provide more financial certainty and growth potential for investors. This is followed by real estate, with **22% of respondents preferring real estate investments.** Again, this is consistent with Australians' longstanding view of real estate and housing as sources of financial security and stability.



### The outlook *continued*

A further **18% of investors prefer cryptocurrencies**, indicating notable openness to more alternative digital assets. Interestingly, **mutual funds and ETFs account for 13% of preferences**, while **10% favour bonds and fixed income**, and just **7% private equity**. Overall, the data suggests a shift toward growth-oriented assets over defensive and income-focused strategies for the future.

**Figure 2:** What are your preferred types of investments?



Overall, our findings suggest that Australia is home to a sophisticated and investment-ready community with both the intent and capacity to support domestic innovation and enterprise. At a time of heightened uncertainty, this engaged pool of investors will make all the difference in advancing Australia’s innovation agenda, with regional and global growth on the horizon.

“Australian investors are looking to gain exposure to real-world infrastructure projects through tokenised investment offerings. The future of capital markets is access to opportunity rather than restricted funding networks.”

– **Caroline Macdonald, Founder & CEO of Black Tie Digital**

### What does this mean moving forward?

Australian investors are not merely open to investing; they are actively wanting to invest right now, planting the seeds for future innovation to bloom.

Half of our survey sample showed a strong investment appetite and a risk-ready mindset. Many investors are approaching opportunities with clear objectives and disciplined selectivity in their funding allocation and decisions. For many investors today, capital deployment is purposeful and strategic, guided by defined risk parameters and financial goals.

# Investors are looking for innovative opportunities

Australian investors today are particularly drawn to organisations offering fresh ideas, emerging technologies, and disruptive business models. Such investment opportunities are perceived as offering high value and strong profit potential. However, key barriers remain to securing these innovation-led investment opportunities. Even the most forward-thinking investors continue to face issues and challenges with the timing of decisions, strategic partnerships, and funding constraints.

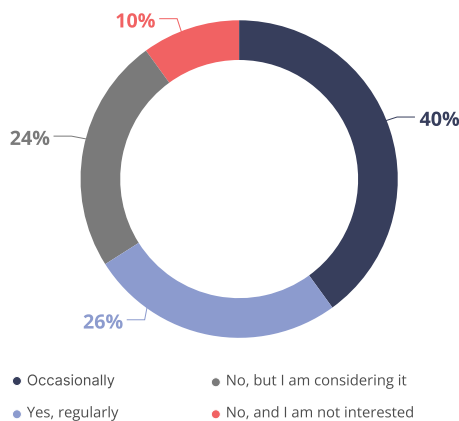
## Investors are getting ahead with innovation-led opportunities

Modern day investors are searching for innovation-led investment opportunities to get ahead. According to our data, **two-thirds of our respondents (66%) said they are investing in innovation-driven businesses or startups**, compared with approximately one in four Australians merely considering such opportunities. Only 10% indicated little or no interest, pointing to a strong tendency towards investment overall.

Our research shows that startups are widely perceived as vehicles for growth, scalability, and higher returns on investment. Many respondents also demonstrated a willingness to take calculated risks to access these opportunities, reflecting a future-oriented, growth-focused mindset overall.

Data also indicates that Australian investors are increasingly prioritising long-term growth and strategic upside over traditional, stability-focused investments. Portfolios appear to be gradually shifting toward innovation-led opportunities and away from conservative, risk-averse investment patterns.

**Figure 3:** Do you currently invest in innovation-focused businesses or assets?

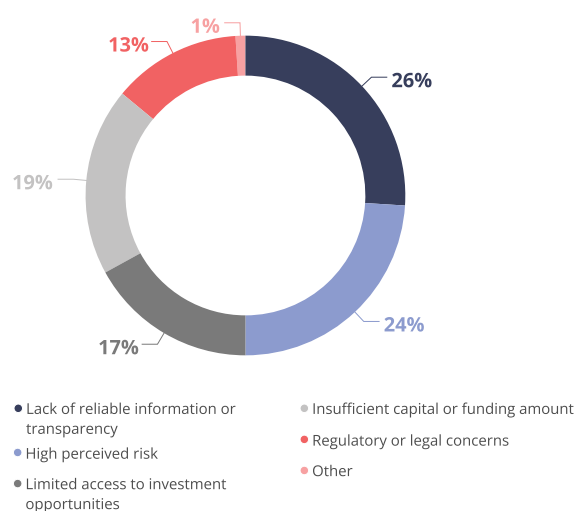


## Lack of information and risk are keeping investors awake

Among our survey cohort, the **most cited challenge affecting investment and global capital flows is a lack of reliable information and transparency (26%)**. This concern is keeping investors awake at night, followed by **high perceived risk in investment decisions, with 24% of people indicating this as a significant concern**. Additional constraints include insufficient capital (19%) and limited access to investment opportunities (17%), further restricting participation in innovation-driven investments.

Our findings show that while the innovation appetite is clearly present in Australia, investors still face roadblocks in accessing the right funding and innovation. At the same time, many investors have yet to fully embrace tokenised markets that could enable more participation in Australian innovation. For example, both local and global investors are increasingly interested in Australian technology startup funding rounds, but broader investment in these areas will take time.

**Figure 4:** What are some key barriers you face when investing in innovation projects and assets?

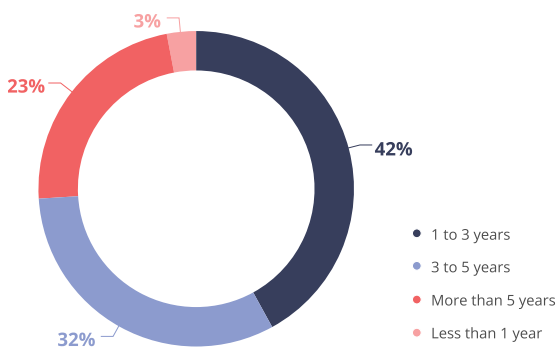


## Investors are looking at faster returns on innovation

Among surveyed Australians, innovation is largely viewed as a short to medium-term investment, with **55% of respondents expecting returns within five years or more**. While this type of approach encourages fast scaling, it may also limit deeper, more groundbreaking innovation – particularly with new and emerging technologies and startups.

