



Australian Government
**Department of Immigration
and Border Protection**

Submission to the Joint Standing Committee on Migration

Business Innovation and Investment Programme Inquiry



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Summary

The Business Skills programme was established in 1992 and was reviewed in 2003. The Programme aimed to attract skilled and experienced business owners, senior executives and investors to Australia with the assets and desire to migrate to Australia to enter into business or investment activity.

The programme was reviewed by the Department again over 2010 and 2011. Generally the programme achieved its objectives of generating employment in Australia, increasing competition and commercial activity, and developing links with international markets. However, as the threshold settings for the visas set in 2003 were not adjusted, the rate of applications exceeded places available, leading to a two year pipeline. The programme was also identified as one area where there may have been scope for rationalisation, as part of a project to make the overall visa framework simpler and more efficient.

The recommendations of the review were implemented on 1 July 2012 in concert with, and incorporated within, the *SkillSelect* expression of interest (EOI) database to facilitate the matching of prospective migrants with state or territory government sponsorship.

The new Business Innovation and Investment Programme (BIIP) was introduced on 1 July 2012. Since that time, the application rate has been significantly lower than that for the previous programme. Several factors play a part in this reduction. Having raised the visa thresholds deliberately to improve the quality of applicants, it was expected that the application rate would be lower. Other contributing factors include the new points test, and having all applicants being required to lodge an EOI in SkillSelect.

The lower application rate will make it increasingly difficult to maintain the number of business migrants as a proportion of the overall permanent migration programme. While there are sufficient applications under the previous Business Skills programme to guarantee the 2013-2014 programme, the application rate may put the delivery of the 2014-2015 programme in question.

As the BIIP was only introduced in 2012, it is too early to determine the overall economic impact of the changes in the programme. Provisional visa holders will commonly have to hold that visa for four years before they are able to progress to permanence. The rate provisional visa holders flow through to permanence is a key indicator for the programme.

While business migration is almost certain to have a positive economic impact, the small size of the cohort means that there is little data available to establish the exact extent of the positive role played by this group, compared to skilled migration generally.

Part 1 – Business Migration

Business Skills Programme

This part outlines some of the historical setting for the arrangements made to allow the migration of business people as part of the skilled stream of Australia's permanent migration programme.

The Business Skills programme was established in 1992 and was reviewed in 2003. The objective of the Business Skills programme was to enable successful business owners and investors to invest or enter into business in Australia and contribute to the growth of Australia's economy. The structure of the Business Skills programme and the various requirements for the range of visas available under that programme is set out at **Attachment A**.

Business migration is a niche category within Australia's skilled migration programme distinct from general skilled migration and the employer sponsored visa categories in that it directly creates business, and visa holders become business owners, rather than supporting existing businesses and industries at risk of skill shortages with a supply of skilled employees. The Business Skills programme was positioned to target migrants who had a demonstrated history of innovation and success in business to make a powerful contribution to the national innovation system and the Australian economy.

2010 Review of the Business Skills Programme

The department reviewed the objectives of the Business Skills programme again in 2010-2011, including its role in building Australia's economy to ensure that it contributes to the broader strategic objectives of the skilled migration programme, and that it is appropriately designed to select the highest calibre of business migrants to Australia. **Attachment B** is the Department's public discussion paper issued at the commencement of the 2010 review. This discussion paper provides detailed analysis of the Business Skills programme as it was at that point, and has been provided to the committee previously as background.

The Business Skills programme attracted migrants who had been very successful in operating foreign businesses that generated turnover higher greater than most Australian businesses. Through this the programme generally met its specific objective of generating employment in Australia, increasing competition and commercial activity, and developing links with international markets.

Despite the positive characteristics of the programme, there remained a question as to whether it was performing as well as it could. There was a strong argument that the provisional Business Skills visas influenced migrants to take a conservative approach to business and therefore stifle risk taking and innovation. The provisional visa may have directed migrants to buy existing businesses in café restaurants and small retail trade.

The strategic position of the programme as a contributor to the national innovation system and the influence of the current visa design on visa holder behaviour was the key argument for change. By selecting migrants who have a demonstrated history of involvement in innovation activity and then creating an environment (for provisional visa holders) where they have more surety of gaining permanent residence even if they seek greater opportunity via more risky business ventures, it was envisaged that the Business migration programme would make a powerful contribution to innovation in Australia.

2012 Changes

Visa deregulation and simplification

The government rationalised the overall visa framework to make it simpler and more efficient, both for clients and for visa processing staff. The Government committed to reduce by 50 per cent the number of temporary working visa subclasses by 2012 and to target a 50 per cent reduction in the total number of visa subclasses by 2015.

The primary objective of the Business Skills programme reform was to simplify and streamline the Business Skills Migration Programme by reducing the number of Business Skills visas (both provisional and permanent) from thirteen to three.

The Business Skills class of visas were largely designed to recognise three different business backgrounds of prospective migrants:

- business owners
- senior executives of major businesses and
- investors.

Correspondingly, the visas were titled to reflect these three streams however the criteria for each are very similar.

Given the similarity of the criteria, the rationalisation consolidated the streams into a single subclass, while maintaining the existing two stage provisional and permanent structure, and to remove some minor subclasses.

Rationalisation of Business Skills Visas

The Business Skills programme was simplified by reducing the number of visas from 13 to three. A diagram of the restructure is included at **Attachment C**.

The benefits of this are:

- simplified visa options for new business migrants
- better economic outcomes from higher threshold criteria
- reduced costs to administer the programme
- State and Territory sponsorship facilitates a more targeted migration intake
- a more streamlined programme for possible incorporation into the Skilled Migrant Selection Model
- a significant contribution towards visa simplification and deregulation. The proposed restructure would result in a large reduction of Business Skills visas and contribute substantially to the fifty per cent target reduction.

The changes removed the independent stream of visas and required all applicants for a Business Skills visa to be sponsored by a state or territory government at both the provisional and permanent stages. The state and territory governments supported this approach which facilitates more targeted migration.

The two streams of business owner and investor were retained though amalgamated. The similarity of the visa criteria allows the two streams to be accommodated into a single visa subclass.

The provisional senior executive visas (subclasses 161, 164) was removed given that these clients could avail themselves of other visa options, such as the Temporary work (Skilled) visa (subclass 457) programme, the Employer Sponsored Nomination Scheme and Regional Sponsored Migration Scheme permanent visas. The senior executive stream accounted for only three percent of programme grants.

The established business visas (subclasses 845 and 846) were removed. They accounted for less than two percent of programme grants. The Business Talent (subclass 132) visa remained unchanged, and the higher thresholds applied to this subclass attract very good applicants.

Removal of the independent visa subclasses

There were five independent visa subclasses in the Business Skills programme. The independent provisional subclasses 160, 161 and 162 required Vocational English, an age of under 45 years and higher business or financial thresholds. While the uptake of the independent stream was only about six per cent of the programme, visa applications were usually of a high standard and business activity undertaken in Australia usually successful.

The table below compares the current business and financial sponsored and independent thresholds. The changes result in the current independent visa thresholds applying to the amalgamated State and Territory sponsored visas.

		Provisional		Permanent	
		Sponsored	Independent	Sponsored	Independent
Business Owner	Business & Personal Assets	\$ 500,000	\$ 800,000	\$ 250,000	\$ 250,000
	Turnover	\$ 300,000	\$ 500,000	\$ 200,000	\$ 300,000
	Employment	-	-	1	2
Investor	Personal Assets	\$ 1,250,000	\$ 2,250,000	-	-
	Designated Investment	\$ 750,000	\$ 1,500,000	-	-

English language ability and maximum age limit

The restructure retained the current arrangements that there is no English requirement for state/territory sponsored applicants but those having less than functional English must pay an additional visa application charge (VAC). The current maximum age of 55 years for sponsored applicants (with waiver provision for exceptional circumstances) was retained in the new visa subclasses.

Removal of the Established Business and Regional Established Business visas

The Established Business in Australia (Subclass 845) visa allowed temporary visa holders in Australia to establish a business and apply directly for permanent residence without any proven track record of success in business. Visitor and Student visa holders were eligible to apply for the Subclass 845 visa. Since the changes to General Skilled Migration, enquiries about the pathway from a Student visa to the Subclass 845 visa increased. The 845 visa was also a pathway for New Zealand business owners in Australia to apply directly for permanent residence. Given the low take-up of the 845 visa (in 2008-09 there were 64 cases granted and in 2009-10 there were 54 cases granted), it was reasonable to remove this subclass.

The uptake of the Regional Established Business in Australia 846 visa was always low. In 2008-09 there were four cases granted and in 2009-10 there were six cases granted. The cost of administering the programme for such a small number of grants was not warranted. The 846 pathway allowed holders of a Business (Long Stay) (Subclass 457) Independent Executive Further Application Onshore (IEFAO) visa, to apply for permanent residency. However, such 457 holders could have applied directly for the State/Territory Sponsored Business Owner (subclass 892) visa. As such, there was a strong case for the removal of the Subclass 846 visa.

Part 2 - The Business Innovation and Investment Programme (BIIP)

Current Business Innovation and Investment Programme

This part offers more detail on the current regulatory and policy settings for the BIIP. The BIIP is largely a two-stage process whereby migrants enter Australia initially on a provisional (temporary) visa, generally valid for a period of four years. Once a provisional visa holder is able to demonstrate satisfactory evidence of a specified level of business or investment activity, they may apply for permanent residence.

The programme objectives are to:

- generate employment;
- increase the export of Australian goods and services;
- increase the production of goods and services in Australia;
- introduce new or improved technology;
- increase competition and commercial activity;
- develop links with international markets; and
- increase the dispersal of business migrants across Australia through state and territory government nomination.

The Business Innovation and Investment programme

Visa/Stream	Key eligibility requirements
1. Business Talent (Permanent) (Subclass 132) visa	
Significant business history stream	<p>The applicant must:</p> <ul style="list-style-type: none"> • lodge an Expression of Interest; • be nominated by a State or Territory government; • be a high-calibre business owner or part owner of a business who has a genuine and realistic commitment to manage a new or existing business in Australia; and • have \$1.5 million in net assets and has owned a business with \$3 million in annual turnover.
Venture capital entrepreneur stream	<p>The applicant must:</p> <ul style="list-style-type: none"> • lodge an Expression of Interest; • be nominated by a State or Territory government; and • have obtained at least AUD1 million in funding from an Australian venture capital firm for a promising high value business idea

2. Business Innovation and Investment (Provisional) (Subclass 188) visa	
Business Innovation stream*	<p>The applicant must:</p> <ul style="list-style-type: none"> • lodge an Expression of Interest; • be nominated by a State or Territory government; • be less than 55 years old, or the nominating state or territory must provide their support to waive the age requirement; • submit an Expression of Interest in SkillSelect; • have at least \$800,000 in net assets and owned a business with \$500,000 annual turnover; and • meet the innovation points test with a minimum pass mark of 65 points.
Investor stream*	<p>The applicant must:</p> <ul style="list-style-type: none"> • lodge an Expression of Interest; • be nominated by a State or Territory government; • be less than 55 years old, or the nominating state or territory must provide their support to waive the age requirement; • have at least \$2.25 million in net assets and make a designated investment of \$1.5 million; and • meet the innovation points test with a minimum pass mark of 65 points.
Significant Investor stream	<p><i>The applicant must:</i></p> <ul style="list-style-type: none"> • <i>submit an Expression of Interest in SkillSelect;</i> • <i>be nominated by a State or Territory government; and</i> • <i>make a complying investment of \$5 million.</i>
Business Innovation Extension stream	<p>Subclass 188 visa holders under the Business Innovation stream may be eligible to apply for a two-year extension, provided they are nominated by a State or Territory government</p>
Significant Investor Extension stream	<p>Subclass 188 visa holders under the Significant Investor stream may be eligible to apply for up to two extensions of two- years each, provided they maintain their original investment and are nominated by a state or territory government.</p>

3. Business Innovation and Investment (Permanent) (Subclass 888) visa	
Business Innovation stream	<p>The applicant must:</p> <ul style="list-style-type: none"> • hold a provisional Business Innovation and Investment visa under the Business Innovation stream or the Business Innovation Extension stream; • have owned and operated a business in Australia for at least two years; and • have \$600,000 in net assets, their business had \$300,000 in annual turnover and they employed at least two full time employees.
Investor stream	<p>The applicant must:</p> <ul style="list-style-type: none"> • hold a provisional Business Innovation and Investment visa under the Investor stream and held the designated investment of \$1.5 million for four years.
Significant Investor stream	<p><i>The applicant must:</i></p> <ul style="list-style-type: none"> • <i>hold a provisional Business Innovation and Investment visa under the Significant Investor stream or the Significant Investor Extension stream; and</i> • <i>have invested \$5 million in complying investments and have held the complying investment for the duration of their provisional Business Innovation and Investment visa for at least four years.</i>

*The innovation points test for these two streams gives points for various elements of human capital and business innovation, coupled with objective measures of business performance. It aims to select innovative entrepreneurs who will transfer their skills to Australia and diversify our existing pool of business expertise.

Provisional visa thresholds

The new thresholds are set at the same level as the provisional non-sponsored thresholds of the former Business Skills programme. These rates are consistent with the Australian Bureau of Statistics' records of the average net worth of Australian business owners in 2006, so these thresholds are a suitable minimum for potential entry into Australia. Business metrics and personal assets provide an objective basis to determine the size of business that an applicant has owned and maintained. It also determines the level of financial resources the applicant has available to support themselves and to develop business and investment activity in Australia.

The following table details the minimum asset and turnover requirements for visas under the programme.

Subclass	Assets	Turnover
(188) Business innovation stream	AUD 800 000	AUD 500 000
(188) Investor stream	AUD 2.25 million	N/A
(888) Business innovation stream	AUD 600 000	AUD 300 000
(132) Significant business history stream	AUD 1.5 million	AUD 3 million

The venture capital entrepreneur stream

The venture capital entrepreneur stream is for entrepreneurs who have sourced at least AUD1 million in venture capital funding from a member of the Australian Venture Capital Association Limited, to fund the start-up phase, product commercialisation, business development or expansion of a high value business idea in Australia.

Australia has an innovation-driven economy with pioneering scientific research institutions and world class research and development facilities, and the venture capital industry has a good track record of commercialising world-class products and services. The venture capital entrepreneur stream is designed to be a channel for bringing foreign entrepreneurial expertise to Australia's national innovation system.

So far there has only been one application for this visa stream under the new visa programme. The settings for this stream are one of the matters that need to be considered in any future adjustments made to the programme.

BIIP Points Test

Reasons for adopting a points test

The Business Skill visa design was concerned with objective business metrics and was useful for assessing a visa application. However, it doesn't address the skills possessed by the primary visa applicant. Greater emphasis on the business skills and human capital attributes of the primary applicant seeking to migrate to Australia will contribute to improved innovation outcomes while on a permanent visa.

The (then) Department of Innovation, Industry, Science and Research recommended adopting a mechanism to increase the quality of business migrant entering the programme as a suitable method for improving the outcomes of the programme, rather than the department prescribing preferred outcomes at the permanent visa stage.

The combination of a points test with *SkillSelect* has a significant effect of improving the quality of business migrant entering the programme. A combination of the points test and objective measures of business performance, should be an effective method for selecting a better standard of business migrant.

