

QUESTION TAKEN ON NOTICE

BUDGET ESTIMATES HEARING : 26 May 2015

IMMIGRATION AND BORDER PROTECTION PORTFOLIO

(BE15/096) - Health Assessment - Net benefit approach - Programme 2.2: Migration

Senator Hanson-Young, Sarah (L&CA 83) asked:

Senator HANSON-YOUNG: The previous government had committed to investigating a net benefit approach in terms of the possible way to address the issues that do come up from time to time, particularly when it involves children of those who are perhaps on a working visa and want to stay permanently. My understanding is that there had been an independent, economic assessment made. Can you give us an update about the findings of that independent economic assessment?

Mr Allen: Senator, I would need to take that question on notice.

Senator HANSON-YOUNG: Do you know what I am referring to—it exists?

Mr Allen: I am aware that under the previous government there was a discussion concerning the net benefit approach. I am not aware where that precisely ended up in policy terms, so I will have to take that on notice.

Senator HANSON-YOUNG: Okay, so as far as you are aware there has been no change?

Mr Allen: Not to a net benefit approach. We still use what is called the significant cost threshold to assess.

Answer:

A peer review of the Fiscal Net Benefit Model was commissioned by the department in 2012 which was completed by Independent Economics in June 2012. The proof of concept net benefit model was then updated by a health economist incorporating the review recommendations.

Simulations of data in both the first peer reviewed and the subsequent updated version of the net benefit model were consistent in highlighting that the model was not robust and that it was not an accurate tool for screening visa applicants. The model was not able to meet the current objectives of containing health care and community services costs while protecting access by Australian citizens and residents to services in short supply.

A decision was made by the Government in May 2014 to discontinue work on the Fiscal Net Benefit Model.