Breakthroughs such as biotech, deep tech, and disruptive digital infrastructure often require between five to ten years or more of investment, implementation, and change management. Yet many investors expect to see returns much sooner, with **almost half (42%) of respondents saying they would prefer a one-to-three-year time horizon** for innovation-related investments. This suggests that investors want faster returns on innovation, even if it limits capacity for more cutting-edge or groundbreaking options.

**Figure 5:** What is your current timeline for innovation-related investments?



### Black Tie Insight

With startups being widely viewed as vehicles for growth and scalability, there is a rising need for mechanisms that support startup funding. Initiatives such as tokenised venture funding allow startups to access capital faster more efficiently and offer exciting opportunities for early-stage companies. However, unlocking their full potential will require investors to become more open to cross-border participation in investment opportunities.

## What does this mean moving forward?

*Australia's funding and innovation ecosystem continues to face many barriers in satisfying local appetite and competing in the global arena. Our report data reveals a clear gap in trust and information within the innovation space. This gap is preventing investors from more actively funding and investing in innovation-led projects across Australia; particularly with more cutting-edge investment decisions. In addition, investors remain focused on short return timelines instead of sustainable growth.*

*It is important to note that barriers in funding and innovation do not stem from a lack of interest. On the contrary, Australian investors show strong willingness to back innovation, often with return horizons of one-to-five years. The more significant constraints lie within the investment ecosystem itself, including:*

- **Information asymmetry**, such as limited access to clear, reliable data on available opportunities.
- **Capital constraints**, including insufficient funds to participate sustainably and at scale.
- **Access challenges**, such as limited visibility and availability of quality investment opportunities.

*Addressing these barriers requires ongoing and coordinated effort across government, financial institutions, and the broader business ecosystem in Australia. With targeted policies, stronger investor education, and enhanced support structures, Australia can unlock greater capital flows and accelerate long-term growth in the innovation space.*

In conversation with:



## **Marty Gauvin, Principal Advisor of R&D Certainty**

Marty Gauvin is a renowned entrepreneur with extensive experience in government innovation programs, having held governance roles from 2020 to 2022. Marty has been involved in many areas of innovation such as venture capital, research and development (R&D), and grant programs. He has founded and run nine businesses across IT, MedTech, and health-related fields. Marty is the Principal Advisor of R&D Certainty, a company that aims to provide expert guidance on the R&D Tax Incentive.

### **Where do you think Australia's innovation and funding landscape is headed in the next five years?**

In the years to come, Australia's innovation and funding landscape is poised for growth. There's a desire for better support from the government to ensure people receive accurate advice. There's also a distinct need for improved marketing, as many companies are unaware of their eligibility for funding programs.

Some background context on how we got here: the Australian government clearly understood in 2011 that the R&D industry needed certainty regarding funding definitions. The program we promote at R&D Certainty – which costs the government \$4 billion annually – supports around 14,000 companies each year. However, many more companies could benefit from it; they simply don't know it exists.

This lack of awareness is critical, because Australia's business expenditure and R&D is significantly below the OECD average, trailing behind countries like Slovakia and Mexico. Australia's underperformance in R&D is stark: we've undergone a huge drop since reaching just under the OECD average in 2008. Over the next five years, we need to address this gap and channel more funding into R&D in Australia.

### **How can we address the lack of awareness about R&D in Australia?**

A lack of understanding and awareness about available resources exists in Australia. It's a problem because it hinders innovation and encourages complacency. Sure, life remains good and comfortable, but opportunities to take risks and leap ahead with R&D and innovation are missed.

Countries with significant R&D investment, like South Korea and Israel, often face existential threats that drive focus and productivity. Australia saw a rise in R&D during the COVID-19 pandemic but has since experienced a decline. We can address this decline and lack of awareness of R&D opportunities by elevating the conversation across government and the broader business ecosystem in Australia.

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*"A comfortable life can lead to complacency and reduced innovation efforts.*

*Complacency affects the willingness of leaders to take risks essential for R&D, restricting the potential for businesses in Australia to become global innovators."*

**– Marty Gauvin, Principal Advisor of R&D Certainty**

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## Do you think that the government should be doing more to drive innovation?

Yes, the government needs to be championing the innovation agenda. It's fascinating because so many companies don't think there's any possibility that they could be doing R&D. There's a knowledge gap, as many business owners are doing innovation and R&D – but there is a very low opinion out there that they are creating new and exciting products or services that qualify as R&D.

Many business leaders are focused on the day-to-day running of their companies and often neglect dedicated time for R&D. Advisors such as accountants are often approached by CEOs for guidance on potential programs that could benefit their businesses. However, these advisors may not fully understand the R&D program, leading to misconceptions about eligibility and opportunities for support.

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“Businesses are often receiving very conservative advice. As a result, they are missing out on applying for the right amount of government support that's consistent with their goals.”

– **Marty Gauvin, Principal Advisor of R&D Certainty**

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A specific message to government is that CEOs and boards running large, listed companies and marketing departments need more transparent information. There is a lack of government outreach and education directed at these groups; especially regarding innovation and customer-driven product development. Most information stems from the accounting sector. We need better communication from government and regulatory bodies to support innovation-led investment in Australia.

The current regulations, established in the early 2000s, have benefited the sector by allowing tax-exempt investments in venture capital funds – yet the existing framework still mirrors the venture capital model from Silicon Valley in the 1980s. At the same time, the global venture space has evolved to include innovations like evergreen funds, secondaries, and corporate venture capital, which are not well supported by the current regulations. There is a need for a more mature venture sector that adapts to modern developments and encourages greater involvement in R&D.

On the venture landscape, we have a venture pro. The current regulations, established in the early 2000s, have benefited the sector significantly by allowing tax-exempt investments in venture capital funds. However, the existing framework still mirrors the venture capital model from Silicon Valley in the 1980s.

## Did you have any insights on the current state of bank support and funding strength in the market?

During the pandemic, there was initially fear about bank funding drying up. Instead, there was a surge in funding, as people sought alternative assets with low interest rates.

In a context of waning funding, alternative funding sources are crucial. The R&D Tax Incentive is a valuable, non-competitive funding program that provides financial support to eligible applicants without uncertainty. A major player in the industry, Radium, recently announced an investment of a billion dollars in R&D, highlighting the importance of capital at a time when other funding sources are drying up. R&D funders can serve as a source of mezzanine funding to address current needs.