An alternative method for selecting high quality migrant entrepreneurs is to simply raise the thresholds for net business and personal assets, and business turnover criteria. However increasing thresholds is a blunt instrument and would effectively restrict selection to those simply with more money without consideration for an applicant's human capital attributes. There is a real risk that this alternative approach would not have allowed for a younger, well educated, highly innovative entrepreneur to be eligible to apply for a Business Skills visa.

Previous evaluation of the labour market outcomes of points tested migrants observed that in each case, those migrants with more favourable attributes as determined by the general skilled migration points test had greater early success in finding jobs, were employed in skilled occupations and had a high incidence of using their qualifications in their employment. It is reasonable to assume that a points test geared towards innovation would be just as successful, particularly if it recognises innovation attributes unacknowledged in the Business Skills programme. The department recognises however the valuable role that the state and territory governments play in sponsoring business migrants, and allows a very limited number of applicants to apply for a provisional visa, regardless of any points they may be awarded, if they have special endorsement from the sponsoring state or territory government.

The test gives points for various elements of human capital and business innovation and includes objective measures of business performance. Points are awarded for:

- age
- English language ability
- qualifications
- experience in business or investment
- net personal and business assets
- business turnover
- innovation.

Points test components

Points are awarded on the basis of the factors listed in the following table. All factors are assessed as at the time you are invited to apply for this visa, unless otherwise noted.

Factor	Description	Points
Age	18–24 years	20
	25–32 years	30
	33–39 years	25
	40–44 years	20
	45–54 years	15
	55 and older	0
English language ability	Vocational English: IELTS 5 on each of the four components of speaking, reading, listening and writing	5
	Proficient English: IELTS 7 or OET score B on each of the four components of speaking, reading, listening and writing	10
Qualifications	Australian trade certificate, diploma or bachelor degree by an Australian education institute; or a bachelor qualification recognised by an education institution of a recognised standard	5
	Bachelor degree in business, science or technology by an Australian institution; or a bachelor qualification by an education institution of a recognised standard	10
Special endorsement	The nominating state or territory government agency could decide that your proposed business is of unique and important benefit to the state or territory where the nominating government agency is located	10
Financial assets	Net business and personal assets of you, your partner or you and your partner combined in each of the preceding two years of at least:	
	AUD 800 000	5
	AUD 1.3 million	15
	AUD 1.8 million	25
	AUD 2.25 million	35
Business turnover	Annual turnover in your main business during a period of at least two years of the preceding four fiscal years of at least:	
	AUD 500 000	5
	AUD 1 million	15
	AUD 1.5 million	25
	AUD 2 million	35

Business Innovation stream only Business experience	You have held one or more businesses before you were invited to apply for the visa for:	
	Not less than four years within the preceding five years	10
	Not less than seven years within the preceding eight years	15
Investor stream only Investor experience	Eligible investment of at least AUD100 000 held for:	
	At least four years before the time of invitation to apply for the visa	10
	At least seven years before the time of invitation to apply for the visa	15
Business innovation qualifications At the time of invitation to apply for the visa:	Evidence of registered patents or registered designs	15
	Evidence of registered trademarks	10
	Evidence of formal joint venture agreements	5
	Evidence of export trade	15
	Evidence of ownership interest in a gazelle business	10
	Evidence of receipt of grants or venture capital funding	10
State or territory nomination	Special endorsement (limited places)	10

The Department has undertaken some analysis of the make-up of points claimed by successful applicants to date. Data is included at **Attachment D**. There are some limitations on the conclusions that can be drawn from the data as:

- it is unknown if the data holdings are complete. Visa processing officers may have only calculated and attributed points to establish that the applicant met the criteria for visa grant; and
- some fields contain no data despite the applicant having met the points criteria and been granted a points tested BIIP visa.

However, given those caveats, some observations can be made about the current points test and its operation to date:

- around 60% of applicants claimed the maximum points - 35 points – for annual business turnover over AUD2 million. This would suggest that the programme is catering more for established businesses;
- approximately only 10% of applicants claimed the points available for English language skills, suggesting that business migrants continue to have lower capacity in this area than most other skilled stream migrants; and
- nearly a quarter of successful applicants claimed points in one of the innovation categories, suggesting that this approach is attracting migrants who will make a contribution to innovation in the Australian economy.

Emphasis on Innovation

The objective of some of the changes made to the Business migration visas in July 2012 was to recognise the importance of innovation in driving economic growth, and to bring the business visas more in line with innovation policy. Business migration can contribute to the national innovation system by being a source of entrepreneurial people with a demonstrated history of involvement in innovation activity.

Business migrants will ideally be highly skilled and successful business people who will foster a culture of innovation through the influence of their knowledge and innovative practices on the broader domestic workforce and through increased competitiveness amongst businesses. Business migrants typically retain their established businesses in their home country thereby improving Australia's links with international markets and international collaboration.

A points test that awards points for various elements of human capital and business innovation, coupled with objective measures of business performance, is an effective method for selecting more innovative entrepreneurs to transfer their skills to Australia and diversifying our existing pool of business expertise.

Further detail on the emphasis on innovation in the points test can be found in the Department's position paper on innovation included at **Attachment E**.

Significant Investor Visa

The Significant Investor visa is a stream within the BIIP. Visa applicants must make investments of at least \$5 million into complying investments in Australia. Complying investments for the Significant Investor visa include:

- Commonwealth, State or Territory government bonds;
- eligible managed funds; and
- direct investment into unlisted Australian proprietary companies.

Visa applicants may hold investments in each of the above investment options and may also change between complying investments, provided they meet specified reinvestment requirements.

The Government announced a review of the Significant Investor Visa (SIV) on 7 March 2014. The review will be an internal review conducted by the department in consultation with the financial services industry, state and territory governments, relevant Commonwealth agencies and other key stakeholders.

The review will use the following Terms of Reference:

1. Assess whether the current policy settings, especially those of the Significant Investor visa (SIV), are conducive to the effectiveness of the programme.
2. Identify measures to enhance the benefits of the programme.
3. Examine options for improvement in application processing and service standards.
4. Explore the feasibility of introducing a 'national stream' visa for investment migrants, free of State/Territory nomination requirement.

5. Consider options for the international promotion of the programme, including the development of a strategy to market the SIV programme in China, India, South Africa and other emerging markets.

BIIP and the Migration Programme

The department develops an annual submission on the size and composition of the permanent Migration Programme which government considers as part of the annual federal Budget. Many factors are considered when determining the Migration Programme, including Australia's economic, demographic and social needs, stakeholder views, as well as the fiscal impact on the Commonwealth budget over the four year forward estimate period.

The relative weighting of these factors changes from year to year, as the economy or stakeholders' perceptions shift, or as new evidence is brought to light.

Some of the key economic and demographic indicators considered are:

- the ABS economic and labour force data;
- economic growth forecasts, including the Pre-Election Economic and Fiscal Outlook and the Mid-Year Economic and Fiscal Office;
- forecast population growth from Net Overseas Migration;
- employment forecasts and long term labour force growth estimates; and
- estimates of demand for skilled labour.

In addition, the department takes into account recent research and evidence around the impact of migrants on the economy and the society. For instance, the Continuous Survey of Australian Migrants demonstrates that migrants from the Skill Stream have better employment outcomes than migrants from the Family Stream or from the Humanitarian Programme.

The department also commissions research from leading demographers (such as Professor Peter McDonald and Jeromey Temple) which look at the medium to long term impact of an ageing population and immigration on the Australian economy at the national and the state territory levels.

The department also looks at migration demand trends and the family reunification needs of Australian citizens and permanent residents. This is done through country wide public consultations, with stakeholders such as state and territory government representatives, industry peak bodies, large and small businesses, unions, community groups and academics. The Minister also invites written submissions on the size and composition of the Migration Programme from Premiers and Chief Ministers and members of the community.

Assessing the fiscal impact of changes to programme places is an important consideration, and as part of this, the department considers the impact the Migration Programme has on the Commonwealth budget. The official final Migration Programme costing is conducted by the Department of Finance. This process involves government agencies to cost the impact

of Migration Programme changes on their own programmes. This includes health, welfare and education programmes such as the Medical Benefits Scheme, Pharmaceutical Benefits Scheme and Fringe Benefit Tax rebates, as well as estimating revenue from income tax and GST and processing costs for agencies involved in supplying services.

For the 2013-14 Migration Programme, levels were maintained at 190 000 places with 700 places moved from the Skill Stream to the Family Stream.

The minor downward revision in the Skill Stream was a response to a relatively soft Australian labour market, reflecting the broad parameters considered in setting the programme. A Skill Stream of 128 850 places was intended to ease pressure on the domestic labour market while still maintaining a healthy level of skilled migration to help meet the skill needs of employers in growth regions and sectors. It also ensured that skilled migration continued to contribute to the longer term objective of mitigating the impacts of an ageing population. 140 places of the 700 were moved from the BIIP. The rationale behind this minor reduction in the BIIP was to refocus the programme to target the highest quality migrants (and not focus on the quantity of migrants who applied), as the strategic priority of the BIIP is to attract high quality investors and entrepreneurs to invest in Australia. The reduction in the BIIP category also responded to the slightly lower demand from applicants following reforms to the programme that commenced in 2012.

The 700 places addressed the increasing demand for places in the Family Stream, a natural consequence of some years of high levels of skilled migration and increasing global mobility among Australians and the international community. Despite this minor shift of places between skill and family streams, the 2013-14 migration programme is estimated to deliver a positive impact to the Commonwealth Budget over forward estimates.

Programme Performance 2013-2014

Business Skills (BS) Programme Delivery

1 July 2010 - 31 March 2014			
Subclasses	Lodged	Grants	Cancelled
Business Skills Provisional visas (closed to new primary applicants)			
160	69	73	0
161	7	9	0
162	9	6	5
163	5262	6109	30
164	518	392	0
165	665	553	46

Business Skills Residence visas			
890	554	331	0
891	14	16	0
892	3893	3166	2
893	398	362	0
Business Skills Direct Entry Visas (Repealed on 1 July 2012)			
845	307	205	TBA
846	11	9	TBA
Business Talent 1 July 2010-1 July 2012			
132	163	177	TBA

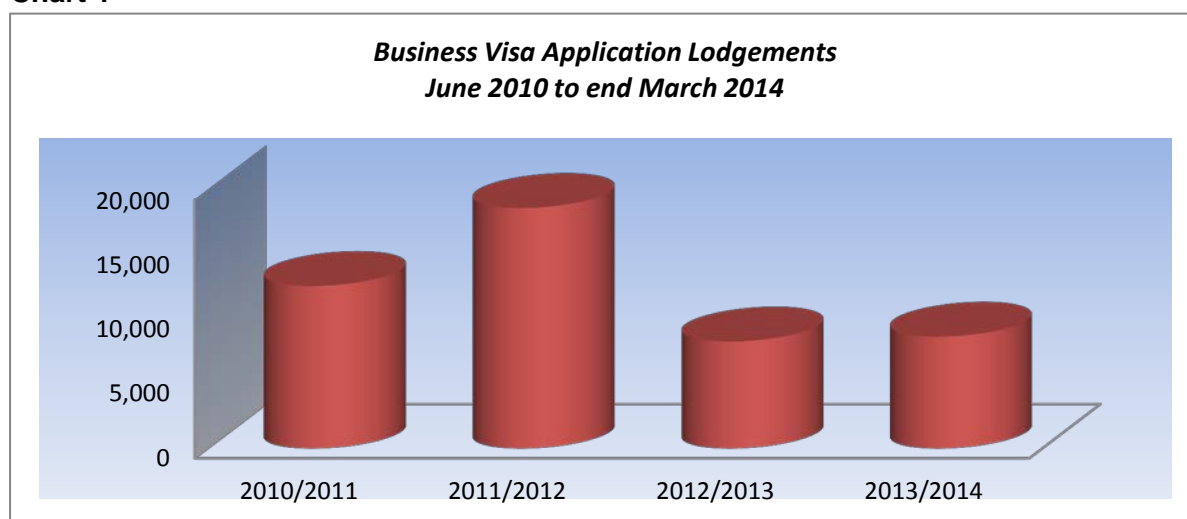
Business Innovation and Investment Programme Delivery

Subclass	Streams	2012-2013		2013-2014 (to 31 March 2014)	
		Lodged	Granted	Lodged	Granted
132 Business Talent (Direct Entry)	Significant Business History	97	15	144	57
	Venture Capital entrepreneur	0	0	1	0
188 BII (Provisional)	Business Innovation	429	46	739	342
	Investor	54	2	73	16
	Significant Investor	306	4	466	170
888 BII (Permanent)	Business Innovation	5	0	11	12

There is limited data available for the subclass 888. BII Provisional visa holders of the subclass 188 will not be eligible to apply for this visa until they have held their provisional visa for four years. NZ citizens (subclass 444) or Independent executive (457IE) are eligible to apply for this visa.

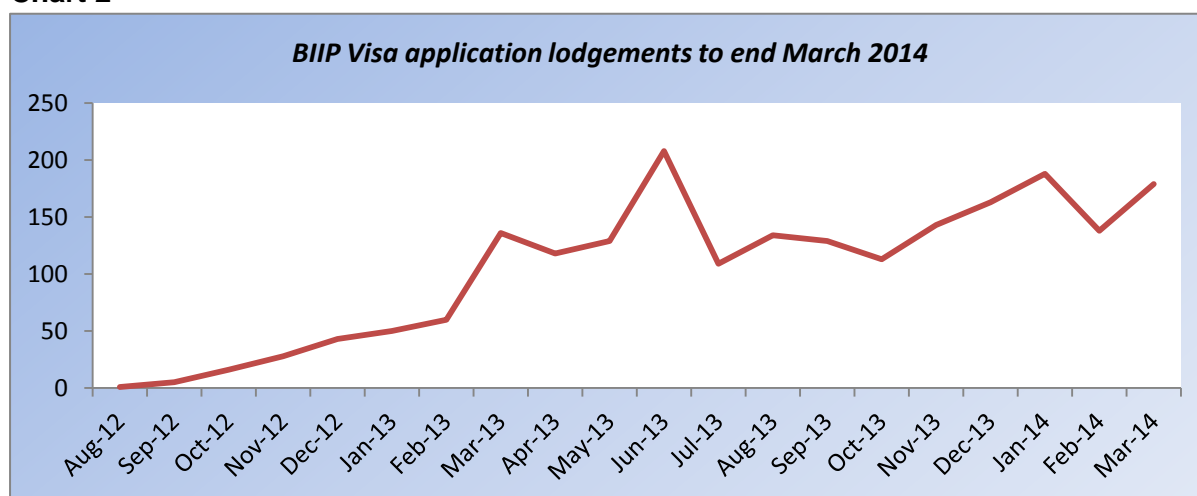
Application lodgement for the BIIP visas has been subdued. A significant contributing factor to this was the considerable spike in applications for visa under the previous programme made in May and June 2012. This is consistent with our previous experience in making major changes to visa programmes will normally give rise to a sharp increase in applications prior to the date of effect and a subdued lodgement rate for an extended period after changes take effect. Chart 1 below shows both the significant number of applications lodged in the 2011-2012 year compared with the previous year, as well as the much lower rate of applications since July 2012.

