AUSTRALIAN DIGITAL ECONOMY / FOUNDER FIELD GUIDE

# From Proof to Scale: The Australian Digital Economy Founder Map

*What founders can use now, where capital and adoption break, and five changes that would make Australia more competitive*

**By Hayden Lawson**

**Scope:** Australian technology, software, fintech, digital-asset and research-led founders
**Important:** This is a navigation and policy resource, not legal, tax, financial or investment advice. Program status, eligibility and regulatory treatment depend on the facts. Check the linked primary source and obtain professional advice before acting.

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# Operator's note

I wrote this as a founder and software operator now based in Canberra. I co-founded HydroWeb in 2014 and later spent close to a decade at Kitomba, a vertical SaaS company, working across data migration and repair, test engineering, Scrum and Agile delivery, DevOps and production operations. Since co-founding Renvoi in 2023, my work has moved further into product and technical strategy, system architecture, security and making agentic systems useful in real work. I also bring that mix of product, technical and operational experience to software and startup clients.

My co-founder and I began building Renvoi in 2023. We went through Ministry of Awesome's Founder Catalyst, a New Zealand founder programme, and built Treehouse, which still serves paying customers in production. Our current focus is Intangle. Our Founder Catalyst story

We have built Renvoi without external funding so far and have not actively chased grants or investment. For us, outside capital needs a clear job: helping the company cross a real gate, such as reaching a paying customer, securing a deployment, resolving regulatory uncertainty or creating enough stability to keep earning trust. That perspective runs through this map.

# Start here: find the next proof

Use the decision tree before reading the report front to back. Sections 1 to 5 follow the choices a founder is likely to face; Sections 6 and 7 examine the wider system and propose reforms.

“Digital economy” is broad here. It includes software, AI, payments, digital assets, infrastructure, consumer applications and internet-native financial systems, including those built on Solana. It does not mean every startup is a crypto company. Founders can use Sections 1 to 5 as a route map; investors should also read Sections 1.3, 3.4 and 7.5; ecosystem organisations and policymakers can go straight to Sections 2, 6 and 7. Bounty brief

“Open”, “closed” and “planned” report what the owner displayed when the sources were checked. Read the owner page and guidelines again before spending money.

## The two-minute founder decision tree

**A. Do you have a company, or only an idea?**

Validate the customer, team and IP position before optimising tax or grants. A low-risk solo service may suit a sole trader, with unlimited personal liability. Investigate a company before issuing equity, employing people, holding material IP or signing higher-risk contracts. Business structures; ASIC company registration

**B. What is the next falsifiable milestone?**

**Customer:** paid discovery, a pilot or a narrow launch.

**Technical:** document the hypothesis, experiment and records; check R&DTI and research partnerships.

**Commercialisation or working capital:** examine matched grants, CSIRO, accelerators, equity, revenue finance or export finance according to the risk.

**Regulatory:** map activities, customers, custody, money flows, advice, marketing and data before launch.

**C. Is there a live program that fits the project as written?**

Read the live guidelines and check co-contribution, project-start, reporting, publicity and IP terms. If nothing fits, preserve a grant-ready record and finance the smallest useful milestone another way.

**D. Does the capital match the risk and time horizon?**

Use grants for bounded additional work, equity for high uncertainty and growth, debt against financeable cash flow or assets, and partnerships where facilities, distribution, data or certification matter. Price the smallest plan with and without AI assistance, including vendor costs, human review, security, rework and fallback.

**E. Can the company survive if the program, investor or pilot says no?**

If the answer is no, shrink the project or increase runway. Competitive funding is not cash in the bank.

