




Australian Government
**Department of Immigration
and Border Protection**

Introducing a temporary visa for parents

Discussion Paper

(September 2016)



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Introduction

The Australian public is invited to provide their views on the development of a new visa for parents of Australians. The Australian Government believes that parents should have the opportunity to visit children and grandchildren who live in Australia as long as parents and their sponsors can satisfy community expectations and that their stay in Australia does not have an undue cost impact on the Australian community.

While several visa options are already available for parents to spend time with their family in Australia, community feedback indicates that a fresh approach should be considered.

Prior to the recent federal election, the Government indicated that if re-elected it would enhance existing visa arrangements to enable sponsored parents to visit their family in Australia for a continuous period of up to five years. The Australian Labor Party also announced a similar commitment before the election.

Improving arrangements for parents of Australians to spend time with their family in Australia—without negatively impacting the budget—has been a key objective of both major parties for some time.

The introduction of such a visa is a significant shift from current visa options for parents. It raises a number of issues around our communities and the nature of services to support these visitors. The Government is seeking community input to help shape the development of the visa.

This paper provides background information to help inform written submissions. It includes an overview of existing visas available to parents and elements which may be considered in developing the new visa product.

Providing a submission

If you would like to make a written submission on the development of a temporary stay parent visa or on issues raised in this discussion paper, please email it to **temporary.parent.visa@border.gov.au**

All submissions should be received by **midnight on 31 October 2016 (AEDT)**.

Submissions received after this deadline may not be considered.

For privacy reasons, all personal details and information will be removed from your submission before they are published on the website. Please do not include these details in your submission unless necessary.

In general, submissions will be published as soon as possible after they are received, allowing for administrative processes.

The Department of Immigration and Border Protection (DIBP or the Department) reserves the right not to publish any submission—or part of a submission—that contains what DIBP determines, in its absolute discretion, to be irrelevant information or information not within the scope of the submission request.

This is a public process and all submissions should be provided as public documents that can be placed on the DIBP website for others to read and comment on.

DIBP prefers to receive submissions as a Microsoft Word (.docx) files. PDF files are acceptable if produced from a Word document or similar text based software.

Introduction of a new temporary parent visa

Matters raised in the public submissions will contribute to the final policy settings for this new visa. The Government will announce full details of the new visa later in 2016. The new visa arrangement will commence on 1 July 2017.

Glossary of terms

Term	Descriptor
AoS (Assurance of support)	An AoS is a legal commitment by a person or organisation, not necessarily the sponsor, to provide financial support to a person applying to migrate to Australia. This is to reduce the potential for them to rely on social welfare payments. In some circumstances (including all parent and contributory parent visa applications), a financial bond must be lodged as part of the AoS.
Australian	For the purposes of this paper, an Australian means: <ul style="list-style-type: none"> • an Australian citizen • an Australian permanent resident • an eligible New Zealand Citizen.
Balance of Family test	The Balance of Family test requires that at least half of the visa applicant's children live in Australia, as citizens or permanent residents. The test is designed as an objective measure of a parent's ties to Australia. No assessment is made about the nature of the parent and child relationship. This test applies to contributory and non-contributory parent visas. There is no way to waive the test.
Contributory Parent visas	These include the following visas: <ul style="list-style-type: none"> • Temporary Contributory Aged Parent (Subclass 884) visa • Temporary Contributory Parent (Subclass 173) visa • Contributory Aged Parent (Subclass 864) visa • Contributory Parent (Subclass 143) visa.
Parent	Under migration law, a parent includes: <ul style="list-style-type: none"> • a natural (biological) parent • an adoptive parent • a step-parent • the parent of a child conceived through an artificial conception procedure • the parent of a child born under surrogacy arrangements, where parentage has been transferred by court order under a prescribed state or territory law.
Parent visas	Also referred to as Parent (non-contributory) visas— these include the following visas: <ul style="list-style-type: none"> • Aged Parent (Subclass 804) visa • Parent (Subclass 103) visa.
PIC (Public Interest Criteria)	Criteria set in migration law to assess and manage health, character and other risks relating to the visa applicant.
VAC (Visa application charge)	The Visa Application Charge (VAC) contributes to Australia's taxation revenue. It is not a fee for service. For most visas, applicants must pay a 'first VAC', which is the amount of money in Australian dollars that must be paid for a visa application to be valid. Some visas, including Contributory Parent visas, require applicants to also pay a 'second VAC' prior to being granted the visa.