Chart 1



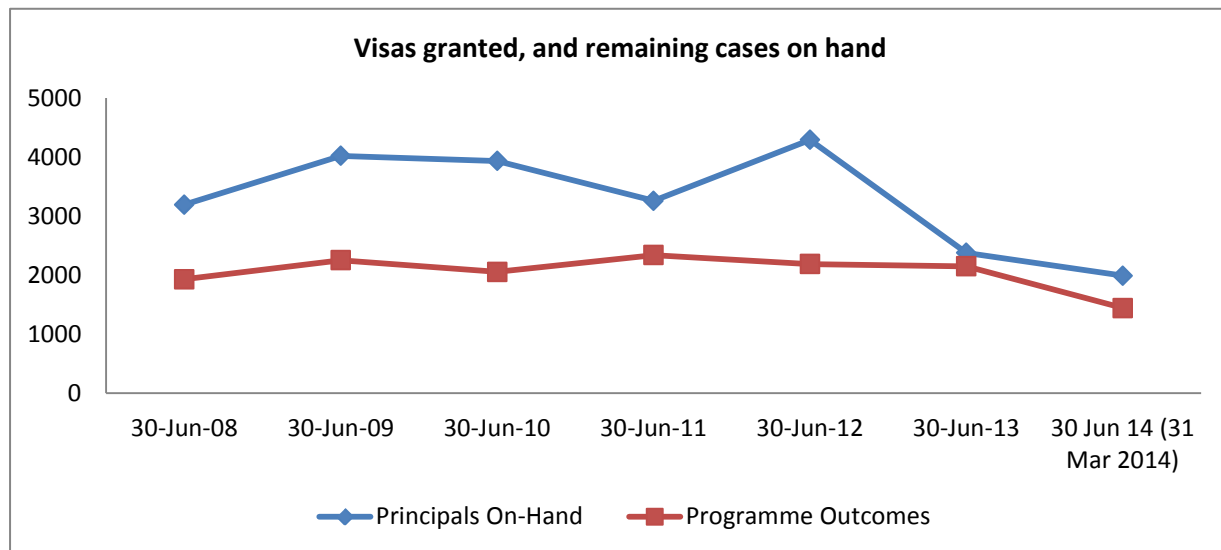
Closer analysis of lodgements since the commencement of the BIIP in July 2012 shows that the overall level is increasing, though there is considerable volatility from month to month. This early in the life of the programme it is difficult to estimate if the lodgement rate will return to previous levels.

Chart 2



Delivery of the BIIP for 2013-14 will include a mix of applications lodged under the old Business Skills programme, in addition to applications lodged under the new visas. However, meeting similar targets in future years is more doubtful. At current rates of processing and with similar programme expectations, the pipeline of Business Skills applications is likely to be exhausted during either the 2014-2015 year, or in the 2015-2016 year. Chart 3 shows the decline in the pipeline of Business Skills applications, against the number of programme grants over recent years.

Chart 3



Should the permanent migration programme continue to plan on the delivery of a similar number of business migrants for those future years, the application rate under the BIIP will need to increase. While the application rate under the Business Skills programme generally ran too high to match the places available, leading to the build-up of a substantial pipeline of applications awaiting processing, the BIIP visa settings may have gone too far in reducing demand for business migration. Maintaining a balance between obtaining better quality applicants, and sufficient quantity to meet programme planning levels, has not yet been achieved.

The options available include:

- reducing the points test pass mark;
- adjusting aspects of the points test to better reflect the attributes of the available cohort;
- reducing the financial thresholds in order to allow a wider range of applicants.

Given that the BIIP is in its infancy at this stage, it is difficult to estimate what the longer term impact of these changes would be.

Programme Integrity

Programme integrity is maintained through several policy settings, and processing arrangements.

A principal setting is the structure of the programme as a provisional/permanent programme. The current structure of the programme sees applicants apply for and be granted a provisional visa valid for up to four years. This process applies scrutiny to the applicants existing business arrangements prior to migration, and then to their subsequent business activity in Australia.

The assessments made by visa processing officers are principally based on documents submitted by the applicant to determine whether the applicant meets the visa criteria. Some further scrutiny is commonly undertaken by referring documents to Departmental officers posted in the country of origin of applicants.

A large proportion of the caseload for the programme currently comes from countries such as China and Iran, where there are substantial concerns around fraud and the genuineness of documents. The need for overseas verification of documents can often extend processing times by several months.

Once the applicant has held the provisional visa for four years and complied with its requirements they can then apply for a permanent residence visa. Similar scrutiny is currently applied to the second stage of the visa process, in establishing that the applicants have in fact been undertaking the business activity they have claimed. There is currently only limited scope for field investigations to confirm business activities, and these are primarily complaint or “dob-in” driven.

To date, no applicants have proceeded from the provisional to permanent stage of the BIIP, and as such only limited conclusions can be drawn about the effectiveness of the integrity arrangements for the permanent visa.

BIIP and Economic Growth

Overall, migration adds to economic growth in Australia. Continuation of current trends will result in inevitable population growth, albeit at a slightly slower rate on average than in the previous 40 years. Population growth puts pressure on infrastructure and services, but will continue to contribute to economic growth. It can be socially and environmentally sustainable provided governments plan and invest, well ahead of time, for a larger population.

Immigration plays a role in addressing the ageing of the population because migrants tend to be younger on average than the resident population. Currently around 89 per cent of migrants are aged less than 40 years when they migrate to Australia. This compares to around 55 per cent aged less than 40 years for the resident population.

Recent research undertaken for the Department by Dr Peter McDonald and Jeromey Temple supports this view. It states that higher levels of skilled migration enhance economic growth. The research does stress the importance of skilled migrants being selected on the basis of age and skills, and that highly skilled younger immigrants with higher levels of labour productivity will greatly enhance economic benefits.

However very little economic modelling is able to distinguish between different categories of skilled migration in relation to increases in GDP. There is little to no evidence that business migrants will create a greater or lesser quantity of economic growth than other skilled stream migrants.

Part 3 Issues for Consideration

Global Context for Business Migration

Facilitating business or investor migration is not a unique concept and a number of countries throughout the world have developed focused visa programmes to enable the migration of this cohort. Australia's BIIP programme represents the most diverse business migration programme amongst major migrant receiving countries, with five different visa options.

A detailed comparison can be found at **Attachment F**.

Recent discussions at a meeting of the Intergovernmental Consultations on Migration, Asylum and Refugees indicated that of the countries that encouraged business migration, very few, if any, were in a position to quantify the impact of these migrants. While most major migrant receiving countries remain enthusiastic about attracting these migrants, the size of the cohort is usually too small to enable accurate assessments of any positive economic effects.

Migration Programme Streams in Australia

Consideration needs to be given to the relative value of business migrants against other potential migrants in other streams of the migration programme. This includes weighing the capital, both human and financial, that migrants across the skilled stream bring to Australia.

Treasury's Intergenerational reports have highlighted the importance of higher labour productivity which generally flows from higher levels of human capital. Much of the skilled stream of the migration programme has been reshaped in recent years in order to assist in addressing the aging of Australia's population and the pressures this will bring on the participation rate and labour productivity in the Australian workforce. A growing population assists in managing the pressures of an ageing population and provides the skills needed for continued economic growth.

Remodelling the business migration visas in 2012 was done with a view to improving the human capital of applicants. This has reduced the quantity of applicants for this visa category, however it was done to improve the quality of applicants.

At this stage it may be too early to tell to what extent this has been successful as a limited number of the new visas have been granted, and no applicants have progressed from the new provisional visa through to permanent residence.

Specific visa programme settings

A further issue affecting the rate of applications made for the new visas may be that the BIIP does not allow the "Role Swapping" that was enabled by the previous Business Skills regime. A typical scenario where "role swapping" is relevant is where the husband of a couple applies as a primary applicant for the provisional visa because he is able to meet the visa requirements of being in business. The family then migrates to Australia and operates a business, however the husband returns to the home country to continue to operate their foreign business while the wife operates the new business in Australia. When applying for

the permanent visa the husband cannot demonstrate meeting the required time spent in Australia and so the wife applies as the primary applicant.

The 2012 changes disallowed the swapping of roles between the provisional and permanent visa. This was done on the basis of having established a points tested system to select high quality applicants to transfer their business skills to Australia, and we should protect the integrity of that objective by requiring the primary applicant to make a genuine commitment to the new business in Australia.

This needs to be balanced against the extent to which the programme should be geared to bring high net worth individuals who will transfer their wealth to Australia over a generation. This requires the scheme to be flexible with the residence requirements of the principal applicant who will need to spend their time overseas predominantly running their global businesses.

Arguably the focus should be on the residence requirements for the secondary applicants and family members of the principal applicant in order for that family to anchor themselves in Australia. Families located in Australia would see children going to Australian schools and universities, and in turn taking over those businesses and moving the centre of gravity of their family's global commercial operations to this country. The programme would provide the opportunity for them to make their international family business an Australian family business.

Business Skills Program

Following is a brief summary of the main criteria for each of the 13 subclasses that comprise the former Business Skills Program:

Independent Provisional (temporary) Visas

Business Owner (Subclass 160)

This visa is for people who have a successful business career, and a genuine and realistic commitment to be involved as an owner in a new or existing business in Australia.

- Net business assets of \$200,000 and net business/personal assets of \$800,000
- Annual business turnover of \$500,000
- Aged less than 45 years and have vocational English skills

Senior Executive (Subclass 161)

This visa is for senior executive employees of a major overseas business, who have significant net assets and a genuine and realistic commitment to participate in the management of a new or existing business in Australia.

- Occupied a position in top 3 management levels of a major business
- Net business/personal assets of \$800,000
- Aged less than 45 years and have vocational English skills

Investor (Subclass 162)

This visa is for people who have a successful business or investment career, and have a genuine and realistic commitment to be involved in investing or business in Australia.

- Will make a designated investment of \$1,500,000
- Net business/personal assets of \$2,250,000
- Aged less than 45 years and have vocational English skills

State/Territory Sponsored Provisional (temporary) Visas

State/Territory Sponsored Business Owner (Subclass 163)

This visa is for people sponsored by a state or territory of Australia, with a successful business career, and a genuine and realistic commitment to be involved as an owner in a new or existing business in Australia.

- Net business/personal assets of \$500,000
- Annual business turnover of \$300,000
- Aged less than 55 years, and
- No English requirement but applicants having less than functional English must pay additional visa application charge (VAC)

State/Territory Sponsored Senior Executive (Subclass 164)

This visa is for senior executive employees of a major overseas business, sponsored by a state or territory of Australia, who have significant net assets and a genuine and realistic commitment to participate in the management of a new or existing business in Australia.

- Occupied a position in top 3 management levels of a major business
- Net business/personal assets of \$500,000
- Aged less than 55 years, and
- No English requirement but applicants having less than functional English must pay additional VAC

State/Territory Sponsored Investor (Subclass 165)

This visa is for people sponsored by a state or territory of Australia, who have a successful business or investment career, and have a genuine and realistic commitment to be involved in investing or business in Australia.

- Will make a designated investment of \$750,000
- Net business/personal assets of \$1,125,000
- Aged less than 55 years,
- No English requirement but applicants having less than functional English must pay additional VAC

Independent Permanent Visas

Established Business in Australia (Subclass 845)

This visa is for people who, as a temporary resident, have established a business in Australia, and have a proven ownership interest in one or more successful businesses in Australia.

- Ownership in a business for at least 18 months
- Net business assets of \$100,000 and net business/personal assets of \$250,000
- Annual turnover of \$200,000 or exports of \$100,000
- Employ at least 3 Australian permanent residents/citizens
- Score 105 points in the established business points test

Business Owner (Subclass 890)

This visa allows an applicant from a provisional visa to stay in Australia on a permanent basis for the purpose of owning a new or existing business.

- Ownership in a business for at least 2 years
- Net business assets of \$100,000 and net business/personal assets of \$250,000
- Annual turnover of \$300,000
- Employ at least two Australian permanent residents/citizens

Investor (Subclass 891)

This visa is for people who hold an Investor (provisional) visa and have maintained their designated investment/s for at least 4 years.

- Holder of a provisional investor visa for at least 2 years in the 4 years immediately prior to making an application
- Have a genuine and realistic commitment to continue business or investment activity in Australia
- Held a designated investment in Australia for at least 4 years

State/Territory Sponsored Permanent Visas

Regional Established Business in Australia (Subclass 846)

This visa is for people who, as a temporary resident, have a proven ownership interest in one or more successful businesses in Australia and are sponsored by a state/territory government authority.

- Ownership in a business for at least 2 years
- Net business assets of \$75,000 and net business/personal assets of \$200,000
- Annual turnover of \$200,000 or exports of \$100,000
- Score 105 points in the established business points test

State/Territory Sponsored Business Owner (Subclass 892)

This visa is for people who hold a provisional visa, sponsored by a state or territory of Australia, to stay in Australia on a permanent basis for the purpose of owning a new or existing business.

- Ownership in a business for at least 2 years
- Net business assets of \$75,000 and net business/personal assets of \$250,000
- Annual turnover of \$200,000
- Employ at least 1 Australian permanent residents/citizens

State/Territory Sponsored Investor (Subclass 893)

This visa is for people who hold an Investor (provisional) visa and have an overall successful record of business or investment activities, and significant net assets to invest in a designated investment in Australia for four years.

- Holder of a provisional investor visa for at least 2 years in the 4 years immediately prior to making an application
- Have a genuine and realistic commitment to continue business or investment activity in Australia
- Held a designated investment in Australia for at least 4 years

Business Talent visa (subclass 132)

This visa is for high calibre business people, sponsored by a state or territory of Australia, who are owners or part owners of an overseas business and have a genuine and realistic commitment to participate in the management of a new or existing business in Australia.

- Direct pathway to permanent residence for high calibre business migrants
- For at least 2 of the 4 fiscal years immediately before the application is made
- Must have had net assets of at least \$400,000 in a qualifying business
- Main business had an annual turnover of \$3,000,000
- Able to transfer net personal and business assets of at least \$1,500,000 to Australia.



Australian Government
Department of Immigration
and Citizenship



Discussion Paper

Review of the Business Skills Visa Program

Purpose

The Department of Immigration and Citizenship is conducting a comprehensive review of the Business Skills visa program to:

- a) determine whether the program is meeting its intended objectives and if any adjustments are necessary
- b) determine what role the Business Skills program should play in building Australia's economy, including the economies of regional Australia
- c) ensure that the program aligns with and contributes to the broader strategic objectives of the Skilled Migration Program.

The department is seeking input from the general Australian public and interested stakeholders into this review. Written **feedback is sought by 11 February 2011** and can be emailed to:

The Director
Sponsored Skilled Migration Policy Section
Email: sponsored.skilled@immi.gov.au

Background

The current Business Skills visa program was introduced in March 2003 and aims to attract skilled and experienced business owners, senior executives and investors to Australia who have the assets and desire to migrate to Australia to enter into business or investment activity.

Business Skills is a niche category within Australia's skilled migration program distinct from general skilled migration and the employer sponsored visa categories in that it directly creates business, and visa holders become business owners, rather than supporting existing businesses with a supply of skilled employees.

