# Policy costing request—during the caretaker period for a general election

|  |  |
| --- | --- |
| **Name of policy:** | Close offshore detention and build safer pathways |
| Person requesting costing: |  Senator Di Natale |
| Parliamentary party:  | Australian Greens |
| Date of request to cost the policy: | 27 June 2016 |
| *Note: This policy costing request and the response to this request will be made publicly available.* |
| Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (ie from the Treasury or the Department of Finance)? | No |
| Details of the public release of this policy (Date, by whom and a reference to that release): | <http://greens.org.au/sites/greens.org.au/files/20160607_A%20Better%20Way%20for%20People%20Seeking%20Asylum_1.pdf>  |
| **Description of policy** |
| Summary of policy (as applicable, please attach copies of relevant policy documents): | **Component 1**Abolish Australian-funded offshore detention centres, honouring all contractual commitments in place at 1 January 2017 Establish a 30-day time limit on onshore immigration detention on Christmas Island and the Australian mainland; and  Accommodate the majority of asylum seekers in community detention or general society while claims are processed**Component 2**Increase Australia's annual humanitarian program to40,000 places per year. This intake would occur by increasing the intake per year as follows:1. 2016-2017: 30,000
2. 2017 – 2018: 35,000
3. 2018-2019: 40,000
4. 2019-2020: 40,000

**Component 3**Reserve 10,000 places for refugees within the existing skilled migration visa program;**Component 4**Establish Australia's funding to United Nations High Commissioner for Refugees (UNHCR) and other support organisations Indonesia and Malaysia at $500 million over forward estimates.**Component 5** Abolish Australian Border Force and restore immigration to administration to the Department of Immigration and Border Protection and abolish temporary protection visas (TPVs) |
| What is the purpose or intention of the policy? | This initiative is aimed at:Saving money by closing offshore detention camps and reinvesting it into establishing a safe way for people in our region to seek asylum in Australia while also increasing the number of refugees we take overall. |
| **What are the key assumptions that have been made in the policy, including:** |
| Is the policy part of a package?If yes, list the components and interactions with proposed or existing policies. |  No |
| Where relevant, is funding for the policy to be demand driven or a capped amount? If a capped amount, are the costs of administering the policy to be included within the capped amount or additional to the capped amount? | Capped |
| Will third parties (for instance the States/Territories) have a role in funding or delivering the policy?If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged? | No |
| Are there associated savings, offsets or expenses?If yes, please provide details. |  Yes, the closing of Australia’s immigration detention network. |
| Does the policy relate to a previous budget measure? If yes, which measure? | No |
| If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program? | Yes |
| Will the funding/program cost require indexation?If yes, list factors to be used. | No |
| **Expected impacts of the proposal** |
| If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis? |
| **Estimated financial implications (outturn prices)(a)** |
|  | 2016–17 | 2017–18 | 2018–19 | 2019–20 |
| Underlying cash balance ($m) | 123.5 | 156.1 | -228.6 | -593.5 |
| Fiscal balance ($m) | 123.5 | 156.1 | -228.6 | -593.5 |
| 1. 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 in the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.
 |
| **Expected impacts of the proposal** |
| What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)? | It is assumed that the reservation of 10,000 places for refugees within the existing skilled migration visa program will be cost natural based on previous advice from the Parliamentary Budget Office |
| Has the policy been costed by a third party?If yes, can you provide a copy of this costing and its assumptions? | No |
| What is the expected community impact of the policy?How many people will be affected by the policy?What is the likely take up?What is the basis for these impact assessments/assumptions? | Benefits to our economy from closing detention centres causing mental and physical harm and providing the opportunities for people fleeing persecution to contribute to our society into the future. |
| **Administration of policy:** |
| Who will administer the policy (for example, Australian Government entity, the States, non‑government organisation, etc)? | The Department of Immigration and Border Protection |
| Please specify whether any special administrative arrangements are proposed for the policy and whether these are expected to involve additional transactions/processing (by service delivery agencies). | No |
| Intended date of implementation: | 1 January 2017 |
| Intended duration of policy: | Ongoing |
| Are there transitional arrangements associated with policy implementation? | The people currently held on Nauru and Manus Island would be brought to Australia to have their claims for asylum assessed while they reside in the community. |
| List major data sources utilised to develop policy (for example, ABS catalogue number 3201.0). |  |
| Are there any other assumptions that need to be considered? |  |
| **NOTE:***Please note that:**The costing will be on the basis of information provided in this costing request.**The PBO is not bound to accept the assumptions provided by the requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.* |