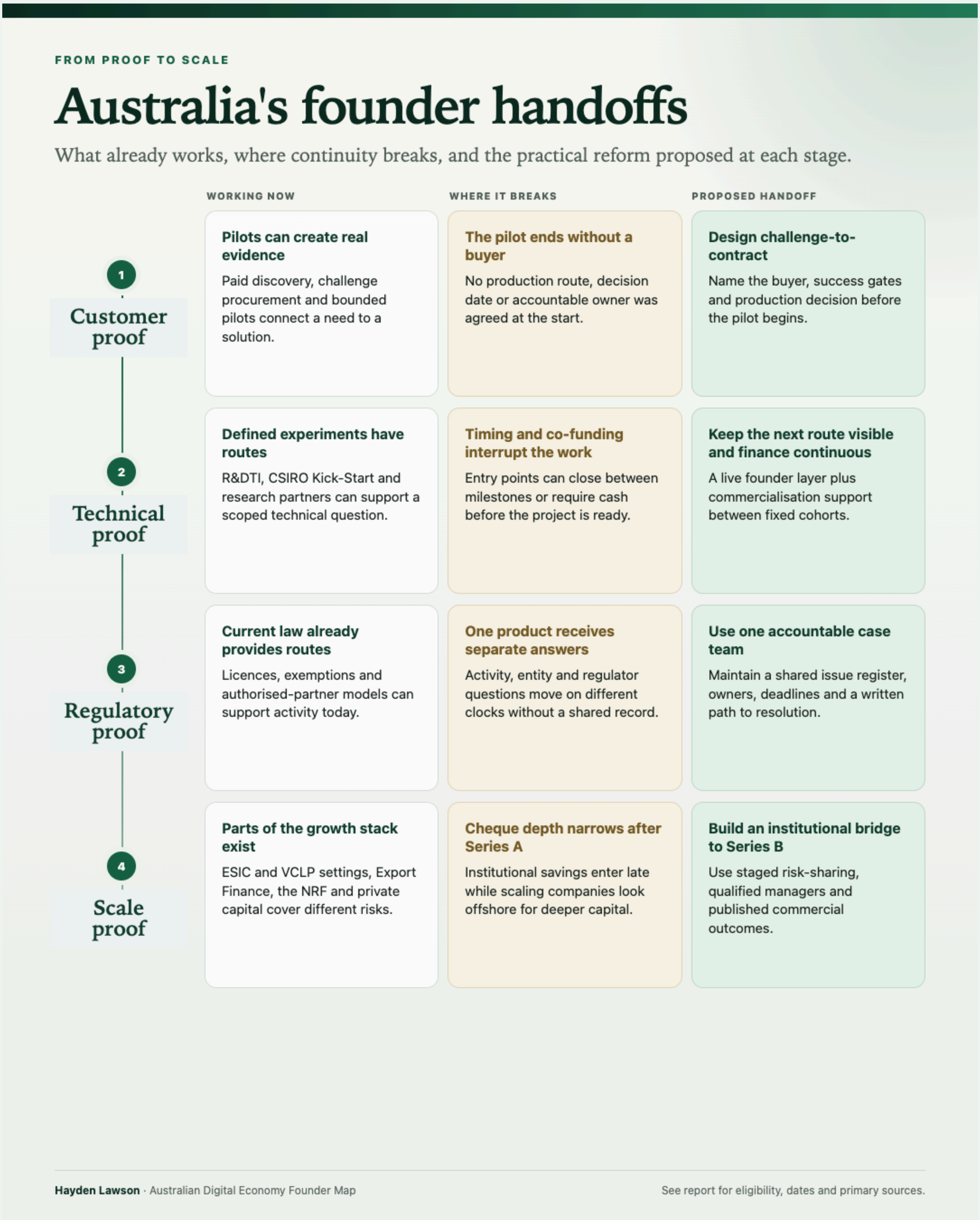


Figure 1. Australia's digital-economy founder pathway: what works, where the handoff breaks and the reform proposed here.

That is the handoff into the report. The executive summary gives the five system-wide conclusions; Section 1 then begins with the ownership, entity and IP decisions that determine which later paths remain open.

# Executive summary

Australia gives a technology founder plenty to work with and no single path through it. One company can cross tax incentives, Commonwealth programs, state grants, research institutions, regulators, procurement and private capital, each running on a different clock. The practical task is to name the next proof and choose the route that can finance it.

Australia's capital base is unusually large, but access narrows with scale. APRA reported $4.4 trillion in superannuation assets at 31 March 2026. Startups announced $5.4 billion across 390 deals in 2025, while the largest 20 absorbed 58 per cent, deal count fell and local cheque depth narrowed after Series A. APRA; Startup Funding 2025

Business R&D reached $24.41 billion in 2023–24, up 18 per cent from 2021–22 in current prices, while remaining 0.9 per cent of GDP. Information and computing sciences accounted for 42 per cent of the spend. Australia is doing substantial digital R&D without lifting its intensity. ABS business R&D

For founders, five actions matter now:

1. **Build evidence before seeking money.** Define the customer, technical uncertainty, IP ownership and regulatory perimeter. A grant cannot supply product-market fit.
2. **Use national programs selectively.** R&DTI, CSIRO Kick-Start and Export Finance are available, while IGP is paused and recent CRC-P and EMDG rounds are closed. R&DTI; CSIRO; IGP; CRC-P; EMDG
3. **Choose location for operations.** States offer different mixes of grants, accelerators, procurement, infrastructure and investor networks. A nominal address rarely substitutes for local activity.
4. **Match capital to the risk that remains.** AI and automation can make parts of research, prototyping and operations cheaper. Customer trust, distribution and judgement remain scarce. Raise for the bottleneck still in front of the company.
5. **Map regulation while designing.** One digital-finance product can touch ASIC, AUSTRAC, APRA, the ACCC, the OAIC and the ATO. The new digital-asset platform regime starts in April 2027; current financial-product and AML/CTF law already applies. Digital Assets Framework Act; ASIC transition; AUSTRAC changes

Published reviews also show what can work. Guided commercialisation support was associated with later capital, turnover and employment gains, while a small challenge-procurement cohort converted prototypes into procurement and commercialisation. The evidence has limits, but it gives Australia something real to build on rather than another clean-sheet redesign. See Section 2.2

Australia already has support. Continuity breaks when a program closes between milestones, a pilot has no buyer, local cheque depth runs out or one product receives separate regulatory answers. The recommendations target those handoffs: a founder front door, challenge-to-contract, continuous commercialisation finance, joint case management and a bridge to growth capital.

# 1. Start with the company, not the grant

## 1.1 Entity, ownership and IP

Start with what must be owned and by whom. Keep a clear cap table, founder arrangements, IP assignments, signing authority and decision records. Check contractor, university, former-employer, open-source and customer rights.

A sole trader is personally responsible for debts and losses. A company is a separate legal entity and generally limits member liability, although directors can still incur personal liability for breaches and certain debts. Moving structures later can require a new ABN and changes to contracts, assets and registrations. Decide early enough to avoid breaking the IP chain or rewriting live contracts. Sole trader; Company; Changing structure

Company registration differs from a registered business name and creates ongoing officeholder obligations; the ASIC register is public. ASIC registration guide

Separate three IP assets: the invention or code, the brand, and confidential know-how. A company name or domain does not create a registered trade mark. Decide what needs registration, what should stay confidential and what can be published. Public disclosure timing can affect patent-sensitive inventions, so obtain qualified advice before a demo, paper or pitch reveals the inventive concept.

## 1.2 R&D Tax Incentive: powerful, but evidence-led

Under current rules, an eligible entity with aggregated turnover below $20 million that is not controlled by exempt entities receives a refundable offset equal to its company tax rate plus 18.5 percentage points. Other eligible entities receive a non-refundable intensity premium of 8.5 or 16.5 percentage points on notional R&D deductions up to $150 million. Register within 10 months after year end, then claim through the company tax return. R&D Tax Incentive overview; ATO offset rules

Create records while work occurs. Define the experiment, technical uncertainty, hypothesis and knowledge gap; record results; and reconcile staff, contractor and cloud costs. “We built new software” does not prove eligible R&D. Routine product work, debugging and market research should not be relabelled after year end.

Model the cash lag as well. An expected refundable offset does not become runway until registration and the tax process are complete. Review overseas activity and related-party arrangements where relevant, and avoid presenting an untested claim as a reduction in current burn.

