



## Department of Economic Development, Jobs, Transport & Resources

GPO Box 4509

Melbourne Victoria 3001 Australia

Telephone: 03 9208 3333

[www.economicdevelopment.vic.gov.au](http://www.economicdevelopment.vic.gov.au)

DX 210074

Mr Paul Lindwall  
Presiding Commissioner  
Migrant Intake Into Australia Inquiry  
Productivity Commission  
E: [migrant.intake@pc.gov.au](mailto:migrant.intake@pc.gov.au)

Dear Mr Lindwall

### **MIGRANT INTAKE INTO AUSTRALIA INQUIRY**

The Victorian Government's Department of Economic Development, Jobs, Transport and Resources welcomes the opportunity to comment on the Productivity Commission's draft report on the Migrant Intake into Australia Inquiry, specifically the findings concerning investor and business migration.

The department considers it vital that Australia continues to provide visa options for entrepreneurial migrants who have the talent and capital to invest in or undertake commercial activity in Australia. Entrepreneurial individuals and their families contribute investment in the short term and re-investment over the long term, and like all migrants to Australia, contribute to our society's cultural and social diversity.

It is also important that investor and business migration visa policies and programs are regularly evaluated so that they remain relevant, competitive, and provide value to the Australian economy. It is the department's experience that evaluation should occur over a long term timeframe (e.g. ten years) as the migration process for most investor and business migrants is a long term commitment. For example, Significant Investors can extend their provisional visa for up to eight years before considering permanent residency. Not all migrants will be prepared to make additional investments on a short term provisional visa.

In this context, the department does not support the Productivity Commission's recommendation to abolish the Significant Investor Visa. It is too early to draw conclusions about the outcomes of both the original program (which commenced on 24 November 2012 and ceased on 30 June 2015) and the new program, which commenced on 1 July 2015 following review and substantial reform by the Commonwealth Government.

Likewise, the suggestion to replace the Significant Investor Visa with a visa that has no investment or business requirements and pays the visa application charge to the Commonwealth Government's consolidated revenue is not supported. Ongoing reforms to investor and business migration visas should encourage investment and commercial activity across more, rather than fewer, industries.

In the department's experience, Significant Investor Visa holders are generating the highest investment outcomes of all business migrants, and are showing the greatest capacity to generate economic value beyond the initial complying investment.

The 673 Victorian nominated Significant Investors (over 2.5 years) who have been granted a provisional visa under the original program have invested \$3.365 billion in government bonds, managed funds and private businesses.

In addition, the Victorian Government has nominated 60 applicants (over 6 months) under the new Significant Investor program. If these applicants are all granted a provisional visa, they will contribute a further \$300 million to the economy: \$30 million into venture capital; \$90 million into emerging companies; and \$180 million into balancing investments.

The department also offers after-care services to support investor and business migrants who wish to make additional investments beyond their minimum visa requirements and who require relocation information. All clients currently seeking additional investment assistance from the department are Significant Investor Visa holders. Many clients also seek after-care support from their financial services provider.

An area that is not addressed in the Productivity Commission's report is how Australia's investor and business visa programs could do more to attract and retain young entrepreneurs who may have less business experience and capital than business people targeted under existing programs.

The Business Talent – Venture Capital Entrepreneur visa goes some way towards targeting this group but has attracted very few applicants. The recent announcement by the Commonwealth Government to develop a new Entrepreneur Visa is a positive development, and would benefit from the Productivity Commission's consideration.

Finally, in relation to program integrity, the Victorian Government has previously advocated for reforms to address the problem of 'loan backs', and understands that this matter is now resolved. The department will continue to bring matters concerning integrity to the Commonwealth Government's attention should they arise.

If you require further information about the department's participation in investor and business migration programs, please do not hesitate to contact Ms Rosita Dalla Rosa, Acting Director, Skilled and Business Migration

Yours sincerely

**Jay Meek**  
Deputy Secretary  
Trade Victoria