

QUESTION TAKEN ON NOTICE

SUPPLEMENTARY BUDGET ESTIMATES HEARING: 19 OCTOBER 2010

IMMIGRATION AND CITIZENSHIP PORTFOLIO

(190) Program 1.1: Visa and Migration

Senator Cash asked:

It has been suggested that although the health costs of permanent residency for 410 visa holders may be significant, these would be mitigated by the additional tax revenue to the Government which permanent residency would bring. Has the Department commissioned an estimation of the amount of this additional tax revenue?

Answer:

The Department has not commissioned an estimation of the amount of additional tax revenue that may arise as a result of a change of residency status for Retirement (Subclass 410) visa holders.

The Australian Government Actuary (AGA) and the Department acknowledge that under current Australian taxation legislation a change of residency status for this group would likely result in an increase in taxation revenue.

The AGA and the Department have not, however, been able to source information that would enable the amount of any such increase to be quantified with an acceptable level of precision.