Australia's Migration Programme

Overview

The importance of well-managed permanent and temporary migration to Australia's economic and social well-being—both now and into the future—cannot be overstated. Australia has a long history of managed migration settings, with the government of the day determining the number and composition of people who may enter and stay in Australia. These settings are principally on the basis of economic, social and cultural benefit to the nation.

Currently, immigration represents more than 50 per cent of Australia's population growth¹ and plays an important role in alleviating the issues associated with an ageing population.

Three types of visa programmes

The Temporary Visa Programmes can be quite diverse. Some temporary visas allow people to spend short periods in Australia for tourism or to visit family and friends. Temporary visas can also allow people to live in Australia for longer, but defined periods to study or work. As these visas are not normally intended for people to join Australia's long-term population, they are not subject to annual planning levels.

The Humanitarian Programme provides resettlement for people assessed as being eligible for support from Australia under our international commitments, including in refugee camps and in protracted humanitarian situations. In 2016–17, 13,750 permanent places are available through the Humanitarian Programme.

The Permanent Migration Programme is composed of two main streams: the Skill stream and the Family stream—with the Skill stream making up two-thirds of places.

In 2016–17, 190,000 permanent places are available through the Migration Programme.

The Skill stream (128,500 places) provides a pathway for migration to people with the skills and attributes to contribute to Australia's economy. It is split between points tested and an employer sponsored component:

- points tested—to ensure that migrants have the right characteristics and attributes to support economic growth and labour market need
- directly sponsored—migrants are sponsored into a job.

The Family stream (57,400 places) helps Australians reunite with their close family. Priority in the Family stream is provided to partners and children of Australians.

There are limited Migration Programme places available for extended family members, such as parents. Up to 8675 will be made available for parents in 2016–17. As demand for some permanent Parent visas is far greater than the available places and annual limit (referred to as a 'cap') has been imposed to restrict the number of visas that can be granted in any financial year.

¹ *Australian Demographic Statistics*, December 2015, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/3101.0>

Profile of parent migrants

The Government acknowledges the value of family migration and recognises that parents provide a range of benefits to their families and community. However, for the past two decades, it has been necessary for the Government to limit the number of permanent migration places available to parents. These limits recognise the challenges Australia must face due to an ageing population, as well as the overall budget impact of older migrants. The limits also reflect the Government's priority of providing visa pathways for the children and partners of Australians, as well as the need to target young skilled migrants to maximise the economic benefits of migration.

In its 2016 report titled *Migrant Intake into Australia*, the Productivity Commission notes that:

- '...immigrant parents are at stages of their lives when they make considerable claims on the aged care, health and social security systems, which must be met through taxpayer funds
- immigrant parents can make valuable social contributions to their families, but these mainly benefit the family members themselves.'²

The fiscal impacts on the Australian community are not just in the additional cost on these services, but also through the extra pressure that occurs where services are diverted for recently arrived migrants.

A person who has lived in Australia throughout their working life has contributed to these services through their economic and fiscal contribution. People who first arrive in Australia at the end of their working life are unable to provide the same contribution.

Parents and grandparents do provide social benefits through playing an important role in child minding, which allows working-age parents to return to work and minimises impacts on the availability of childcare places. Parents also provide an important cultural link for children of recently arrived migrants. Having viable visa options for parents also provides an incentive for potential skilled migrants considering migrating to Australia. However, as noted above, most of these benefits go to family members, rather than the community.

