



26 July 2021

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary,

RE: Social Services Legislation Amendment (Consistent Waiting Periods for New Migrants) Bill 2021

The St Vincent de Paul Society National Council of Australia Inc (the Society) welcomes the opportunity to make this submission to the Senate Committee.

The Society is a lay Catholic charitable organisation that comprises just over 50,000 volunteers and members and 6,000 employees who provide on-the-ground assistance in the form of emergency relief, housing and other support and community services across Australia.

Each year we assist many people on income support and many who are not – mainly because they are not eligible for payments or have opted-out of the welfare system. The latter cohort of people is particularly vulnerable because they are solely dependent on their often-limited support networks and, with few alternatives, usually rely on charitable organisations for assistance.

We consider the 2021 Budget's largest savings measure to be unjust, that it increases inequality and that it unfairly impacts recent migrants, especially those living with disability and their carers, women and children.

Background

The Australian Government estimates that it will generate \$671 million over five years by extending to four years the wait period for recent migrants before they are eligible for certain income support payments. The measure will impact an estimated 45,000 families and 13,200 individuals.¹

Wait periods for the following payments will change:

- Family Tax Benefit A (previous wait one year, paid per child)
- Family Tax Benefit B (no previous wait, paid to single income families)
- Carer Allowance (previous wait one year)*
- Carer Payment (previous wait two years)*
- Parental Leave Pay/Dad and Partner Pay (previous wait two years).

*Note: Carer visa holders had no waiting period for the Carer Payment and Carer Allowance.

The Department of Social Services states that the measure will further encourage "self-sufficiency" for newly arrived residents and improve the sustainability of the welfare system.

Waiting period penalises people living with disability, women and children

The proposed changes will significantly increase the waiting period and adversely impact people living with disability and their carers, women and children.

People living with disability should have choice about their care arrangements and should be cared for at home, if that is their preference.

People with disability already face significant distress and hardship when engaging with the immigration system,² even before these changes were proposed.

It is unclear how this policy will build "self-sufficiency" when the reality is that those who need care will continue to need it and those who provide it have limited ability to work.

The substantial care and support provided by carer visa holders will need to be met by other means if they are forced to wait four years before accessing the Carer Payment or Carer Allowance. The result will be a displacement of care and costs, with increases in demand on formal care settings, such as residential aged care.

These changes in particular will adversely affect women because care is overwhelmingly provided by women. Carers Australia notes that approximately 60 percent of Australia's 2.65 million unpaid carers are women. They report increased stress and financial hardship and are more likely to be unemployed compared to their male counterparts.³

Women experiencing family and domestic violence find it difficult to access income support. Family Tax Benefit payments are an important source of income for them. Increasing the wait to four years limits women's choices when trying to leave violent relationships.⁴ The approach is also contrary to the recent Budget measure of \$29.3 million over three years to support refugee women and other migrant women's safety and social economic inclusion.⁵

A four year wait before accessing Family Tax Benefits also penalises children born in Australia who have migrant parents. As noted by ACOSS and Economic Justice Australia, Family Tax Benefit payments are a critical payment for low-income families, including families in low paid-work and the four-year wait is likely to result in an increase in the number of children living in poverty.⁶

Savings going to immigration detention not the welfare system

The Australian Government states that the changes will improve the sustainability of the welfare system, with savings directed to policy priorities. Unfortunately, policy priorities do not include improving the welfare system.

Instead, the Australian Government has set aside \$465 million over two years to increase the capacity of the onshore immigration detention network, including the Christmas Island immigration detention centre. Budget papers state that this is needed to address ongoing capacity pressure caused by the pandemic, making it harder to remove 'unlawful non-citizens' from Australia.⁷

Savings have not been directed to programs that actually assist people seeking asylum, such as the Status Resolution Support Program (SRSS). The SRSS is one of the few programs available to people living in the community on a bridging visa, under a residence determination or while transitioning from immigration detention. The type of support available includes financial, accommodation, access to health care, education for school aged children and case work support. Funding for the SRSS has been reduced from \$139.8 million in 2017-18 to \$33.3 in 2021-22, representing a 76 percent decrease.

Demand for assistance has not changed over this period. The Society works closely with other community-based organisations to continue to provide support to these people.

Significant contributions made by recent migrants

It would be naïve to assume because this change only impacts those who receive permanent residency after 1 January 2022, that there will be little public outcry.