The 2026–27 Budget also announced a redesign from 1 July 2028, including a $50 million refundable-offset turnover threshold, refundability limited to firms under 10 years old, a $50,000 minimum spend, core rather than supporting R&D expenditure, and a $200 million cap. These are announced future settings, not the current claim rules. Budget announcement

## 1.3 Investor tax incentives require contemporaneous proof

Eligible investors in a qualifying Early Stage Innovation Company can receive a 20 per cent non-refundable carry-forward tax offset, capped at $200,000 per investor and affiliates per year, plus modified capital-gains treatment. Investors who do not satisfy the sophisticated-investor test face a $50,000 annual investment limit across ESICs. The company must satisfy the tests immediately after issuing new shares, and investor-level conditions also apply. ATO qualifying rules; ATO investor guidance

Assemble the evidence at the transaction date, describe qualifications accurately and let investors obtain advice. Avoid saying a company is “ESIC approved” unless that statement is technically supportable. A private ruling is fact-specific and does not endorse the investment.

The 2026–27 Budget announced an Innovative Business CGT Concession and changes to venture-capital settings. As at 21 July 2026, Treasury's consultation on the startup concession had closed on 10 July. The design questions included company age, turnover, innovation criteria, a five-year holding period and a lifetime cap. Treat it as a proposal that requires legislation. Treasury consultation; Treasury implementation announcement

# 2. Support available now

## 2.1 National pathways

Use the problem each program solves to navigate the national map.

| Pathway | Best fit | Position checked 21-24 July 2026 | What the founder must do |
|---|---|---|---|
| R&D Tax Incentive | Eligible experimental R&D by an eligible company | Ongoing annual registration and tax claim | Keep activity and expenditure evidence during the year; registration is due within 10 months after year end. |
| CSIRO Kick-Start | A defined technical project needing CSIRO expertise | Year-round expressions of interest | Dollar-matched vouchers run from $10,000 to $50,000, up to two, for eligible companies. Bring the cash match and a project CSIRO can scope. |
| Industry Growth Program | Innovative SMEs in National Reconstruction Fund priority areas building manufacturing capability | **Paused to new applications** | The published model has adviser-gated matched grants of $50,000 to $250,000 and $100,000 to $5 million. Monitor the owner page; the entry funnel is unavailable. |
| CRC Projects | Industry-led collaboration with at least two Australian industry organisations and one research organisation | **Round 19 closed 12 May 2026** | Matched grants range from $100,000 to $3 million for up to three years. Build the consortium before a future round is announced. |
| Export Market Development Grants | Eligible export promotion under a grant agreement | **Round 4 closed** | Round 4 covered 2025–26 and 2026–27 activity. Austrade reported 2,232 executed agreements and $218.1 million committed as at 31 March 2026. There is no live new-applicant round on the owner page. Round 4 status |
| Austrade Landing Pads | Export-ready technology scaleups with product traction | 2026–27 program calendar published | The program provides advice and in-market experiences. Austrade expects an existing product with customers or partners and at least 12 months of runway. |
| Export Finance Australia Small Business Export Loan | Export-related contracts, market development, equipment or working capital | Applications accepted at any time | Loans run from $20,000 to $350,000. Criteria include an ACN, two years trading, $250,000 to $10 million revenue and actual or forecast profit. A 20 per cent export-revenue test applies to some uses, but not contracts or market development. Criteria |
| ESVCLP and VCLP settings | Funds investing in eligible Australian businesses | Ongoing registration regimes | These are fund-level tax and legal structures. They influence which companies and investments a registered fund can hold; startups do not apply for them as grants. |
| National Reconstruction Fund Corporation | Larger projects in declared priority areas needing debt, equity or guarantees | Investment vehicle | Approach when scale, sector, Australian impact and investment readiness fit institutional capital. |

Government support is usually strongest when a founder already has a defined project, credible counterparties and some cash or capital. That co-investment design protects public money. It also leaves an early-stage gap and makes timing punishing when the adviser or grant entry point closes.

## 2.2 What is already working, and what the evidence can support

Australia is not starting from zero. R&DTI remains an ongoing national pathway; CSIRO Kick-Start accepts year-round expressions of interest; Export Finance Australia takes applications continuously from eligible export businesses; and several state and territory entry points are open now. Those access routes solve different problems, so "available" is not the same as "effective". Three public reviews give a stronger test of what has produced outcomes.

| Mechanism | Reported outcome | What the evidence does not settle |
|---|---|---|
| **Guided commercialisation finance** | Post-service data for Accelerating Commercialisation grantees through 2018 found 72 per cent attracted capital, 68 per cent increased commercialisation turnover and 73 per cent grew employment. The cohort attracted $553 million after leaving, reported as $3.75 per program dollar. IISA annual report | Historical participant and administrative data cannot separate selection effects cleanly or prove successor programs work the same way. |
| **Challenge procurement** | An independent BRII evaluation found five of nine round-one proof-of-concept products were procured by the challenge agency, eight were commercialised and six companies increased turnover. BRII evaluation | The sample was small, outcomes were immature and the CBA quantified solution-implementation benefits for only three round-one solutions. |
| **Broad tax incentives** | The ANAO found R&DTI monitoring largely effective, but Industry's external R&DTI performance measure did not show whether the scheme met its legislated objectives and lacked a target. ANAO audit | Claims processed do not demonstrate additional R&D, spillovers or commercial outcomes. |

These reviews support testing staged assistance tied to a technical result, customer, procurement decision or follow-on capital. When longitudinal data is missing, the outcome remains unresolved.