The financial burden of increasing health and aged care costs is; however, borne by all Australians, in particular, those still in the workforce when the costs occur. These costs are not offset by Government charges, including applicable Visa Application Charges (VAC). Even the Contributory Parent visa charge meets only a fraction of the fiscal costs for the annual intake of parent migrants. As noted by the Productivity Commission:

'...the cumulated lifetime fiscal costs (in net present value terms) of a Parent visa holder in 2015–16 is estimated to be between \$335,000 and \$410,000 per adult, which ultimately must be met by the Australian community. On this basis, the net liability to the Australian community of providing assistance to these 8700 parents over their lifetime ranges between \$2.6 and \$3.2 billion in present value terms. Given that there is a new inflow each year, the accumulated taxpayer liabilities become very large over time. This is a high cost for a relatively small group.'

The Commission concluded that there was little reason to retain parent migration visas in their current form. It recommended considerably raising the visa charge for the contributory visa while narrowing the eligibility for non-contributory visas. The Commission did, however, suggest that the impact of such a tightening:

'...could be partly offset by the introduction of more flexible temporary parent visa arrangements, subject to the parents or sponsoring children meeting the costs of any income or health support during their period of residence.'³

² *Migrant Intake into Australia*, Productivity Commission Inquiry Report, No. 77, 2016, available at <http://www.pc.gov.au/inquiries/completed/migrant-intake/report>, p. 26 (hereafter *Migrant Intake Report*)

³ *Migrant Intake Report*, p. 27

Current visa options for parents

Visitor visas (temporary)

Parents currently have the option of using Visitor (Subclass 600) visa to spend time with their children. The VAC for a visitor visa is currently \$135 (for applicants outside Australia) or \$340 (for applicants in Australia).

Visitor visas are not designed to allow a person to stay in Australia for longer than 12 months.

A standard Visitor visa normally allows a stay of up to three months in Australia. In addition to the standard provisions, there are special arrangements for parents which enable longer stays in Australia of up to 12 months in any 18 month period.

The validity period under these arrangements varies depending on whether a permanent parent visa application exists. Parents who:

- have also lodged a permanent Parent visa application can be granted a Visitor visa that allows multiple entry for up to five years
- have not lodged a permanent Parent visa application can be granted a Visitor visa that allows multiple entry for up to three years.

The Department may ask that an application be supported by an eligible sponsor and that a security bond be provided. In addition, the Department usually requires parents to maintain adequate health insurance during their stay in Australia.

Parent visa categories (permanent)

There are two permanent visa options for parents who seek to move permanently to Australia:

- Parent (non-contributory) visas
- Contributory Parent visas.


Both options require the visa application to be supported by an eligible sponsor and require applicants to meet the 'Balance of Family Test'. Additionally, Parent visas require lodgement of an Assurance of Support (AoS) before they can be granted.

The cost and waiting times are the key differences between the Parent and the Contributory Parent visas.

Parent (non-contributory) visas: This visa includes the Parent (subclass 103) visa for offshore applicants, and the Aged Parent (subclass 804) visa for applicants in Australia. Applicants pay a total VAC of \$5935 for the main applicant and \$4000 for their spouse or de facto partner.

In the 2015–16 Migration Programme year, 1500 places were available to Parent (non-contributory) visa category applicants. The demand for this visa far outweighs the number of available places and this has resulted in the formation of a queue. As such, new applicants can expect to wait approximately 30 years before a decision can be made on their application.

Contributory Parent visas: This visa is for parents who are prepared to pay a higher VAC to obtain their visa earlier. These visa applications are generally finalised within two years from time of lodgement.



Applicants for this visa pay a total VAC of \$47,295 for the main applicant and \$44,845 for their spouse or de facto partner. The higher VAC for contributory visa applications provides a partial offset to the potential costs the parent may impose on the Australian community, post arrival, in lieu of a contribution made throughout their working life.⁴

As a result of the higher taxation contribution through the VAC, more migration programme places are made available for Contributory Parent visa applicants. In 2015–16, 7175 places were available to Contributory Parent visa applicants.

Retirement visas (temporary)

There are two subclasses of retirement visas however, only one is currently open to new applications:⁵

The Investor retirement (subclass 405) visa: This visa is a temporary visa for people aged 55 years or older. Applicants must have a minimum income of \$65,000 and assets of at least \$750,000 (or \$50,000 and \$500,000, respectively, for applicants who intend to live in a regional area). Applicants for this visa are also required to make a significant long-term financial investment into a state or territory government treasury bond.⁶

The visa allows the applicant to stay in Australia for four years. There is no limit on the number of subsequent applications a person can make for this visa.

