

**SENATE ECONOMICS  
LEGISLATION COMMITTEE**

Budget estimates 2005–06

**TABLED DOCUMENTS**

**Document:** Review of venture capital industry – Terms of Reference

**Tabled by:** Department of Industry, Tourism and Resources

**Date:** Monday, 30 May 2005

## REVIEW OF VENTURE CAPITAL INDUSTRY – TERMS OF REFERENCE

Consistent with the Government's 2004 election commitment in *From Strength to Strength: The Coalition's Policy for Australian Industry*, a review of the Australian venture capital industry is to be conducted. The Review should:

1. Assess the level and sources of venture capital and later stage private equity investment, including historical trends and growth prospects. The Review should identify factors that might impact on levels of Australian venture capital and later stage private equity investment including, but not limited to, the availability of suitable investment opportunities, the accessibility and liquidity of Australian equity markets and proximity to global capital and product markets.
2. Determine whether there are any impediments to the efficient operation of the venture capital and later stage private equity market.
3. Consider the appropriateness, effectiveness and efficiency of existing Australian Government support for venture capital and later stage private equity investment, in the context of a thorough review of the industry, including:
  - The Pooled Development Funds program – paying regard to the issues raised and recommendations contained in the Inter-departmental Steering Committee's Review of the Pooled Development Funds program (completed in November 2003) and PDF Registration Board's report "Financing Australian SMEs".
  - The Venture Capital Regime including venture capital limited partnerships.
  - Other programs including Innovation Investment Funds, COMET and the Pre-seed Funds.

Where feasible, the Venture Capital Review Expert Group may wish to identify features of government intervention by other countries to determine their effectiveness, usefulness and relevance to Australia.

4. Determine the impact of venture capital (and later stage private equity) activity on the Australian economy.