

QUESTION TAKEN ON NOTICE

BUDGET ESTIMATES HEARING: 26-27 MAY 2010

IMMIGRATION AND CITIZENSHIP PORTFOLIO

(133) Program 1.1: Visa and Migration

Senator Crossin asked:

(1) In relation to permanent residency and citizenship for 410 visa holders, and actively seeking such a pathway towards permanent residency being achieved, is there any update on this for 410 visa holders and their situation and status that could change in the not too distant future?

(2) At the Additional Estimates hearing of this Committee on 9 February you stated that the main argument against a case for permanent residency for 410 visa holders was one of cost. However, a proper case must analyse potential additional tax revenue as well as potential costs, otherwise it cannot be considered a balanced case. 410 visa holders are currently temporary residents, and the foreign income of all temporary residents is taxed not in Australia, but in the country of origin. The bulk of the retirees' income is from pensions derived from their countries of origin. With permanent residency this foreign income would become taxable in Australia, producing significant additional tax revenue which would mitigate most, if not all, of the health costs involved.

(a) How many reports, and from which organisations, have you and your Department received on the potential costs and potential additional revenue?

(b) What are the projected costs and potential additional tax revenue identified in each report?

Answer:

(1) - There is no update on a pathway to permanent residency at this time.

(2)

(a) - The Department has commissioned a report from the Australian Government Actuary (AGA) on the potential costs and potential additional revenue.

(b) - The AGA report is yet to be finalised.