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“Interestingly, following a post-pandemic surge in funding across R&D, we are now experiencing a challenging phase for funding, which may last until 2026 or 2027.”

– **Marty Gauvin, Principal Advisor of R&D Certainty**

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When seeking funding for a business, it's important to first explore options with banks and venture capitalists (VCs). Establishing relationships with VCs and other sources can alleviate pressure on financial backers and improve their perception of your business. The key is to secure 'easy money' first, as this can lower your overall cost of capital and strengthen your position when you later seek equity investment. In this space, having the lowest cost of capital often determines success in the long-term.

*Caroline Macdonald, Founder & CEO of Black Tie Digital: 'At Black Tie, we're attracting the venture fund seed stage for businesses and asset hubs. And I did not know about the VC tax incentive, even though we've been around for 30 years. This is the type of message that we should be sharing on a broad scale.'*

### Black Tie Insight

This conversation highlights a shift in mindset regarding R&D. It emphasises that R&D should be a fundamental part of the initial steps in business planning, rather than an afterthought driven by pressure from investors and banks. The current approach often leads to questions about feasibility and qualification, suggesting we need to change how R&D is integrated into investment and business strategies in 2026 and beyond.



# **Innovation Deep-Dive**

In conversation with:



**Karan Bhai,  
Vice President – Products & Delivery of  
Antier Solutions Pvt. Ltd.**

Karan Bhai is an expert product strategist with a strong background and acumen in blockchain, innovating and scaling fintech solutions. He led the development of the DeFi and Real World Asset (RWA) tokenisation verticals at Antier. Antier delivers enterprise-grade asset tokenisation platforms engineered to support diverse real-world asset classes, including equities, funds, real estate, commodities, and alternative assets.

**How important is external funding for businesses operating in digital real-world asset tokenisation globally? What are the primary funding sources currently supporting growth and innovation in this space?**

Real World Asset (RWA) tokenisation operates across regulated finance, asset origination, technology infrastructure, and global distribution. Each requiring significant capital, unlike early crypto startups that could bootstrap through token issuance. Its complexity is in legal structuring, compliance, custody, and liquidity. This means scaling depends heavily on serious institutional backing. The space reflects a broader transformation of financial markets onto blockchain, with major institutions leading the shift, making institutionally aligned Banking, Financial Services, and Insurance (BFSI) capital the key driver for founders.



“Ultimately, RWA is not a crypto-native market – it’s a financial markets evolution happening on-chain.”

– Karan Bhai, VP – Products & Delivery, Antier Solutions

**How do you see the global innovation and funding landscape for tokenised assets evolving over the next 3–5 years, particularly with increasing institutional adoption and regulatory developments?**

Tokenisation is moving out of its experimental stage into a full-scale infrastructure build-out, transitioning from billions to trillions as it becomes core to financial systems. Institutional capital is increasingly dominating funding, while regulation is shifting from a constraint to a growth catalyst. Over the next 3–5 years, tokenisation will evolve into a financial markets standard, with success depending on scaling compliance, liquidity, and distribution.



“Over the next 3–5 years, tokenisation will move from being a blockchain narrative to becoming a financial markets standard.”

– Karan Bhai, VP – Products & Delivery, Antier Solutions

### **What emerging funding models or financial trends? Do you believe will most influence your future innovation and investment strategies?**

Regulation, not funding models, will be the main catalyst for RWA growth over the next 3-5 years, as institutional capital is already available but depends on legal clarity. As frameworks mature in places like Singapore, Switzerland, and Hong Kong, major institutions are increasing participation. This shift will move the market from fragmented experimentation to standardised, compliant systems, enabling tokenised assets to scale as core financial infrastructure.

### **What are the biggest challenges your organisation faces in securing adequate funding across different markets?**

Institutions recognise RWAs as the future trading rails for traditional assets, but widespread adoption depends on strong and evolving regulatory frameworks focused on investor protection. Because regulations are still developing and not fully standardised, early institutional players remain cautious about large-scale commitments. At the same time, mass adoption requires investor education to build trust – once regulation and education are addressed, liquidity constraints are likely to ease.



### **What role should governments and regulators play globally in supporting innovation in tokenisation? How can policy frameworks better balance innovation, investor protection, and market stability?**

Governments and regulators will play a key role in shaping tokenisation by enabling trust, scalability, and global interoperability rather than acting as barriers. The process should begin with controlled innovation, particularly through regulatory sandboxes that allow real-world testing. These environments help both regulators and market participants learn and adapt together. A measured rollout protects investors while still fostering market growth and institutional confidence. Ultimately, global scaling of tokenisation will depend on close collaboration with regulators, not working around them.

### **What advice would you give to companies or startups looking to secure funding in the tokenisation ecosystem, particularly those navigating both traditional finance and blockchain-native environments?**

Regulatory alignment is essential in the RWA space, as no serious investor or partner will engage without strong fundamentals. Since these products handle investor capital, protection and trust must be ensured through robust compliance, structuring, and custody frameworks. Once this foundation is established, deal flow, investor confidence, and capital access improve significantly. In this context, regulation is not a barrier but the gateway to funding.



“Alignment with regulation is non-negotiable in the RWA space .... Regulation is not a hurdle to funding – it’s the gateway to it.”

– Karan Bhai, VP – Products & Delivery, Antier Solutions

### **What changes would you like to see from governments, regulatory bodies, and the broader global financial ecosystem to better enable scalable and sustainable growth in real-world asset tokenisation?**

Tokenisation’s global scale depends first on a mindset shift – accepting that blockchain will fundamentally transform trading and investment. Once this acceptance is established, progress becomes significantly easier. Governments can then introduce structured regulations, enabling controlled and phased deployment while managing risks. Collaboration with large financial institutions is key to building compliant and scalable frameworks. Ultimately, sustainable growth will be driven by confidence built through the right balance of innovation, investor protection, and regulatory clarity.

