

1996

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

MIGRATION (VISA APPLICATION) CHARGE BILL 1996
EXPLANATORY MEMORANDUM

(Circulated by authority of the
Minister for Immigration and Multicultural Affairs,
the Hon. Philip Ruddock MP)

MIGRATION (VISA APPLICATION) CHARGE BILL 1996

OUTLINE

Overview

- 1 The Migration (Visa Application) Charge Bill 1996 ("the Bill") will impose a visa application charge on applications for visas. The charge is to be paid by visa applicants. All non-citizens require a visa to travel to and to remain in Australia. Australian citizens do not require Australian visas.
- 2 The visa application charge will rationalise the current fee and charge arrangements that apply to visa applications into a single application charge. The Bill also allows for greater cost-recovery in respect of immigration processing and the provision of post-arrival services.
- 3 Related measures contained in the Migration Legislation Amendment Bill (No. 3) 1996 control the way in which the visa application charge will operate.
- 4 The actual amount of charge that will be payable by each applicant for a visa will be prescribed by regulations that will be authorised by amendments to the *Migration Act 1958* made by the proposed Migration Legislation Amendment Bill (No. 3) 1996.
- 5 An important feature of the Bill is that it will establish a ceiling for the maximum amount of charge that may be prescribed under the regulations. The Bill also provides a mechanism for indexing this ceiling in accordance with annual movements in the Consumer Price Index.
- 6 The Bill will commence on proclamation, planned to be 1 January 1997.

FINANCIAL IMPACT STATEMENT

- 7 The visa application charge introduced by this Bill is expected to increase revenue by \$10.9 million in 1996-97 (part year 1 January-30 June 1997) and \$21.6 million in 1997-98 (full year) & subsequent years.

MIGRATION (VISA APPLICATION) CHARGE BILL 1996

NOTES ON INDIVIDUAL CLAUSES

Clause 1 Short Title

1 The short title by which the Act will be known is the *Migration (Visa Application) Charge Act 1996*.

Clause 2 Commencement

2 Subclause 2(1) provides that the Act is to commence by Proclamation. The Act is intended to commence on the same day as the Migration Legislation Amendment Act (No. 3) 1996. The planned commencement date is 1 January 1997.

3 Subclause 2(2) provides that the Act will commence 6 months after receiving Royal Assent if it has not already commenced by Proclamation.

Clause 3 Act to extend to certain territories

4 Clause 3 is designed to ensure that the Act operates consistently with the *Migration Act 1958*.

5 Subclause (1) provides that the Act extends to the same Australian territories as covered by the Migration Act.

6 Subclause (2) provides that the visa application charge is payable regardless of whether a visa application is made inside or outside Australia.

Clause 4 Imposition of visa application charge

7 This is the central provision of the Bill. It imposes a visa application charge by reference to section 45A of the Migration Act. All the working details of the visa application charge are included in the Migration Act as the calculation and collection mechanisms are intimately related to the concept of "valid visa applications" within the meaning of the Migration Act.

Section 45A of the Migration Act is inserted by the Migration Legislation Amendment Bill (No. 3) 1996 which will commence on the same day as this Bill. Section 45A describes the people who will have to pay the charge (ie. visa applicants) and the kinds of visa applications to which the charge will apply (ie. those applications which will be valid visa applications within the meaning of section 46 of the Migration Act).

Clause 5 The visa application charge limit

8 The amount of the visa application charge that is payable with respect to any visa application will be prescribed in the Migration Regulations. This is explained in detail in the Explanatory Memorandum to the Migration Legislation Amendment Bill (No. 3) 1996.

9 Subclause 5(1) introduces the concept of a "charge limit" and fixes the charge limit for visa applications made during the 1996-97 financial year at \$12,500. The charge limit is the maximum amount of visa application charge that may be prescribed under the Migration Regulations with respect to a visa applicant. The ceiling of \$12,500 is intended to comfortably cover the most expensive application under the current legislation, and includes a margin providing flexibility for cost-recovery for future initiatives (under the current legislation it is not possible to fully recover the considerable policy and program development costs and settlement costs of operating the migration program).

10 Subclause 5(2) provides the mechanism by which the charge limit will be indexed each financial year according to upwards movements in the Consumer Price Index (CPI) during the preceding calendar year. Calendar year movements in the CPI are used in the formula so as to ensure that the necessary regulations can be made before the commencement of each new financial year. The charge limit is not affected by falls in the CPI.

11 Subclause 5(3) controls rounding of the indexation factor to 3 decimal places.

12 Subclause 5(4) ensures that consistent CPI figures are used to index the charge limit from one year to the next.

13 Subclause 5(5) provides that the charge limit is to be rounded to the nearest \$5 when it is indexed each financial year.