Positive settlement outcomes for migrants not only benefit them, but also our society and economy. At a time when borders are closed and population growth is restrained, net overseas migration is unlikely to return to pre-pandemic levels until the middle of the decade. Treasury expects a population one million fewer than previously predicted, which will affect economic growth, through lower tax revenue. Net overseas migration is expected to be in the negative by 97,000 this year and 77,000 next.⁸

These changes penalise the very people who make a significant contribution to Australia's population and economic growth, as well as help meet critical skills shortages.⁹

In 2019, a higher proportion of recent migrants (70 percent) were employed, compared with people born in Australia (65 percent). They were also more likely to be employed full-time (76 percent vs 68 percent). Sixty-nine percent of recent migrants held a non-school qualification before arriving in Australia in fields such as commerce, engineering and information technology. Of skilled visa holders, 86 percent had tertiary qualifications before arrival and 72 percent were using that qualification in their current job, with 47 percent currently employed as professionals. Wages or salary was the main source of household income reported for 87 percent of recent migrants.¹⁰

If the Australian Government is serious about supporting rapid economic recovery, it should not be penalising those who are 'punching above their weight' but instead should be developing policy incentives that support recent migrants, not roadblocks.

Inherently unjust and unfair

Not only does this change adversely impact people living with disability, women and children, it treats new migrants differently to other Australians who qualify for income support payments.

It also assumes that the pathway to permanent residency is linear and immediate and, by doing so, fails to recognise that it often takes in excess of four years. This, together with the wait, means that eligible families will be forced to wait eight years or more for support.¹¹ The reality is that people applying for residency onshore often have been working and paying tax in Australia for years.¹²¹³

The policy approach is also contrary to building social cohesion and to the Australian Values Statement, developed by the Department of Home Affairs. The Statement cites equality of opportunity for all people; and a 'fair go' for all which embraces mutual respect, tolerance, compassion for those in need, and equality of opportunity for all.¹⁴

In short, need does not disappear, someone has to provide it and this responsibility often falls to charities, especially when people have nowhere else to turn. While we will continue to respond in whatever way we can, we will also continue to oppose policy reforms that make it harder for people to achieve their best.

For all these reasons, we ask that the Committee reject the Social Services Legislation Amendment (Consistent Waiting Periods for New Migrants) Bill 2021.

Yours sincerely

Mr Toby oConnor
Chief Executive Officer

¹Karp, P. 11 May 202. *Migrants forced to wait four years for benefits in Australian budget's biggest cost-cutting measure*. The Guardian. With reference to Matt Flavel, Department of Social Services. Accessed at: <https://www.theguardian.com/australia-news/2021/may/11/immigration-australia-federal-budget-2021-migrant-families-four-year-wait-benefits-payments-cost-cutting-christmas-island-detention-centre>

² Jackson, W. 21 May 2021. Federal budget increasing time new migrants have to wait for welfare payments. ABC. With reference to Gregory Rona, Immigration advice and Rights Centre. Accessed at: <https://www.abc.net.au/news/2021-05-21/budget-cuts-new-migrants-welfare-disabled-domestic-violence/100140596>.

³ Carers Australia. 25 May 2021. *Women carers to be better supported in the workplace under a new program*. Media release. Accessed at: <https://www.carersaustralia.com.au/women-carers-to-be-better-supported-in-the-workplace-under-a-new-program/>

⁴ Jackson. op. cit. with reference to Sandra Wright, Settlement Council of Australia resident budget cut.

⁵ Treasury. 2021. Budget paper No. 2. Accessed at: https://budget.gov.au/2021-22/content/bp2/download/bp2_2021-22.pdf. p.83.

⁶ ACOSS Briefing Note. May 2021. *Why parliament must oppose the Newly Arrived Resident budget cut*. Accessed at: <https://www.acoss.org.au/wp-content/uploads/2021/05/Briefing-note-four-year-wait-for-migrants.pdf>

⁷ McCulloch, D. 12 May 2021. *Migrants wait for support in budget saving*. The Canberra Times. With reference to Budget papers. Accessed at: <https://www.canberratimes.com.au/story/7248760/migrants-wait-for-support-in-budget-saving/>

⁸ *ibid.*

⁹ FECCA. n.d. *Cuts to social security a heavy blow to migrants*. Media release. Accessed at: https://fecca.org.au/media-releases/cuts-to-social-security-a-heavy-blow-to-migrants/?mr_id=7186

¹⁰ Australian Bureau of Statistics. 12 June 2020. *Characteristics of recent migrants*. 2019. Accessed at: <https://www.abs.gov.au/statistics/people/people-and-communities/characteristics-recent-migrants/latest-release>

¹¹ FECCA. *op.cit.*

¹² Jackson. *op.cit.* with reference to migration researcher, Shanthi Robertson, University of Western Sydney. Accessed at: <https://www.abc.net.au/news/2021-05-21/budget-cuts-new-migrants-welfare-disabled-domestic-violence/100140596>

¹³ Economic Justice Australia. 2021. *Briefing: Budget 2021 Social Security Measures*. Accessed at: https://www.ejaustralia.org.au/wp/wp-content/uploads/EJA-Budget-Briefing_2021-2022-V3.pdf

¹⁴ Department of Home Affairs. *Australian Values*. Accessed at: <https://immi.homeaffairs.gov.au/help-support/meeting-our-requirements/australian-values>