## 2.3 State and territory map

Treat this as a first route, then read the current guidelines. State programs normally require a real local nexus, and another government grant may not satisfy the matched-funding contribution.

| Jurisdiction | Current practical entry points | Status and use |
|---|---|---|
| **New South Wales** | MVP Ventures, Service NSW grants directory, Tech Central | MVP Round 3 closed 10 April 2026. Grants were $20,000 to $50,000, or up to $75,000 for specified majority women-owned, regional or First Nations businesses. Await a new round. |
| **Victoria** | Innovation Victoria | The new founder front door combines LaunchVic and Breakthrough Victoria. Its online transition still routes users to the former sites. Launch announcement |
| **Queensland** | Advance Queensland, Female Founders, First Nations and challenge programs | Female Founder and First Nations pathways remain listed. The Private Sector Pathways Health Innovation Challenge, offering up to $200,000, closed on 23 July 2026; the owner page now marks applications closed. Private Sector Pathways |
| **Western Australia** | New Industries and Innovation Fund, Innovation Booster, funded accelerators | Innovation Booster is closed, with the next round planned for August or September 2026. The next Innovation Pathways provider round is expected in November. Innovation Pathways |
| **South Australia** | Seed-Start, research and university pathways | The owner page displayed **Apply Now** and updated guidelines. Seed grants are $50,000 to $100,000 at 2:1 matching; Start grants are $100,001 to $500,000 at 1:1. |
| **Tasmania** | Business Tasmania grant finder, advisory services, Enterprize | No standing general startup commercialisation grant appeared. New founders can access up to two free advice hours and established businesses up to five each year. Business planning support |
| **Australian Capital Territory** | Canberra Innovation Network, Innovation Connect, Prototype Voucher, ACTivate Capital | The ACT lists ICON grants of $10,000 to $30,000; CBRIN directs applicants through an introductory meeting. The prototype voucher provides $10,000 of facilities and expert access. ACT grants page |
| **Northern Territory** | Innovation NT, Darwin Innovation Hub, grants finder, Territory Innovation Challenges | The Business Innovation Program is **closed and under review**. Its former package included a grant, advice and commercialisation support. BIP status |

## 2.4 Who can help with what

Choose a community for the next conversation, not its logo. The useful one introduces a buyer, sharpens a regulatory position, supplies a lab, improves a capital process or puts honest peers around the team. A 2026 OECD review describes networks and connections as a core part of incubator value, linking ventures to investors, coaches, universities, clients and suppliers. OECD incubation review

| Organisation | Practical fit | What it provides | Current access or next step checked 21-24 July 2026 |
|---|---|---|---|
| Superteam Australia | Solana-adjacent builders, designers, researchers and operators | Regional bounties, projects, grants and community. | Check each listing's location, deliverables and terms. |
| Digital Economy Council of Australia (DECA) | Digital assets, payments, AML, identity and security | Membership, events and working groups, depending on tier. | Match the activity to an active working group. |
| FinTech Australia | Fintech policy, regulation and industry connections | Advocacy, events, ecosystem and investor maps, services and membership. | Use the public maps before paying to join. |
| Stone & Chalk | Emerging technology needing a hub or corporate proximity | Hubs, residency, mentorship, programs and events. | Ask about a relevant live program or residency. |
| Spacecubed / Plus Eight | WA-linked founders from validation to scale | Grants, challenge funding, an alumni syndicate and the Plus Eight Accelerator. | The 2026 accelerator cohort is closed; ask about the next intake. |
| Cicada Innovations | Science-led ventures needing specialist commercialisation, labs or equipment | Incubators, facilities, training and links across science, industry and investment. | Match the venture to a current intake. |

Before joining a community or accelerator, ask what recent participants gained, what rights they gave up and what support continued after demo day. Membership is not funding. Use universities when the company needs science, facilities or research IP, settling IP, publication, ethics and licence terms early. CSIRO Kick-Start is a small entry point; CRC-P suits larger collaborations; ARC Industry Fellowships support researcher mobility. ARC Early Career Industry Fellowships

# 3. The capital fork: bootstrap, raise or blend

## 3.1 Decide what outside capital should change

Before choosing an investor or program, name the next proof, its cost, its timeframe and what delay would change. That makes the capital decision concrete.

Bootstrapping keeps ownership and decisions close while making revenue, service and runway immediate constraints. Equity can buy speed, capability, distribution and time while adding partners, rights and expectations. Grants fund defined work. Debt introduces a repayment clock. Customer funding validates demand, though one customer's urgency can pull the product off course.

Many companies blend these paths. Sequence matters. More proof before a raise can reduce dilution and improve the choice of relationships; waiting can surrender time or market position. Write down the trade before momentum, prestige or fear makes it for you.

## 3.2 Australia's capital paradox: abundant savings, narrow founder access

At 31 March 2026, Australia's superannuation system held $4.4 trillion. ASFA estimates that institutional funds deploy about $40 billion of new financial capital each quarter, or roughly $500 million a day. This spans public markets, infrastructure, property and private assets. Allocation must still satisfy risk, return, liquidity and members' interests. APRA; ASFA

Australian startups announced $5.4 billion across 390 deals in 2025, up 31 per cent by value. The largest 20 deals accounted for 58 per cent while deal count fell. Local cheque depth narrowed from Series A, especially above $5 million and $10 million. Among founders surveyed, 59 per cent pursued local and international investors and 11 per cent pursued only international capital. The top reported reasons included cheque size, risk appetite, expansion support, valuation and terms. State of Australian Startup Funding 2025

International capital can help a company reach global customers. Measure what moves with it: headquarters, control, IP, R&D, senior jobs, tax base and the returns that seed local funds. Foreign investment and Australian value retention are separate questions.

Startup rounds can be too small, illiquid and expensive to diligence for institutional tickets. Fund capacity, track record, benchmarks, fees and exits also shape allocation. The 2026 *Ambitious Australia* review identifies the Series B+ gap, limited super investment in Australian venture funds and a role for diversified fund-of-funds vehicles, while preserving trustees' duty to members. Ambitious Australia, chapter 4

Institutions need a visible trail of contracts, repeatable revenue, approvals, owned IP, manufacturing proof and a team capable of using a larger cheque. Paid procurement, continuous commercialisation finance and coordinated regulation are therefore part of the capital system.

