



Australian Government
Department of Finance
The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: Enhanced visitor visas for sponsored parents	
Costing Identifier:	COA 032
Summary of costing:	This costing relates to the Coalition's proposal to allow sponsored parents of Australian citizens and permanent residents to be issued with an enhanced visitor visa of up to five years, provided they can demonstrate that they hold adequate private health insurance from an Australian provider and pay a bond based on the existing Assurance of Support System.
Person making the request:	Prime Minister
Date costing request received:	23 June 2016
Date of public release of policy:	30 June 2016
Date costing completed:	30 June 2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	0	0	0	0
Fiscal Balance (\$m)	0	0	0	0

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

Not applicable.

Where relevant, include separate identification of revenue and expense components.

Treasury has costed the measure to have no revenue impact on the underlying cash balance and fiscal balance, as per the costing request. Finance has costed the proposal to have no expense impact on the underlying cash balance and fiscal balance.



For more information see www.electioncostings.gov.au/copyright-notice-2

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

The costing is assumptions driven and subject to a high degree of uncertainty around the assumptions on take-up. For these reasons the reliability of the costing is assessed to be low.

Where relevant, explain effects of departmental expenses.

Consistent with the costing request, the Department of Immigration and Border Protection will absorb any processing costs associated with this policy.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.



Background information

Costing methodology used:

- **Costing techniques.**

Tax revenue modelling

The policy is expected to have a net nil impact on the UCB and fiscal balance. To achieve this outcome the visa charge rates under the proposal are adjusted so that aggregate revenue estimated under the proposed new visa is the same as that under the base case, in each year.

The Department of Immigration and Border Protection (DIBP) has provided advice on these potential take-ups and interactions with existing visa arrangements.

The new visa is available in the 2016-17 financial year and the policy is ongoing.

Expense and non-tax revenue modelling

As the costing request advises that the visa-holder will not have access to government programs such as welfare payments or Medicare, and must have full private health insurance cover, there will be no administered expenses.

The sponsor or assurer for an applicant will pay a bond based on the existing Assurance of Support Scheme, which will have no impact on the underlying cash balance and fiscal balance.

Behavioural assumptions used (as appropriate).

It is assumed that there is no increase in overall demand for visas so that all applicants for the new visa would otherwise have applied for existing visas, as outlined above.