# The rise of technology and startups in investment decisions

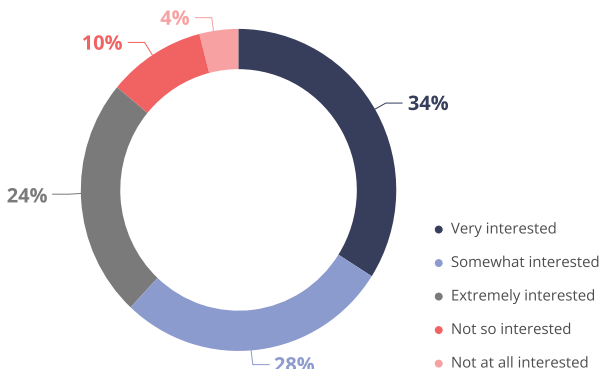
Appetite for innovation-led investments is rising across Australia. Investors are increasingly prioritising the long-term growth potential of technology and startups over purely defensive or income-focused strategies. This shift bodes well for the future of technology and startup investment in Australia. Evidently, Australia is poised on the brink of innovation-led growth, with a rising interest in AI and emerging sectors such as healthcare and biotech, FinTech, and clean energy and sustainability.

## Australia is poised on the brink of innovation-led growth

The shift towards innovation-led investment in Australia signals a strong alignment with innovation-led economic development and the overall acceleration of the innovation economy across the region. The ecosystem is shifting towards designing and building the infrastructure for the next generation of innovation capital markets. Interestingly, this trend is something we see daily within our Black Tie Digital Capital Markets Stack, which supports tokenised innovation funds for technology sectors and startups.

In the current landscape, innovation is the clear driver of Australia's long-term economic growth, and technology is top of mind. Close to **85% of respondents report being somewhat, very, or extremely interested in investing in innovation-driven businesses or startups**. Meanwhile, fewer than 15% of Australians surveyed expressed limited or no interest. This indicates promising across-the-board appetite for innovation-led investment opportunities in 2026 and beyond.

**Figure 6:** How interested are you in investing in innovation-driven businesses or startups?



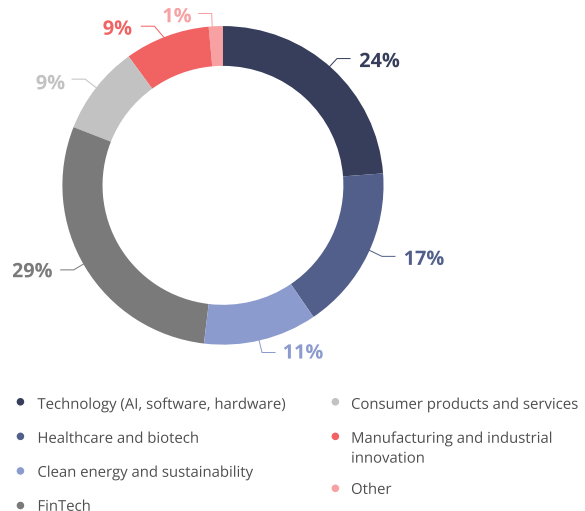
## Cutting-edge technologies and emerging sectors are top of mind

Investors today are particularly drawn to businesses built on new technologies, novel ideas, and disruptive models. The top sector attracting investor interest is **technology (30%) across AI, software, digital platforms, and automation**, suggesting cutting-edge solutions are top of mind.

Beyond technology, our report found that **investor interest is growing in sectors such as healthcare and biotechnology (20%), clean energy and sustainability (14%), and FinTech (13%)**. More traditional sectors, including Fast-Moving Consumer Goods (FMCG) and manufacturing, rank lowest in investor preference.

The appeal of investment in healthcare and biotech is multi-faceted. Investor interest may reflect trends such as Australia's ageing population, the rise of medical innovation, and heightened post-pandemic health awareness. Meanwhile, the emergence of sustainability and clean energy as key priorities reflects a broader global shift toward climate-conscious and future-focused investments.

**Figure 7:** What are the innovative sectors you would like to invest in?



## Startups are paving the way for scalable solutions and growth

For many Australian investors, startups are now viewed as vehicles for business growth and scalability, with the potential to generate outsized returns. And while risk is acknowledged, many survey participants show willingness to take calculated risks when investing in new technologies and startups.

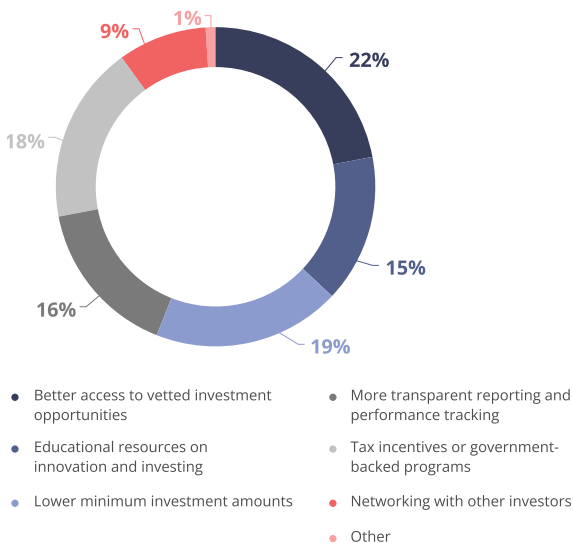
The appetite for calculated risk is strongest where the reward profile is seen as compelling and aligned with long-term business goals and objectives. Technology, healthcare, and biotech are widely perceived by many as high-growth, innovation-driven sectors. These industries are dominating people's interest in 2026, with Australian investors seeking scalable, forward-looking opportunities heading into 2027.

To encourage greater participation in innovation-led opportunities, **almost one in five of our survey respondents (22%) indicate that better access to vetted investment opportunities will support investor confidence. Meanwhile, the other top motivators for investors are lower minimum investment amounts (19%), and tax incentives and government-backed programs (18%).**

In contrast, only 9% of investors indicated that networking with other investors would increase their investment activity. This suggests that investment decisions in the innovation space remain largely independent rather than community-driven.

Our data also highlights that trust and credibility; easier discovery of quality deals; and reduced information asymmetry are important factors for investors to increase participation. Overall, Australia's investor base appears pragmatic and results-driven, with a keen interest in technology and startups as competitive advantages in a disrupted market.