## 3.3 AI changes what the first cheque is for

The familiar sequence was raise, hire, build, then learn. A 2025 OECD review found that generative AI can reduce the cost and time of bounded early work such as prototyping, leaving more attention for market fit and customer feedback. It also found direct evidence on entrepreneurial outcomes remains sparse. Australia's Q1 2025 AI Adoption Tracker put SME adoption at 41 per cent. OECD review; Australian AI Adoption Tracker

In an OECD survey of more than 5,000 SMEs, 65 per cent of generative-AI users reported better employee performance, 35 per cent said it helped them scale and 83 per cent reported no change in staff need. Twice as many reported greater need for highly skilled workers as less. The sample omitted Australia and newer agents. Australian research warns that multi-agent blind spots can cascade. Test claimed savings in the real workflow, with a human owner and fallback. OECD SME survey; Australian multi-agent risk research

That is enough to change a capital plan. Price the smallest reliable path to the next external proof with and without AI assistance. Use genuine savings to extend runway or deepen customer learning. Model capability will keep moving, so raise for what survives the next change: trusted workflow state, customer relationships, distribution, permissions, integration, specialist judgement, regulatory permission, manufacturing, working capital or time.

Capital also brings people, rights and expectations. Record what each relationship adds, which decisions it can influence and whether its time horizon fits the company. Use AI to map candidates and prepare meetings. Referrals, hesitation, service and cap-table fit still turn on human judgement and rapport. A founder can spend weeks perfecting an agent loop and learn nothing about whether anyone will buy. Build, show, listen and keep talking to people.

Asked about an AI decision that might affect them, 81 per cent of Australians wanted a right to human review and 79 per cent wanted to be told AI was being used. Trust, contestability and human agency are commercial design constraints. OAIC Australian Community Attitudes to Privacy Survey 2026

## 3.4 Match the instrument to the proof

At idea and prototype stage, customer conversations, paid manual work, consulting revenue and narrow experiments can build evidence before a priced round. Grants and research partnerships suit defined additional work. Seed equity becomes useful when demand, technical feasibility or regulatory work requires more time and risk than revenue can carry. Compare investors on follow-on capacity, domain knowledge, customer access, governance and time horizon as well as valuation.

Growth investors look for repeatable revenue, retention, sales efficiency, controls, IP and a market large enough for their fund. Strategic capital can add distribution, manufacturing or data, with its exclusivity and information rights priced explicitly. Debt fits contracted revenue, receivables, purchase orders, equipment or export working capital. Export Finance Australia's $20,000 to $350,000 product has trading-history, revenue, profitability and Australian-benefit tests. Eligibility criteria

IISA reported 296 registered venture partnerships at the end of 2024–25, with $35.09 billion committed and $19.95 billion deployed over their lives. Those figures describe the programs, not capital available to a founder today. IISA annual report

| Stage | Evidence to produce | Capital to examine first | Avoid |
|---|---|---|---|
| Idea | Specific customer problem, founder advantage, cheap test | Founder time, customer discovery, pre-accelerator | Incorporating and applying everywhere before validation |
| Prototype | Technical hypothesis, user workflow, IP chain, costed plan | Founder or customer money, small grant, CSIRO, angel | Claiming routine build work as R&D |
| Pilot | Signed scope, success metric, data and liability terms | Customer-funded pilot, state program, seed equity | Free pilots with no buyer or conversion condition |
| Early revenue | Retention, margin, sales cycle, compliance baseline | Revenue, angels or seed fund, R&DTI, selective debt | Short-term debt for unresolved product risk |
| Scale | Repeatable acquisition, team, controls, market-entry plan | Venture or growth equity, strategic capital, export finance | International expansion without runway or an owner |
| Research-led scale | Validated technology, manufacturing and approval plan | Specialist VC, research partnership, IGP if re-opened, institutional capital | Underestimating certification, facilities and working capital |

# 4. Regulated and digital-asset operating reality

Founders do not need to wait for the April 2027 platform regime to build, test or sell in the digital economy. Software, AI, analytics, security, consumer and infrastructure products operate under today's company, IP, privacy, consumer and tax rules. Payments and digital-asset businesses can also operate today when their actual activities fit current licences, registrations, authorisations and controls, including through properly structured work with regulated partners. A future regime changes the map; it does not replace the map that applies now.

## 4.1 Start with activities

Labels such as “Web3”, “software”, “non-custodial” or “utility token” do not determine legal treatment. List what each entity actually does: issues or arranges an asset, holds customer assets, transmits value, exchanges fiat and virtual assets, gives advice, manages a portfolio, operates a market, extends credit, earns yield, processes personal information or markets to retail customers.

Draw one page showing every legal entity, wallet and bank account; who controls keys; when title changes; who can reverse a transaction; fees; customer geography; and what happens when something fails. Use that map across the relevant agencies.

## 4.2 ASIC and the Digital Assets Framework

Existing financial-services law applies when a digital asset or arrangement is a financial product. On 25 June 2026, ASIC extended its sector-wide no-action position to **30 September 2026** for relevant firms taking stated licensing or authorised-representative steps. It does not change the law or approve a product. ASIC extension

The Corporations Amendment (Digital Assets Framework) Act 2026 received Royal Assent on 8 April 2026. Its commencement table records 8 April 2027, while ASIC's roadmap says 9 April. Plan for the April 2027 regime, recheck the operative date and assess whether current authorisation is also required. Legislation; ASIC roadmap

ASIC's Innovation Hub offers informal assistance to eligible fintech and regtech businesses and administers the Enhanced Regulatory Sandbox. The assistance is not legal advice, finance or endorsement. The sandbox is a limited licensing exemption for eligible activities. ASIC Innovation Hub; Enhanced Regulatory Sandbox

## 4.3 AUSTRAC and AML/CTF

Updated AML/CTF obligations took effect on 31 March 2026 for existing reporting entities, and coverage expanded from the former digital currency exchange category to virtual asset services. Existing registered digital-currency exchanges rolled over to VASP registration. Providers of newly regulated virtual-asset services must apply to enrol and register by 29 July 2026 to use the transitional continuation arrangements. AUSTRAC key dates; transitional rules

Turn the obligation into operations: governance, an AML/CTF program, customer due diligence, ongoing monitoring, reporting, transfer-of-value controls, recordkeeping, staff capability and auditable decisions calibrated to risk. A vendor may perform identity checks or blockchain analytics, while accountability remains with the reporting entity.

