

QUESTION TAKEN ON NOTICE

SUPPLEMENTARY BUDGET ESTIMATES HEARING: 21 OCTOBER 2008

IMMIGRATION AND CITIZENSHIP PORTFOLIO

(13) Output 1.1: Migration and Temporary Entry

Senator Fierravanti-Wells (L&CA 31) asked:

Minister Evans, at the last set of estimates, in the Prime Minister and Cabinet portfolio, Senator Minchin asked some questions in relation to the revenue effects of immigration decisions. I think that that dovetails into the comments that you have just made. I suspect the response has now been overtaken. The response that we got was that the budget costings only included the first-round effects on expenses and revenue. I suspect that, in light of your comments, Minister, those estimates of costings would have to be reassessed. In other words, does it follow that the costs that were included in the last budget, particularly going to revenue from immigration and increased immigration, are now going to be offset by some of the changes that you have advised the committee of today? I want to put that answer into context now.

Answer:

The Government has not made any adjustments to the size of the previously announced Migration and Humanitarian Programs for 2008-09.

Treasury advises that if a new policy measure were announced that directly increased or decreased the number of migrants or working visa holders coming to Australia, the estimated first-round impacts on the tax revenue base would be reflected as a revenue measure, under current practice. If a change in the number of migrants coming to Australia were to occur as a result of influences other than policy measures, the impacts on the tax revenue base would be reflected in new forward estimates or a parameter adjustment rather than a revenue measure.