

QUESTION TAKEN ON NOTICE

ADDITIONAL ESTIMATES HEARING: 13 FEBRUARY 2012

IMMIGRATION AND CITIZENSHIP PORTFOLIO

(AE12/033) Program: Internal Product

Senator Cash asked:

Please explain the increase in departmental revenue in table 1.2 on page 13 in the Additional Estimates, from \$5.9 million in 2011-12 to \$54.178 million in 2012-13 then \$277.370m in 2013-14 and \$277.531m in 2014-15? What is this increase in revenue related to? How has it been calculated?

Answer:

The amounts relate to increased administered revenue for the following new measures:

	2011-12 (\$'m)	2012-13 (\$'m)	2013-14 (\$'m)	2014-15 (\$'m)
Reform of Employer Sanctions	-	0.3	0.6	0.8
Visa Pricing Transformation	5.9	53.9	276.7	276.8
Total	5.9	54.2	277.4	277.5

The increased revenue for Visa Pricing Transformation relates to the phased implementation of a new visa fee system to bring Australia's visa application charge structures in line with comparable countries. The current application fees do not cover the cost to the Commonwealth of processing the application and the user-pays approach of this new structure will also more accurately reflect this cost.

Student visa application charges decreased by 5 per cent from 1 January 2012, increasing the competitiveness of Australia's international education sector. At the same time, fees for a range of Skills and Business visas increased by between 5 per cent and 15 per cent.

From July 2012, a CPI increase will apply to the majority of visa application charges and a surcharge will be introduced for optional services such as visa labels. The significant changes from July 2013 will include the introduction of a fee for dependents of visa applicants, changes that will affect longer duration visas and those seeking further visas onshore, and an additional charge for people making a paper-based application where there is an "e" visa option.

The revenue for this measure has been calculated using a multi-dimensional pricing model based on 2010-11 visa numbers and applying various growth rates in the visa classes affected by the measure.

The revenue for Reform of Employer Sanctions relates to the expected increase in the number of infringements issued and penalties being applied over the forward estimates following compliance activity. There will also be a communication strategy focused on information, education and warning notices. The revenue for this measure has been calculated by utilising a model based on the forecast number of infringements issued, civil penalties contested, success rates and the level of penalties imposed.