



ACT
Government

Economic Development

Inquiry Secretary
Joint Standing Committee on Migration of the Commonwealth Parliament
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Inquiry into the Business Innovation and Investment Programme.

Thank you for the opportunity to make a submission to the inquiry of the Business Innovation and Investment Programme (BIIP).

While the ACT's numbers are not significant in comparison to the overall numbers under the BIIP scheme, the business migrants who successfully establish a business or invest in Canberra do have a positive economic impact on the ACT economy.

Since the introduction of the BIIP on 1 July 2012, the ACT has experienced declining interest in the provisional visa pathway. However, the ACT is meeting its nomination target under the subclass 132 permanent residence pathway.

While noting that each jurisdiction is responsible for marketing to prospective investors, the Commonwealth could assist by:

- Reintroduction of 'role reversal' ability, allowing secondary applicants (either the spouse or other family members) to manage the business in Australia and become the primary applicant at the permanent residence stage.
- Coordinating to promotion of the BIIP program to key markets in China, and elsewhere, including Singapore, Malaysia and India.
- Removal of the points test from the BIIP.
- Removal of the upper limit on the Migration Programme planning levels for BIIP. Potential investment opportunities should be supported and encouraged to ensure Australian economic vitality, without reference to how many BIIP visas have been granted in the last financial year.

Further detail supporting each of these points is available in the attached document.

The ACT sees the BIIP as an important way to generate economic growth for the local economy. Please contact ACT Government's Acting Skilled Migration Officials Group representative, if you wish to discuss further.

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Director – General
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2 May 2014

**The Australian Capital Territory (ACT) Economic Development Directorate
submission to the Joint Standing Committee on Migration inquiry into the Business
Innovation and Investment Programme**

Date: 2 May 2014

Terms of Reference:

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

While the numbers sponsored by the ACT are not significant in comparison to other jurisdictions under the BIIP scheme, the business migrants who successfully establish a business/invest in Canberra do have a positive economic impact on the ACT economy.

Since the introduction of the BIIP on 1 July 2012, the ACT has experienced declining interest in the provisional visa pathway. However, the ACT is meeting its nomination target under the subclass 132 permanent residence pathway.

While noting that each jurisdiction is responsible for marketing to prospective investors, the ACT's main concern is that the BIIP 188 provisional visa pathway is not an attractive proposition to overseas investors.

2. 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 Program.

Removal of role reversal ability

One of the major factors to impact on the decline in the application rate for the BIIP provisional 188 visa stream compared to the previous Business Skills Program is the removal of the ability for a 'role reversal' when applying at the permanent 888 visa stage. Under the previous Business Skills Program, the primary applicant for the provisional visa was not required to conduct the approved business activity in Australia. The spouse was able to run the Australian business on their behalf, and then apply, as the primary applicant, for permanent residence if the visa criteria were met.

Removing this 'role reversal' ability has reduced the attractiveness of the provisional BIIP to overseas investors, as it is extremely unlikely that a successful business person will cease their business interests overseas (which are also the source of their assets), to operate a small business in Australia for 12 months in order to meet the permanent visa criteria.

The Department of Immigration and Border Protection should assess the economic benefit of the Australian business activity, rather than assess how the business management is shared between the primary and secondary applicants.

Recommendation:

The ACT would support the reintroduction of the 'role reversal' ability, allowing secondary applicants (either the spouse or other family members) to manage the business in Australia and become the primary applicant at the permanent residence stage.

Lack of coordinated marketing strategy

Due to budget constraints, the ACT has not conducted business migration attraction activities overseas since October 2005, when the ACT joined other jurisdictions in a Department of Immigration and Border Protection organised business migration expo in China.

Almost all the other jurisdictions actively promote their investment portfolio overseas to potential investors. They also conduct marketing activities in Australia to educate migration agents and financial advisers about the investment opportunities.

Currently, with each jurisdiction conducting their own marketing activities, and industry and the financial services sector also actively promoting opportunities to overseas investors, there is a need for a coordinated marketing strategy to ensure that the Commonwealth 'Australia – Open for Business' brand is fully leveraged.

Recommendation:

The ACT would support a coordinated approach to marketing strategy to promote the BIIP program to key markets in China, and elsewhere, including Singapore, Malaysia and India.

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

The Department of Immigration and Border Protection introduced a points test for provisional business migrants to replicate the success rates seen in the skilled migration program. However this style of assessment tends to assess the individual rather than the demonstrated business acumen that is required to establish and operate a successful business in a new country. In addition, the points test does not recognise the benefits of a provisional visa pathway that allows the visa holder four years to prove their business/investment expertise in Australia before being eligible to apply for permanent residence.

Recommendation:

The ACT would support the removal of the points test from the BIIP. Economic benefit to Australia should be the key criterion for entry as a Business Migrant.

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

Over the last five years, ACT nominated overseas business investors have invested over \$80 million into the ACT economy. Based on the ability of business migrants to generate economic growth, the ACT believes that there should be no upper limit on the Migration Programme planning levels for BIIP. The BIIP planning levels should be responsive to market requirements. Potential investment opportunities should be supported and encouraged to ensure Australian economic vitality, regardless of how many BIIP visas have been granted in the last financial year.

Recommendation:

The ACT would support the removal of the upper limit on the Migration Programme planning levels for BIIP.

The ACT sees the BIIP as an important way to generate economic growth for the local economy. Please contact ACT Government's Acting Skilled Migration Officials Group representative, Ms Maryanne Honeyman on 02 6205 8602 if you wish to discuss further.