Parliamentary Budget Office

ECR-2025-3806

Immigration - Family Reunions - Reduce and simplify visa costs	
Party:	Australian Greens
Summary of proposal: The proposal would clear the current backlog of family and partner visa applications within 3 years. It would • cap family reunion visa wait times at 12 months • reduce and simplify visa costs • remove the balance of family test and broaden the definition of family • repeal section 501 of the *Migration Act 1958.* The proposal would be ongoing and start on 1 July 2026.	
Additional information (based on further advice provided): The proposal would phase out contributory parent visas while clearing the backlog of family and partner visa applications (i.e. no more contributory parent visas after 1 July 2029). The visa application charges for family reunion visas would be reduced to $5,000 for 2 parents, $2,500 for a single parent or partner, and $1,000 for a child, except where costs are currently less (e.g. New Zealand Citizen Family Relationship visa).	

Costing overview

The quantifiable aspects of the proposal would be expected to increase the fiscal and underlying cash balances by around $1.2 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in visa application charge and tax revenue, partially offset by an increase in administered and departmental expenses.

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.

The financial implications of removing the balance of family test are unquantifiable and have not been included in the totals presented in Table 1 and Attachment A. This is because the Department of Home Affairs does not collect aggregate data on the number of family visas denied for not passing the balance of family test.

The financial implications of the proposal are uncertain and sensitive to assumptions around the behavioural response to these policies, and the use of government services among groups who have not previously been eligible. Furthermore, the costing did not consider the possibility and the financial implications of a potential increase in demand for family visas as a result of the discouragement of a long wait time ceasing and the costs for applying for the visa being reduced.

Table 1: Immigration - Family Reunions - Reduce and simplify visa costs – Financial implications ($m)(a)(b)

	2025-26	2026-27	2027-28	2028-29	**Total to 2028-29**
Fiscal balance	-	819.2	408.4	-42.5	**1,185.1**
Underlying cash balance	-	819.2	408.4	-42.5	**1,185.1**

(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.
- Indicates nil.

Key assumptions

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

- There would be no behavioural response in the number of lodgements for family visas under the proposal.
- In the absence of the proposal, the number of applications that would take more than 12 months to process would remain constant each year.
- Under both the baseline and the proposal, visa application charges would grow align with the Consumer Prices Index (CPI).
- Under the proposal:
  - visa grant rates would be constant and consistent with the historical data
  - the proportion of primary and additional applicants who over and under 18 years old would be constant under each family visa category over the medium term
  - the ratio of the contributory parent visa lodgements to the non-contributory parent visa lodgements and the ratio of total parent visa lodgements to total family visa lodgements would be constant and consistent with the historical data
  - applicants who have applied for a contributory parent visa and have not been processed before 1 July 2029 would be transferred to a non-contributory parent visa, and any excessive visa application charges would be refunded.
- There would be no cost to repeal section 501 of the *Migration Act 1958*, as departments are resourced to draft legislation in the course of their usual activities.

Methodology

The increases to income and consumption tax revenue and administered expenses were calculated by multiplying the number of arrivals by the aggregated annualised tax and expenditure impacts from the Intergenerational Report 2023 on the lifetime fiscal impact of family visas on the Australian government budget for each permanent migrant, and grown with CPI over the medium term.

The changes in visa application charge revenue were calculated by multiplying the cost of the price difference between the current cost and the proposed cost by the estimated number of additional family visas to be processed each year under the proposal.

The estimated number of additional family visas, including the current backlog and the number of visas that are currently not processed within 12 months for each year, was calculated based on information provided by the Department of Home Affairs and the Treasury.

The departmental expenses to process additional family visas were calculated proportionally to the number of visas to be processed.

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

Data sources

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

Centre for Population (2023) *2023 Population Statement*, the Australian Government, accessed 22 May 2025.

Department of Home Affairs (2024) *2022-23 Migration Program Report*, accessed 22 May 2025.

Department of Home Affairs (2024) *2023-24 Migration Program Report*, accessed 22 May 2025.

Department of Home Affairs (2024) *Visa fees and charges*, accessed 22 May 2025.

The Australian Government (2023) *2023 Intergenerational Report | Treasury.gov.au*, accessed 22 May 2025.

The Department of Home Affairs provided historical family visa lodgement data.

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

Attachment A – Immigration - Family Reunions - Reduce and simplify visa costs – Financial implications

Table A1: Immigration - Family Reunions - Reduce and simplify visa costs – 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
Revenue													
Administered revenue	-	*1,770.0*	*2,270.0*	*2,790.0*	*1,070.0*	*1,200.0*	*1,340.0*	*1,480.0*	*1,630.0*	*1,780.0*	*1,950.0*	***6,830.0***	***17,280.0***
Total – revenue	**-**	**1,770.0**	**2,270.0**	**2,790.0**	**1,070.0**	**1,200.0**	**1,340.0**	**1,480.0**	**1,630.0**	**1,780.0**	**1,950.0**	**6,830.0**	**17,280.0**
Expenses													
Administered expenses	-	*-880.0*	*-1,790.0*	*-2,760.0*	*-2,970.0*	*-3,200.0*	*-3,440.0*	*-3,690.0*	*-3,950.0*	*-4,220.0*	*-4,500.0*	***-5,430.0***	***-31,400.0***
Departmental expenses	-	*-70.8*	*-71.6*	*-72.5*	*-5.6*	*-5.7*	*-5.8*	*-5.8*	*-5.9*	*-6.0*	*-6.1*	***-214.9***	***-255.8***
Total – expenses	**-**	**-950.8**	**-1,861.6**	**-2,832.5**	**-2,975.6**	**-3,205.7**	**-3,445.8**	**-3,695.8**	**-3,955.9**	**-4,226.0**	**-4,506.1**	**-5,644.9**	**-31,655.8**
Total (excluding PDI)	**-**	**819.2**	**408.4**	**-42.5**	**-1,905.6**	**-2,005.7**	**-2,105.8**	**-2,215.8**	**-2,325.9**	**-2,446.0**	**-2,556.1**	**1,185.1**	**-14,375.8**

(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. 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.

(b) This costing includes an unquantifiable aspect.

\- Indicates nil.

Table A2: Immigration - Family Reunions - Reduce and simplify visa costs – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)(c)]

	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**
Fiscal balance	-	*18.0*	*46.0*	*57.0*	*16.0*	*-71.0*	*-166.0*	*-271.0*	*-386.0*	*-512.0*	*-650.0*	***121.0***	***-1,919.0***
Underlying cash balance	-	*14.0*	*39.0*	*54.0*	*26.0*	*-49.0*	*-143.0*	*-245.0*	*-358.0*	*-481.0*	*-615.0*	***107.0***	***-1,758.0***

(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 glossary[2].

(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.

(c) This costing includes an unquantifiable aspect.

\- Indicates nil.

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