Applicants for this visa must pay a total VAC of \$13,315 for the main applicant and \$13,155 for their spouse.

Other visas (temporary and permanent)

Parents of Australians may apply for any other temporary or permanent visa if they meet the eligibility requirements.

⁴ Contributory Parent visa applicants can also stagger their migration pathway in order to make payment of the charges easier. Under this option, applicants who pay a portion of the charges can be granted a temporary Contributory Parent visa which enables a two-year stay in Australia with work rights. The temporary visa holder then has two years to apply for the permanent visa and pay the remaining charges.

⁵ The Retirement (subclass 410) visa was closed to new applications in 2005. At the time this visa was closed to new applicants, the asset and income requirements for parents of an Australian were:

- assets available for transfer to Australia of \$315,000
- an annual retirement income stream of \$50,000.

⁶ The investment required is \$750,000 for applicants intending to live in metropolitan areas and \$500,000 for regional areas of Australia.

The new temporary visa

Government announcement

The Government's announcement of 21 June 2016 stated that key requirements of a temporary parent visa would be as follows:

'Limiting the burden on health care:

- i. entry and stay is not to burden Australia's health care system, and adequate private health insurance from an Australian provider must be obtained by the parent.

Sponsorship:

- ii. applicants are to be sponsored by their Australian child
- iii. there is to be a bond arrangement, based on the AoS scheme.

The visa application:

- iv. a concurrent migration application is not necessary
- v. a stay period of up to five years will be provided
- vi. a visa holder can apply to renew their visa for further periods of up to five years at a time.'

The number of permanent visa places for parents made available in the Migration Programme is small and waiting times can be lengthy.

The Government's intention is that any new temporary parent visa arrangement should help offset these issues, while allowing Australia to benefit socially through having united families and cohesive communities. At the same time, the financial cost of offering a new temporary visa for parents should not become a burden to the Australian community.

Limiting the burden on Australia's health care system

Health screening arrangements currently exist for most visa applicants seeking to stay in Australia longer than six months. All applicants for the new visa would need to undertake medical examinations and meet the health requirement. The health requirement has three key objectives to:

- protect the Australian community from public health threats, specifically tuberculosis
- contain public expenditure on health care and community services
- safeguard access of Australians to health care and community services that are in short supply.

Australia has one of the world's best health care systems. Medicare provides Australians with access to a range of subsidised medical services. Australians make lifetime contributions to these subsidies through their income tax and annual Medicare levy. People who arrive in Australia towards the end of their working life have not made this level of contribution.

In addition to Medicare, the Government encourages all Australians to hold private health insurance. When Australians incur health costs that are not covered by Medicare subsidies or private health insurance, they are required to pay the difference themselves. A new parent visa will need to apply the same user-pays principle, and an adequate health insurance requirement provides a safety net for visa holders.

The insurance will need to be taken out with an Australian insurance provider, as these understand the Australian health system. Health insurance providers operating in this country are also accountable to Australian regulators and the Private Health Insurance Ombudsman.

Sponsorship

A key component of the Government's election commitment is that applicants for the new parent visa will need to be sponsored by their Australian child. Sponsors will have a very important role in the visa process. This reflects their responsibility for ensuring that their parent does not become a burden on the Australian community, given that most of the benefits derived from parent migration are received by the sponsor and their family.

Newly arrived migrants are among the more vulnerable people in our community. They are less likely to have an established support network, may not have an English speaking background, and are less likely to know how to seek assistance. Sponsors have a significant responsibility to support their parents, particularly in situations where they are not financially independent, or do not have functional English.

In addition to an assessment of their relationship with the applicant, there are a number of attributes which sponsors will be required to demonstrate:

- The sponsor must have been living in and contributing to Australia for a number of years. This will ensure sponsors have had sufficient time to become engaged with the Australian community and to contribute to Australia financially. A longer period of contribution in Australia would provide a higher priority in eligibility.
- The sponsor will be required to show they can support their parents, if necessary. This will include income and asset assessments.

