



Australian Government
Department of Social Services

Ms Pothida Youhorn
Committee Secretary
Senate Standing Committee on Community Affairs
Legislation Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Ms Youhorn

SUBMISSION TO SENATE COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Please find attached a submission by the Department of Social Services to the Senate Community Affairs Legislation Committee Inquiry into the Social Services Legislation Amendment (Consistent Waiting Periods for New Migrants) Bill 2021.

Yours sincerely

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30 July 2021



Australian Government

Department of Social Services

Social Services Departmental Submission

Senate Community Affairs Legislation Committee
Inquiry

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



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Submission from the Department of Social Services

Changes in the Bill

The Social Services Legislation Amendment (Consistent Waiting Periods for New Migrants) Bill 2021 (the Bill) implements the *Applying a Consistent Four-Year Waiting Period Across Payments* measure announced as part of the 2021-22 Budget.

Under the Bill:

- the existing Newly Arrived Resident's Waiting Period (NARWP) for Carer Payment, Parental Leave Pay and Dad and Partner Pay will increase from two years to four years
- the existing NARWP for Carer Allowance and Family Tax Benefit Part A will increase from one year to four years
- a new four year NARWP will be introduced for Family Tax Benefit Part B
- the existing four year NARWP for certain concession cards will be applied to temporary partner visa holders and New Zealand citizens on a Special Category Visa so they serve the same NARWP for these cards as permanent visa holders¹
- the two year qualifying residence period for Parenting Payment will be removed as it is no longer necessary since the introduction of the four year NARWP for this payment.

The changes will align the NARWP for carer and family payments with the four year NARWP that already applies to most other payments, such as JobSeeker Payment, Parenting Payment and Youth Allowance, and concession cards.

There will continue to be no NARWP for Child Care Subsidy, Double Orphan Pension and Stillborn Baby Payment.

There will continue to be a range of exemptions from the NARWP. Further information on the full range of exemptions is provided under the *Exemptions* section below.

New permanent migrants will continue to have access to other services and supports, where eligible, including Medicare, schools, tertiary education, employment services, settlement services and the National Disability Insurance Scheme.

Who will be affected

The changes in the Bill will apply to people who are granted a relevant permanent or temporary visa on or after commencement of the Bill, which is intended to be 1 January 2022.

¹ These temporary visa holders do not have to restart the NARWP if granted a permanent visa – time on both these temporary visas and the permanent visa counts towards the NARWP for these cards.

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The relevant permanent and temporary visas are:

- For Carer Payment and Carer Allowance – all permanent skilled, family and special eligibility visas under the Migration Program (except Orphan Relative and Remaining Relative visas subclasses 115, 117, 835 and 837)
- For Family Tax Benefit, Parental Leave Pay and Dad and Partner Pay – all permanent skilled, family and special eligibility visas under the Migration Program (except Orphan Relative and Remaining Relative visas subclasses 115, 117, 835 and 837) and temporary partner visas (subclasses 309 and 820)
- For the Commonwealth Seniors Health Card and Low Income Health Care Card – Special Category Visas (subclass 444) and temporary partner visas (subclasses 309 and 820).

Migrants already granted a relevant permanent or temporary visa before 1 January 2022 will not be affected by the changes. They will remain subject to the rules in place when their visa was granted.

The following table sets out the NARWP rules which will apply based on visa grant date.

	Visas granted before 1 January 2019 (old rules)	Visas granted between 1 January 2019 and 31 December 2021 (current rules)	Visas granted on or after 1 January 2022 (proposed rules)
JobSeeker Payment	2 years	4 years	4 years
Youth Allowance (other)	2 years	4 years	4 years
Youth Allowance (student)	2 years	4 years	4 years
Austudy	2 years	4 years	4 years
Parenting Payment	2 years	4 years	4 years
Farm Household Allowance	2 years	4 years	4 years
Special Benefit	2 years	4 years	4 years
Commonwealth Seniors Health Card	2 years	4 years ²	4 years
Low Income Health Care Card	2 years	4 years ²	4 years
Carer Payment	2 years	2 years	4 years
Carer Allowance	Nil	1 year	4 years
Parental Leave Pay	Nil	2 years	4 years
Dad and Partner Pay	Nil	2 years	4 years
Family Tax Benefit Part A	Nil	1 year	4 years
Family Tax Benefit Part B	Nil	Nil	4 years
Child Care Subsidy	Nil	Nil	Nil
Double Orphan Pension	Nil	Nil	Nil
Stillborn Baby Payment	Nil	Nil	Nil

² For Special Category Visas (subclass 444) and temporary partner visas (subclasses 309 and 820) the NARWP for these cards is two years under current rules.

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In 2024-25, it is estimated around:

- 45,000 families will be affected for Family Tax Benefit.
- 13,200 individuals will be affected for other payments³.

This is the estimated number of individuals or families who would have received the payment in that year under the current rules but will still be serving a waiting period for the payments under the new rules.

For further information broken down by payment and visa type, refer to the table at **Attachment A**.