**Figure 8:** What support and resources do you need to encourage more innovation investment?



## What does this mean moving forward?

*Our findings indicate a clear shift in mindset across Australia's funding and innovation landscape. Australian investors are prioritising sectors that combine innovation, growth potential, and future relevance, while traditional industries attract comparatively less interest. Investors are also increasingly positioning themselves for success through a greater focus on the technology and startup space.*

*The greater focus on digitally disruptive platforms reinforces a perception that innovation is a key driver of value creation and competitive advantage in the market. At the same time, calculated risk-taking and vetted investment opportunities are perceived as critical enablers of sustainable growth.*

*Going forward, lowering investment thresholds would assist with the shift towards new investment areas, expanding participation in innovation-led investments. Tokenisation offers one pathway for enabling high-value assets to be divided into fractional investment units, broadening access to previously onerous investment opportunities. There is a timely opportunity for investors to get ahead with tokenisation and digital marketplaces.*

# Driving innovation with strategic, high-risk investment decisions

When faced with significant disruption and uncertain market conditions, Australian investors are increasingly seeking more strategic, high-risk investment decisions that support innovation. Our findings indicate a growing willingness to take calculated risks, reflecting a strong appetite to back innovative and cutting-edge businesses. Investors are even willing to accept volatility and unpredictability if it means carving a competitive edge in the regional and global innovation arena.

## Demand for high-risk investment opportunities is on the rise

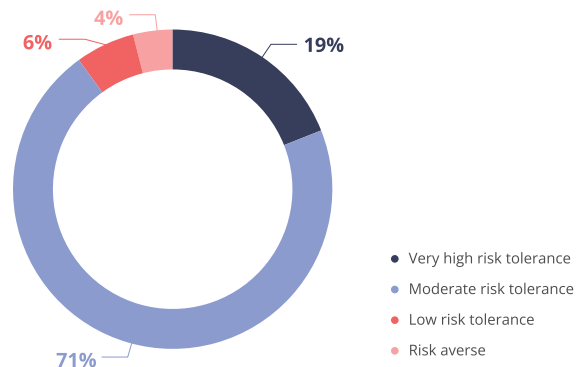
The shift towards innovation-led investment in Australia signals our report found clear demand and appetite for calculated risk-taking among investors. **Most respondents (90%) reported a moderate-to-high risk tolerance** when investing in Australian assets, while **only 10% identified as low-risk or risk averse**. This suggests that investors are prepared to experiment and get creative in the pursuit of new ideas, targeting higher returns in the process.

The prevalence of moderate-to-high risk tolerance among respondents highlights a sophisticated investor community that is ready and willing to embrace calculated risk. By aligning policy and funding frameworks with a hearty risk appetite, Australian's funding and innovation economy will elevate.

Recent research from Deloitte [1] on optimism and risk supports these findings. Deloitte reports that Australia has entered 2026 with renewed optimism about the future. Notably, **63% of Australian leaders indicated confidence in sustainable growth and are ready to embrace new risks and challenges**. However, caution remains. For some Australians, risk appetite sits below pre-pandemic levels, suggesting that optimism has not yet fully translated into action.

With increased capital flowing into startups and emerging sectors such as AI, biotech, clean energy, blockchain, and R&D-intensive companies, Australia needs to strengthen its innovation performance. Further, given that **Australia ranked 22nd among the 139 economies featured in the Global Innovation Index in 2025 [2]**, there is a timely opportunity to continue driving innovation regionally and globally.

**Figure 9: How would you describe your business's level of risk tolerance?**



## Investors are willing to accept volatility to remain competitive

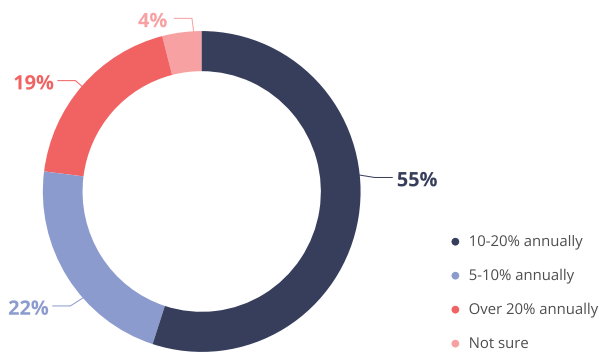
**More than half of respondents (55%) expect annual returns of 10-20%** on their investments. Fewer than 20% target returns above 20%, while just over 20% aim for 5-10% returns. **Opportunities offering less than 5% returns are generally avoided**, indicating a strong preference for growth-oriented investments rather than low-yield or purely defensive assets.

Australian investors are clearly targeting moderate-to-high growth outcomes. People are shifting away from the conservative, income-focused strategies that dominated funding and innovation in the past.

Instead, capital is increasingly directed toward growth and innovation-driven assets, including startups, private markets, and other emerging sectors. Achieving targeted returns of 10–20% typically requires a moderate-to-high risk tolerance and appetite, reflecting investors’ willingness to accept greater volatility and lower liquidity in the pursuit of higher returns.

Interestingly, today’s investors are now seeking liquidity even when investing in high-growth sectors. Providing liquidity for innovation investments requires much strategic foresight, as it has the power to transform private market investments into tradable digital assets. In fact, we see this happening daily within our BTX Markets, which enables the secondary trading of tokenised investments.

**Figure 10:** What level of return do you typically expect from innovation investments?



**What does this mean moving forward?**

*Despite strong investor appetite, our report shows that regulatory and funding hurdles continue to constrain innovation-led ventures. Structural barriers limit the full potential of the ecosystem, even as demand for innovation-led investments grows.*

*These trends challenge traditional assumptions about investor preferences. Historically, the Australian government and other funding bodies have been conservative in their approach to risk-taking and innovation investment.*

**Higher risk tolerance is seen as driving greater returns**

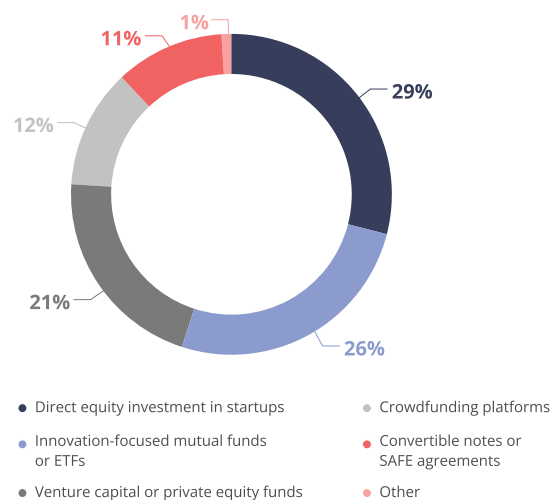
Economic and technological impacts are contributing to the higher risk tolerance among many investors. While higher-risk strategies can expose investors to potential financial downturns, they also enable faster product development, greater market experimentation, and technological breakthroughs. In this sense, risk-taking can strengthen the competitive edge for both individual investors and Australia’s broader innovation ecosystem.

