

Dr Yongqiang Li  
Senior Lecturer in Law  
Victoria University  
Email: [REDACTED]

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Mr Mark Fitt  
Committee Secretary  
Senate Economics Legislation Committee  
Phone: ☐(02) 6277 3540  
Email: [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)

Dear Mr Fitt,

**Re: Inquiry into Australian Business Growth Fund Bill 2019 [Provisions] ('Bill')**

I congratulate the Treasurer and the Australian Government for finally taking practical actions to facilitate the growth of small and medium sized enterprises (SME). The Bill reserved its brevity, albeit left the following legal and practical questions unanswered:

1. The governance structure of the Australian Business Growth Fund (BCF): how will the governance system be structured? What are the mechanisms for the funders to join and leave? What are the decision-making processes for the fund?
2. BCF is for SME growth: what is the definition of SME in the context of this Bill? What are the selection mechanisms for the 30-50 SMEs out of 2.2 million? It is a technical challenge to distinguish the growth firms from the non-growth ones due to the heterogeneity nature of the businesses and industries.
3. What are the dispute resolution mechanisms should any SME be dissatisfied with the decision (presumably made by the fund)?
4. What is the relationship between BCF and the business lending of the funders? Will there be any concerns of conflicts of interests? Will the funders be exposed to business and private information, which they do not have access to previously?
5. What is the relationship between this Bill and other legislations (*Corporations Amendment (Crowd-sourced Funding) Act 2017(Cth)*)?
6. It is observed that the government support in cash and in-kind prior to the IPO is a strong signal for business growth. Will it justify if the government invest in those businesses which apply for a float?
7. \$540 million is a rather small pool of fund to significantly boost the growth of SMEs for a nation. Is it possible for the business migration to invest in this stream?

I look forward to see the Australian SMEs benefit from this exciting initiative.

Your sincerely,

Dr Yongqiang Li