## 4.4 Payments, consumer, privacy and tax

Payments licensing reforms remain under development. Treasury says draft Tranche 1 legislation was consulted on from 9 October to 6 November 2025, with work on access requirements, an industry standards body and the ePayments Code continuing in 2026. Apply the current financial-services, credit, payments and stored-value rules until legislation changes the perimeter. Treasury payments licensing reforms

The Australian Consumer Law applies to digital products and marketing. Support claims about product performance, price and future outcomes on reasonable grounds. Consumer guarantees can apply online, and a disclaimer cannot repair a misleading overall impression. ACCC misleading claims; ACCC consumer guarantees

Most small businesses with annual turnover of $3 million or less sit outside the Privacy Act, subject to important exceptions including health services, personal-information trading, Commonwealth contractors and AML/CTF reporting entities. From 1 July 2026, newly regulated tranche-two AML/CTF entities have Privacy Act obligations for their AML/CTF activities even if the small-business exemption otherwise applies. OAIC small business guide; OAIC AML/CTF privacy guide

My bias is that compliance should define the minimum data a product must process, never a reason to collect everything. Identity, financial and wallet data can harm a user when controls fail, whatever the turnover threshold says. For agentic products, authority should be visible, specific, revocable and auditable. People need to know what an agent can access, what it can do and when a human must decide. Models and providers will change; actions, authorisations and sources still need a durable audit trail. Privacy, provenance and human agency belong in the product architecture.

For tax, the ATO says crypto assets held in a crypto business or used in ordinary business exchange can be trading stock, while investments can receive capital-gains treatment. Account for crypto received for goods or services at its Australian-dollar value, and assess GST consequences. Build classification and records from the first transaction. ATO crypto in business

# 5. One real founder journey and two worked scenarios

The first journey is my own, with details also documented in a published Ministry of Awesome profile. Founder Catalyst is a New Zealand programme; I include it because the operating lesson applies directly to Australian ecosystem design. The other two journeys are composites built from the operating choices described in this report. They do not make claims about named companies.

## 5.1 A real journey: what Founder Catalyst actually changed for us

Nat Delnova and I met in a corporate AI focus group. He approached the problem through in-house legal work and safe AI adoption; I came at it as a systems engineer focused on workflows and human-AI interaction. We joined Founder Catalyst with a product idea and, by the programme's midpoint, had built Treehouse into a working contract and document management product with paying customers and a pitch that sold.

That traction proved we could build, sell and support software. It did not settle what we wanted to spend years building. Our entrepreneur-in-residence, Marie-Claire Andrews, kept asking when our work would be done. The question forced us to explain the mission rather than the next feature. Customers kept asking about security. Their questions showed us that trust and control would shape adoption.

Bringing the legal, trust and systems perspectives together led us to Intangle, as described in the Ministry of Awesome founder profile. Treehouse still serves paying customers in production. Intangle is our main focus today, and we plan to keep improving Treehouse and how it reaches customers.

Intangle remains in active development. Our starting point is that context evolves while models, providers and tools change, but a team's work, decisions and the reasons behind them need continuity. We are working towards shared, permissioned memory where people and agents can coordinate in real time across those systems, while privacy and human control remain with users. Memory is how we get there. Continuity is the purpose.

That experience changed how I assess ecosystem support. A founder programme earns its keep when it exposes weak conviction, connects founders to customers and lets evidence redirect the company. A paid pilot can prove execution without settling direction. Customer knowledge, IP and technical evidence should carry into the next iteration, followed by the security, procurement and deployment work needed to reach production.

## 5.2 Worked scenario: design a payments pilot around the perimeter

A team wants faster cross-border supplier payments using stablecoins. Before production code, it maps fiat, tokens, custody, fees, customer claims and loss paths. That forces a choice: supply software to a licensed institution, use a valid authorised arrangement or hold the permissions and controls itself.

The founders fund regulatory analysis and a non-production prototype. They assess financial-product, payments and AUSTRAC treatment; registration is never presented as approval. An authorised design partner can expose operating gaps, while the contract assigns responsibility. ASIC may clarify process; legal advice resolves the facts.

Before seed, they cost compliance, banking, custody, monitoring, insurance, personnel, complaints and incidents. The launch plan follows applicable permissions and prepares for the April 2027 DAP/TCP regime.

A bank or partner withdrawal can stop the product. Redraw the map before assuming a narrower business-to-business model removes regulated activity.

## 5.3 Worked scenario: carry climate hardware from lab result to first units

A university process works in a laboratory. The company must secure the rights, reproduce it, scale it, certify it and sell the first units at a credible cost.

Founders settle licence scope, equity, milestones, patents, publication, facilities and background IP with the commercialisation office. A weak licence will surface in diligence.

The scale-up plan may combine CSIRO Kick-Start, a state grant or specialist accelerator. CRC-P may suit a larger shared problem; Round 19 is closed, so build the consortium early.

Specialist seed equity covers the team, regulatory plan, unfunded share and runway. Yield, customer specifications, unit cost and offtake make growth capital credible.

Between a technical milestone and production site certification, long-lead equipment, working capital, supplier concentration, manufacturing yield and a buyer for the first units. The lab result defines the next proof; the factory remains to be financed.

