

Queensland Response

INQUIRY INTO THE BUSINESS INNOVATION AND INVESTMENT PROGRAMME (BIIP)

Thank you for the opportunity to respond to the inquiry into the BIIP. Queensland also notes the review of the Significant Investor Visa (SIV) is occurring concurrently. Although it is noted that the BIIP review excludes the SIV, content included in this submission about the role of state and territory government is valid for both.

Attracting innovative foreign companies and individuals to migrate and/or invest in Australia will not only boost a competitive environment for local businesses but also introduce new ideas and opportunities.

Assess whether the BIIP is meeting its intended objectives and if any adjustments are necessary

Queensland notes the suggestion to remove the requirement for state nomination under selected BIIP visa streams. Queensland believes state and territory nomination is a valuable role under the BIIP, and in addition to assessing an applicant's qualification and experiences in their home country, can assess the likelihood of the migrant establishing and running a successful business in Australia. It also directs the business migrant to investment or business opportunities that are of benefit to the state or territory of residence.

Applicants have often been unable to demonstrate an understanding of the competitive landscape or impediments to doing business in Australia. This may mean they are less likely to develop a successful business in a new country and may fail without input or advice from the nominating jurisdiction. If the Department of Immigration and Border Protection (DIBP) was to remove the requirement for business migrants to be nominated by a state or territory, this may impact on the ability of an applicant to establish a successful business or result in applicants not meeting permanent residency requirements or programme objectives.

Queensland believes the DIBP reform introduced in 2012 that removed the direct-to-DIBP approach was correct. Reinstating the direct-to-DIBP option would not be supported.

Nomination requirements for visa subclass 888 applications

There is currently a lack of clarity on the requirement for state and territory nomination when an applicant applies for the permanent residency visa subclass 888. The DIBP website states that provided the state or territory government has not withdrawn their nomination, the visa applicant is considered to still have a nomination in place.

The DIBP form 1414 for the visa subclass 888 states that Part B of this form must be completed, signed and stamped by the nominating state or territory and lodged with the completed application form.

To avoid confusion and allow state and territory governments to ensure provisional visa holders meet the business and investment obligations of their nomination and accurately monitor the economic benefit of migrants in their jurisdiction, the DIBP Form 1414 needs to be a compulsory document lodged with all applications for a visa subclass 888.

Compulsory nomination at the visa subclass 888 application stage will ensure migrants achieve the business or investment-intended objectives of the BIIP.

Consider the conditions involved in the decline in rates of application for the BIIP, in light of rates of application for the previous Business Skills Programme

Queensland notes that when DIBP reviewed the settings for BIIP in 2011, higher investment thresholds were mandated for the new visa subclasses. Although BSMQ agree that a higher level of investment and assets was required to encourage applicants who have greater wealth and or entrepreneurial talent, higher thresholds may have contributed to a decline in interest in the programme.

Queensland supports initiatives that encourage entrepreneurial migrants who can add value to Australia's economy. Queensland settings for the 188 Innovation visa have been reviewed to encourage businesses within the agriculture, tourism, infrastructure, construction, resources and education sector. Queensland does not support the inclusion of lower value-adding businesses or decreased levels of investment as a means of lifting the rate of applications for the BIIP.

Queensland has noted there may be increased interest in Australia's business migration programme due to nations such as Canada and Singapore reviewing and/or closing down their business visa programmes.

Role of secondary applicants in achieving permanent residency

At the time of a migrant lodging their subclass 888 application, DIBP should consider recognizing the contribution of the spouse or partner of the primary applicant in running the business. In some cases, the secondary applicant has equal or greater responsibility than the primary applicant in running the business, and as such should be recognized if the primary applicant is unable to meet permanent residency requirements in their own right.

Interview record

Applicants have expressed dissatisfaction that a record of their interview with a DBIP Case Officer has not been provided to them for their records. The current practice does not provide transparency throughout the application process. Queensland recommends that any interview between a Case Officer and an applicant must result in an official record of the meeting being given to the applicant.