If Australia does not support the growth of high-potential innovative businesses, the available pool of investment capital may remain underutilised. Our findings reveal that **nearly one-third of investors prefers direct equity investment in startups (29%)**, followed by **innovation-focused mutual funds or ETFs (26%)** and **venture capital or private equity funds (21%)**.

In terms of funding, direct equity remains the dominant funding model, and this investor preference is unlikely to change. Over **60% of investor responses relate to early-stage or private market exposure**, signaling confidence in startup ecosystems. There is a clear willingness to trade liquidity for growth potential and interest in innovation-led returns.

The popularity of startups and innovation is further supported by recent industry research, with the The State of Australian Startup Funding 2025 [3] finding that **\$5.4 billion was invested in Australian startups last year (up 31% from 2024)**. This suggests a strong correlation between our research findings and rising interest in local startups.

**Figure 11:** What are your main funding models for your business?



## In conversation with:



### **Josh Payne, Co-Founder of Global Sales & Distribution**

Josh Payne leads the resources pipeline and capital partnerships at Global Sales & Distribution Pte Ltd (GSD). He has led mining and infrastructure projects across multiple jurisdictions, with deep specialisation in emerging-market transactions in West Africa, Indonesia, Mexico, Brazil, and across Asia. His work covers the full transaction stack: deal structuring, offtake partnerships, project finance, public-private partnerships, and the governance and security frameworks that underwrite them. His perspective is grounded in first-principles technical and commercial review rather than market narrative.

#### **Over the next 3-5 years, how do you expect funding and innovation for Australia's natural resources sector to evolve?**

The funding and innovation landscape in Australia and the region is bifurcating. Downstream activity, from processing to refining to precursor cathode production, is being flooded with state-backed capital, such as Australia's Critical Minerals Production Tax Incentive (CMPTI). Upstream still runs on the Australian Securities Exchange (ASX) equity cycle. In the coming years, I expect further concentration of capital into projects that can service Western supply chains.



“Current ambiguity on tokenisation enables bad actors and discourages legitimate use. We need to reduce regulatory latency and asymmetry, rather than layering new grant programs on top of an unreformed approvals process.”

– Josh Payne, Co-Founder, GSD

#### **What new funding models, partnerships, or trends do you see emerging in innovation and investment?**

First, non-dilutive structures – streaming, royalties, and offtake prepayment – are moving out of precious metals into base and critical metals. Second, Original Equipment Manufacturer (OEM) and trading-house strategic capital is changing. Third, public-private co-lending and European Development Finance Institution (DFIs) are syndicating. Fourth, sustainability-linked instruments and insurance-wrapped political risk products are becoming gating rather than optional.

Tokenisation is also emerging, allowing early players to get the capital they need. Tokenisation helps mid-tier players with definable resources to step into the processing stage.

“The organisations and projects that struggle to innovate will be those without defensible technical and compliance foundations.”

– Josh Payne, Co-Founder, GSD

#### **How important is external funding in enabling growth and innovation in the natural resources sector?**

There is no project of any size or scale that doesn't have an external funding requirement or appetite. Whether it's for equipment, acquisition, divesting other shareholders or cleaning up Cap table, external capital is a crucial piece of the value chain. Without it, everything grinds to a halt.

### **What are the biggest challenges your organisation faces when trying to secure funding for innovation?**

The largest barrier is not capital availability: it's project readiness against the standard that capital underwrites. Too many projects come to market without a Joint Ore Reserves Committee (JORC) or NI 43-101 compliant resource (Canadian disclosure standard for mineral projects) signed off by a qualified person. Also, problems arise without a Quality Assurance / Quality Control (QA / QC) trail and where there is a lack of cut-off grade and recovery assumptions.

Layered on that are sector-specific issues: Australia's environmental approvals run at roughly two to three times the timelines of peer jurisdictions. Heritage and native title clearance introduces schedule risk that capital markets price brutally, and the mid-stage valley between scoping study and Definitive Feasibility Study (DFS) has no dedicated domestic funding source.

### **Do you expect access to funding for innovation to become easier or more difficult in natural resources?**

In today's AI-led world, I believe our ability to find new ways to connect technologies is going to be expanding as quickly as our ability to process data. Access to funding and innovation will become more divided. There will be better access to critical minerals with credible offtake; uranium and nuclear-adjacent assets as the global nuclear rebuild accelerates; copper given the structural supply-demand deficit; and projects with strong ESG data architecture.

### **How effective are traditional financial institutions in supporting innovation in the natural resources sector? Where do you see gaps or opportunities?**

Financial institutions are very risk averse and often ill-equipped to facilitate their definable returns. Australia's tier-one banks are structurally limited in mine development finance and tend to take a subordinated position behind international project finance houses like Natixis, Société Générale, ING, BMO, Scotiabank. This reflects the risk appetite of banks, the fact that sector expertise is concentrated offshore, and the reality that mine finance is a specialist product.

Australia is an island unto itself. We are quite jurisdiction limited and resource limited. The gaps are clear: our financial institutions are conservative and have limited domestic streaming or royalty major at meaningful scale. The opportunity to innovate lies with a dedicated domestic infrastructure-and-metals fund structure deploying super capital alongside Export Finance Australia (EFA) and Northern Australia Infrastructure Facility (NAIF).

### **What role should government and policy frameworks play in supporting innovation and investment in the sector going forward?**

We must expand CMPTI to cover early beneficiation, because the current scope leaves a bankability gap between the mine gate and the refinery gate. Government needs to aggressively fund pre-competitive geoscience through Geoscience Australia and the state geological surveys, as it has the highest leverage per public dollar in the funding chain.

