

Migration and Population Study
Productivity Commission
Locked Bag 2
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MELBOURNE VIC 8003

**THE IMPACT OF MIGRATION AND POPULATION GROWTH ON
PRODUCTIVITY GROWTH IN THE AUSTRALIAN ECONOMY.**

**SUBMISSION BY THE SMALL BUSINESS DEVELOPMENT
CORPORATION OF WESTERN AUSTRALIA.**

Thank you for the invitation to make a submission to the Productivity Commission's *Migration and Population Study*.

The Small Business Development Corporation's (SBDC's) principal role is to facilitate the establishment and growth of small business in Western Australia. This includes the provision of information and assistance to new and existing small businesses and monitoring and commenting on policies and legislation that impact on the growth and development of the small business sector in the State.

Business migrants are important stakeholders in the small business sector, as they are a prime source of new capital, business establishment, export income and employment generation. The SBDC welcomes the opportunity to make a submission to the Inquiry and provides the following comments in relation to areas under review by the Committee.

The Small Business Development Corporation contends that there are currently a number of impediments preventing Australia from realising the full potential productivity growth from migration. Two areas that need immediate attention are:

1. BUSINESS MIGRATION

In March 2003, the Australian business skills migration program was overhauled by the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA). The current range of business visas rely in the main on the participation from the State and Territory governments to provide sponsorship for qualifying applicants. Although the new range of visas are of benefit to Australia as a whole, there still one major barrier limiting the number of potential business migrants that qualify for entry into Australia;

Provision of Professional, Technical or Trade Services Criteria

The Business Owner Visas (subclass 160 and 163) allow applicants, who have a business background and meet certain business attributes to apply for a visa to Australia to engage in a business. The types of applicants for this type of visa range from retail shop owners and farmers to wholesale traders and property developers.

In the criteria for these visas is a requirement that the applicant has not been engaged in a business where the provision of professional, technical or trade services took up more than 50 per cent of their time. This criterion is overly restrictive as it disqualifies a range of very good business operators from qualifying for a business visa.

As an example, an applicant operating a retail business does not have to declare how much of their time is spent serving customers as opposed to running the business whereas a consultant, tradesperson or professional adviser is required to show more than 50 per cent of their time is spent managing the business rather than providing their specialist service.

These are the types of qualified people that would go into business and assist to alleviate the current skills shortage in Australia, however, they are disqualified on a technicality. Applicants providing professional, technical or trade services can apply under a skilled visa, however, good quality applicants aged 45 years or over are excluded from this visa.

2. SKILLED MIGRATION

Under the General Skilled visa category, at the time a highly skilled applicant reaches 45 years of age they are no longer eligible to apply for a skilled visa. Under the current general skilled visa scheme, many good quality, skilled applicants are excluded, while it is made easier for those who are young and inexperienced.

Age Limit

The Small Business Development Corporation and the Western Australian Government supports the change of the age limit for skilled and regional visas to be increased to 50. This change would assist to meet the skills shortage in Australia by making more experienced applicants qualify for the program.

Applicants up to 50 years of age were eligible to apply for a skilled visa in the pre 1999 program. DIMIA have not only reduced the qualifying age threshold but have also increased the points score test making entry into Australia as a skilled migrant more difficult.

Limiting the skilled visa program age under 45 years is reducing the number of skilled migrants that Australia can attract to meet its skills current shortages.

The SBDC appreciates the opportunity to make a submission to this Inquiry and would be pleased to provide any further clarification of its views, if required. Genelle Surace would be pleased to assist and can be contacted on (08) 9220 0254.

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MANAGING DIRECTOR

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