



Reforms to the Business Skills Program

The Business Skills Program will be replaced by the Business Innovation and Investment Program on 1 July 2012. The Business Innovation and Investment Program introduces some key reforms that were recommended by a comprehensive review of the Business Skill Program in 2011.

The key changes

The reforms include the following key changes:

- renaming the Business Skills Program to the Business Innovation and Investment Program
- reducing the number of visa subclasses from 13 to three by:
 - removing the independent visa categories and other underused visa subclasses such as the Established Business in Australia (subclass 845) and the Regional Established Business in Australia (subclass 846) visa, and
 - absorbing the separate business owner and investor subclasses as streams of a single visa subclass
- integrating the new Business Innovation and Investment visas with the skilled migrant selection model, SkillSelect, which will be launched on 1 July 2012
- facilitating entry of entrepreneurs that have sourced venture capital funding in Australia
- introducing an innovation points test for provisional visa applicants
- granting access to flexibility provisions to achieve permanent residence and encourage innovative business
- increasing asset thresholds to better align with the Australian business community
- changing key visa criteria to improve the integrity of the program.

In addition to these reforms the department will be creating a visa pathway to provide for significant migrant investment into Australia. This initiative is expected to be implemented in late 2012.

Further information on the Significant Investor visa can be found in the Significant Investor Information.

See: <http://www.immi.gov.au/skilled/business/significant-investor.pdf>

A new visa structure

The new program will be made up of three visa subclasses:

- Business Talent (Permanent) (subclass 132)
- Business Innovation and Investment (Provisional) (subclass 188)
- Business Innovation and Investment (Permanent) (subclass 888).

Business Talent (subclass 132) visa

Under the new program, the Business Talent visa will be a state or territory nominated permanent visa with two streams:

- significant business history stream
- venture capital entrepreneur stream.

Applicants must submit an expression of interest in SkillSelect.

The significant business history stream is intended for high-calibre business owners or part owners of a business who have a genuine and realistic commitment to manage a new or existing business in Australia. The requirements of this stream will remain the same as that of the current Business Talent visa.

The venture capital entrepreneur stream is intended to facilitate the entry of migrant entrepreneurs with a high-potential business idea. Migrant entrepreneurs must have sourced at least AUD1 million in venture capital funding through a member of the Australian Venture Capital Association Limited. Australian Venture Capital Association Limited is the leading industry association that represents and promotes the long-term interests of the private equity and venture capital industries in Australia. The funding should be provided for early phase start-up, product commercialisation, or business development and expansion.

Provisional Business Innovation and Investment (subclass 188) visa

The provisional Business Innovation and Investment visa will be a state or territory nominated provisional visa with no minimum English requirement. It comprises two streams:

- business innovation stream
- investor stream.

Applicants for this visa must:

- be less than 55 years old, or the nominating state or territory must provide their support to waive the age requirement
- meet minimum business or investment requirements
- submit an Expression of Interest in SkillSelect
- meet the innovation points test.

The innovation points test for a provisional visa is a key reform of this program. The points test 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.

Under the innovation points test, points will be given to applicants for general attributes and for specific innovation attributes. Further information on the Innovation Points Test is available.

See: <http://www.immi.gov.au/skilled/business/innovation-points-test.pdf>

The new program will also incorporate access to flexibility provisions to encourage innovative business and help business people on their pathway to permanent residence. Provisional visa holders who were granted their visa under the business innovation stream may be eligible to apply for a two-year extension to their provisional visa, provided they are nominated by a state or territory government.

Permanent Business Innovation and Investment (subclass 888) visa

The permanent Business Innovation and Investment visa will be a state or territory nominated visa that is not points tested. It comprises two streams:

- business innovation stream
- investor stream.

Applicants for this visa must:

- hold a provisional Business Innovation and Investment visa
- have met the objectives of the provisional visa
- meet the specific business metrics or investment requirements of the stream for which they are applying.

Asset thresholds have been increased in the program. The department has acknowledged the cost and capital risk associated with establishing a new business and has raised thresholds to be roughly consistent with an indexed median level of assets for Australian business owners.

This visa also introduces the following criteria to improve the integrity of the program:

- An applicant's ownership interest in their main business or main businesses must not have been acquired from a person who was an applicant for, or holder of, a Business Innovation or Investment (Permanent) (subclass 888) visa, unless the current applicant and that other person had a joint interest in the main business for at least 12 months before the application was made.
- The primary applicant for the permanent Business Innovation and Investment visa must have met the primary criteria for the grant of their provisional Business Innovation and Investment visa. This complements the adjustments to the provisional visa, particularly the introduction of the innovation points test. The new measure will protect the integrity of that objective by requiring the primary applicant to make a genuine commitment to the new business in Australia. Certain exceptions can apply to this criterion.
- Introducing regulations requiring an applicant to comply with Australian laws applicable to business and taxation. These measures are designed to ensure compliance with Australian workplace laws including award rates of pay, superannuation obligations and worker health and safety.

SkillSelect

Changes to the program will coincide with the implementation of SkillSelect on 1 July 2012. SkillSelect is the new Expression of Interest skilled migration selection process that aligns the best available prospective migration candidates with the fluctuating demands of the labour market, or the needs of individual states or territories.

As part of the introduction of SkillSelect sponsors and visa applicants will be able to apply for a Business Innovation and Investment visa online.

See: www.immi.gov.au/skills/skillselect/

About the program

Business Innovation and Investment is a niche category in Australia's skilled migration program. It aims to directly create new business as visa holders become business owners. This is different to the general skilled migration and the employer sponsored visa categories, which aim to supply skilled employees to existing businesses and industries at risk of skill shortages.

The Business Innovation and Investment Program is designed to increase entrepreneurial talent and diversifying business expertise in Australia. It is positioned to target migrants that have a demonstrated history of success in innovation and business and are able to make a significant contribution to the national innovation system and to the Australian economy.

The program's 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
- increase the dispersal of business migrants across Australia through state and territory government nomination.

The reforms will improve the outcomes of the program to:

- contribute to the national innovation system
- select and foster innovation
- meet Australia's economic needs
- increase the dispersal of business migrants across Australia through state and territory government nomination.

Further information

More information about the Business Innovation and Investment Program is available.

See: <http://www.immi.gov.au/skilled/business/whats-new.htm>

Due to these changes being subject to the legislative change process the department cannot respond to individual client specific enquiries. Please check our website for regular updates.

Further information about SkillSelect is available on the department's website.

See: <http://www.immi.gov.au/skills/skillselect/>