# 6. What comparable ecosystems make easier

International comparisons are useful when they isolate an operating mechanism. Market size, constitutional structure, migration, tax base and regulatory scope differ too much for a league-table answer. The question is what Australia can adapt.

| Jurisdiction | Founder and capital mechanism | Regulated-finance mechanism | Transferable lesson and limit |
|---|---|---|---|
| **Singapore** | Startup SG Founder combines mentorship with a S$20,000 to S$50,000 grant and 1:1 co-matching. Startup SG presents equity, deep-tech, accelerator and talent pathways through one system. Startup SG Founder | MAS regulates digital payment token services and publishes a financial institutions directory. MAS directory | Adapt the coherent front door and links between funding, talent and market entry, accounting for Australia's federal structure. |
| **United Kingdom** | A qualifying company can raise up to £250,000 under SEIS, with EIS supporting the next risk-capital stage. In 2024–25, 2,430 companies raised £276 million through SEIS. HMRC statistics | The FCA Regulatory Sandbox assigns accepted firms a case officer for an approximately six-month test; new cryptoasset applications are currently closed. FCA sandbox | Adapt the staged investment path and named case officer. These mechanisms are useful while the wider scale-up finance gap remains. British Business Bank |
| **United States** | SBIC funds use government-backed capital to increase private investment. Treasury's nearly US$10 billion SSBCI lets jurisdictions design venture and credit programs and aims to catalyse up to US$10 of private investment per program dollar. SBA; Treasury | CFPB sandbox relief is limited to identified laws and facts and does not bind state or private enforcement. CFPB | Adapt professionally managed leverage and federal-state design; avoid copying the fragmented regulatory map. |
| **Hong Kong** | Cyberport's 24-month incubation programme offers eligible digital-tech companies up to HK$500,000 plus support and workspace. Cyberport | Trading platforms must be licensed by the SFC; the HKMA sandbox lets banks and partners run limited-customer pilots. SFC; HKMA | Adapt the visible incubation path and cross-regulator coordination, accounting for local market differences. |

Australia has most of the components: ASIC's sandbox and Innovation Hub, state-funded accelerators, ESIC and registered venture partnerships. The founder still has to assemble them into a path and guess the next evidence gate. That is the part worth fixing.

# 7. Five prioritised recommendations

## Build on work already underway

The March 2026 Ambitious Australia report already recommends challenge procurement, simpler grant access, larger ESVCLP settings, superannuation reform and fund-of-funds vehicles. The five recommendations below turn that direction into named owners, first actions and measurable delivery tests.

The Investor Front Door gives selected projects above a general $50 million capital-expenditure threshold an engagement manager for approvals, agencies and finance. The founder front door below extends that pattern to smaller digital companies. Eligibility

AI belongs in these recommendations as testable delivery infrastructure. Each pilot needs a baseline, defined task, named human owner, audit trail, fallback and published results. Funding, procurement, regulatory and investment decisions stay with authorised people.

## 7.1 Add a live founder layer to the national front door

**Owner:** Department of Industry, Science and Resources with business.gov.au, states and territories
**Timeframe:** 12 months for a minimum viable service; 24 months for full federation
**First action:** Publish a common data schema and require participating program owners to expose status, eligibility, next date, decision time, co-contribution and project-start rules.
**Measurable outcome:** At least 95 per cent of all Commonwealth and state innovation programs in the agreed scope publish those fields; search-to-shortlist time falls 30 per cent; testing reports both incorrect and omitted matches; stale listings are corrected within two business days.

**Agent-assisted pilot:** Ask about stage, project, location, co-funding, research partners and regulated activity. A navigator could read a founder-supplied evidence pack and suggest programs, advisers, customers and capital providers. Every match should show its source, freshness and reason; uncertain eligibility and trusted introductions go to a named person. Let founders revoke access, prohibit automated funding decisions and measure accepted introductions rather than clicks. Link the service to state feeds and the major-project Investor Front Door.

## 7.2 Turn challenge procurement into a route to production

**Owner:** Department of Finance and Department of Industry, with five high-spend pilot agencies and state procurement counterparts
**Timeframe:** Six months to design; two-year pilot
**First action:** Choose five bounded operational problems with named budget owners and a published pilot envelope, publish standard paid-feasibility terms, and define the production decision before applications open.
**Measurable outcome:** Every selected challenge funds at least three feasibility teams; at least 40 per cent advance to a paid field trial; at least half of successful trials receive a production decision within 90 days; supplier and agency outcomes are published at 12 and 24 months.

The Commonwealth Procurement Rules already prioritise Australian businesses below relevant thresholds, and Finance guidance permits direct SME engagement up to $500,000 where value for money and other requirements are met. The rules also contain SME procurement targets. Commonwealth Procurement Rules; SME procurement guidance

Pay several teams for feasibility, select field trials under a shared protocol and make a dated production decision. Use proportionate IP, security, liability and data clauses. Report demos, trials and production contracts separately, with totals set by real agency problems and buying capacity.

**Agent-assisted pilot:** Include bounded workflow trials where agencies can compare completion time, errors, human review, user outcomes and unit cost against the current process in a safe test environment.

## 7.3 Keep commercialisation finance open between cohorts

**Owner:** Department of Industry, informed by Industry Growth Program and CRC-P delivery data
**Timeframe:** Reopen an entry service within six months; continuous quarterly decisions within 12 months
**First action:** Publish a two-stage expression-of-interest process for the next external evidence gate and release anonymised decision-time and milestone data from existing programs.
**Measurable outcome:** 80 per cent of complete applications receive a decision within 45 business days; at least half of funded companies reach their agreed milestone within its 12- or 24-month cohort deadline, with withdrawals reported; results are split by region, sector and founder demographics.

The IGP has useful expert advice and staged grants, but is paused to new applications. Keep a short entry route open, assess quarterly and release larger commitments after verified milestones. Size the portfolio from demand, co-funding, expected loss, sector lead times and public value. R&DTI supports eligible experiments; this finance should cover validation, certification, pilot manufacturing and first-customer integration.

**Agent-assisted pilot:** Fund a bounded workflow with a named baseline task and user cohort. Measure completion time, errors, escalations, human-review minutes, unit cost and customer outcome; include security, instrumentation and fallback in the milestone budget.

## 7.4 Give regulated innovators one accountable case team

**Owner:** Treasury as program sponsor, coordinated through the Council of Financial Regulators and agreements with other participating regulators
**Timeframe:** 12-month pilot aligned with Digital Assets Framework implementation
**First action:** Select a small cross-agency cohort and adopt one standard funds, assets, activities and data map with written allocation of agency questions.
**Measurable outcome:** One consolidated agency process response within 30 business days for accepted cases; 90 per cent of cross-agency questions assigned one lead; anonymised perimeter decisions and recurring failure modes published quarterly.

