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US, UK rush to rehouse 'deported' startup Disrupt



Gary Elphick, co-founder of customised sports equipment manufacturer Disrupt, has received overtures from US and UK trade agencies after his business partner was deported from Australia. **Cole Bennetts**



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by **Michael Bailey**

Hours after his business partner was [deported from Australia for lying on his holiday visa application](#), Disrupt's Gary Elphick has been approached by trade agencies in the US and UK offering to relocate his entire nine-person team.

Officials from both UK Trade & Investment and the trade promotion arm of the Washington DC district council approached Elphick after seeing Fairfax Media coverage of Disrupt's predicament.

"They want the wealth creation, they want the jobs, they're bang on it these guys," Elphick said. "Both agencies have offered to help us with the paperwork and do what they can to host what we're doing in their backyards."

Elphick was forced on Monday to cut short a business-building campaign in the US after Chris Bailey, an experienced startup operations manager who'd co-founded the maker of customised 3D-printed sports equipment in 2014, was put on a plane back to his native UK. Bailey had stayed in Australia on a series of working holiday visas for two years, but fell foul of Border Force for lying about having completed the mandatory three months of harvest work that came with them.

Elphick asked both the US and UK agencies for the weekend to consider their offers.

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"I'm trying to keep everyone's heads down and positive about things here, and restarting things with Chris now that he's living in his parents' roof in the Welsh valleys. His internet is now faster than Australia's but obviously it's still an adjustment," he said.

British-born Elphick is about to become an Australian citizen and his first preference is to keep Disrupt at its Sydney base, from where it sold 1500 customised surfboards in 2015. Its investors are mostly Australian, including Telstra's muru-D accelerator which took a 6 per cent stake in return for \$40,000 seed capital and Disrupt's participation in its 2014 program. Muru-d was also among the investors in a \$500,000 follow-on round.

However Bailey is unlikely to be allowed back into Australia, at least in the short-to-medium term, and Elphick is determined to do "whatever is best for the business".

STARTUPS CAN SPONSOR 457S

Notwithstanding Disrupt's problems, it is possible for startups to sponsor skilled migrants on 457 visas according to migration agent Justin Browne.

"All you need is an Australian Business Number, and ideally an Australian Company Number, be registered to collect GST and have a bit of cash," says Browne, who with his brother Angus runs DMA Migration, a Sydney firm specialising in tech startup work.

The firm has helped sponsor talent for firms with as little as \$15,000 at bank. In the case of collaboration app-makers Rapporr, DMA helped its founder sponsor his first employee when the business itself was just a "good plan" rather than a trading entity, Browne said.

The biggest stumbling block for startups is that they must contract to pay their sponsoree a minimum of \$53,900 a year, and more if that is deemed the 'market rate' for the skill being imported.

Elphick confirmed that Bailey, "like most founders", was on a lower salary than that at Disrupt.

He said Disrupt had sought professional advice on Bailey's visa status, which determined "at that time the best option open to us was the one we took...at the end of the day he's an entrepreneur and that doesn't fit neatly into one of their boxes. The [457] criteria and all the compliance around them just do not meet the needs of early-stage tech businesses."

Given Bailey's operational background, Browne suggested Disrupt could have attempted to sponsor him as a 'corporate services manager'. That is one of the [approved 457 visa occupations](#) albeit one requiring a higher 'market rate' salary than the \$53,900 minimum (Browne stresses he does not know the specifics of the Disrupt case).

Browne hoped consultation on the Turnbull Government's promised [Entrepreneur Visas](#) would better align the Department of Immigration with the National Innovation & Science Agenda.

"To date it's been a combative approach. Despite the Minister's rhetoric there's been no directives for [Immigration] to get out there and help startups, we're probably a bit

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