

Department of Economic Development, Tourism and the Arts

22 Elizabeth Street, Hobart TAS 7000
GPO Box 646 Hobart TAS 7001 Australia
Ph 1800 030 688 Fax (03) 6233 5800
Email info@development.tas.gov.au Web www.development.tas.gov.au



Mrs Louise Markus MP
Chair
Joint Standing Committee on Migration
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Mrs Markus

Thank you for your letter of 26 March 2014 regarding the Business Innovation and Investment Program (BIIP). The Tasmanian Government recognises the benefits of the BIIP and appreciates the opportunity to make a submission.

I make the following comments in relation to the inquiry's terms of reference.

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

Even though Tasmania's BIIP intake is very small, the Tasmanian Government recognises the great contributions made to the state by BIIP migrants.

This goes well beyond the injection of capital. Migrants also bring a variety of benefits to the state such as creating new employment for Tasmanians, new ways of doing business, unique business cultures and stronger international linkages. I consider that the business migrants coming to Tasmania are meeting the objectives of the program.

One adjustment which needs to be made is the state nomination requirement under subclass 888. Whilst the Procedure Administration Manual (PAM) explains that the 888 visa applicants need to submit Form 1414, the Migration Regulations 1994 does not include Form 1414 under Schedule 1 (i.e. valid visa application). Also, the state nomination requirement prescribed under Schedule 2 is rather ambiguous, causing confusion among stakeholders. It is recommended that Form 1414 be included under Schedule 1, so that all visa applicants will clearly understand the need of State/Territory nomination before lodging the visa application.

Consider the conditions involved in the decline in rates of application for the BIIP, in light of rates of application for the previous Business Skills Program. Also, evaluate the current eligibility criteria, with particular regard to the operation of the BIIP Points Test, and its effectiveness in selecting suitable migrants.

It is difficult to pinpoint an exact reason for the declining rates of BIIIP applications, but it is considered that the following issues might have some impact:

1. Not allowing switching between primary and secondary applicant for the second stage 888 visa application.

The above was implemented as part of the July 2012 program overhaul, while the subclass 888 Business Innovation Stream (the largest cohort under 888) requires fairly strict 'day to day management' of the applicant's Australian business. In particular because 188 is only a provisional visa, the visa holders tend to retain business activities in their home countries at least until they secure permanent residency. It is understandable that they try to share the management workload in Australia between the primary and secondary applicants, and in many cases the original secondary applicant is in a better position to qualify for 888. This newly introduced inflexibility seems to be perceived as a challenge to many prospective applicants. Since 888 has comprehensive and quantifiable requirements such as turnover, asset transfer and employment generation, it may be reasonable to consider that meeting such requirements would be sufficient to realise the economic benefits (hence meeting the program objectives) regardless of who within the family managed the Australian business.

2. Marketing efforts and influences of media reports.

With the intense media coverage on the Significant Investor Visa (SIV - 188C), the public seems to have developed a perception of SIV as the only pathway in regard to business/investment migration to Australia. It might have also created an impression that business/investment migration is exclusively targeted to Chinese nationals. Surprisingly, other BIIIP streams such as 188A/B or 132A/B are not well known. To promote all of the available BIIIP visa streams, more marketing effort and effective media strategies are required jointly by the Department of Immigration and Border Protection and State/Territory governments.

3. Review the financial requirements and the Points test.

While the then DIAC confirmed that introducing the Points Test would not drastically change the profile of applicants, it certainly reduced the scope of the targeted audience. Even to those who could still meet the pass mark, the 'test' might have been considered as another hurdle when the BIIIP requirements are already fairly complex. When providing input into the program review for the July 2012 change, Tasmania suggested a greater flexibility for the first stage and tightening up the second stage requirements. In this way, the program would be more accessible to a wider audience who have a genuine entrepreneurial intention (i.e. 'give them a chance to try'), but only those who achieved the 888 requirements would be granted permanent residency. What matters more is what they do in Australia, not what they did in their home countries in the past.

4. Introduction of mandatory financial information verification prior to visa application lodgement.

This is originally suggested by Western Australia, but Tasmania also supports the introduction of mandatory financial documents verification prior to lodging a BIIIP visa application. Since DIBP case officers are not necessarily equipped with the ability to interpret contents of financial documents, it is understandable that BIIIP assessment tends to take a longer time (in comparison to skilled visas). If applicants had their financial documents already verified by 'designated accountants' (e.g. members of CPA Australia etc.), DIBP officers can then focus on other assessment criteria. This will effectively shorten the visa processing time, which will be greatly welcomed by all stakeholders. This will also improve the visa approval rate as well as provide a sense of security for BIIIP applicants that they will not be refused on the basis of financial requirements as long as it is 'verified' beforehand.

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

Whilst the need for skilled migrants fluctuates according to labour market trends, BIIP migrants will contribute to the economy and are valued regardless of the economic environment. However, BIIP currently accounts for approximately five per cent of the total Skills Entry intake. Given recent economic conditions in Tasmania, the Tasmanian Government plans to increase the state's BIIP intake and wishes to see the program size be expanded under the planning level.

Yours sincerely

 Kim Evans
Acting Secretary
2 May 2014