Targeted promotion

Queensland's overseas trade and investment offices have seen increased interest in Australia's business migration programme, particularly by High Net Worth Individuals (HNWI), since the closure of Canada's investor visa programme.

Queensland recommends that DIBP regularly promotes Australia's business migration programme offshore and look to markets other than China. It is understood that China is over represented with providers promoting their projects to investors. Queensland believes that the promotion would be more effective if HNWI were approached directly by government representatives. In addition to Australian project proponents, other countries are also seeking HNWI to invest in their migration programmes.

As business migrants place extreme importance on speaking directly to government officials who can make decisions about the scheme, Queensland sees value in joint offshore promotion by DIBP and states and territories. Queensland would support and contribute funding to a DIBP roadshow or similar that is attended by Commonwealth, State and Territory Government officials only and would be keen to investigate co-branding or similar arrangements for offshore events.

Queensland encourages caution in a co-operative road show with business organizations, managed funds, councils and other stakeholders who seek to "leverage" the representation of government officials as a means of inferring the legitimacy of their investment products. Queensland carefully scopes activities to ensure it is impartial and explicitly states that it does not support or endorse any complying investment options.

Evaluate the current eligibility criteria, with particular regard to the operation of the BIIP points test, and its effectiveness in selecting suitable migrants

Points test

The DIBP points test is a successful tool when assessing the skills and abilities of an individual, however it does not translate to assessing business acumen. It is not an appropriate method to determine a business skills qualification where the core factors are in non-personal areas such as business turnover and assets. Queensland notes that there was only limited support for the reintroduction of the points test from State and Territory governments and industry when the department released its review paper in 2010.

In particular, it was noted that the rationale and research cited in the case for introducing age, English language ability and qualifications as assessments for the business migration programme was based on the benefits achieved by this method of assessment for skilled migrants coming to Australia to seek employment. In the context of assessing the potential contribution of a migrant in terms of business growth, investment and job creation there is little value in a points test approach as it cannot offer any assessment of business skill or success of business owners and investors.

Given that the 188 SIV category is not subject to the points test, the SkillSelect system has the capability to process EOIs in the absence of a points test. Queensland recommends the points test be removed as an assessment requirement under BIIP.

Programme Settings

Queensland believes there is value in reviewing the programme settings for some visa subclasses to enhance project objectives. All programme settings for HNWI will need to be reviewed dependent on the SIV review outcome to ensure differentiation between the visa subclasses.

The current programme settings for the subclass 132 visa encourage migration by entrepreneurial talent to Australia who have been successful in receiving AVCAL funding. Queensland believes an enhanced commitment from AVCAL is needed to promote and work with entrepreneurial talent to assist applicants to be successfully nominated for a 132 visa.

However, the current programme settings do not encourage investment by venture capitalists or HNWI into Australia's economy. Queensland supports initiatives that encourage investment by venture capitalists into Australia's small to medium enterprises and believes its economy would benefit from this investment. It is understood this sector is being considered as part of the SIV review.

Assessing financials

If DIBP does not possess the expertise or in-house resources to assess financials, DIBP is encouraged to outsource this assessment at the applicants' cost. The service should be undertaken by a financial services professional from a preferred panel of assessors as part of the application process.

Weigh the size of the current BIIP programme against the emphasis placed on other elements of the skilled stream of the migration programme in generating economic growth

If interest in BIIP increases, Queensland would prefer to see a reduction in places from the independent skill stream as the independent migration scheme allows a migrant to enter the country without necessarily using the skills and experiences on which they were originally nominated.

Conversely, nomination by a jurisdiction for BIIP allows each state or territory to assess the merits of the business and the contribution to each jurisdiction's economy. When applicants are required to seek state or territory nomination in order to apply for permanent residency, they are more likely to actually make the investment stated in their original request for nomination if they are required to seek permanent residency nomination.