The sponsorship assessment will be a separate process, and will be completed before a visa application can be submitted. Sponsors will need to undergo a criminal history check, and agree to a range of enforceable obligations.

Bond arrangement, similar to the AoS scheme

The announcement included a bond arrangement based on the AoS scheme. This reflects the principle that any health costs arising from the parent's stay in Australia should not be borne by the Australian community. A bond arrangement could also extend to situations where the sponsor fails to support their parent or the parent has been subjected to family violence.

Under a bond scheme, sponsors are required to provide either a financial bond as a debt security, or an equivalent legally binding commitment. A bond arrangement can assist in recouping costs where sponsorship obligations have not been honoured. Any bond amount may need to be significant in order to cover a parent's potential health costs over a five year period. Options for a bond scheme would need to consider the size of any potential debt that could be incurred, noting the Productivity Commission's estimate of cumulative lifetime costs of each parent visa holder. Bond options could, therefore, include:

- a contingent loan, similar to the Higher Education Loan Program. This could be applied where unpaid debts have accrued which would then be repaid through the income tax system
- an investment paid into a state or territory government treasury bond. The investment would be returned when the visa ceases, less any amounts owing to the state or territory health system
- a legally binding agreement, enforceable by any person who is owed the debt.

The visa application

The new temporary parent visa may be granted with a stay period of up to five years, that is it could be granted for periods of one, three or five years. Ultimately, the length of the visa would be determined by a number of factors, including:

- the needs of the applicant or their sponsoring child—these may change over time, for example as grandchildren get older
- the capacity of the applicant and/or their sponsoring child to support their stay in Australia—in many cases, parents will be financially independent, but this will need evidence

- the health and age of the visa applicant
- their previous immigration history.

In order to apply for the new visa, it will not be necessary for the parent to have also applied for a permanent parent visa. Parents can, however, continue to lodge a permanent visa application if they wish.

At the end of their time in Australia, parents would generally need to apply for a new visa while they are overseas—this reflects the likelihood that many parents will have children living in other countries or will have ongoing commitments to their home country. The current requirement in the visitor visa arrangements, that parents spend at least six months outside Australia in any 18 month period, will not apply to the new parent visa.

The new visa will require a VAC to be paid. The level of the VAC will need to be set in consideration of the potential budget impact of temporary parent visa holders who will not be in the workforce. This would include their impact on all services and infrastructure that are in day-to-day use. This reflects that people who arrive in Australia at the end of their working life have not made financial contributions to the development and maintenance of infrastructure and services, such as roads and public transport.⁷

Most Australian visas have a range of standard requirements designed to address broader community risks potentially posed by the entry of any non-citizen. These are generally referred to as Public Interest Criteria (PIC), and include matters such as character, security, Australian values and visa history.

While it is likely that some potential visa applicants would have no or limited English proficiency, there may also be benefit in requiring these visa holders to demonstrate some improvement in English capability over time.⁸ A number of positives would arise out of ensuring potential visa holders can speak functional English. In particular, people with a good grasp of English are better able to involve themselves in the Australian community and have improved capability to access day to day and emergency services.

⁷ Infrastructure is a genuine and significant expense of a growing population (notwithstanding the challenges of accurately attributing any costs to immigrants). Given the scale of the costs involved, accurately identifying these expenditures can materially influence the assessment of the net fiscal impact of immigration, particularly when this assessment considers fiscal balances across Australian, state, territory and local governments (*Migrant Intake Report*, p. 301)

⁸ Proficiency in English—an important aspect of creating linkages into the general community — is much lower in the Parent visa stream. In summary, while there are clearly social and intangible economic benefits to the Australian community from immigrants in the Parent stream, they are not necessarily substantial or greater than some other streams (*Migrant Intake Report*, p. 474)

Further information

Department of Immigration and Border Protection website

www.border.gov.au

Government's election commitment

<https://www.liberal.org.au/latest-news/2016/06/21/enhanced-visitor-visas-sponsored-parents>