Exemptions

The existing range of exemptions from the NARWP will remain in place. These exemptions may apply to some or all payments.

Exemptions based on citizenship or visa status

People who hold Australian citizenship are exempt from the NARWP for all payments and concession cards. This means migrants who are granted citizenship during their waiting period will not have to serve the remainder of the waiting period and will be able to claim and receive payments from that point onwards, subject to meeting all other eligibility requirements.

Permanent humanitarian entrants (holders of permanent protection, refugee or global humanitarian visas) and their family members are exempt from the NARWP for all payments and concession cards.

Temporary humanitarian-type visa holders (subclasses 449, 785, 786, 790, 060 and 070) are exempt from the NARWP for Special Benefit, the Low Income Health Care Card, Family Tax Benefit, Parental Leave Payment and Dad and Partner Pay⁴. If the holder of one of these visas moves to a permanent visa, they remain exempt from the NARWP for these payments, although a NARWP may apply for other payments, depending on their permanent visa type. This means they can still access these payments while they are serving any NARWP for other payment types.

Permanent Carer Visa holders (subclass 116 and 836) are exempt from the NARWP for Carer Payment and Carer Allowance.

³ This figure reflects Carer Allowance, Parental Leave Pay, and Dad and Partner Pay. Carer Payment has not been included in this figure due to the significant overlap with Carer Allowance.

⁴ Holders of temporary humanitarian-type visas are ineligible for other payments and concession cards.

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New Zealand citizens on a Special Category Visa (subclass 444) are exempt from the NARWP for Family Tax Benefit, Parental Leave Pay, and Dad and Partner Pay⁵. Special Category Visa holders who move to a permanent visa remain exempt from the NARWP for these payments and continue to have access to these payments while they are serving the NARWP for other payments available to permanent visa holders.

Change of circumstances exemptions

A number of exemptions are available for people who have had a change of circumstances since the start of their NARWP and are no longer in a position to support themselves as they had originally planned.

People who become a lone parent after becoming an Australian resident (for example, they come to Australia as a member of a couple and subsequently separate) are exempt from the NARWP for Parenting Payment, JobSeeker Payment, Youth Allowance and Farm Household Allowance.

People can be exempt from the NARWP for Special Benefit if they have experienced a substantial change of circumstance beyond their control since the start of their NARWP, such as illness, injury, job loss, death of a partner or sponsor, or family and domestic violence. Further information on circumstances that would be considered substantial for the purposes of an exemption from the NARWP for Special Benefit is available in the Social Security Guide at: <https://guides.dss.gov.au/guide-social-security-law/3/7/2/20>.

Other exemptions

People who are receiving an income support payment (for example, because they are exempt from the NARWP for that payment under one of the above exemptions) are exempt from the NARWP for Family Tax Benefit, Parental Leave Pay, Dad and Partner Pay and Carer Allowance.

People with a Family Tax Benefit eligible child are exempt from the NARWP for the Low Income Health Care Card. This exemption ensures low-income families can access health concessions while serving the NARWP for payments.

Families where at least one parent is an Australian citizen or permanent resident who has already served the NARWP can access Family Tax Benefit, even if the other parent is serving a NARWP for that payment.

⁵ Special Category Visa holders are generally ineligible for other payments, unless they have protected status.

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ATTACHMENT A

Estimated numbers affected by payment and visa type

	2021-22	2022-23	2023-24	2024-25
Carer Payment	0	0	-632	-1,859
Skilled stream	0	0	-296	-1,118
Family stream	0	0	-336	-741
Carer Allowance	0	-1,017	-3,643	-7,295
Skilled stream	0	-465	-2,063	-4,470
Family stream	0	-551	-1,580	-2,825
Parental Leave Pay	0	0	-1,388	-3,902
Skilled stream	0	0	-523	-1,962
Family stream	0	0	-865	-1,941
Dad and Partner Pay	0	0	-641	-1,951
Skilled stream	0	0	-339	-1,274
Family stream	0	0	-302	-677
Family Tax Benefit Part A (families)	0	-6,307	-21,580	-39,754
Skilled stream	0	-5,496	-19,892	-37,050
Family stream	0	-811	-1,688	-2,705
Family Tax Benefit Part B (families)	-4,950	-16,892	-31,106	-45,020
Skilled stream	-4,198	-15,324	-28,587	-41,614
Family stream	-752	-1,569	-2,518	-3,408

NOTE: The above figures are based on the 2021-22 Migration Program planning levels and reflect future permanent visa grants. Existing migrants in Australia who have already been granted a permanent visa are not affected by the changes.

The above figures show the number of future permanent visa grants estimated to be affected in each year for each payment and visa type. This is the number of future permanent visa grants who would have received the payment in that year under the current rules but will still be serving a waiting period under the new rules. A person can be affected for any period within a particular year and across multiple years.

These figures cannot be totalled as payments are not mutually exclusive and a person may be affected in relation to more than one payment type. For example, there is significant overlap between Carer Payment and Carer Allowance and between Family Tax Benefit Part A and Family Tax Benefit Part B.