

## Global Talent Scheme – pilot program

### AIIA initial comments

The AIIA appreciates the Government's open approach to consultation with industry and other stakeholder groups.

The AIIA supports the scheme in principle and in particular the government's focus on 'high tech skills', both for established businesses and start-ups with a pathway to permanent residency. Having flexibility with our visa system is a key issue for the ICT sector given the pace of change in emerging technologies. It is heartening to see that government is taking active steps to address this concern.

At this stage we would put forward the following questions/comments to do with operational concerns with the pilot:

1. Is there a cap on total numbers? The AIIA understands that the pilot program will start small to build trust with the hope of expansion. However it would be good to understand estimated numbers to manage expectations at the early stage. Ideally there should also be clear commitment from government that should the pilot go well the program will continue and expand.
  - The AIIA notes that proposed changes have been announced as a 'pilot project'. Our concern is that this suggests they are a stop gap solution as opposed to a considered response to a longstanding, chronic skills shortage issue particularly in the technology sector. We seek assurance from government that this is part of a broader and longer term program aimed to improve current skilled migration arrangements particularly in areas of chronic shortage such as ICT.
2. How will the pilot be managed and evaluated? Typically when visa changes are announced with start or end dates, it generates atypical behaviour – i.e. businesses may bring forward or hold plans and this atypical behaviour may affect any trend analysis within that year. Clear communication about expected numbers, what success looks like and on-going commitment upon success may help to address this.
3. Some members have noted that the intent and purpose is not clear. The purpose and benefits of the scheme must be communicated with a positive narrative around migration, growth and jobs. While AIIA agrees that the visa should not displace Australian workers the government has a key role to play in encouraging migration in areas that will grow jobs and innovation.
4. Are the DTA part of the planning and development process? AIIA has worked closely with the DTA in the past and believe they will have valuable insight especially in terms of communication and narrative given their experience promoting the government's digital transformation agenda.

In relation to the start-up stream:

5. Market Salary Rate: Start-ups often have little to no cash and pay their founders in equity or options so this would need to be acknowledged.
6. Endorsement from a 'start-up authority': Presumably this is an independent review of the arrangement to ensure it's not a sham. This and the capital raising point would need some flexibility in interpretation. Some start-ups will begin with an idea, well before capital raising, and it would be good to get the ball rolling somehow.

7. If the start-up is successful and survives beyond 2 years or employs over 20 staff at the end of the start-up visa period, what visa would the co-founder move across to – permanent residency?
8. AIIA notes there is a growing mid-tier sector of organisations (many of which are AIIA members) that deliver innovative digital services who will remain disadvantaged under the proposed changes because they are neither a start-up nor a company that at this stage in their company's development has a minimum turnover of \$5 million (for at least the last two years).
  - For example, ambitious scale up businesses executing a growth plan in Australia may not meet the proposed revenue target. It is unclear why the revenue turnover of \$5m applies where scale-up businesses have the same skills needs as companies that meet the proposed revenue criteria. For some scale up members who have a base internationally but want to expend into Australia, this requirement means they are prevented from drawing on even their own global skills base to help build and 'up skill' the people they want to employ in Australia. This impacts their ability to grow the business in Australia and in turn, their ability to grow jobs in Australia for Australians.
  - Setting an artificial threshold prejudices scale-up businesses having access to the same channels and talent resources that are allowed other businesses. In practice these types of barriers means preventing Australian scale-up business from scaling up. Some members request removal of the revenue target as currently proposed.