Parent visa website information

Fact Sheet—Contributory Parent

<http://www.border.gov.au/about/corporate/information/fact-sheets/39contributory-parent>

Fact sheet—Family stream migration: Parent (non-contributory) visas

<https://www.border.gov.au/about/corporate/information/fact-sheets/31parents>

Fact sheet— Assurance of Support (AoS)

<https://www.border.gov.au/about/corporate/information/fact-sheets/34aos>

Queue Information

<http://www.border.gov.au/Trav/Brin/Fami/Capping-and-queuing/Parent-visa-queue>

Visitor (subclass 600) visa

<https://www.border.gov.au/Trav/Visa-1/600->

Productivity Commission Inquiry Report No. 77, 2016

Migrant Intake into Australia

<http://www.pc.gov.au/inquiries/completed/migrant-intake/report/migrant-intake-report.pdf> (in particular, pages 26-27, 43, 471-485)

Questions

Should you wish to provide a written submission in response to matters raised within this paper, your response may wish to address some key questions:

Question Number	Comments are invited in response to the following issues.
About this visa	
1	Should age limits apply to applications for this visa? If so, how would these be determined?
2	A key consideration is what, if any, work rights should be included with this visa. In what situations would temporary parent visa holders need to work?
3	How long should any waiting period be before a parent can reapply for a subsequent visa?
4	What limits should be applied to the number of temporary parent visas available each year? Should there also be a limit on the total number of temporary parent visas at any point in time?
5	What factors need to be considered as to whether there should be a limit to the total time a person can stay in Australia on successive parent visas?
6	This visa will not provide a pathway to permanent residence. Given the estimated lifetime cost to the budget identified in the <i>Migrant Intake to Australia</i> report, are there any circumstances where permanent residence should be available to parents?
Visa applicants	
7	What, if any, level of English language proficiency should the parent be required to have reached as a prerequisite for this visa? Alternatively, should a minimum level of English language be a requirement in order to apply for a subsequent parent visa?
8	Are there any specific groups of parents (for example parents who have young grandchildren living in Australia) who should be afforded priority access to this visa?
9	New applicants for this visa will always have to pass a comprehensive health assessment. Note elderly parents in particular generally become more fragile and less healthy as they age. To what extent should a person's health status be a consideration if they apply for subsequent parent visas?
Sponsors	
10	Australian citizen sponsors will be given higher priority under the new arrangements, as generally they have been contributing to Australia for a greater period of time. Under what circumstances should non-citizen Australian sponsors be given priority?
11	If a financial bond is imposed on the sponsor to offset potential future health costs incurred by the visa holder, what form should this take—that is an upfront one-off payment, a contingent loan arrangement, payment in instalments)such as through a second VAC) or payment into a government investment?
12	What (if any) limits should be placed on the total liability of sponsors where their parent incurs significant health or aged care costs not be covered by their private health insurance?
13	In the event that the holder of a parent visa is unable to depart Australia due to illness or accident: <ul style="list-style-type: none"> • what responsibility should be borne by the sponsor and their immediate family and • to what (if any) extent would it be reasonable for these costs to be borne by the Australian community?
14	If a sponsor dies:

Question Number	Comments are invited in response to the following issues.
	<ul style="list-style-type: none"> • in what circumstances, and what timeframe, should their parent be required to leave Australia • what liability should remain with their immediate family and • in what circumstances should their immediate family be able to take over the sponsorship to enable the parent to remain in Australia?
15	Should there be an option for parents of minor children to be sponsored on the child's behalf? Who should be allowed to take on this role and what liability for sponsorship obligations should apply to them?
16	In what circumstances should it be an option or requirement for couples to lodge a joint-sponsorship of a parent?
Costs	
17	What factors need to be considered in setting the level of the VAC for the new visa to adequately reflect the extended stay available?
18	In what circumstances should refunds be available for applicants who want to withdraw an existing permanent visa application and apply for the new temporary parent visa?
19	What might constitute a suitable level of annual income available to the applicant for their period of time in Australia, noting they will not have access to government support services? Should the source of this income be the sole responsibility of the parent, or should their Australian child be allowed to contribute to this?