**Agent-assisted pilot:** One map goes to a lead case manager. Auditable intake can flag gaps, route questions and preserve sources, permissions, changes and human overrides. The case manager owns intake, routing and a dated process summary; each regulator retains its statutory legal conclusion. It would not waive law or guarantee a licence. Start with the Digital Assets Framework, where ASIC, AUSTRAC and payments rules can touch one product. CFR role and powers

## 7.5 Build an institutional-scale bridge to Series B and beyond

**Owner:** Treasury and Department of Industry, with IISA; APRA and ASIC consulted on regulatory settings and commercial fund managers on vehicle design
**Timeframe:** Six months for a baseline and market sounding; 18 months to establish a vehicle if the evidence supports it
**First action:** Define Australian venture and growth by underlying Australian-company exposure, then commission a confidential fund survey reconciled to APRA's broader asset data and publish only an aggregate baseline before testing a voluntary fund-of-funds.
**Measurable outcome:** Reach a first close with a majority of non-government commitments, or publish the evidence for stopping; report capital, fees, vintage-level net IRR, TVPI and DPI under published maturation rules, plus follow-on rounds, exits, Australian R&D and employment.

The vehicle should be independently managed, diversified and governed by a commercial return mandate. Ministers should not select companies. Any government cornerstone commitment should be capped, conditional on private participation and tied to a published exit review.

**Agent-assisted analysis:** Use tools to reconcile fund data, surface missing values and test scenarios, with a published method and human sign-off. Investment selection remains a fiduciary decision.

Implement the Budget's announced 1 July 2027 VCLP and ESVCLP cap increases. Separately assess *Ambitious Australia's* unadopted recommendation for $500 million ESVCLP funds and larger Series B investments. Review possible benchmark and disclosure distortions without weakening trustees' duty to members. Track returns separately from Australian ownership, IP, R&D, employment and tax. Budget settings; panel recommendation

# 8. Founder checklist

Use this as a gate, not another reading section. Jump to the decision in front of you and tick only what the company can evidence.

## 8.1 Before incorporation or a restructure

- [ ] Define the next customer or technical milestone.
- [ ] Decide whether the activity needs a company; record founder roles, equity intent, vesting and decision rights.
- [ ] Map IP, employment restrictions, university rights and open-source dependencies; obtain advice where structure affects investment, IP or liability.

## 8.2 Before applying for support

- [ ] Record the date checked and read the owner page, guidelines and draft agreement.
- [ ] Confirm eligibility, co-contribution, project-start restrictions and interactions with other public funding.
- [ ] Name the milestone, budget owner, evidence folder and reporting owner.
- [ ] Preserve a smaller plan if the application fails.

## 8.3 Before raising capital

- [ ] Reconcile the cap table, IP, records and contracts; model dilution and the next proof with and without AI assistance.
- [ ] State regulatory and tax-incentive status precisely, with metrics traced to source data.
- [ ] Compare what each investor adds beyond money, including follow-on capacity, domain knowledge, access, governance and time horizon.
- [ ] Review side letters, vetoes, information rights, exclusivity and later-financing effects.

## 8.4 Before a regulated pilot or launch

- [ ] Complete the entities, funds, assets, keys, data and contracts map; describe each activity and customer geography.
- [ ] Confirm the responsible entity and required registration, licence, authorisation, exemption or partner.
- [ ] Verify transition dates and cost compliance, insurance, advice, audit, reconciliation, incidents, complaints, recovery and wind-down.
- [ ] Substantiate marketing claims and reassess after product, token, customer or custody changes.

## 8.5 Before international expansion

- [ ] Choose the market for customers and operating advantage; confirm establishment, employment, tax, data, consumer and regulatory obligations.
- [ ] Assign an accountable owner and 12 months of runway.
- [ ] Use Austrade, Landing Pads, Export Finance Australia and state services where they fit, then run a bounded test before duplicating the company stack.

# 9. Ecosystem directory

## 9.1 National

- business.gov.au grants and programs
- GrantConnect
- R&D Tax Incentive
- CSIRO funding programs
- Industry Growth Program
- CRC Projects
- Austrade
- Export Finance Australia
- National Reconstruction Fund Corporation
- ASIC Innovation Hub
- AUSTRAC AML/CTF reform
- IP Australia
- AusTender

## 9.2 States and territories

- NSW: innovation grants and programs
- Victoria: Innovation Victoria
- Queensland: Advance Queensland
- Western Australia: innovation programs and grants
- South Australia: startup ecosystem
- Tasmania: Business Tasmania grants
- ACT: Canberra Innovation Network
- Northern Territory: Innovation NT

## 9.3 Research and data

- Australian Bureau of Statistics business indicators
- Australian Innovation Statistics
- Science, research and innovation budget tables
- Ambitious Australia R&D review
- Productivity Commission

# 10. Methodology and limitations

Program statuses were captured on 21 July 2026; selected national and state sources were rechecked on 24 July. Owner pages establish status, legislation and regulators establish rules, and official datasets support economic and outcome claims. Material claims are linked. A page cannot prove acceptance or a product-specific legal interpretation.

“Startup” is not one official statistical category, program status changes, and evaluations use different cohorts and methods. The Renvoi journey uses direct experience and a published profile; the other journeys are declared composites. Legal and tax summaries are navigation aids because one entity, instrument, customer or transaction detail can change the result.

# 11. Conclusion

Founders experience an ecosystem through its handoffs: idea to evidence, evidence to customer, customer to repeatable growth. Australia's map has too many places where the next door disappears. AI can compress some of the work between those doors. People still decide which proof matters, who to trust and what kind of company they are willing to build.

Give founders live program status, fund the next proof, name the buyer before a challenge starts, coordinate the regulators and give institutions a practical route into later-stage growth. Then publish what became contracts, deployments, follow-on capital, local R&D and returns that can fund the next company. Founders can work with a demanding system when its doors stay open long enough to act.