Small business forms a vital part of the Australian economy. The sector represents 96 per cent of all Australian businesses and accounts for 48 per cent of all private sector employment.¹

The objectives of the Business Skills program are to contribute to the growth of the Australian economy by:

- generating employment
- increasing the export of Australian goods and services
- increasing the production of goods and services in Australia
- introducing new or improved technology
- increasing competition and commercial activity
- developing links with international markets
- increasing the dispersal of business migrants across Australia through State and Territory Government sponsorship.

The program is largely a two-stage process whereby migrants enter Australia initially on a provisional (temporary) visa, generally valid for a period of four years. Once a provisional visa holder is able to demonstrate satisfactory evidence of a specified level of business or investment activity, they may apply for permanent residence.

The program consists of 13 visa subclasses, six being provisional visas and the other seven being permanent. The program includes provisional and permanent visas both for business people migrating independently, or with sponsorship from a State or Territory Government. A complete list of all visas in the program is at attachment A.

See: [Attachment A \(link to Attachment A\)](#)

Criteria for the sponsored provisional visas are lower than the independent visa options including: a higher age allowed; no English language skill required; lower asset thresholds and lower business turnover. A matrix of visa criteria thresholds is at attachment B.

See: [Attachment B \(link to Attachment B\)](#)

The Australian Government has agreed to rationalise the overall visa framework to make it simpler and more efficient, both for clients and for visa processing staff. Specifically, the Government has committed to reduce by 50 per cent the number of temporary working visa subclasses by 2012 and to target a 50 per cent reduction in the total number of visa subclasses by 2015. There is a case for simplifying the Business Skills visa program, including the removal and consolidation of selected visa subclasses.

¹ www.innovation.gov.au/Section/AboutDIISR/FactSheets/Pages/SmallBusinessFactSheet.aspx

Why do we need to review the Business Skills visas?

Business migration was introduced in 1981 and in 1992 the Australian Government introduced the Business Skills class of visas which included a greater emphasis on business skills rather than on assets.

The current objectives of the program have a distinct focus on business innovation to strengthen Australia's links and competitiveness in the international market place and to enhance the domestic economy through employment generation and diversity of production.

The existing visa criteria focus on net personal and business assets, business turnover and employment. Despite the benefits of objective assessment of visa applicants afforded by the existing criteria a question remains as to whether the program is fully meeting its conceptual objectives.

Since the introduction of the two stage Business Skills visa regime the business environment has changed. Australia has experienced a relatively strong economy despite the global financial crisis and the current economic situation differs from the period of inception of the program. Recent economic growth experienced in some countries has given rise to new affluence and there is now a much larger pool of business persons and investors eligible for Business Skills visas.

Recent research undertaken by the department seeks to establish whether Business Skills migrants are a significant contributor to entrepreneurship in Australia. Analysis of 2006 census data and DIAC visa grants data show that Business Skills visa holders account for approximately 37 per cent of all recent migrant businesses. However, other migrants progress from being employees to employers and as a consequence the relative significance of the Business Skills program to business creation tends to diminish to one in six established migrant businesses. Therefore, the value of the program does not currently appear to rest on business creation per se but on the transfer of business skills and innovation to Australia.

An argument could be formed that the performance of Business Skills visa holders is directly related to the current visa threshold criteria. Visa holders appear to be motivated to meet the minimum threshold requirements in order to obtain permanent residence. This tendency does not reasonably produce businesses consistent with the objectives of the program. In fact, analysis of permanent stage visa applications for the 2009-10 program year shows that 35 per cent of businesses are small take away and convenience stores. These sorts of businesses are not peculiar to migrants and could be set up by the domestic workforce.

It is time to review the fundamental design of the program and consider the following questions:

- What is the Business Skills program trying to achieve that can't be met by other visas?
- How do Business Skills visa migrants differ from other migrants?
- How to select the best migrants rather than those that meet minimum requirements?
- How to accommodate various business models which may, for example, foster managerial or operational innovation?
- Should additional obligations be introduced, such as formal training of employees?
- How to acknowledge an applicant's overall human and knowledge capital?
- How to avoid fraud or deception in the program?
- How do the current objectives of the Business Skills program align with issues of population and regional Australia?

This discussion paper hopes to generate valuable feedback and insight from the general Australian public and interested stakeholders to better inform future decisions around visa design; what a niche Business Skills program could be; or, indeed, whether there continues to be a need for such a program.

Timeframe for review

The department has already sought initial feedback from State and Territory Governments and has conducted preliminary discussions with an Inter-Departmental Committee (IDC) of Commonwealth Government agencies. The feedback received has been considered and has helped to inform this public discussion paper.

The general Australian public and interested stakeholders are now requested to provide comment on possible amendments and future design of the program by 11 February 2011.

The department will then present feedback received, along with additional analysis, to the State and Territory Governments. A final Submission to the Minister for Immigration and Citizenship, The Hon Chris Bowen MP, with recommendations is expected to be finalised before June 2011.

Current Status of the Program

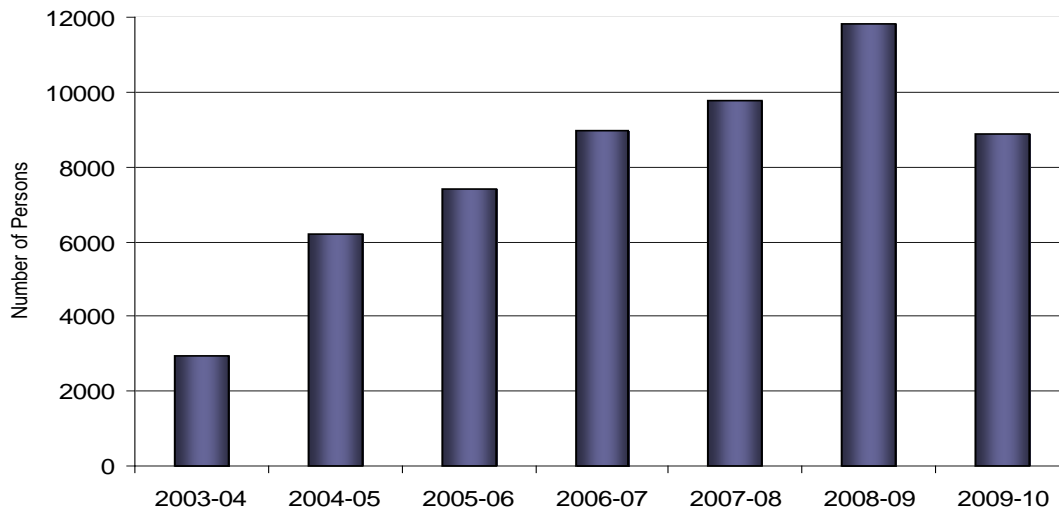
The number of applications lodged for each subclass over the last three full program years is shown in the table below.

Business Skills Lodgements by role and subclass

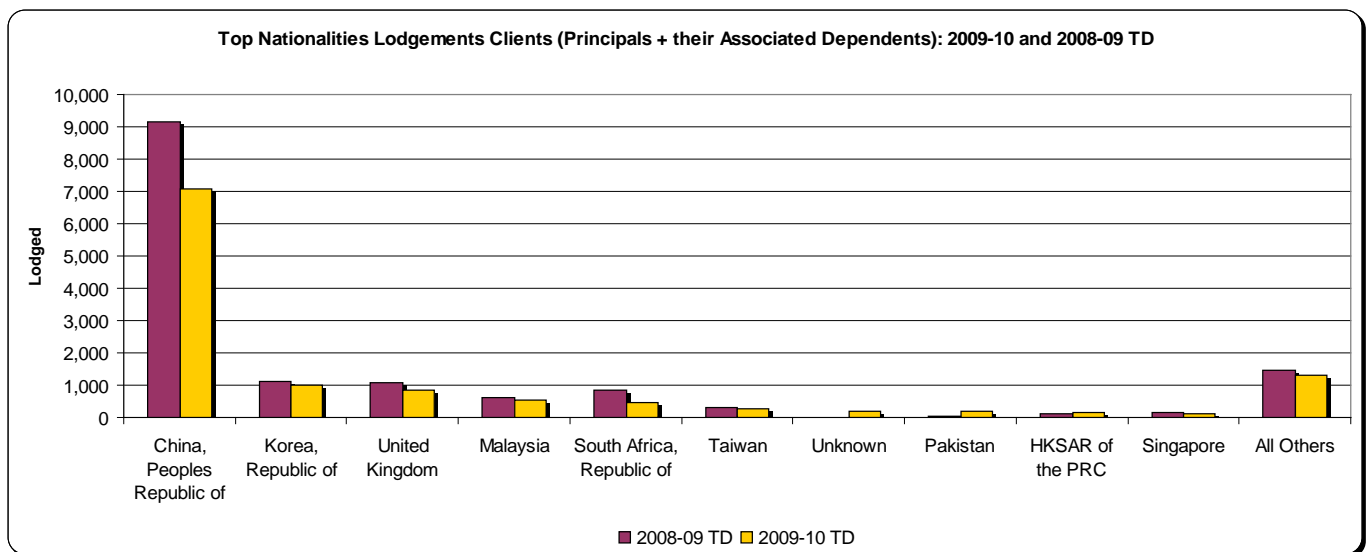
Lodged		Year			
Role	Subclass	2007-2008	2008-2009	2009-2010	2010-2011 to 31 Oct 2010
Principal	132	86	83	46	12
	160	66	50	43	10
	161	5	2	4	1
	162	8	6	5	2
	163	2 354	2 915	2 201	386
	164	143	130	107	49
	165	220	269	212	79
	845	77	66	63	26
	846	5	4	6	2
	890	51	77	82	39
	891	3	4	4	4
	892	492	662	740	287
	893	10	64	85	26
Principal Total		3 520	4 332	3 598	923
Secondary	132	204	211	112	29
	160	182	145	113	30
	161	13	5	8	3
	162	25	9	14	3
	163	5 589	6 995	5 283	890
	164	308	292	222	113
	165	554	688	522	187
	845	179	140	145	49
	846	14	7	14	2
	890	134	203	220	89
	891	11	10	13	11
	892	1 208	1 695	1 929	721
	893	29	168	246	70
Secondary Total		8 450	10 568	8 841	2 197
Grand Total		11 970	14 900	12 439	3 120

With the exception of last year, demand for Business Skills visas has grown every year since the two-stage process was introduced.

Business Skills Offshore Lodgements
Subclasses 132, 160-165



The chart below illustrates the lodgements of the top ten source countries for Business Skills visas in the 2008-09 and 2009-10 program years.

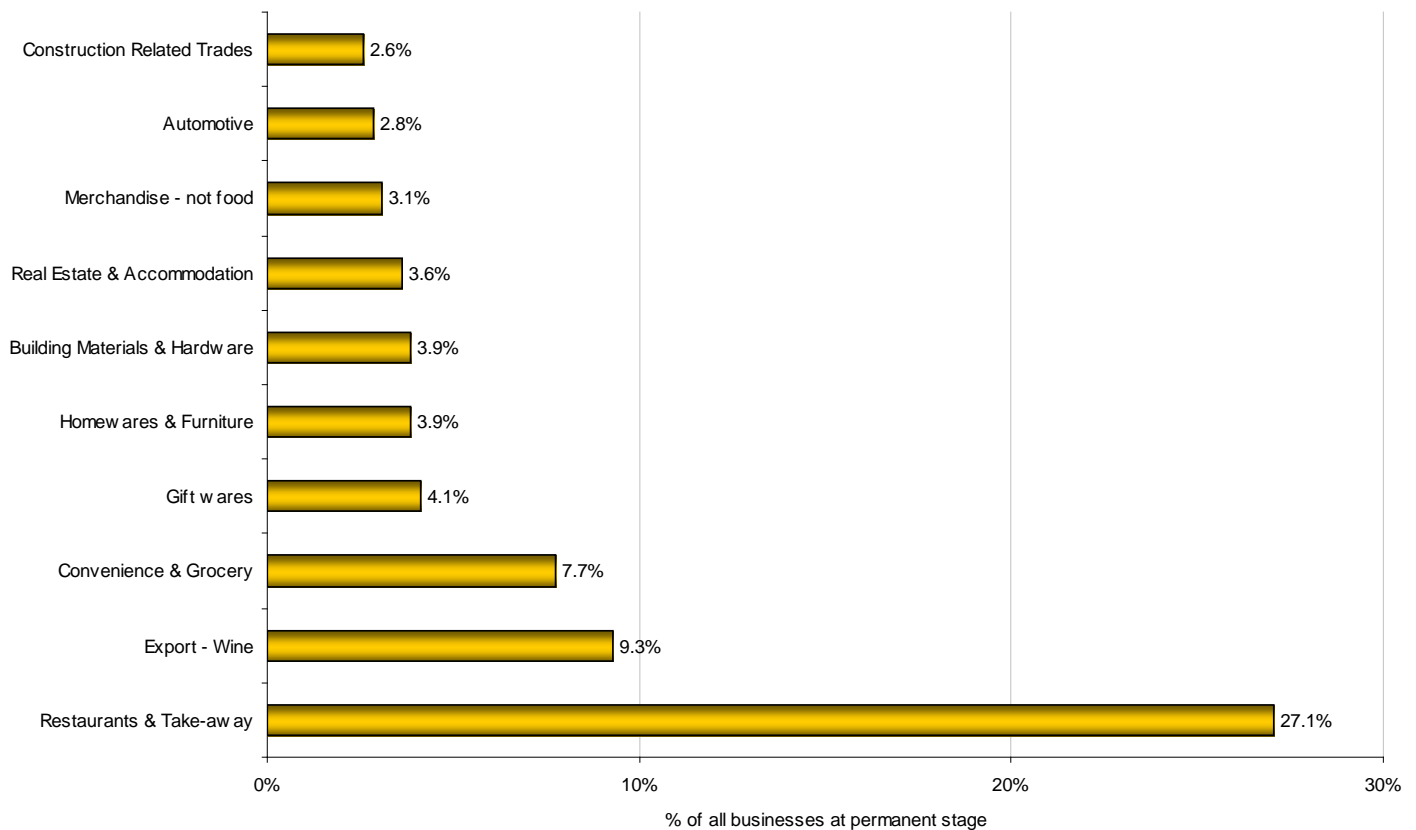


The current demand for Business Skills visas exceeds the number of places available in the annual Migration Program and caps on visa grants have been required in recent program years. The allocation of places under the program is based on consideration of the optimal Net Overseas Migration (NOM) figure and other factors, including labour market requirements for skills in critical areas. The allocation of Business Skills places within the overall migration program has remained relatively stable between the 2009-10 and 2010-11 program years, at around 7000 places. At the same time however, 12 439 people (from 3 598 applications) have applied for Business Skills visas in 2009-10 and a total of 13 054 people from 3 753 applications remain unfinalised in the pipeline as at 31 October 2010. Adjustments to the program are required to assist in matching demand with supply.

Detailed data has been collected from permanent stage applications lodged between July 2009 and October 2010.² Analysis of the data is provided in the following series of charts and presents the outcomes of the program over the recent period.

