14 February 2020

The Director
Skills and Innovation Policy Section Migration Planning and Visa Policy Branch
Department of Home Affairs

Sent to

Re Consultation Submission

Q1. How can the investment thresholds be increased to provide the best outcome for Australia?

The Productivity Commission Inquiry Report[1] dated 13 April 2016, recommended that Government should abolish a visa program aimed at attracting wealthy foreigners. It concluded that the system is prone to rorts, money laundering and offers few benefits to Australians, because the main beneficiaries are the visa holders and fund managers, rather than Australia.

I agree with these findings. Therefore, the increase of the threshold would not necessarily achieve the best outcome for Australia, as the investment threshold is not the fundamental problem for this visa.

Q2. How could we achieve better outcomes for the Australian economy through the composition of designated investments for the Investor and Significant Investor visas?

Notwithstanding above recommendation, for a better outcome through the composition of investment for the Investor and Significant Investor visas, it is recommended as following:

For Investor visa:
I believe the current requirement of $1.5 million state government bond is appropriate, hence no further recommendations.

For Significant Investor visa:

1) Abolish the investing in managed funds, which mainly benefit funds managers and their sale agents;
2) It recommended that 70 % of the investment should direct to government bonds, which ultimately help the government's infrastructure investments;
3) It is recommended that 30% of the investment should direct to ASX stock market to boost Australian companies' investments.

Q3. How could a simplified BIIP framework make the program more efficient and effective in maximising benefit to Australia?

Small businesses are the back bone of Australian economy, the innovation stream visa should be simplified in order to attached more business owner to bring their business expertise and experience to Australia in a timely manner. Hence a simplified BIIP frame work is of great significance and priority.

[1] Productivity Commission Inquiry Report, No.77 April 2016 <https://www.pc.gov.au/inquiries/completed/migrant-intake/report/migrant-intake-report.pdf>.

A simplified BIIP framework will see fast tract visa process and giver more certainty to the applicants. Currently, the average for a business skilled visa process is about 24 months. Additionally, the applicants have to manage to get state nomination before their visa applications. The total prolonged process discourages some business owners from implementing their business plans in Australia. Because after that 3 years waiting period, the economic climate, markets as well as their business plans may have changed dramatically. After all, timing is essence for business.

Q4. How can the points test be adapted to encourage investments above the minimum threshold?

Point test should be abolished. It is recommended that to simplify these points test factors by fewer compulsory threshold requirements. These requirements should replace the point tests scores in the *188.22 Criteria for Business Innovation stream* in the schedule 2 of the *Migration Regulation 1994*. For example:

188.222

(1) The applicant has held one or more main businesses for not less than 4 years in the 5 years immediately before the time of invitation to apply for the visa.

(2) the net value of the business and personal assets of the applicant, the applicant's spouse or de facto partner or the applicant and his or her spouse or de facto partner together, was not less than AUD800 000 in each of the 2 fiscal years immediately before the time of invitation to apply for the visa.

(3) …….

Q5. How can incentives be provided to encourage prospective migrants to operate a business in regional Australia?

It is recommended to add a ***Regional Business Innovation Stream*** in subclass 188 visa which requires lower thresholds for the applicants.

Q6. What factors should be considered in introducing any changes, including phasing in changes over time?

The following factors the Department should take into account in implementing the changes:

1) Those who have lodge the visa applications.
2) Those who have been invited for application for a visa but have not lodged their application.
3) Those who have lodged their state nomination applications and have been processed.