



| Restore humanitarian program intake to long term average | |
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| Party: | The Coalition |
| Summary of proposal: The proposal would reduce the annual intake for the Humanitarian Program to 13,750 places on an ongoing basis. The proposal would start on 1 July 2025. | |

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around \$1.4 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects a decrease in administered and departmental expenses, partially offset by a decrease in administered revenue.

The difference between the fiscal and underlying cash balances reflects timing differences between when expenses are incurred and payments made, and when revenue are recognised and receipts collected.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

Table 1: Restore humanitarian program intake to long term average – Financial implications (\$m)^{(a)(b)}

| | 2025-26 | 2026-27 | 2027-28 | 2028-29 | Total to 2028-29 |
|-------------------------|---------|---------|---------|---------|---------------------|
| Fiscal balance | 96.6 | 311.9 | 442.5 | 540.2 | 1,391.2 |
| Underlying cash balance | 96.6 | 312.9 | 433.5 | 541.2 | 1,384.2 |

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

Uncertainties

There is a high degree of uncertainty around the budget impact of reducing the places in the humanitarian program over the medium term. In particular, the personal income and indirect taxes paid by the humanitarian cohorts and their reliance on welfare and other government payments will be influenced by:

- the speed and efficiency with which different humanitarian cohorts can be resettled and integrated into the labour market (this is dependent upon factors such as language barriers and recognition of qualifications)
- the characteristics and demographics of the humanitarian cohorts.

Accordingly, the financial impacts of this proposal are highly sensitive to assumptions about:

- annual intake in different streams under the humanitarian program (this includes refugee streams)
- incomes and consumption patterns of the humanitarian cohorts
- age and gender profiles of the humanitarian cohorts.

Second round effects, such as the impact that the reduced humanitarian intake would have on the composition of the labour market, wages, births, the demand for infrastructure, the housing market, and the associated impact on gross domestic product (GDP), have not been considered in this costing.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- For comparative purposes it is assumed that the baseline for the annual intake under the refugee and humanitarian program would remain constant at 20,000 places over the medium term to 2035-36.
- Under the proposal, the distribution of the 13,750 places across different refugee and humanitarian streams would be based on the current humanitarian program baseline distributions.
- Under both the baseline and the proposal:
 - the annual visa grants for the refugee and humanitarian streams would occur evenly and completely over the course of each financial year
 - the grant rates of the refugee and humanitarian program visas would not change over the medium term
 - the ratio of primary to secondary applicants across different refugee and humanitarian streams is based on historical visa grants data and would remain constant over the medium term
 - the age and gender profiles and incomes and consumption patterns of the humanitarian cohorts would not change over the medium term.

Methodology

The PBO's humanitarian visa costing model was used to cost the proposal. It was developed using the Humanitarian Program costing models provided by the Department of Finance.

Departmental expenses

Departmental expenses were calculated using the humanitarian visa costing model and reflect the reduced departmental funding needed to deliver services to a smaller cohort.

Personal income tax, indirect tax, and visa application charge tax revenue

The financial impact of the decrease in personal income tax and indirect tax revenue was calculated by multiplying the estimated number of the reduced total refugee and humanitarian intake by the average amount of personal income tax, superannuation contributions tax, GST, customs and excise paid by humanitarian migrants.

The decrease in GST revenue was offset by an equivalent decrease in GST payments to the states and territories.

Reduced visa application charge revenue was calculated by multiplying the changes in places for each refugee and humanitarian stream by the individual visa application charge.

Welfare and income support payments

The financial impact of the decrease in welfare and income support payments mainly reflects a decrease in the permanent residents in Australia as result of the proposal. This financial impact was calculated by multiplying the average level of transfer payments made to humanitarian and refugee migrants by the estimated number of reduced recipients in each year. The estimated number of reduced recipients was based on the proportion of new permanent residents who would be eligible for each transfer payment and the number of years over which they would have received each payment.

This impact includes:

- JobSeeker Payment
- Family Tax Benefit
- Carer Payment
- Carer Allowance
- Disability Support Pension
- Age Pension
- Parenting Payment
- Youth Allowance
- Austudy.

Other government payments

The following programs were covered in other government payments:

- Humanitarian Settlement Program
- Assisted Passage Service
- Australian Cultural Orientation Program
- Adult Migrant English Program
- Settlement Engagement and Transition Support Program
- Translating and interpreting service
- Pharmaceutical Benefits Scheme
- Medicare Benefits Schedule
- Child Dental Benefits Scheme
- Hearing Services
- National Disability Insurance Scheme
- Workforce Australia employment services
- Transition to Work Program
- Schools.