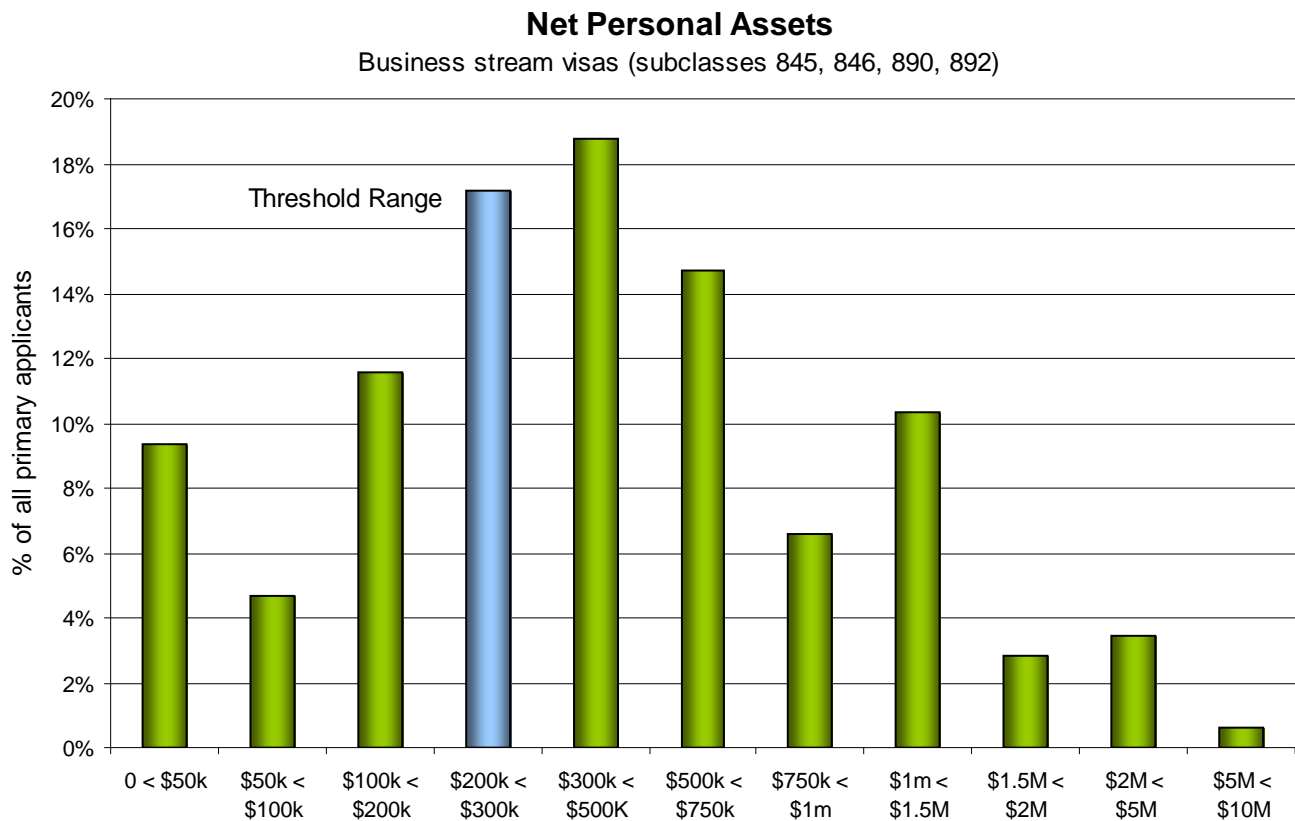
Business Skills Industry Composition

Top 10 industries



The composition of businesses operating throughout the provisional stage shows that restaurants and take away shops comprise the largest proportion with 27.1 per cent of all recorded businesses. Wine exports make up 9.3 per cent and convenience stores 7.7 per cent. The character of the program is that it is producing small food and retail outlets.

² Permanent stage subclasses 845, 846, 890, 891, 892, 893

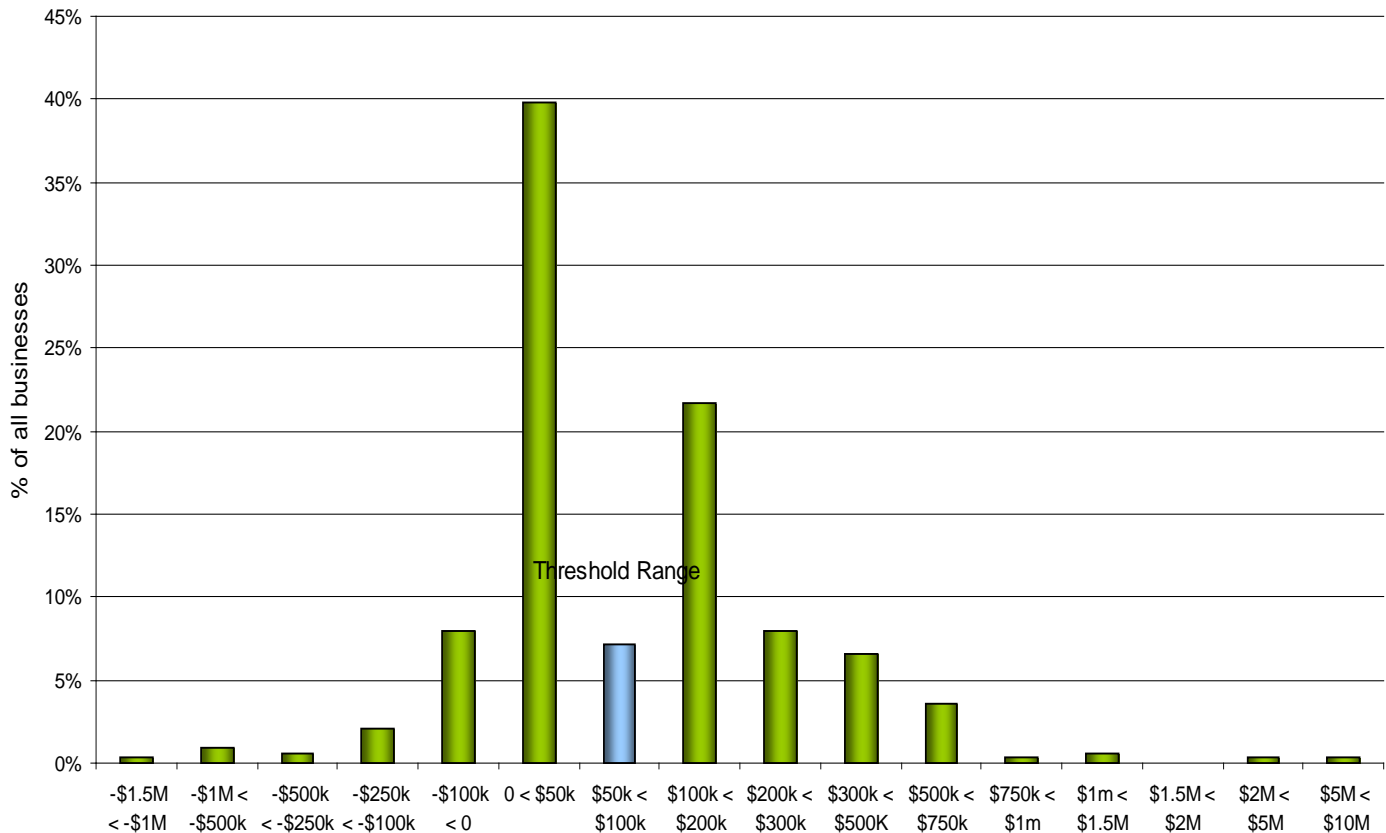


The net personal asset criterion reflects the personal success of the applicant in business, investment or career as an employee. Personal assets also provide some level of assurance that the applicant has sufficient personal funds for settlement in Australia.

The threshold for the net personal assets criterion of the business stream visas (subclasses 845, 890, 892) is \$250 000 and \$200 000 for the regional established business (subclass 846) visa. The threshold is highlighted in the chart and 17.2 per cent of all recorded businesses fall in the highlighted range. Meeting the net personal assets threshold is not the main catalyst for lodging a permanent visa application and so this chart shows the high proportion of applicants (57.2 per cent) that arrive in Australia with assets exceeding the current threshold. The average amount of net personal assets for the data set is \$638 544 and the median is \$397 460.

Net Business Assets

Business stream visas (subclasses 845, 846, 890, 892)



The net business asset criterion is a measure of an applicant's preparedness to risk their own capital in a business endeavour and as such is a useful criterion. Some businesses, however, require less capital investment but are still successful businesses. Some business people prefer to borrow funds to inject into the business rather than using personal funds. This does not suggest a lesser business ability. However, overall it is an effective measure of business size and commitment.

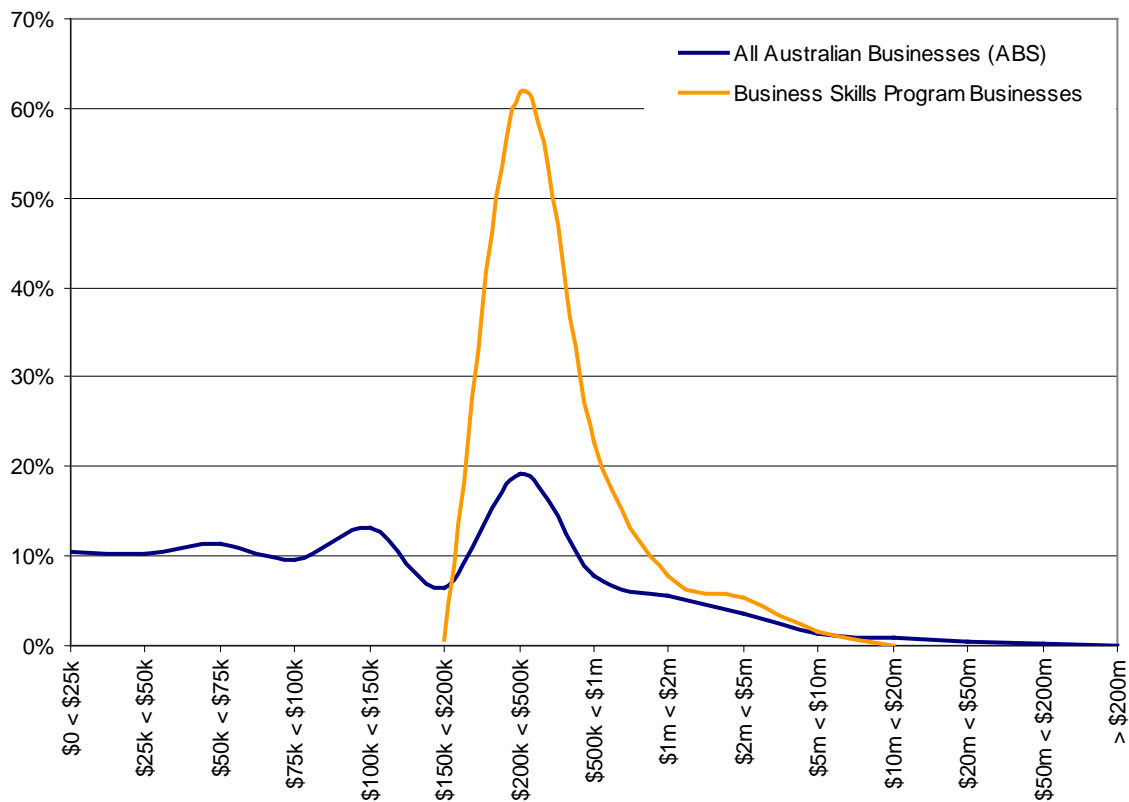
The net business assets threshold is \$75 000 for the State and Territory sponsored business stream visas (subclasses 846, 892) and \$100 000 for the independent business stream visas (subclasses 845, 890). The threshold is highlighted in the chart and 7.1 per cent of all recorded businesses fall in the highlighted range.

The net business and net personal assets of the applicant can be combined to meet the net personal assets criterion threshold. Therefore a high level of net personal assets will support an application where net business assets are low. This feature accounts for the distribution of net business assets below the criterion threshold. The average amount of net business assets of the data set is \$198 714 and 41.2 per cent of businesses exceed the current thresholds.³

³ Note: The Net Business Assets chart is not benchmarked to Australian Bureau of Statistics data as the criterion threshold can be combined with the net personal assets criterion.

Business Turnover Distribution

Comparison of Business Skills program versus all Australian businesses



Turnover is the revenue generated by an entity as a result of the ordinary activities of a business. The net business and personal assets recorded on a permanent visa application are primarily those that the applicant already holds. Business turnover relates to present business activity and as such is an important measure of the applicant's business success in Australia.

The annual turnover criterion threshold for the sponsored business owner (subclass 892) and established businesses (subclasses 845, 846) is \$200 000 and for the independent business owner (subclass 890) is \$300 000.

The chart provides a comparison of Business Skills program businesses against the broader Australian business community as recorded by the Australian Bureau of Statistics (ABS) from the latest count in 2006.⁴

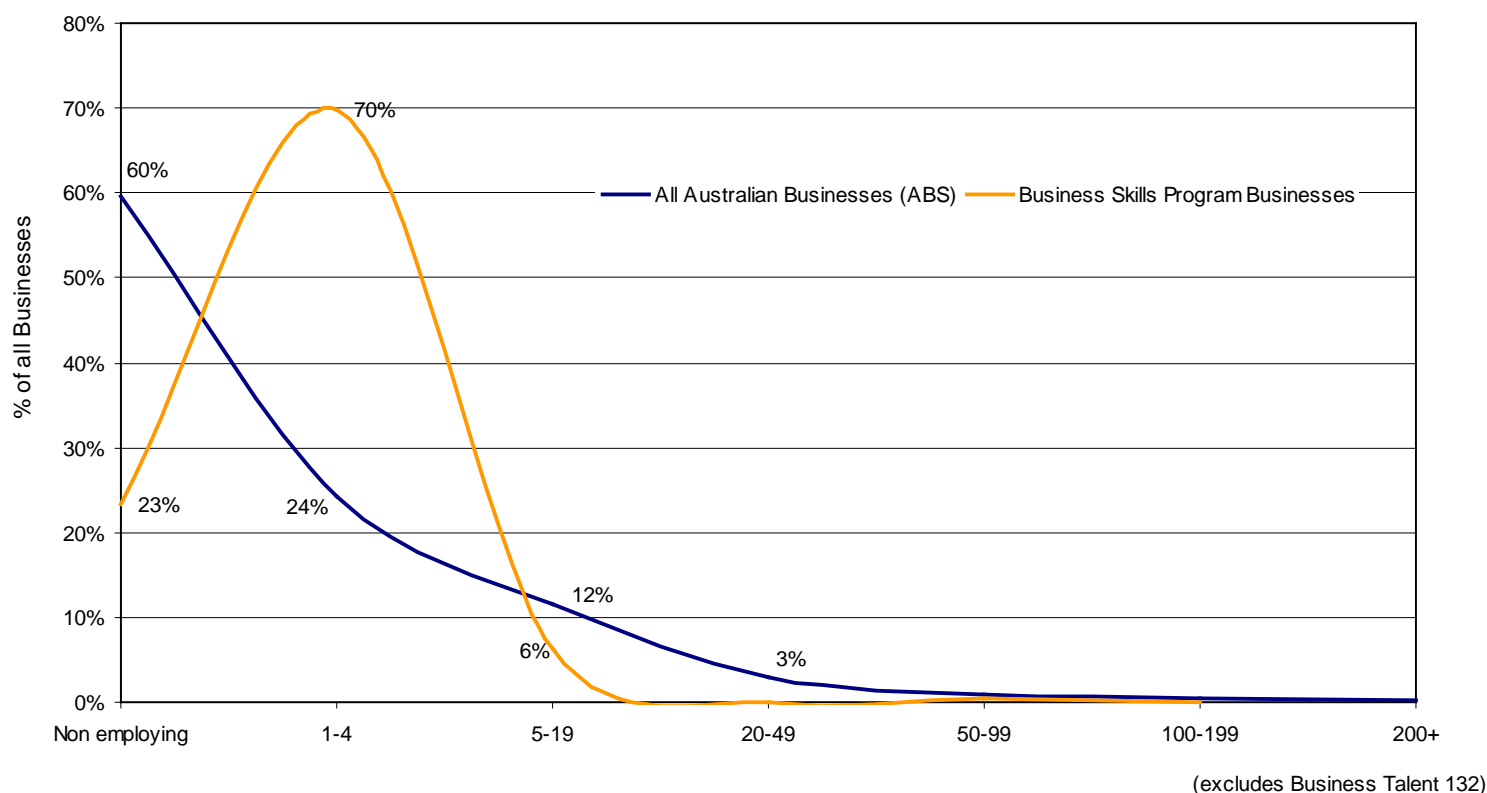
It is clear that meeting the turnover criterion threshold is the main catalyst for lodging a permanent visa application. The concentration of businesses (62 per cent) within the threshold range \$200k < \$500k far exceeds the ABS result (19 per cent).