### **What advice would you give to other organisations in the natural resources sector that are seeking to secure funding for innovation?**

My advice is to build an investment-grade data room before you raise. If your resource statement isn't JORC 2012 or NI 43-101 compliant with a named Competent or Qualified Person on the sign-off, you don't have a fundable resource. Instead, you have a story, and institutional capital can tell the difference. It's also a good idea to rethink equity for future exploration and scoping.

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*"Invest in the weakest link in your technical chain, not the loudest slide in the pitch deck. Match the instrument to asset maturity."*

**– Josh Payne, Co-Founder, GSD**

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### **What changes would you like to see from government, regulators, and the broader financial ecosystem to better support innovation and long-term investment?**

Here are six changes I'd like to see, in order of impact:

1. Statutory clocks on federal environmental approvals.
2. Flow-through share equivalent for Australian exploration expenditure.
3. Standardised heritage clearance protocols agreed between Commonwealth, states, and Traditional Owner corporations, with statutory certainty for all parties.
4. An incentive structure or mandate adjustment that allows superannuation funds to hold long-duration resource infrastructure exposure without penalty.
5. Materially increased pre-competitive geoscience funding.
6. Clearer Australian Securities and Investments Commission (ASIC) and ASX guidance on tokenised royalty and revenue-stream instruments.

An abstract graphic design on a black background. It features several white-outlined rectangular shapes of varying sizes and orientations, some overlapping. Small blue and grey circular dots are placed at various points along the lines and vertices of these shapes. The overall composition is clean and modern, suggesting a technical or architectural theme.

# **What's Next in Australia's Investment and Innovation Journey?**

## Advice to the sector in 2026 and beyond

The findings of The Future of Funding & Innovation Report 2026–27 highlight a rapidly evolving investment landscape in Australia. Investor appetite for innovation-driven opportunities is increasing, yet structural barriers continue to limit capital deployment. Further, there is an untapped opportunity to get ahead in the market by investing more in local startups, AI-led solutions, and emerging technologies. In 2026 and beyond, investors need to become competitive across the region.

In 2026 and beyond, our advice to the sector is for Australian investors to get competitive with smart and strategic innovation. At every level, we need to encourage investors to take calculated risks across diverse portfolios and funding streams. Given that Australia's underperformance in R&D is stark compared to other countries, we also need to prioritise R&D as part of the innovation agenda.

Below, we share our top five practical funding and innovation strategies for Australia investment community including investors and businesses:

### 1. Now is the time to bridge the gap between investor demand and opportunity


As we know from our report findings, investor demand for innovation-led investments is rapidly increasing in Australia, which is very promising to see. However, with the broader ecosystem struggling to provide sufficient opportunities to carve out a competitive edge, investors must look for new ways to innovate and remain agile. This requires a reimagining of where to invest and how. Tokenisation is a great first step for many investors, elevating their innovation strategy to the next level.



**Real world case study:** A venture-backed AI startup tokenised part of their funding round enabling investors to participate with smaller ticket sizes. This helped to satisfy investor appetite while accelerating business growth for the startup.

### 2. Invest in innovation-driven assets to future-proof your business


We observed in our research the strong appetite for investment in specific innovation-led businesses and startups. Australian investors are looking for innovation-driven assets to future-proof their decisions; particularly when it comes to competing regionally and globally. To get ahead, there is a timely opportunity for investors to capitalise upon innovation-driven assets such as tokenisation.



**Real world case study:** A clean-energy technology startup raised growth capital through a tokenised investment structure. This helped the startup achieve their vision to unlock new revenue streams while remaining true to their environmentally conscious business model.

### 3. Take calculated risks and stay ahead of the game

Our report found that Australian investors have a moderate-to-high tolerance for calculated risk when pursuing higher returns on investment. For the modern-day investor, taking highly strategic, calculated risks is key to staying ahead of the game in Australia's competitive funding market.



**Real world case study:** An investor allocated capital across five technology startup tokens rather than making one large venture investment. This ensured the investor had an even spread of investment across different startup streams, securing greater growth potential in the long-term.

#### 4. Step up to support growth-oriented investment portfolios

Our research illustrated that investors increasingly favour growth-oriented assets over defensive strategies. Investors are becoming more proactive instead of reactive, with greater focus on high-growth sectors such as technology, biotech, FinTech, and digital infrastructure. However, there is still more work to be done to support growth-oriented investment portfolios going forward.

**Real world case study:** An investor made the strategic decision to allocate capital across a variety of technology, clean energy, and FinTech asset tokens. This helped the investor to form a more growth-oriented mindset and adapt more seamlessly to disruption and change.

#### 5. Embrace emerging technologies or be left behind

Our report emphasised that technology, AI, biotech, clean energy, and blockchain are the leading investment sectors in Australia. There is no doubt that AI and emerging technologies are reshaping our understanding of innovation as we know it in Australia. Local investors must now keep up with the pace of AI and technology investment or risk being left behind other players in across the region.

**Real world case study:** An AI infrastructure company raised capital through tokenised investment units. This decision enabled the company to move from the startup phase through to the mid-tier phase, unlocking more high-level partnerships and revenue streams along the way.

#### Final words to the Australian investment community

In this summary, we have addressed many of the structural challenges identified in the Future of Funding & Innovation Report 2026-27 across areas such as improved access to innovation investment opportunities; enabling investment in innovation-led assets, startups, and partnerships; and the need for calculated risk-taking across AI investment and emerging technologies.

Other takeaways include the need to reduce information asymmetry; enable alternative funding models; and increase capital efficiency. Given that bank lending to Australian businesses has declined, there is higher demand for alternative funding solutions. As such, Australia's venture capital ecosystem requires modernisation and more flexible digital funding frameworks beyond traditional banking.

Investors require greater capital efficiency and liquidity. To enable innovation, we must look at supporting venture ecosystem development and improve access to capital. A new model for capital formation, liquidity, and innovation investment is needed for Australian investors to remain agile.

In 2026 and beyond, Australia needs to look at building a modern financial infrastructure capable of accelerating innovation-led investment. It is time to drive efficient capital deployment by getting the balance right between financial capacity and investment in robust, innovation-led infrastructure. We can then pave the way for a top tier funding and innovation landscape in Australia and across the region.

