

1994

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

**MIGRATION AGENTS REGISTRATION (RENEWAL) LEVY
AMENDMENT BILL 1994**

EXPLANATORY MEMORANDUM

(Circulated by authority of the
Minister for Immigration and Ethnic Affairs,
Senator the Hon. Nick Bolkus)

MIGRATION AGENTS REGISTRATION (RENEWAL) LEVY AMENDMENT BILL 1994

OUTLINE

1 The Migration Agents Registration (Renewal) Levy Amendment Bill 1994 ("the Bill") seeks to amend the *Migration Agents Registration (Renewal) Levy Act 1992* ("the Principal Act") to enable automatic indexation of the migration agents registration (renewal) levy payable under the Principal Act.

2 This Bill is one part of a package of amendments proposed to implement the Government's decision to provide for the increases in portfolio fees, charges and levies in line with the impact of price movements on Commonwealth government running costs outlays without the need to periodically amend primary legislation. The other proposed indexation amendments are contained in separate Bills as follows:

- . Migration Legislation Amendment Bill (No.5) 1994 (amendments to the *Immigration (Education) Act 1971*);
- . Immigration (Education) Charge Amendment Bill 1994;
- . Migration Agents Registration (Application) Levy Amendment Bill 1994.

FINANCIAL IMPACT STATEMENT

3 The amendments in the Bill would enable the total revenue gained from the migration agents registration (renewal) levy to remain constant in real terms. A small increase in revenue is expected.

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NOTES ON INDIVIDUAL CLAUSES

Clause 1 Short Title etc.

1 Subclause 1(1) provides that the Act may be cited as the *Migration Agents Registration (Renewal) Levy Amendment Act 1994*.

2 Subclause 1(2) provides that, in this Act, "Principal Act" means the *Migration Agents Registration (Renewal) Levy Act 1992*.

Clause 2 Commencement

3 As indexation is to commence in the 1994-95 financial year, this clause provides that the Act commences on 1 July 1995.

Clause 3 Repeal and substitution of section 6

New section 6 Amount of Levy

4 Section 6 of the *Migration Agents Registration (Renewal) Levy Act 1992* ("the Principal Act") currently prescribes the amount of levy payable in respect of renewal of registration. Subclause 3(1) repeals section 6 of the Principal Act and substitutes a new section 6 to enable levies to be indexed at the commencement of each financial year.

5 Proposed subsection 6(1) provides that the amount of levy payable in respect of a registration renewal is the amount calculated by applying the proposed mathematical indexation formula. The formula is based on the 1994-95 financial year base rates (the "relevant base rate" of \$50, \$105, \$525 or \$1,050 discussed at paragraph 9 below) and commences in the 1995-96 financial year. The formula automatically indexes the amount of levy on the first day of each financial year, for registration renewals during that financial year.

6 The formula uses the first set of Commonwealth Government Final Consumption Expenditure ("CGFCE") Implicit Price Deflators issued by the Department of Finance after 1 January in the previous financial year (that is, the financial year before the financial year of indexation). For example, for 1995-96 indexation, the first set of numbers issued after 1 January 1995 is used.

7 From this set of numbers, two numbers (the "new CGFCE number" and the "base CGFCE number") are extracted. The "new CGFCE number" is the number for the period ending on 31 December in the previous financial year (that is, the financial year of

indexation). For example, for 1995-96 indexation, the "new CGFCE number" is the number for the period ending on 31 December 1994. The "base CGFCE number" is the number for the period ending on 31 December 1993, because indexation is based on the ceiling for the 1993-94 financial year.

8 The formula is the "new CGFCE number" divided by the "base CGFCE number" and multiplied by the "relevant base rate". The "relevant base rate" is defined in proposed subsection 6(2). The result of the calculation is the amount of levy.

9 Proposed subsection 6(2) defines the "relevant base rate". The "relevant base rate" applicable to a registration application will be either \$50, \$525, \$105 or \$1,050, depending on whether paragraph 6(2)(a) or 6(2)(b) applies and also whether, during the period of registration, the person will give paid immigration assistance in no more than 5 cases or 5 or more than 5 cases. The "relevant base rate" amounts of \$50, \$525, \$105 and \$1,050 correspond to the 1993-94 levy amounts (currently set out in section 6 of the Principal Act) indexed for 1994-95 using the proposed formula.

10 If an amount calculated by using the formula in proposed subsection 6(2) is not a multiple of \$5, proposed subsection 6(3) requires that the amount be rounded up or down to the nearest multiple of \$5. (If the amount is equally close to two \$5 multiples, that is if the amount is also a multiple of \$2.50, it is rounded up.) For example, \$105.85 would be rounded down to \$105 whereas both \$117.50 and \$119.25 would be rounded up to \$120.

11 As indexation is to commence in the 1995-96 financial year, subclause 3(2) provides that the amendments made by subclause 3(1) apply to registrations renewed on or after 1 July 1995.