Despite this there is still a significant distribution of businesses with turnover exceeding the set threshold when lodging a permanent visa application. The proportion of businesses having turnover in the \$500k < \$1m range is 23 per cent.

⁴ ABS: 8165.0 Jun 2003 to Jun 2006 Counts of Australian Businesses, including Entries and Exits.

Employment

Comparison of Business Skills program versus all Australian businesses



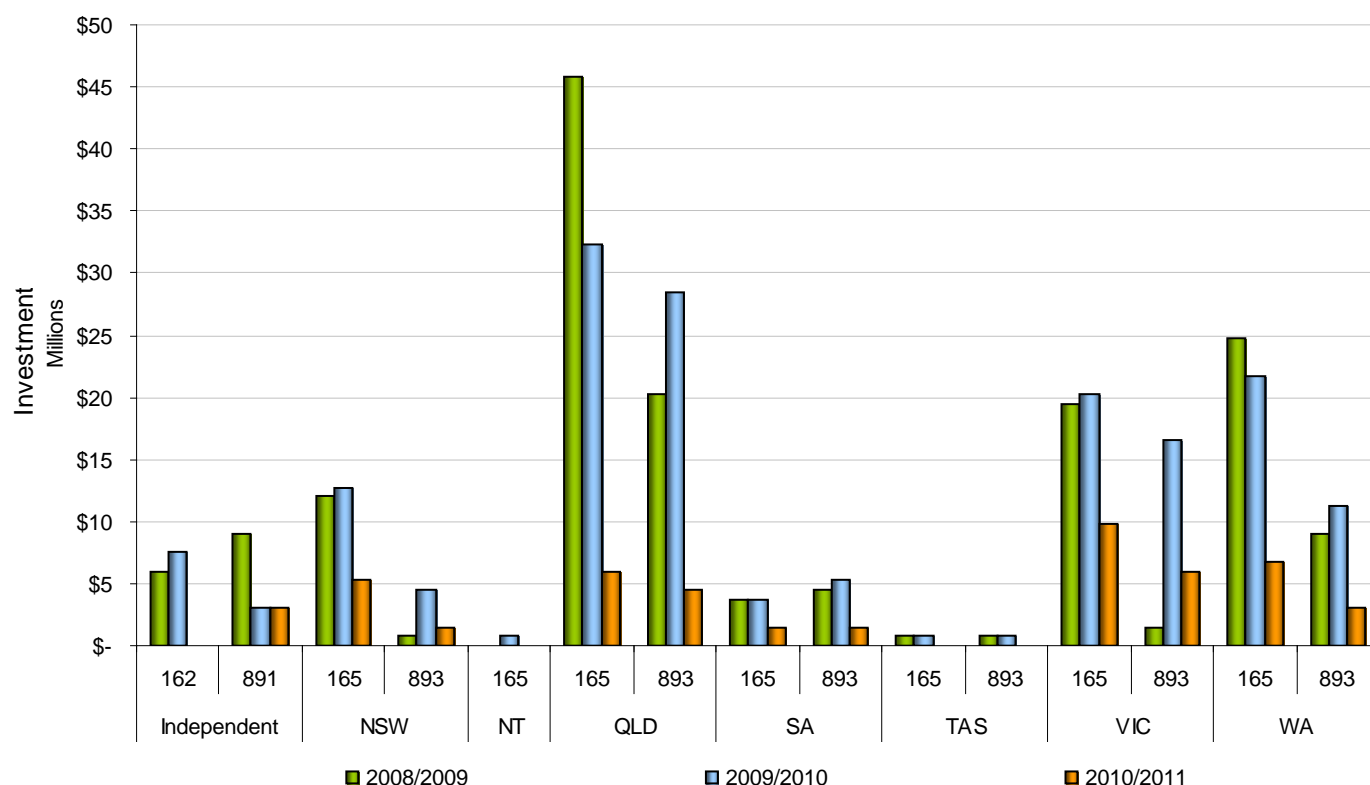
Currently the business owner permanent residence visas require a minimum number of employees that are not family members of the applicant and are Australian citizens, permanent residents or New Zealand citizens. However, for the State or Territory sponsored Business Owner (subclass 892) visa, applicants do not need to meet the minimum employee requirement if they meet alternative requirements. Current requirements for relevant visa subclasses are as follows:

- State/Territory Sponsored Business Owner (subclass 892) visa applicants must meet two of the following three requirements:
 - 1) 1 full-time equivalent employee
 - 2) \$75 000 net value of assets in business
 - 3) \$250 000 net value of business and personal assets
- Established Business in Australia (subclass 845): three employees – (points tested)
- Regional Established Business in Australia (subclass 846): two or three employees – (points tested)
- Independent Business Owner (subclass 890): two employees.

It is evident from the chart that the program is meeting its objectives of generating employment as 70 per cent of recorded businesses are employing one to four people, outperforming the broader business community where 60 per cent of domestic businesses are non-employing and only 24 per cent employ one to four people.

Investment Amounts by State and Territory

Provisional visa (subclass 165) & Permanent visa (subclass 893)



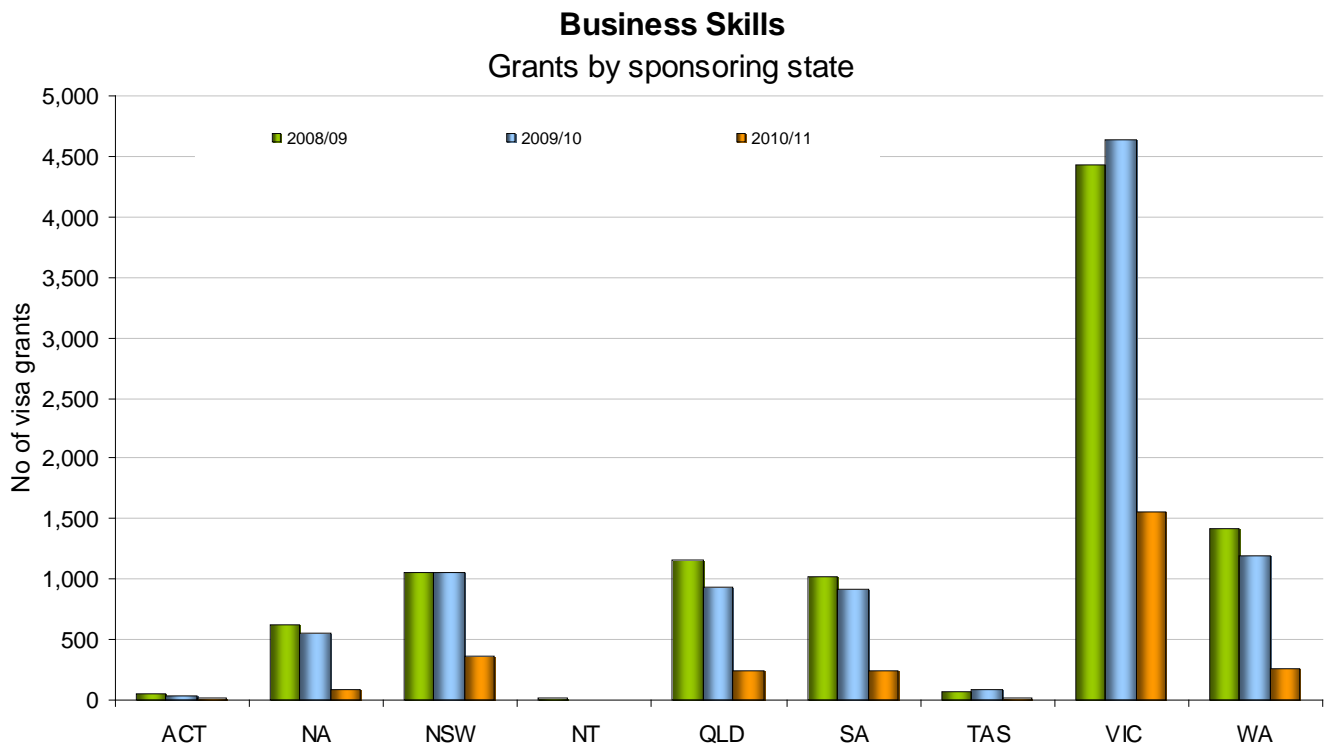
The investor stream represents a small part of the Business Skills visa program. In 2008-09 investor visa grants accounted for 7 per cent of Business Skills grants and in 2009-10 investor visa grants accounted for 8 per cent of Business Skills grants. The investor stream aims to attract migrants with high net worth and skills in business or investment to invest in Australia.

Investor applicants are required to invest in participating State and Territory Government bonds which are virtually risk-free and yield an annual rate of return of 4.5 per cent to 7 per cent for a period of four years. State and Territory Governments can use the funds for the four year period.

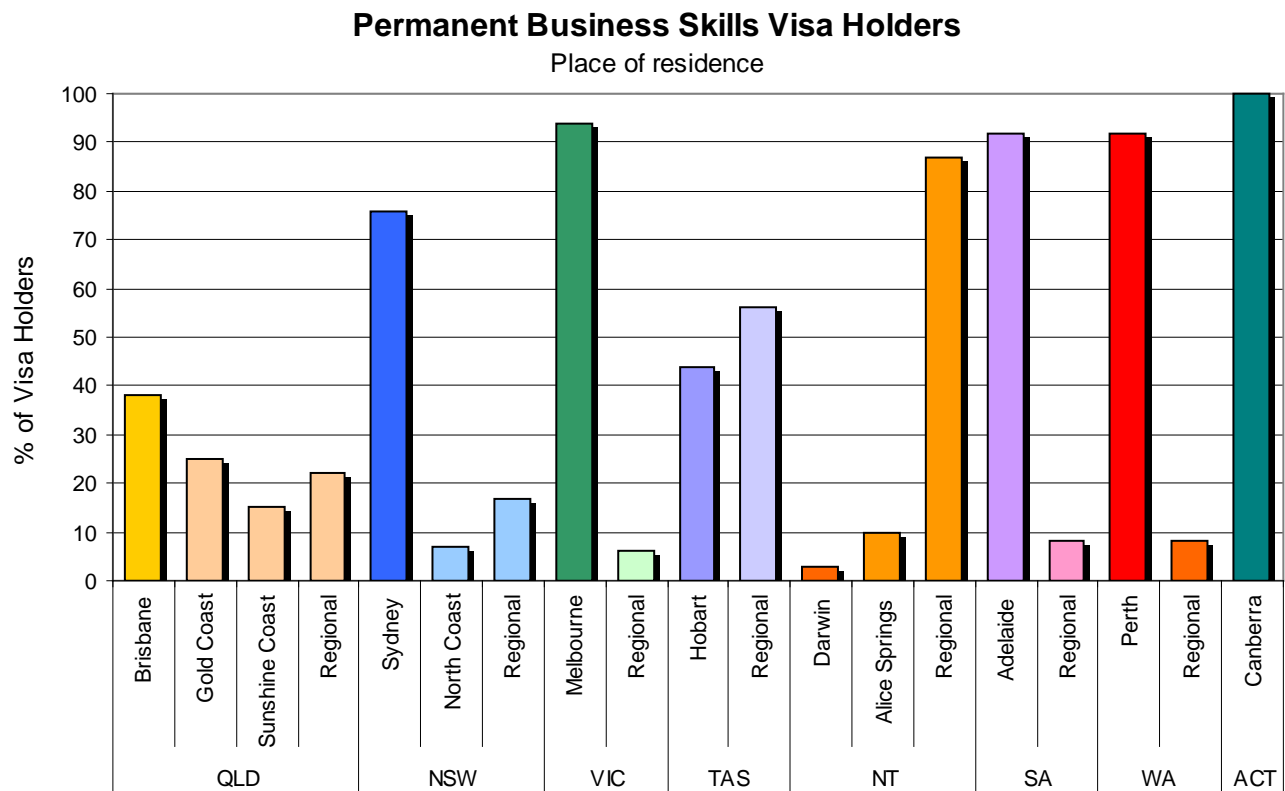
Provisional visa holders are required to invest a minimum of \$750 000 for the sponsored investor (subclass 165) visa or \$1,500 000 for the independent investor (subclass 162) visa. Permanent investor visa holders are not required to make a designated investment but instead have a genuinely realistic commitment to continue to maintain business or investment activity in Australia. The net personal assets criterion threshold for the investor visas is considerably higher than for the business owner stream with required assets of \$1,250 000 for the sponsored visas and \$2,250 000 for the independent visas.

The chart shows the minimum level of capital raised for each State and Territory over three program years.⁵ The state of Queensland is the largest recipient of investment capital peaking at \$45.75 million in 2008-2009.

⁵ Figures calculated from number of visas granted multiplied by minimum investment required. Permanent visa figures are made on the assumption that visa holders retain their investment from provisional stage as there is no minimum investment required for permanent stage.



The above chart shows the distribution of visas granted under State and Territory Government sponsorship over the three most recent program years. The state of Victoria is the principal sponsoring state with 49 per cent of all sponsored grants in 2009-10.



The place of residence chart shows the dispersal of permanent stage visa holders within each State or Territory based upon their last known address. The information from the sponsoring state and place of residence charts shows that approximately half of all permanent stage visa holders are residing in the Victorian capital city of Melbourne. Queensland sponsors a significant proportion of visa applicants and achieves regional dispersal from the NSW/Qld border north to the Sunshine Coast.