The financial impact of providing less government funding for each program was calculated based on the average level of expenditure for each recipient, the change in the number of eligible recipients as a result of the proposal, and the number of years over which they would receive each payment.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

The Department of Finance provided the following agencies' models for the 2023-24 Mid-Year Economic and Fiscal Outlook measure *Australia's Humanitarian Program*:

- Department of Home Affairs
- Department of Social Services
- Department of Health and Aged Care
- National Disability Insurance Agency
- Department of Employment and Workplace Relations
- Department of Education
- Services Australia
- Department of the Treasury.

The Department of Social Services provided the forward estimates for welfare payment rates as at the 2025-26 Budget.

The Department of the Treasury and Department of Finance provided economic parameters as at the 2025-26 Budget.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Restore humanitarian program intake to long term average – Financial implications

Table A1: Restore humanitarian program intake to long term average – Fiscal balance (\$m)^(a)

| | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | Total to 2028-29 | Total to 2035-36 |
|------------------------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|---------------------|---------------------|
| Revenue | | | | | | | | | | | | | |
| <i>Administered revenue</i> | -12.0 | -31.0 | -53.0 | -77.0 | -104.0 | -133.0 | -166.0 | -201.0 | -194.0 | -212.0 | -228.0 | -173.0 | -1,411.0 |
| Total – revenue | -12.0 | -31.0 | -53.0 | -77.0 | -104.0 | -133.0 | -166.0 | -201.0 | -194.0 | -212.0 | -228.0 | -173.0 | -1,411.0 |
| Expenses | | | | | | | | | | | | | |
| <i>Administered expenses</i> | 100.0 | 330.0 | 480.0 | 600.0 | 720.0 | 830.0 | 950.0 | 1,050.0 | 1,140.0 | 1,220.0 | 1,300.0 | 1,510.0 | 8,720.0 |
| <i>Departmental expenses</i> | 8.6 | 12.9 | 15.5 | 17.2 | 19.1 | 21.1 | 23.1 | 25.2 | 27.4 | 29.7 | 32.1 | 54.2 | 231.9 |
| Total – expenses | 108.6 | 342.9 | 495.5 | 617.2 | 739.1 | 851.1 | 973.1 | 1,075.2 | 1,167.4 | 1,249.7 | 1,332.1 | 1,564.2 | 8,951.9 |
| Total (excluding PDI) | 96.6 | 311.9 | 442.5 | 540.2 | 635.1 | 718.1 | 807.1 | 874.2 | 973.4 | 1,037.7 | 1,104.1 | 1,391.2 | 7,540.9 |

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

Table A2: Restore humanitarian program intake to long term average – Underlying cash balance (\$m)^(a)

| | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | Total to 2028-29 | Total to 2035-36 |
|------------------------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|---------------------|---------------------|
| Receipts | | | | | | | | | | | | | |
| <i>Administered revenue</i> | -12.0 | -30.0 | -52.0 | -76.0 | -103.0 | -132.0 | -165.0 | -200.0 | -194.0 | -211.0 | -228.0 | -170.0 | -1,403.0 |
| Total – receipts | -12.0 | -30.0 | -52.0 | -76.0 | -103.0 | -132.0 | -165.0 | -200.0 | -194.0 | -211.0 | -228.0 | -170.0 | -1,403.0 |
| Payments | | | | | | | | | | | | | |
| <i>Administered expenses</i> | 100.0 | 330.0 | 470.0 | 600.0 | 720.0 | 830.0 | 940.0 | 1,040.0 | 1,130.0 | 1,210.0 | 1,290.0 | 1,500.0 | 8,660.0 |
| <i>Departmental expenses</i> | 8.6 | 12.9 | 15.5 | 17.2 | 19.1 | 21.1 | 23.1 | 25.2 | 27.4 | 29.7 | 32.1 | 54.2 | 231.9 |
| Total – payments | 108.6 | 342.9 | 485.5 | 617.2 | 739.1 | 851.1 | 963.1 | 1,065.2 | 1,157.4 | 1,239.7 | 1,322.1 | 1,554.2 | 8,891.9 |
| Total (excluding PDI) | 96.6 | 312.9 | 433.5 | 541.2 | 636.1 | 719.1 | 798.1 | 865.2 | 963.4 | 1,028.7 | 1,094.1 | 1,384.2 | 7,488.9 |

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A3: Restore humanitarian program intake to long term average – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

| | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | Total to 2028-29 | Total to 2035-36 |
|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------------------|---------------------|
| <i>Fiscal balance</i> | 2.0 | 11.0 | 28.0 | 51.0 | 79.0 | 113.0 | 152.0 | 196.0 | 246.0 | 303.0 | 365.0 | 92.0 | 1,546.0 |
| <i>Underlying cash balance</i> | 2.0 | 9.0 | 24.0 | 45.0 | 72.0 | 104.0 | 142.0 | 185.0 | 234.0 | 289.0 | 350.0 | 80.0 | 1,456.0 |

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

² [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/)