*“Digital investment platforms dramatically reduce information asymmetry by making data transparent and accessible. To get ahead, investors need to be able to review project performance metrics, financial projections, and asset documentation with ease.”*

**– Caroline Macdonald, Founder & CEO of Black Tie Digital**

# Methodology

## Research Methodology

Research design and analysis for Black Tie's **The Future of Funding & Innovation Report 2026-27** was conducted by Manning & Co., with field work conducted by Black Tie Holdings.

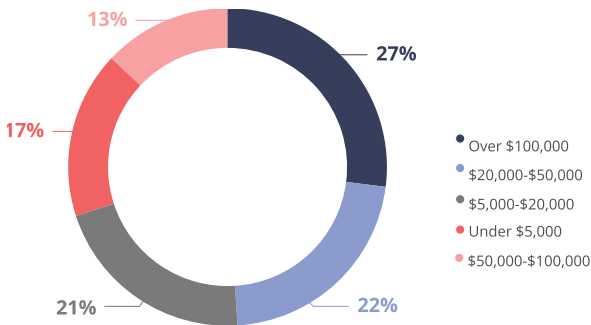
The research draws on detailed insights from a mix of interviews and 100 survey responses collected between January and March 2026. The one-on-one interviews were conducted with selected industry leaders to gain deeper insights into their perspectives and opinions. The surveys were conducted anonymously to ensure that the data collected remained fair, unbiased, and objective.

The responses were then coded by Manning & Co. into key categories.

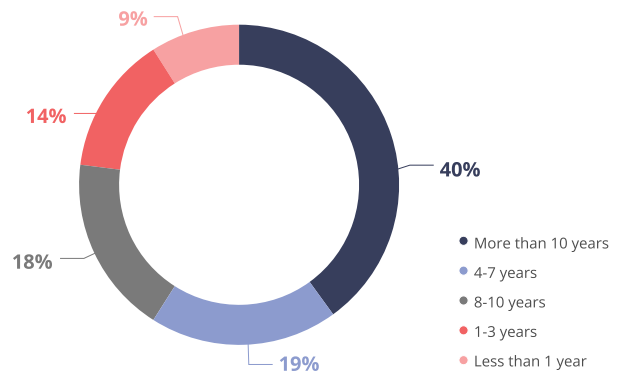
The combination of interviews and surveys captured broad trends in the funding and innovation landscape and assessed key challenges and opportunities within the investment community.

Our survey respondents can be broken down as such:

**Figures 12:** What is the typical size of your individual investments?



**Figures 13:** How many years of investment experience do you have?

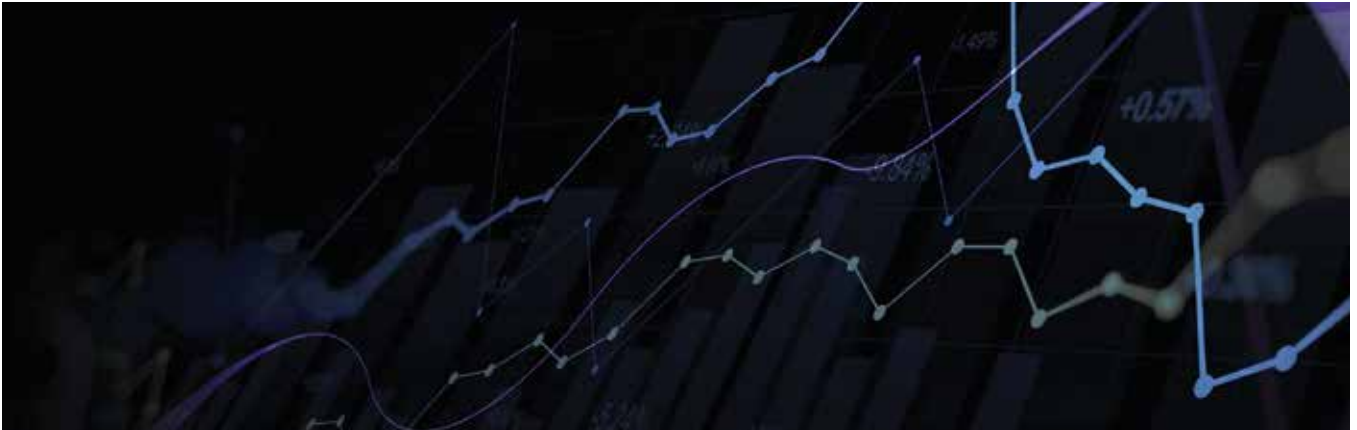


## Citation

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## Contact

For further information regarding the research, please contact Gemma Manning at Manning & Co. via [gemma@manningandcogroup.com](mailto:gemma@manningandcogroup.com).



## About Black Tie Digital

At Black Tie Digital, our business ecosystem aligns with the financial outlook and investment trends identified in our research report. Our Black Tie Digital Capital Markets Stack – consisting of BT Asset Hub, BTX Markets, BTSmart, and BT Treasury – directly addresses many of structural challenges faced by Australian investors.

We understand that tokenisation enables portfolio diversification across multiple innovation assets. Our ecosystem specialises in tokenised innovation assets, including technology ventures, R&D projects, and digital infrastructure.

By integrating tokenisation, trading infrastructure, collateralised lending, and institutional liquidity, the Black Tie Digital stack truly delivers the benefits of digital marketplaces.

Please get in touch with us for further information about our service offerings and how we can help.

## References

1. Deloitte, 'CFO Sentiment: Confidence up, uncertainty down', 17th December 2025: <https://www.deloitte.com/au/en/about/press-room/cfo-sentiment-confidence-up-uncertainty-down-171225.html>
2. World Intellectual Property Organisation, 'Global Innovation Index – Australia ranking in the Global Innovation Index 2025', December 2025: <https://www.wipo.int/gii-ranking/en/australia>
3. Cut Through Venture, The State of Australian Startup Funding 2025, December 2025: <https://www.australianstartupfunding.com/>

## Get started

We structure, tokenise, and manage real-world assets across property, resources, reserves, and treasury-backed finance to deliver transparent and sustainable value creation.

Learn more at [blacktie.digital](https://blacktie.digital)