Business Talent (subclass 132) visa

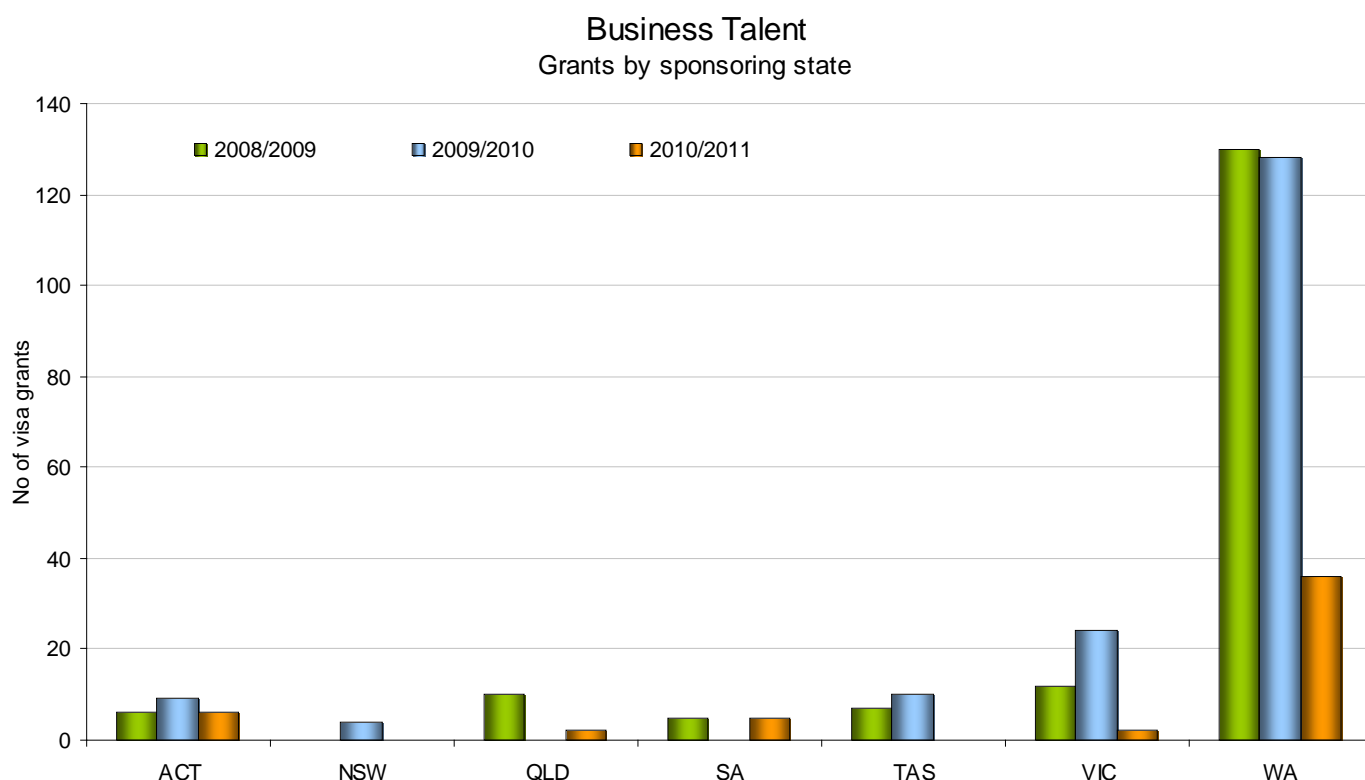
The Business Talent (subclass 132) visa is the only visa in the program that is not subject to two stage processing and is a direct path to permanent residence. As such the threshold criteria are significantly higher;

Net business assets	\$ 400 000
Net business & personal assets	\$1,500 000
Annual turnover	\$3,000 000

By comparison, a domestic business with annual turnover of \$3 million would be placed within the top 5 per cent of all businesses in Australia.

Applicants are required to complete a business survey within three years of arrival in Australia. Analysis of survey results indicate that Business Talent businesses characteristically operate in the manufacturing, construction and wholesale trade industries with business assets and turnover between \$1 million and \$2 million. At the time of survey the majority of Business Talent visa holders have retained their pre-existing business overseas.

Business Talent visas accounted for 1.9 per cent of program grants in 2009 -2010. Applicants from the People's Republic of China account for 70 per cent of all grants. The state of Western Australia sponsors 75 per cent of all primary applicants.



Future Directions

The Business Skills program was originally introduced to facilitate ‘the transfer of business skills [to] benefit Australia in the medium term by adding to and diversifying Australia’s existing pool of business expertise’⁶. The stated benefits of the program were synonymous with business innovation.

The Department of Innovation, Industry, Science and Research’s paper, *Innovation – Powering Ideas: An innovation agenda for the 21st Century*⁷, states that ‘innovation is the key to making Australia more productive and competitive.’

The Oslo Manual 3rd Edition⁸ suggests that innovation activities include:

1. identifying new products, processes, marketing methods for organisational changes
2. buying technical information, paying fees or royalties for patented inventions or buying know-how and skills through engineering, design or other consultancy services
3. developing human skills through training and hiring
4. investing in innovation equipment, software or intermediate inputs
5. reorganising management systems and business activities
6. developing new marketing methods.

These innovation activities are similar to the program’s current objectives:

- generating employment
- increasing the export of Australian goods and services
- increasing the production of goods and services in Australia
- introducing new or improved technology
- increasing competition and commercial activity
- developing links with international markets
- increasing the dispersal of business migrants across Australia through State and Territory Government sponsorship.

The foregoing analysis suggests that the program is producing business outcomes that are reasonably superior to the broader small business community when benchmarked to ABS data. However, with the exception of a small amount of wine exports, the business composition of the program is centred on fast food, convenience and giftware stores. It would be reasonable to assume that this industry mix is not introducing high value innovation and making Australia more productive and competitive.

The existing visa design is concerned with objective business metrics and is useful for assessing a visa application and in determining the outcomes of the program. However it says nothing about the skills possessed by the primary visa applicant. Greater emphasis on the business skills of the primary applicant at the provisional stage could contribute to improved innovation outcomes at the permanent stage.

⁶ Dept of Immigration & Ethnic Affairs; 1994: *Migration of Business People to Australia: Directions for Change*. pg8.

⁷ DIISR; 2009: http://www.innovation.gov.au/innovationreview/Documents/PoweringIdeas_fullreport.pdf

⁸ OECD 2005: *Oslo Manual 3rd edn – Guidelines for collecting and interpreting innovation data*. OECD Paris.

A points test that awards points for various elements of human capital and business innovation, coupled with objective measures of business performance, may prove to be an effective method for selecting more innovative entrepreneurs to transfer their skills to Australia and diversifying our existing pool of business expertise. Points could be awarded for formal education in business, for patents lodged, trademarks, evidence of existing export arrangements, technological development and English proficiency.

So now we again turn to some important questions to better position the Business Skills program for building Australia's economy and contributing to the broader strategic objectives of the Skilled Migration Program;

- What is the Business Skills program trying to achieve that cannot be met by other visas?
- How do Business Skills visa migrants differ from other migrants?
- How to select the best migrants rather than those that meet minimum requirements?
- How to accommodate various business models which may, for example, foster managerial or operational innovation?
- Should additional obligations be introduced, such as formal training of employees?
- How to acknowledge an applicant's overall human and knowledge capital?
- How to avoid fraud or deception in the program?
- How do the current objectives of the Business Skills program align with issues of population and regional Australia?

The department is interested in the ideas and comments of the general Australian public and interested stakeholders to contribute to possible amendments and future design of the program. Written **feedback is sought by 11 February 2011** and can be emailed to:

The Director
Sponsored Skilled Migration Policy Section
Email: sponsored.skilled@immi.gov.au

Attachment A

Business Skills Visa Program Subclasses				
Subclass	Name	Temp/Perm	Onshore/Offshore	Description
132	Business Talent (Migrant)	Perm	Onshore/Offshore	S/T sponsored high calibre business people who own or part own business OS and will participate in management of new or existing Aust business
160	Business Owner (provisional)	Temp	Offshore	Successful business career OS and who intend to own new or existing Aust business
161	Senior Executives (provisional)	Temp	Offshore	Senior employees with significant assets and who intend to manage new or existing Aust business
162	Investor (provisional)	Temp	Offshore	Successful investors who will invest in Aust
163	State/Territory Sponsored Business Owner (provisional)	Temp	Offshore	S/T sponsored successful business career OS and who intend to own new or existing Aust business
164	State/Territory Sponsored Senior Executive (provisional)	Temp	Offshore	S/T sponsored senior employees with net assets who intend to manage new or existing business
165	State/Territory Sponsored Investor (provisional)	Temp	Offshore	S/T sponsored investors who will invest in Aust
457IEFAO	Independent Executive Further Application Onshore	Temp	Onshore	457 Independent Exec holders who need more time to be eligible for business PR
845	Established Business in Australia	Perm	Onshore	PR for purpose of ownership interest in one or more businesses. Points tested. Pathway from temporary entry visas
846	Regional Established Business in Australia	Perm	Onshore	S/T sponsored PR for purpose of ownership interest in one or more businesses. Points tested. Pathway from temporary entry visas
890	Business Owner (residence)	Perm	Onshore	PR for provisional holders for purpose of owning a new or existing business
891	Investor (residence)	Perm	Onshore	PR for provisional holders who have maintained their Designated Investment for 4 years
892	State/Territory Sponsored Business Owner (residence)	Perm	Onshore	S/T sponsored PR for purpose of owning a new or existing business
893	State/Territory Sponsored Investor (residence)	Perm	Onshore	S/T sponsored PR for provisional holders who intend to invest

Attachment B

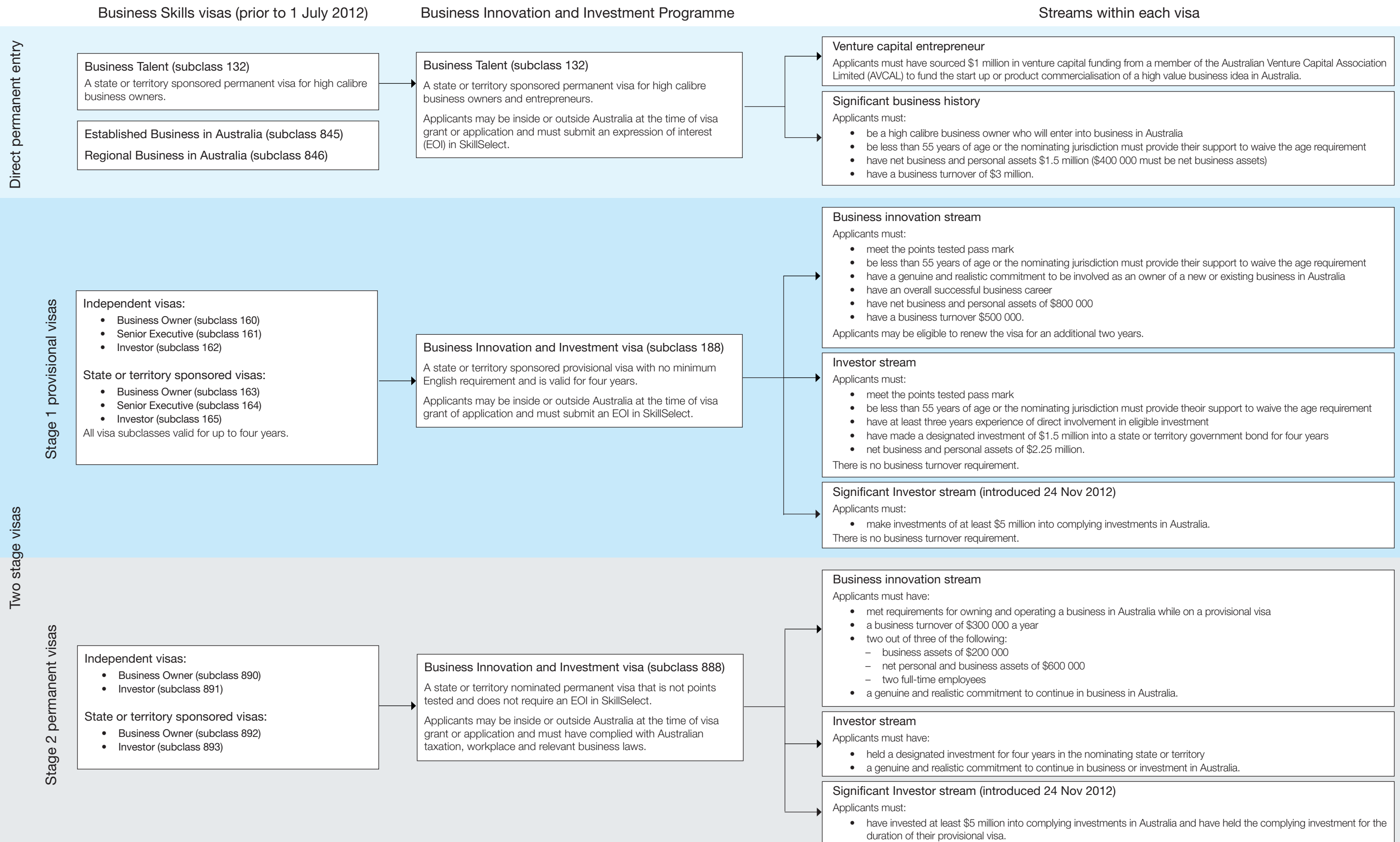
Business Skills Threshold Matrix

	Sponsored						
	BusinessOwner		Est Business	Senior Exec	Investor		BusinessTalent
Visa Subclass	163	892	846	164	165	893	132
Business Assets	\$ 500,000	\$ 75,000	\$ 75,000	\$ 500,000	\$ 1,125,000	Genuine Commitment	\$ 400,000
Personal Assets		\$ 250,000	\$ 200,000				\$ 1,500,000
Turnover	\$ 300,000	\$ 200,000	\$ 200,000	-	-		\$ 3,000,000
Exports	-	-	-	-	-		-
Employment	-	1	> 2 Points Awarded	-	-		-
Designated Investment	-	-	-	-	\$ 750,000		-
Age	55	-	>20 or <55 Points Awarded	55	55	-	55
English Skills	-	-	Points Awarded	-	-	-	-
Business Point Test	-	-	105	-	-	-	-
Residence Requirement	-	1 of 2 yrs, or 2yrs if on s/c 495	1 of 2 yrs	-	-	2 of 4yrs	-

	Independent					
	Business Owner		Est Business	Senior Exec	Investor	
Visa Subclass	160	890	845	161	162	891
Business Assets	\$ 200,000	\$ 100,000	\$ 100,000	\$ 800,000	\$ 2,250,000	Genuine Commitment
Personal Assets	\$ 800,000	\$ 250,000	\$ 250,000			
Turnover	\$ 500,000	\$ 300,000	> \$200,000 Points Awarded	-	-	
Exports	-	-	>\$100,000 Points Awarded	-	-	
Employment	-	2	> 3 Points Awarded	-	-	
Designated Investment	-	-	-	-	\$ 1,500,000	
Age	45	-	>20 or <55 Points Awarded	45	45	-
English Skills	Vocational	-	Points Awarded	Vocational	Vocational	-
Business Point Test	-	-	105	-	-	-
Residence Requirement	-	1 of 2 yrs	272days of 1yr	-	-	2 of 4yrs



Business Innovation and Investment Programme



Attachment D

Points Test analysis for the Business Innovation and Investment visa (subclass 188) in the Business Innovation stream and the Investor stream (1 July 2012- 31 March 2014)

- Data is available for 405 applicants.
- The average Total score on the Points test is 73
- The tables below show the number of applicants accorded points in each points category for visas granted to the end of March 2014.

Age	Applicants
18-25	9
25-33	26
33-40	116
40-45	133
45-55	120
Total	404

English	Applicants
Vocational	34
Proficient	10
Total	44

Qualifications	Applicants
Trade certificate or diploma	5
Business/science/tech	4
Total	9

Turnover	Applicants
800,000	47
1 million	44
1.5 million	59
2 million	241
Total	391

Financial Assets	Applicants
800,000	79
1.3 million	57
1.8 million	34
2.25 million	66
Total	236

Experience (Business Innovation stream)	Applicants
4 in 5	140
7 in 8	129
Total	269

Experience (Investor stream)	Applicants
4 years	5
7 years	15
Total	20

Innovation	Applicants
patents/designs	24
trademarks	35
export	30
government grant	1
Total	90

2011 Position Paper: Business Skills in the skilled migration program and the national innovation system

Innovation, the economy and the role of the skilled migrant

Innovation is the key to making Australia more productive and more competitive.¹ Economic growth depends on the diffusion of new technology and knowledge, driven by national innovation systems that can absorb and implement knowledge. In high income countries such as Australia, the challenge is to maintain a flexible innovation system that can both create knowledge and absorb it from elsewhere.²

Since the 1980s, governments in Australia have completed three broad rounds of substantial economic reform via tariff reduction, currency flotation, privatisation and deregulation, with the result being substantially improved productivity growth. The next round of economic reform should aim to build on the previous with the construction of an effective national innovation system.³ Innovation is a key policy issue with the previous government's overarching policy Backing Australia's Ability – Building our Future through Science and Innovation and the current Federal Government's Review of National Innovation Systems.⁴

Australia's recent innovation performance has been uneven, and we have failed to keep pace with the rest of the world. From 2000 to 2008 Australia has slipped from fifth to eighteenth in the World Economic Forum's Global Competitiveness Index. The proportion of Australian businesses introducing innovation has remained at one in three for several years.⁵

The Treasury Red Book states that 'a skilled workforce, openness to investment and trade, together with competitive and flexible product and labour markets, are the key requirements to support and drive the adoption of new technologies and innovations.'⁶

We know that targeted immigration is one source for the supply of skilled workers and it supports a flexible labour market, but also, migrants themselves are strong contributors to innovation. A recent working paper by the Department of Innovation, Industry, Science and Research (DIISR) titled Migration and the Innovation Agenda, which reviewed international literature on immigration and innovation, argues that a positive correlation exists between immigration and innovation output in domestic economies.⁷ In fact a paper by DIAC considers that 'migrants contribute disproportionately to innovation and to entrepreneurship and to the opening up of new trade markets.'⁸

¹ DIISR 2009a, pg 1

² DIISR 2009b, pg 51

³ Smith & West 2007, pg 32

⁴ ABS 2008, 8163.6 pg ix

⁵ DIISR 2009a, pg 2

⁶ Australian Treasury 2010, Part 1 pg 12

⁷ DIISR 2011

⁸ DIAC 2009a, pg 18

This observation is also supported in the United States where 'skilled migrants outperform college-educated natives in term of starting companies, per-capita patenting, commercialising or licensing patents.'⁹

This observation holds such significance that another US study warns that 'current restrictions on skilled immigrants [in the US] are likely to result in less job creation and innovation for America.'¹⁰

How does innovation happen?

There is no general path towards innovative success, and this introduces considerable diversity and variety in approaches to innovation. Innovation is not something that happens only in a relatively small group of high technology industries, nor something that is driven by a small set of industries or technologies. The service sector is also strongly innovative, and this is particularly important since the service sector is the largest sector in all advanced economies.¹¹

Innovation literature suggests that the methods that businesses use to undertake innovation activities lie upon a continuum ranging from adoption of innovative products and services from external sources through to more complex creative work undertaken on a systematic basis. The continuum can be delineated into five main methods that businesses use to innovate, which are:

- technology adoption
- modifications or incremental changes
- imitation, including reverse engineering
- combining existing knowledge in new ways
- research and experimental development.¹²

More specifically, the Oslo Manual 3rd Edition¹³ suggests that innovation activities include:

- identifying new products, processes, marketing methods for organisational changes
- buying technical information, paying fees or royalties for patented inventions or buying know-how and skills through engineering, design or other consultancy services
- developing human skills through training and hiring
- investing in innovation equipment, software or intermediate inputs
- reorganising management systems and business activities
- developing new marketing methods.

⁹ Desiderio & Salt 2010, pg 17

¹⁰ Anderson & Platzer, pg 5

¹¹ Smith & West 2007, pg 12

¹² DIISR 2009b, pg54

¹³ OECD 2005, pg36

Innovation by businesses is not purely the result of independent decision making at the level of the enterprise. Innovation occurs in a system that is shaped by the social and cultural context, the institutional and organisational framework, regulatory systems, infrastructure and processes that distribute knowledge.¹⁴ Knowledge can be diffused in a number of ways, through collaboration, adoption of new technology or through placement of highly skilled personnel.¹⁵

Therefore, skilled immigration is doubly effective in growing Australia's economy through improved productivity and greater workforce participation, and by supporting the national innovation system through improved social and cultural inputs and a source of new knowledge for diffusion into the population.

Business Skills and its place in the national innovation system

The Skill Stream of Australia's Migration Program is specifically designed to target migrants who have skills or outstanding abilities that will contribute to the Australian economy.

There are four main categories of skilled migrants:

General skilled migration	For skilled workers who want to live in Australia and do not have an employer sponsoring them
Employer nomination	Employers may nominate skilled workers to fill vacancies in their businesses
Business skills	Encourages successful business people to settle in Australia and develop new or existing businesses
Distinguished talent	A small category for distinguished individuals with special or unique talents of benefit to Australia.

Business Skills is a niche category within Australia's skilled migration program distinct from general skilled migration and the employer sponsored visa categories in that it directly creates business, and visa holders become business owners, rather than supporting existing businesses and industries at risk of skill shortages with a supply of skilled employees.

Small business forms a vital part of the Australian economy. The sector represents 96 per cent of all Australian businesses and accounts for 48 per cent of all private sector employment.¹⁶

The Business Skills program was originally introduced to facilitate 'the transfer of business skills [to] benefit Australia in the medium term by adding to and diversifying Australia's existing pool of business expertise'.¹⁷

¹⁴ Smith & West 2007, pg 17

¹⁵ DIISR 2009b, pg 234

¹⁶ DIISR 2010

¹⁷ Dept of Immigration & Ethnic Affairs; 1994, pg 8

The program's objectives are very similar to the innovation activities listed previously:

- generating employment
- increasing the export of Australian goods and services
- increasing the production of goods and services in Australia
- introducing new or improved technology
- increasing competition and commercial activity
- developing links with international markets
- increasing the dispersal of business migrants across Australia through State and Territory Government sponsorship.

Our capacity for invention and discovery depends on the strength of our national innovation system.¹⁸ General Skilled Migration and the Employer Nomination Scheme will contribute to the national innovation system through the placement of highly skilled people into the domestic workforce. However, these migrants have been selected on the basis of filling skills shortages and not specifically on their history or capacity for innovation. The Business Skills program is about increasing entrepreneurial talent and diversifying business expertise in Australia. Therefore, the Business Skills program is ideally positioned to target migrants that have a demonstrated history of innovation and success in business to make a powerful contribution to the national innovation system and ipso facto, the Australian economy.

How will Business Skills contribute to the national innovation system?

The Business Skills program will contribute to the national innovation system by being a source of entrepreneurial people with a demonstrated history of involvement in innovation activity.

In Powering Ideas: An innovation agenda for the 21st century, the Australian government has set out seven national innovation priorities to focus the production, diffusion and application of new knowledge. It is envisaged that the Business Skills program can have an impact against priority four:

Priority 4: More effective dissemination of new technologies, processes and ideas increases innovation across the economy, with a particular focus on small and medium-sized enterprises.¹⁹

An innovation culture can be developed at the national, city or business level. The idea is that if people are actively encouraged to think about innovation, more innovative ideas will be generated and diffused.²⁰

¹⁸ DIISR 2009a, pg 1

¹⁹ Ibid, pg 4

²⁰ ABS 2008, 8163.6 pg 4

Business Skills visa holders, therefore, will ideally be highly skilled and successful business people who will foster a culture of innovation through the influence of their knowledge and innovative practices on the broader domestic workforce and through increased competitiveness amongst businesses. Business Skills visa holders typically retain their established businesses in their home country thereby improving Australia's links with international markets and international collaboration.

A points test that awards points for various elements of human capital and business innovation, coupled with objective measures of business performance, is an effective method for selecting more innovative entrepreneurs to transfer their skills to Australia and diversifying our existing pool of business expertise.

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Attachment F

Visa Options for Business Migration and Investment – International Comparison

Facilitating business or investor migration is not a unique concept and a number of countries throughout the world have developed focused visa programmes to enable the migration of this cohort. Accordingly a number of comparisons can be drawn between Australia's business innovation and investment programme (BIIP) and the investor or entrepreneur programmes of: USA; Canada; New Zealand; United Kingdom; France; Germany and Singapore.

Business Innovation

The business innovation stream of the Business Innovation and Investment visa (subclass 188) is for people with a successful business career and a genuine and realistic commitment to be involved as an owner in a new or existing business in Australia.

Visa Criteria

Applicants must be State or Territory nominated, under 55 years of age, demonstrate \$800,000 Business and Personal Assets and meet a points test.

In order to qualify for Permanent residence after 4 years, applicants must meet a residence requirement of being in Australia for one of the two years immediately before application and have an ownership interest in a Business with an annual turnover of \$300,000. They must also meet at least two of the following:

- employ two Australians,
- have business assets worth 200,000,
- business and personal assets worth 600,000.

Comparison with this visa programme can be drawn with that of:

		United Kingdom (Entrepreneur Tier 1)	New Zealand (Entrepreneur work visa) *Visa introduced on 24 th March 2014	USA (new commercial Enterprise and troubled Business EB5 Immigrant visa)	Canada (entrepreneur) <i>*Note that this visa was terminated in Feb 2014</i>
Visa Structure		Provisional visa issued for 3 years and 4 months. Can extend provisional for 2 years. Transition to residence after 5 years	Provisional Visa - issued for 12 months. Can extend for 2 years. Transition to Residence after 2 years	Provisional visa for up to two years leading to Permanent.	Direct to permanent
Stage 1 Criteria	Business	Have £200,000 of disposable funds in a regulated financial institution.	Invest \$100,000 in a NZ business	Invest \$1 million (or \$500,00 if invest in targeted employment area)	Invest \$300,000
	Other	Meet a points test and English Requirement	Meet a points test. Business Experience relevant to business proposal		Meet a points test
Stage 2 Criteria	Residence	Outside UK no more than 180 days in any 12 months during	2 years residence in NZ		N/A
	Other	10 F/T Jobs, Generate 5 million income		Must create or maintain 10 F/T jobs and be involved with day to day management	N/A

Investor

The investor stream of the Business Innovation and Investor (subclass 188) visa is for people with a successful record of qualifying business or eligible investment activity who will make a designated investment in a state or territory of Australia and have a realistic commitment to continue to maintain business or investment activity in Australia after the designated investment has matured.

Visa Criteria

Applicants must be State or Territory nominated, under 55 years of age and demonstrate \$2.25 million in Business and Personal Assets, meet a points test and have experience running an eligible business or managing an eligible investment. Applicants make a designated investment of \$1.5million for four years.

In order to qualify for Permanent residence after four years, applicants must meet a residence requirement of being in Australia for two in the last four years and have maintained the designated investment.

Comparison with this visa programme can be drawn with that of:

		Canada (investor)	United Kingdom (Investor Tier 1)	New Zealand (investor)
Visa Structure		Direct to permanent	Provisional visa for 3 years and 4 months. Can apply to settle after 2 years if invest £10 million, or after 3 years if invest £5 million	Direct to Permanent
Stage 1 Criteria	Business	Have \$1,600,000 in Business and Personal assets. Invest \$800,000.	Invest £1 million in a regulated financial institution	Have business and personal assets of \$1 million. Invest \$1.5 million over 4 years
	Other	Minimum of 2 years business experience. Meet a points test.	Meet a points test	Under 65. Minimum of 3 years business experience
Stage 2 Criteria	Residence	N/A		146 days onshore in each of the last 3 years.
	Other	N/A		

Significant Investor

The significant investor stream of the Business Innovation and Investor (subclass 188) visa is for people who are willing to invest at least \$5 million into complying investments in Australia and want to maintain business and investment activity in Australia after the original investment has matured.

Visa Criteria

Applicants must be State or Territory nominated and have \$5 million to invest in a complying investments without the need to meet a points test or an upper age limit.

In order to qualify for Permanent residence after four years, applicants must meet a residence requirement of being in Australia for equivalent of 40 days per year and have maintained the complying investment. The provisional visa can be extended for an additional two years (a maximum of two extensions allowed)

Comparison with this visa programme can be drawn with that of:

		New Zealand (investor plus)	France (entrepreneur visa)	Germany (entrepreneur visa)	Singapore (Financial Investor program)	USA (Regional Centre Program)
Visa Structure		Direct to permanent	10 year economic residency permit.	Provisional (residence visa) for 3 years, leading to Permanent Residence (settlement visa)	Direct to permanent	Provisional visa for up to two years leading to permanent.
Stage 1 Criteria	Business	Invest \$10 million over 3 years	Long term non-speculative investment of €10million	Invest €250000 (Investment not mandatory if have a strong business idea and have enough capital to start)	Have SGD20,000, 000 in personal assets in financial institution. Invest SGD10,000, 000 over 5 years	Invest \$1 million (or \$500,00 in a business in a designated regional centre)
	Other					
Stage 2 Criteria	Residence	N/A	N/A			
	Other	N/A	N/A	Create 5 jobs		10 F/T jobs must be created as a result of the investment

Venture Capital Entrepreneur

The Venture Capital Entrepreneur stream of the Business Talent (subclass 132) visa is the only visa of its kind and no comparisons can be drawn with international visa programmes. It is designed to facilitate the entry of entrepreneurs to commercialise a new idea or start a high value, high potential business in Australia, especially where they have the backing of the Australian business community. It is for migrant entrepreneurs who have successfully sourced venture capital funding through a member of the Australian Venture Capital Association Limited (AVCAL) or an Australian government initiative.

Significant Business History

The Significant business history stream of the Business Talent (subclass 132) visa is aimed towards high calibre business people who are owners or part owners of an overseas business and have a genuine and realistic commitment to participate in the management of a new or existing business in Australia. The Significant Business History visa differs from the Business Innovation visa in that it has higher financial and turn over requirements and provides for direct to permanent residence with no requirement to meet a points test.

Visa Criteria

Applicants must be State or Territory nominated and have \$1.5million in business and personal assets. They must have \$400,000 ownership interest in a business with \$3 million turn over.

Comparison with this visa programme can be drawn with that of:

		Singapore (Global Investor program)
Visa Structure		Direct to permanent
Stage 1 Criteria	Business	Invest \$2.5million over 5 years and have a Minimum of 3 years substantial business experience in a business with turnover between SGD \$50 million o/a and \$200 million p/a
	Other	